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APRIL 2016 FOODSERVICE ISSUE



FOODSERVICE AT RETAIL



JEFF SHILLING  RETROSPECTIVE
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INSIDE

- WHAT TO EXPECT FROM SHIFT IN UK FOODSERVICE AND HOME DELIVERY
- BALLS FOOD STORES • MORE MATTERS • GUACAMOLE • PALLETS
- CANADIAN RETAIL • SOUTHERN FRUIT SUPPLIES • SPRING GRAPES
- FRESH-CUT PACKAGING • 'SPORTS NUTS' • AUSTRALIAN/NEW ZEALAND FRUIT
- TOMATOES • SWEET ONIONS • MELONS • ASPARAGUS • MUSHROOMS
- REGIONAL PROFILES: TORONTO AND DALLAS
- EXCLUSIVE: BELGIUM PRODUCE PROSPECTS



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VEGETABLES**

DAY



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Look for new fruit and vegetable recipes, tour map and information on our Healthy Living Challenge starting in May on Dole.com/GetUpandGrow

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CORRECTIONS

In the March 2016 issue of *PRODUCE BUSINESS*, in the Hydroponics article on page 51, the shipping process for BrightFarms' inventory to Giant was incorrectly reported. BrightFarms is only shipping to Ahold's stores (Giant Food, Martin's and Peapod) from its Northern Virginia-based BrightFarms Capitol Greenhouse. No produce from the greenhouse in Yardley, PA, will be shipped to Ahold.

In the March 2016 issue of *PRODUCE BUSINESS*, on page 41, Jami Kinney was incorrectly identified. Her title with the National Mango Board is marketing specialist.

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produce quiz

THIS MONTH'S WINNER



CHAD PUSCHEL
Special Projects Manager
Sunny Valley International, Inc.
Glassboro, NJ

As special projects manager with Sunny Valley International, Chad Puschel enjoys the “pleasure of working daily to promote and market the peaches and blueberries grown by the Jersey Fruit Cooperative to a nationwide audience through our newest company, Farmhouse Fruit.”

Farmhouse Fruit was started to promote a successful fundraising program that allowed local New Jersey nonprofits a chance to raise a substantial amount of money while supporting the family farms. “It truly is a

win-win for everyone involved,” says Puschel. Entering the produce world in 2013, Puschel wasted no time making an impression as a newcomer. In 2014, he wrote a grant for sustainable training. “My motivation for writing the grant ... came within my first year working in the industry, the more I learned about the impact unsustainable agriculture has on the environment, the more I wanted to help,” says Puschel. “Education is the first logical step when it comes to altering our own practices to be more sustainable.”

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.

WIN A GRILL AND CAMP STOVE COMBO

Gear up for taking advantage of the refreshing spring and summer weather with this grill set. The combo is complete with a stove burner and a non-stick aluminum grill and griddle. This compact device features a stainless steel drip tray, a lid that attaches to the foldable sides to create a windscreen — protecting your flame — matchless ignition, and heat-control dials. The carry bag and an adapter for a 1-pound propane cylinder are also included. The total unit weighs about 16 pounds.



QUESTIONS FOR THE APRIL ISSUE

- 1) What kind of cherry variety is advertised on the ad for The Flavor Tree Fruit Company? _____
- 2) What is the email address for Mann Packing's Culinary Cuts? _____
- 3) How many bagged products are shown on the Veg-Pak Harvest Fresh ad? _____
- 4) What is John Shuman holding in his picture shown in the ad for Real Sweet Vidalia Onions? _____
- 5) What is the 800 telephone number for LGS Specialty Sales? _____
- 6) What brand of tabasco sauce is used in Avocados from Mexico's Picadillo Stuffed Avocado recipe? _____

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

Name _____ Position _____
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Photocopies of this form are acceptable. Please send answers to:
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P.O. Box 810425 • Boca Raton • FL 33481-0425
 Phone: 561-994-1118 • Fax: 561-994-1610
 producebusiness@phoenixmedianet.com

PRESIDENT & EDITOR-IN-CHIEF
 James E. Prevor
 JPrevor@phoenixmedianet.com

PUBLISHER/EDITORIAL DIRECTOR
 Ken Whitacre
 KWhitacre@phoenixmedianet.com

VP EDITORIAL
 Ellen Koteff
 EKoteff@phoenixmedianet.com

SPECIAL PROJECTS EDITOR
 Mira Slott
 MSlott@phoenixmedianet.com

INTEGRATED CONTENT EDITOR
 Michele Sotallaro
 MSotallaro@phoenixmedianet.com

PRODUCTION DIRECTOR
 Diana Levine
 DLevine@phoenixmedianet.com

PRODUCTION LEADER
 Jackie Tucker

PRODUCTION DEPARTMENT
 Sunshine Gorman
 Freddy Pulido
 Christopher Sizemore

EVENT COORDINATOR
 Jackie LoMonte
 JLoMonte@phoenixmedianet.com

CONTRIBUTING WRITERS
 Chris Auman, Carol Bareuther, Linda Brockman,
 Mindy Hermann, Bob Johnson, John Lehndorff,
 Janel Leitner, Sophia McDonald, Jodean Robbins,
 Lisa White

ADVERTISING
 Eric Nieman, Associate Publisher
 Niemaneric@aol.com

Linda Bloomfield
 Linda.Bloomfield@LondonProduceShow.co.uk

Steve Jacobs
 SJacobs@phoenixmedianet.com

Sandy Lee
 Sandypnews@aol.com

Kelsee Loche
 KLoche@phoenixmedianet.com

Ellen Rosenthal
 ERosenthal@phoenixmedianet.com

FLORAL DEPARTMENT MARKETING
 E. Shaunn Alderman
 SAlderman@phoenixmedianet.com

Send insertion orders, payments, press releases,
 photos, letters to the editor, etc., to
 Produce Business, P.O. Box 810425
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Realistic Change For Immigration Policies To Work



BY JULIE MANES, DIRECTOR OF GOVERNMENT RELATIONS,
UNITED FRESH PRODUCE ASSOCIATION

Few issues are as much of an enduring challenge to fresh produce providers as securing an experienced, dedicated labor force. Anyone in the fresh produce industry will tell you that finding workers who are efficient, skilled and willing to endure tough working conditions is a never-ending battle. And let's be honest, despite efforts too numerous to count, fruit and vegetable growers found time and again that Americans simply will not do the jobs needed to bring crops from the fields to consumers. And yet, Americans want and need the nutritional benefits and variety that a diet rich in fruits and vegetables brings. So growers have no choice but to turn to foreign-born workers to fill the jobs of harvesting fresh produce.

You'd have to be living under a rock to not know that government policies pertaining to allowing foreigners to come into the United States for a variety of reasons are some of the most controversial and misunderstood out there.

Yet, at the same time, there is broad consensus that our nation's immigration policies are broken, including the policies and program that bring foreign-born workers to the United States to work in agriculture. The current program, known as H-2A, has been useful for many produce growers, but too many times it has been inefficient and ineffective, frequently providing workers too late to harvest highly time-sensitive crops, or imposes mandates on growers that make it nearly impossible for them to use the program. On top of these factors, the H-2A program has too often been subject to processing delays because of capacity and infrastructure.

For much of the recent past, the consensus among produce growers has been that the immigration system as a whole needed broad, comprehensive reform. Sadly, the current political climate makes having a reasonable, rational discussion of how to improve our immigration system to meet America's needs virtually impossible; and let's face it, that dynamic does not look likely to change any time soon.

As that realization sinks in, more people in the fresh produce industry are turning to the H-2A program to try and meet their labor needs. Use of the H-2A program has more than doubled in the past five years; California, the nation's leading fruit and vegetable producing state, is on track to double its H-2A participation in the next two years.

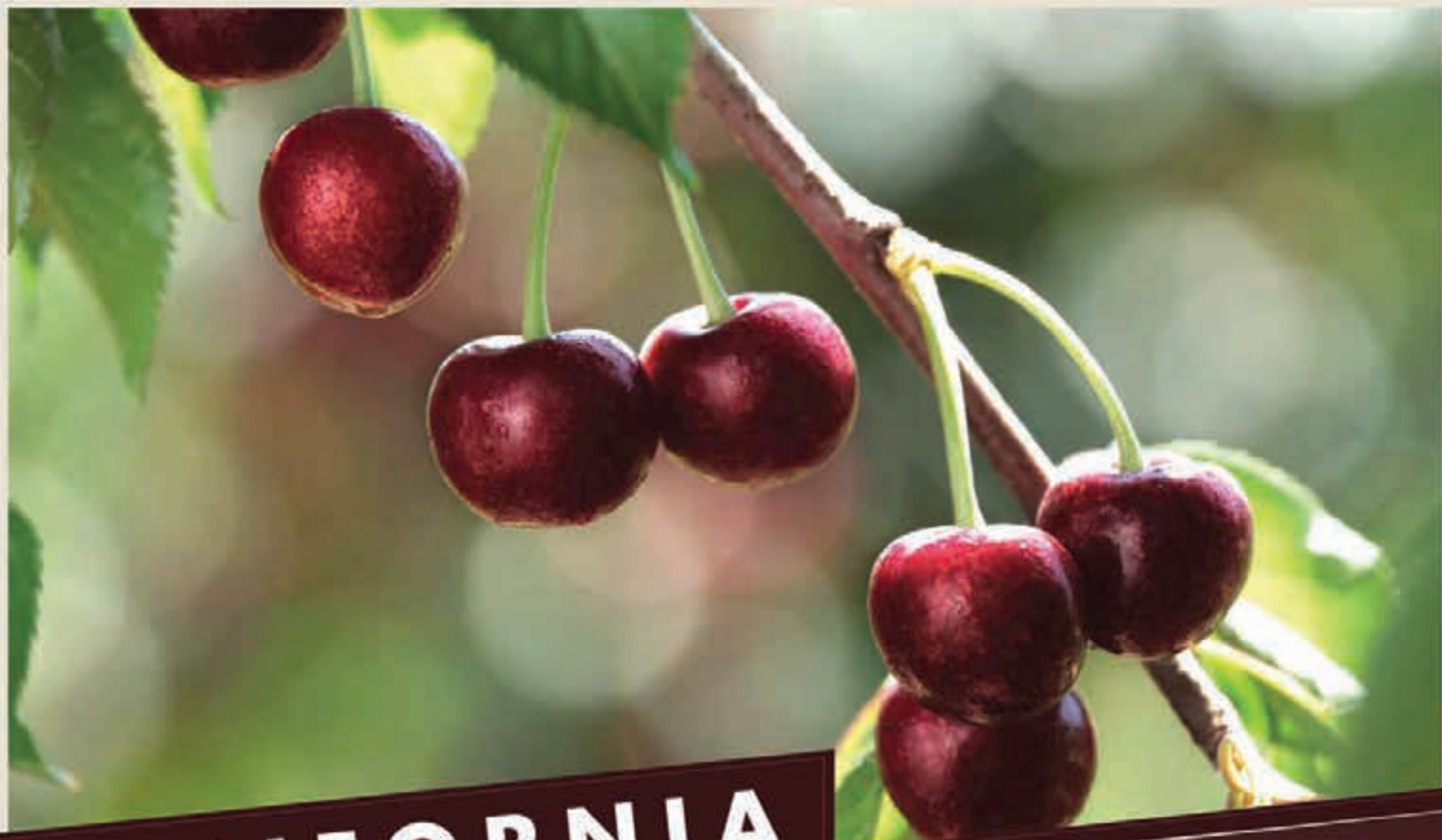
But haven't we in the produce industry been saying that the current program doesn't work like it should? Yes, we have. The result of the collision of real-life policy needs and political realities is a determination that while we don't give up on our over-arching goal of comprehensive reform, we must pursue politically feasible changes that can make the current system work more effectively than it does.

United Fresh is partnering with industry allies to press for changes that will make the program work more efficiently, helping produce providers get and retain skilled workers and cut through redundant bureaucratic requirements. More specifically, the changes that are being sought include: easing requirements on produce providers for housing for foreign-born workers who are already living in the United States and

for those workers who commute daily from their homes in Mexico; directing funding toward further training for agriculture workers; improving the data collection process the Department of Labor uses for determining wages for agriculture guest-workers and permitting the use of a single application with staggered dates-of-need for employers who need workers to arrive at different points of a harvest season.

Because Congress is highly unlikely to move any stand-alone immigration-related legislation this year, it is crucial to look at other legislative vehicles that are likely to see action. Being an election year, with its effect on the congressional calendar and the heightened political sensitivities it brings, further narrows the opportunities for legislative activity.

At the moment, the best prospect for action is the annual appropriations process which determines how much each function of the government has to spend to carry out its mission. While the appropriations process focuses on dollars-and-cents decisions, it also reflects the policy priorities of each part of the federal government. With the appropriations process set to largely wrap up by mid-summer, United Fresh will be working closely with our allies in the coming weeks to educate policymakers about the importance of taking what actions they can to make the current system work the best it possibly can. To reiterate, these proposals are NOT intended to take the place of comprehensive reform, but are meant to ease the burdens produce providers currently face. The effort to make our country's immigration system truly work will continue.



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TRANSITIONS

GREEN GIANT SALINAS, CA



Green Giant Fresh announces promotions in key roles. Director of information technology, **William Cheung**, was promoted to vice president information technology. During William's 12-year tenure, his accomplishments have been many, and his value immeasurable.

Jennifer Fancher was promoted from director of marketing to vice president marketing. During Fancher's nearly five-year tenure, she developed the company's first supplier-funded Category Management Program, which continues to grow and offer benefits and support to both the internal sales and marketing teams, as well as retail customers.



In addition to these recent appointments, assistant category manager **Myles Echenique** was promoted to category manager. After interning for the company in 2010 and TrueTrac in 2011, Myles joined the team as a full-time employee in 2014. Of his many tasks, Myles is responsible for myriad reports, category reviews and analysis of trends, which provide insight to customers, staff, and suppliers alike.

TRANSITIONS

MARKET FRESH PRODUCE NIXA, MO

Market Fresh Produce announces the addition of **Lori Shaklee**. She is the director of human resources and based out of the Market Fresh corporate office in Nixa, MO. Her responsibilities will include, but are not limited to, managing the hiring process, policies and procedures along with monitoring company reviews and benefit packages. Shaklee will report to Jordan Jackson, senior director of finance and human resources.



Market Fresh Produce hires **Betina Morelock** as part of the accounting staff at the corporate office. Morelock brings 10 years of accounting and bookkeeping experience. She will report to Laura Knese, director of finance. She has experience with companies such as Metropolitan National Bank, Citizens Bank, and more along with a bachelor's degree in accounting.

TRANSITIONS

JOHN VENA, INC. PHILADELPHIA

John Vena, Inc. announces the addition of three new roles during a period of company-wide growth and expansion. **William Burr**, a veteran of the retail and wholesale produce industries, joins the team as outside sales representative, executing strategic business development initiatives as the company expands its footprint in the region.



In operations, **David Milakeve** takes on the role of director of production, overseeing management of John Vena, Inc.'s packing and grading facilities.



Kelsey Rose, a recent graduate of Saint Joseph's University's Food Marketing program, also joins the sales team as a customer service representative.

TRANSITION

PRO*ACT MONTEREY, CA

PRO*ACT, the produce supply-chain management company, added the title of chief executive to **Max Yeater's** position as president. In addition to guiding the day-to-day activity of the company, Yeater is responsible for the strategic planning necessary to set the direction for PRO*ACT's continued growth and sustainable success into the future. He has been with the organization for 22 of its 25 years.



ANNOUNCEMENT

KROGER'S THE LITTLE CLINIC ADDS DIETITIANS TO CARE MODEL

Kroger's (Cincinnati) The Little Clinic retail health clinic adds registered dietitian nutritionists (RDNs), providing services such as nutrition counseling, to its scope of services. The Little Clinic selected Eileen Myers, formerly vice president of affiliations and patient-centered strategies for The Little Clinic, to lead this initiative being piloted in four communities where the company currently operates retail clinics: Nashville, TN; Columbus, OH; Cincinnati and Denver.



ANNOUNCEMENT

NATIONAL POTATO PROMOTION BOARD UPDATES ITS NAME, MISSION, STRATEGIC PLAN



Board members of the National Potato Promotion Board (Colorado Springs, CO) approved a new name for its agricultural promotion group. During the board's 44th annual meeting, they voted to change its dba (doing business as — business name) from the United States Potato Board, U.S. Potato Board, or USBP, to Potatoes USA. This update comes on the heels of the organization's newly created mission and strategic plan, which were also approved. The new strategic plan for Potatoes USA includes the collective input of more than 450 members of the United States potato industry, Potatoes USA staff and the Board's agency representatives from around the world.

ANNOUNCEMENT



PALMELITAS INTRODUCES A UNIQUE POUCH PACKAGING

Pasco Foods, Ltd. (Spicewood, TX) and its subsidiary Palmelitas, introduces the next generation of packaging for Hearts of Palm. The company's new state-of-the-art packaging keeps the Hearts of Palm fresh and natural without using a brine solution. Palmelitas is proudly presented by Pasco Foods, LTD. Pasco Foods, LTD is the parent company of Palmelitas, Pasco Onion and Costa De Oro. Pasco Foods, LTD distributes its products to supermarkets, wholesale clubs, industrial customers and direct to consumers.

ANNOUNCEMENT

STATE GARDEN ADDS BABY BUTTER LETTUCE TO OLIVIA'S ORGANICS LINE

State Garden Inc., a Chelsea, MA-based supplier of organic and conventional tender leaf greens, spinach and celery, adds a new baby lettuce variety to its 5-ounce organic line. Olivia's Organics Baby Butter lettuce is currently on shelves. Olivia's Organics Baby Butter Lettuce is non-GMO verified and is washed, packed and sold fresh daily. It's available by a 6-, 8-, or 12-pack case.



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MANN PACKING ADDS TO CULINARY CUTS LINE

Mann Packing, Salinas, CA, announces the addition of three new and innovative products to their award-winning Mann's Culinary Cuts line of fresh-cut vegetables. Shaved Brussels Sprouts, Cauliettes and Broccoli Clovers will join Sweet Potato Ribbons and Butternut Squash Zig Zags in the line. The full line, along with recipes, photos and videos can be viewed at culinarycutsclub.com. The veggies are washed and ready-to-eat and versatile enough for multiple uses such as side dishes, stir-fry's, appetizers, desserts and casseroles. These convenient vegetables are uniquely cut and are all natural, preservative-free and gluten-free. Each package contains four to five, 1-cup servings and can be prepared in four minutes or less in the microwave, sautéed, steamed or on the stovetop.



ANNOUNCEMENT

STEMILT'S LIL SNAPPERS PROMOTION HELPS RETAILERS THANK TEACHERS

Stemilt (Wenatchee, WA) launches a new promotion around its award-winning Lil Snappers kid-sized fruit program aimed to help retailers thank teachers and serve up healthy snacks in schools during Teacher Appreciation Week in May. Stemilt will donate cases of kid-sized fruit to each retail chain that runs a Lil Snappers apple promotion between May 1 to 7. Stemilt plans to assist retailers in getting the word out about the school donations to their local community. The company can provide social media posts for retailers to use on their social channels, and also distribute a press release in the market area of participating retailers. The promotion is designed to help retailers put the spotlight on educators in their community in honor of National Teacher Day on May 3.



ANNOUNCEMENT

ROBINSON FRESH PROMOTES ORGANIC FARMING WITH TOMORROW'S ORGANICS

The Robinson Fresh (Monterey, CA) organics brand, Tomorrow's Organics, commits to a three-year agreement with Sustainable Harvest International to help promote organic farming among family growers in Central America. Tomorrow's Organics will help fund these efforts through an annual donation supported by carton sales of their organic produce. Sustainable Harvest International connects with families to implement sustainable, organic farming techniques to eliminate the need for slash-and-burn farming and to improve families' well-being.



Produce & Floral Watch are regular features of PRODUCE BUSINESS. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a high resolution image to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

ANNOUNCEMENT

READY PAC FOODS BRINGS NEW FLAVOR COMBINATION TO COMPLETE SALAD KITS

Irwindale, CA-based Ready Pac Foods Inc. launches a Spicy Sriracha Ranch Chopped Salad Kit. Blending spicy Sriracha sauce with cool ranch flavors and a fresh mix of healthy greens and vegetables, this salad kit delivers on consumers' demand for bold, restaurant-inspired flavors with the at-home convenience of a ready-to-mix and serve salad. Ranch dressing is paired with Sriracha sauce. The kit features this blend of flavors along with crunchy mini Chow Mein strips and savory bacon crumbles. The salad blend includes chopped Romaine lettuce, green cabbage, celery, sweet carrots, red cabbage and broccoli.



ANNOUNCEMENT

PROCACCI BROTHERS RECOGNIZED FOR CONTRIBUTIONS TO INTERNSHIP PROGRAM

Procacci Brothers Sales Corporation (Philadelphia) and its affiliated growing operations, Ag-Mart Produce Inc. and Gargiulo Inc., recently received special recognition from the National Migrant & Seasonal Head Start Association (NMSHSA) for the company's continued support of the NMSHSA's Summer Internship Program. The presentation was made at the NMSHSA's biannual conference in Tysons Corner, VA. The NMSHSA internship program brings together high-achieving former Migrant & Seasonal Head Start students that are currently enrolled in college.



Pictured left to right: Cleo Rodriguez Jr., executive director of the NMSHSA board; Lou Struble, corporate director, communications and social responsibility; John Menditto, president of East Coast Migrant Head Start Project; William Castellanos, chairman of the NMSHSA board

ANNOUNCEMENT



NATURAL DELIGHTS MEDJOOL DATES LAUNCHES YEAR-LONG NATIONAL CONSUMER PROMOTIONS

Natural Delights Medjool Dates, the Yuma, AZ-based Medjool date brand, continues to drive consumer demand and support in-store performance with the launch of a new promotion called "Your Date with Fitness." The promotion gives consumers a chance to win a FitBit Charge HR fitness tracker and Natural Delights Medjool Dates. This campaign is the first in a year-long series of demand-generating activities that will deliver more than 150 million impressions to health-minded consumers through a national consumer advertising campaign that spans digital, mobile and social media channels.

ANNOUNCEMENT



NEWSTAR'S FRESH PICKME HERB SLEEVES

NewStar Fresh Foods' (Salinas, CA) new line of branded fresh herb packaging is now distributed to retailers nationwide. Launched at the Produce Marketing Association's Fresh Summit last October, the "Pick Me" brand was developed to solve common issues at retail with fresh herbs. NewStar's approach brings a bunch of benefits including enhanced food safety, consumer education, improved accuracy at the register and merchandising efficiency. Each sleeve prominently identifies the herb by name, and presents a flavor profile and usage suggestions on either side. The UPC code on each sleeve reduces SKU confusion and improves accurate ring at the register.

ANNOUNCEMENT

MELISSA'S COTTON CANDY GRAPES

Melissa's/World Variety Produce (Los Angeles) launches its Cotton Candy Grapes packaged in a convenient, 1-pound clamshell. As the name implies, this grape offers distinctive flavor tasting like cotton candy. Developed by breeding wild grape species in California for more than eight years, the Cotton Candy Grape is not a genetically engineered product. It is the result of industry pioneers hand-pollinating different grapes for many seasons. The seedless, green to light-yellow grapes burst with a cotton candy flavor that then recedes to a mild, juicy sweetness.



RELAX

We've got your back!



International trade of produce is fraught with anxiety. Your most precious perishable commodities are not only subject to the whims of weather but to changes in shipping schedules, storage temperature, ruthless inspections, currency risk, government intervention and a list of other hurdles that must be overcome to get the product to market.

At Lehman & Troost, we understand all too well what attention must be paid from the moment product is planted to when it is displayed in the supermarket. After all, we have been involved in international trade of produce for more than 50 years.

In Europe, we navigate 28 different countries, languages and laws to get imported produce from around the world to stores. In the UK, with our affiliated company, ERMS, we utilize state-of-the-art refrigeration and distribution technologies to serve the most demanding customers.

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APRIL 4, 2016**PRODUCE FOR BETTER HEALTH'S ANNUAL MEETING**

Conference Venue: Omni Scottsdale Resort & Spa at Montelucia, Scottsdale, AZ

Conference Management: Produce for Better Health Foundation, Hockessin, DE

Phone: (302) 235-2329 • Fax: (302) 235-5555

Email: salston@pbhfoundation.org

Website: pbhfoundation.org

APRIL 12 - 14, 2016**CPMA 2016**

Conference Venue: BMO Centre, Calgary, Alberta, Canada

Conference Management: Canadian Produce Marketing Association, Ottawa, Ontario

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

Email: njeffrey@cpma.ca

Website: cpma.ca

APRIL 20 - 22, 2016**WORLDS OF FLAVOR**

Conference Venue: CIA Greystone, Napa Valley, CA

Conference Management: Culinary Institute of America at Greystone, St. Helena, CA

Phone: (707) 967-1100

Email: mark.p.linder@gmail.com

Website: ciaprochef.com

APRIL 20, 2016**NORTHERN CALIFORNIA EXPO**

Conference Venue: Alameda County Fairgrounds, Pleasanton, CA

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

Phone: (714) 739-0177 • Fax: (714) 739-0226

Email: info@fpfc.org

Website: fpfc.org

MAY 2 - 6, 2016**ISGA CONVENTION**

Conference Venue: El Convento Hotel, Puerto Rico

Conference Management: International Sprout Growers Association, Warwick, RI

508-657-ISGA (4742)

isga-sprouts.org

MAY 5 - 7, 2016**SIAM CHINA**

Conference Venue: Shanghai New Int'l Expo Centre, Shanghai, China

Conference Management: IMEX Management, Inc., Charlotte, NC

Phone: (704) 365-0041 • Fax: (704) 365-8426

Email: Erich@ImexManagement.com

Website: imexmanagement.com

MAY 11 - 13, 2016**EXECUTIVE LEADERSHIP SYMPOSIUM**

Conference Venue: Dallas

Conference Management: PMA Foundation, Newark, DE

Phone: (302) 738-7100 • Fax: (302) 731-2409

Email: acalhoun@pmafoundation.com

Website: pmafoundation.com

MAY 21 - 24, 2016**AMERICAN FOOD FAIR**

Conference Venue: McCormick Place, Chicago

Conference Management: National Association of State Departments of Agriculture (NASDA), Arlington, VA

Phone: (703) 259-6120 • Fax: (703) 934-4899

Email: aff@naylor.com

Website: nasdatradeshow.org

MAY 21 - 24, 2016**NATIONAL RESTAURANT ASSOCIATION SHOW**

Conference Venue: McCormick Place, Chicago

Conference Management: National Restaurant Association, Washington, D.C.

Phone: (312) 853-2525 • Fax: (312) 853-2548

Email: nra@experient-inc.com

Website: restaurant.org/show

JUNE 5 - 7, 2016**THE INTERNATIONAL DAIRY-DELI-BAKERY ASSOCIATION (IDDBA)**

Conference Venue: George R. Brown Convention Center, Houston, TX

Conference Management: International Dairy Deli Bakery Association, Madison, WI

Phone: (608) 310-5000 • Fax: (608) 238-6330

Email: iddba@iddba.org

Website: iddba.org

JUNE 8 - 10, 2016**THE LONDON PRODUCE SHOW AND CONFERENCE**

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Conference Management: Phoenix Media Network Ltd., Berkeley Square, London

Phone: 44 (0) 203 143 3222 • Fax: 44 (0) 203 006 8568

Email: emma.grant@londonproduceshow.co.uk

Website: londonproduceshow.co.uk

JUNE 14 - 16, 2016**MENUS OF CHANGE**

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Conference Management: Culinary Institute of America, Hyde Park, NY

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Belgium In Our Thoughts

BY JIM PREVOR, PRESIDENT & EDITOR-IN-CHIEF

I often wonder what happened to Mrs. Hermanns. Her company is lost in memory, but when this author cut his eye-teeth in the produce industry, one of the shippers I took care of was a Mrs. Hermanns from Belgium. She shipped us Belgian endive on consignment.

We were the only company she worked with on consignment. As a young man, I did all I could to build demand. I remember working in my kitchen in a small New York apartment braising Belgian endive so I could reach out to chefs with usage ideas. It was a tough battle to build demand for this comparatively specialized and expensive product, and we had a competitive dilemma. Seymour Schnell of H. Schnell & Co. — who, it was whispered, was the richest man in the New York produce market — had sufficient business to bring in 20-foot containers of Belgian endive by sea, while we only could receive smaller volume via air shipments.

I have often wondered if she was still in business. Is she retired? Back in those pre-email days when even international travel and phone calls were expensive, we worked together for years without ever meeting — not even a phone call that I can recall. It was countless Telex messages going back and forth. We have long since lost touch, yet I liked to imagine her enjoying a nice retirement; perhaps her children took on the business, and in some small way, our efforts to sell her endive helped secure her future.

It was months ago we planned our report on the Belgian produce industry and the possibilities for U.S. retailers and distributors in handling Belgian produce, which you will find on pages 88 and 89. Mira Slott, special projects editor at *PRODUCE BUSINESS* and *PerishablePundit.com*, traveled with Gill McShane, managing editor at *ProduceBusinessUK.com*, to build stronger editorial relationships and gain a greater understanding of the diversity and professionalism of the Belgian trade. The articles we ran are in many ways celebrations of good people, good produce and an openness to trade with opportunities to grow an industry and feed the world in a healthy and delicious manner.

As we go to press, though, horrid terrorist attacks have hit Belgium. The Mabru wholesale market (the Hunts Point Produce Market of Brussels) was temporarily closed for security reasons, along with much of the city and country after attacks at both the Maelbeek metro station near central Brussels and Zaventem international airport. The metro explosion occurred right next door to the offices of Freshfel, the European produce trade association. The Thon hotel, where I've stayed to attend Freshfel events, was converted to an emergency triage/first aid center. The top Freshfel executives and staff were locked in their offices, thankfully all unscathed, but also unable to leave as the city was placed on lockdown.

The news reports strike this author as bordering on bizarre. *USA Today* ran a headline, "Terrorist Attacks in Brussels Send Shock Waves

Around the World." Yet, to us, the clarifying insight of these attacks is that they are not shocking at all: We don't know every detail, but it is clear there is a jihadist element, spawned from ISIS and the anarchy of the Syrian Civil War, that is intent on attacking the West and already has a deep network in Europe — especially in Belgium and France. Two Belgian brothers who are responsible for the terrorist attacks in Belgium also had clear ties to the Paris attacks this past November. A third man, believed to be the second suicide bomber at the airport, was exchanging text messages with the gunmen at the Bataclan theatre when the attacks in Paris were being executed.

We can, of course, critique the Belgian police and security authorities, as well as broader European institutions. Turkey claims it deported one of the brothers to Europe and informed authorities he was dangerous and had ties to terrorist groups. It appears a lot of work that should have been done, clearly, was not.

There are larger issues, though. It is not clear governments in Europe and North America understand this is a kind of war, and the restrictions we put on normal police activity simply won't suffice to keep the peace against this enemy. It appears, despite the Turkish report, Ibrahim El Bakraoui was not arrested or pursued, because he had no known history of terrorist attacks.

That is good for police work, but not war. Soldiers are the enemy — not because they have done anything to us — but simply because they are part of an enemy force. Many dreams, such as

the Schengen Agreement for free movement of people with passports and border checks, must be deferred.

More broadly, governments must be honest with their people that they cannot be protected solely by playing defense. Groups, like ISIS, have to be deprived of resources such as land to operate on, oil to sell and much more. This may take great sacrifice in blood and treasure, and an active effort to wage war on ISIS will surely involve boots on the ground in the Middle East.

But if we are not prepared to defend our own civilization, who will? If we are not prepared to do what we must to ensure the safety of our people, who will?

Our thought that there is opportunity in the Belgian produce industry was, initially, just a thought. Now, trying to support the beleaguered country is a moral obligation, and we encourage all to seek ways to help. We certainly will do so with our resources.

We had many wake-up calls. Now, let's hope our governments wake up. As for Mrs. Hermanns, I pray she is alive and well — braising some endives for dinner.

pb

Our thought that there is opportunity in the Belgian produce industry was, initially, just a thought. Now, trying to support the beleaguered country is a moral obligation.



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Mega Trends Drive Sales, But Striking Balance Remains Important

BY ANNE-MARIE ROERINK, PRINCIPAL AT 210 ANALYTICS

Grown in the USA, locally grown and organic are powerful trends in produce, and six in 10 shoppers would like to see their stores add more items in each of these categories. Those are not small numbers, but we also know that what shoppers say versus how they actually behave is not always the same thing. As such, the cited high levels of consumer interest in locally sourced and organic produce is certainly subject to real market conditions in which these items often come at a price premium versus their conventional counterparts. So what is the real story?

A little of both, it seems. Let's take organic produce: Where conventional fruit and vegetables grew a respectable 3.4 percent and 3 percent, organic fruit advanced 20.7 percent and organic vegetables increased dollar sales 19.1 percent, according to IRI. Importantly, growth in organic produce captured 27 percent of total produce dollar growth in 2014.

But the other side of the story is that organic produce makes up a mere 7.4 percent of total produce sales. As such, the high growth numbers are at least in part due to the size of the segments: a small base mathematically allows for much easier growth than the massive and mature category of conventional produce.

Secondly, the bulk of purchases continue to be made by a fairly narrow, hard-core following of shoppers. While 52 percent of shoppers purchased organic in the past three months, for many, this is only an occasional choice versus the routine option. Organic continues to see much higher participation among higher-income households and families with children. Particularly the presence of young children (up to age 6) is an accelerator for produce purchases in general and organic produce sales, specifically. Programs focused on engaging families with young children, or educating children on produce can help create a lifelong engagement with the category. Some examples are the Publix Baby Club and H-E-Buddy.

... Local wins out in a scenario where conventional, local and organic are all equally priced, and, if organic and local are sold at a price premium.

As to locally sourced, eight in 10 shoppers purchased fruits or vegetables labeled as local but their own opinions on what exactly constitutes "local" vary widely, ranging from hyper-local, a radius or state to national at roughly equal shares — leaving ample opportunity for the retailer to build the definition and program that best matches their philosophy. Reasons for buying local are freshness first and foremost, followed by supporting the local economy/farmers and knowing where the produce is grown.

On the other hand, top organic purchase drivers are the "free from ..." (substances they wish to avoid) and perceived better nutritional value. In a direct comparison, local wins out in a scenario where conventional, local and organic are all equally priced, and, if organic and local are sold at a price premium. As such, the growing demand for local may somewhat cloud the organic market and decelerate its rapid growth, as observed this past year.

Freshness is an important reason for purchasing either product, and local and organic appear to be increasingly linked in shoppers' minds. However, this may also mean that organic foods could piggyback on locally grown claims among non-users with their added advantage of greater recognition and the appeal of supporting local economies.

Regardless of the impact of local, organic produce gained converts in the past few years, and 95 percent of organic produce buyers believe they will either buy the same or more organic produce in the next year. But those who remain unconverted

are finding price to be a big obstacle. And although affluent shoppers are almost twice as likely as the lowest income shoppers to buy organic produce, those who don't are just as likely to cite price as the reason. Others do not believe there are added benefits or do not see enough information about the added benefits for them to make the organic purchase.

While supermarkets are the clear winner in total fresh with a 60 percent share in produce, the organic purchase is scattered across multiple channels. At 50 percent, supermarkets do take the majority share but several others including specialty stores, farmers markets and even supercenters are named the primary outlet for organic produce by double-digits.



Food Marketing Institute is a trade association that advocates on behalf of the food retail industry. FMI's U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world.



Source: The Power of Produce 2015 — Shopper research by the Food Marketing Institute, made possible by Yerecic Label and implemented by 210 Analytics.

More Than Meets The Eye

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

It is one thing to see increases in the sales of organic produce; it is another thing entirely to understand why those numbers are moving up. One big trend is for supermarkets to reduce the number of SKUs carried. One way of doing so is to carry only organic versions of low-volume items. This reduces the number of warehouse slots, vendors and, in general, simplifies the entire operation. Since the organic-preference consumers are getting organic product, they are satisfied, and the conventional shoppers mostly don't care if the item is organic. So organic sales get boosted without increasing intent for consumers to buy organic.

Merchandising practices also impact organic sales. The trend has been to integrate sets where organic produce is sold alongside its conventional equivalent. Most stores that switch from a segregated set to integrated report an increase in organic sales. This scenario might mean consumers, when confronted with both organic and conventional, opt for organic. It also could mean consumers don't pay much attention; they see beets or carrots, know they want them, and grab the first they see — accidentally picking up organic.

The spread of organic produce, often to farmers markets, CSA boxes, or similar outlets, may or may not be true. How many consumers check for the USDA Certified Organic signage at the farmers market? How many assume everything at a farmers market is organic? Even if a farm has such a certificate, what are the controls that guarantee a consumer the product purchased in a farmers market is actually grown by that farmer and covered by that certificate?

PRODUCE BUSINESS conducted quite a bit of research on local, and we found it to be a sticky wicket. In the first place, consumer responses are not uniformly in favor of geographically local produce. They like local when the local region is traditionally an appropriate place to grow an item. But if “locally grown” translates into inauthentic

Even things that seem obvious may not really be so. It is widely accepted that the premium for organic produce is a big obstacle to increasing organic sales. ... If magically, organics suddenly became cheaper than conventional, perhaps consumers would not be so quick to assume that organic is better — they might only want the expensive stuff for their babies.

growing regions, it is not so hot.

Often local has a political tinge to it. No matter how narrow the English Channel, people in Britain do not mean French when they are thinking local produce — they mean British.

It is also to be noted that local is trendy and perceived as a good thing, so supermarkets may find ways to show they are selling lots of local stuff. But if the stores happen to be in California, and the chain defines local as grown within the state, they will be selling lots of local — but they were doing that 10 years ago, too.

In any case, there is little evidence that the mass of consumers want to give up year-round availability of almost everything. It is easy to eat local; but to be truly local year-round, you have to be willing to give up tropical, only eat seasonally, and store the root cellar potatoes and turnips for winter. Despite all the publicity, the trend is toward more international trade of produce — not less.

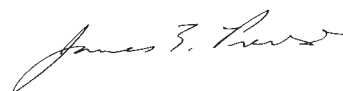
One of the big problems in life is people believe things that may not be true. So people may assume a farmers market sells

produce that is “fresher.” When in reality, supermarkets have elaborate programs to maintain the cold chain and thus product quality. Many a vendor at local farmers markets participates on Monday, then loads everything in the pickup and heads to another town for another market on Tuesday. If by fresh, one means of high quality, this broken cold chain is unlikely to deliver the desired result.

Even things that seem obvious may not really be so. It is widely accepted that the premium for organic produce is a big obstacle to increasing organic sales. Yet price is part of the elaborate signaling system that helps signal quality to consumers. If magically, organics suddenly became cheaper than conventional, perhaps consumers would not be so quick to assume that organic is better — they might only want the expensive stuff for their babies.

Every store is promoting organic, locally grown, regional, Product of the USA ... and every survey reports consumer interest in these topics. Perhaps, however, it is all the marketing attention that creates consumer interest not vice versa.

What to expect from changing times in the UK food service and home deliery environment

JIM PREVOR
EDITOR-IN-CHIEF

When we launched The London Produce Show and Conference back in 2014, we found that many producers around the world viewed the U.K. through a dated lens. They thought of four big customers as the only opportunity.

In time, however, the very presence of the event brought more attention to the U.K., and soon producers began looking at the market with new eyes. They saw the hard discounters gaining market share and the more upscale, experiential British retailers growing. They began to realise the wholesale markets represented a not insignificant opportunity. As they looked, they realised that the foodservice business had blossomed in the U.K. as London became a world culinary capital. More careful observation also made it clear that online vendors

represented a significant opportunity.

They also took note of the American interlopers (e.g. Whole Foods Market and Costco) which, though small, represented a growing market opportunity.

Now, there were two recent announcements: one represents an immediate shift of the American position in the market from a private equity owner to an operating company, while the other is a flare across the British landscape reminding the industry of the potential of another American interloper.

The announcements were that Sysco agreed to acquire Brakes and Amazon agreed to distribute certain products supplied by Morrisons.

Sysco-Brakes

Why is Sysco buying Brakes, and what does it portend for the U.K. market? The

purchase is not really a surprise.

In the U.S., Sysco's expansion is constrained because of anti-trust consideration. The company's attempted acquisition of US Foods in the States was turned down by regulators.

So Sysco is highly motivated to grow outside the U.S. With the acquisition of Pallas in Ireland a few years ago, the next logical place was the U.K. The deal probably won't close until July.

As far as "strategy," we can assume Sysco will allow Brakes to grow as it can. Now with the advantage of a much larger company providing financial and operational support, tested technology, etc. Initially, Sysco won't change much, but it will have a much longer time horizon on investment than Brakes' previous private equity owners did. In the long run, this shifting of time horizon is the big change. A competitor or a supplier that is always looking to sell will inevitably be unwilling to do things that a player in it for the long haul will be willing to do.

Sysco will begin to search internally for best practices and explore synergies to help each other. On some key items, Sysco may look to do consolidated





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purchasing, say for bananas, to get the best price. And Sysco will be focused on food safety, wanting to always be world class.

Sysco will definitely assess Brakes' private label line to see if flavour profiles, pack sizes etc., can be consolidated for greater scale to reduce manufacturing costs.

If there are foodservice operators that have a presence in both countries, Sysco will reach out and offer a contract to cover both places — say with Marriott hotels.

It is likely Sysco will task the management of Brakes with growing both organically and by acquisition. After all, the company has a great track record of buying smaller distributors. In Ireland, Sysco followed up the Pallas acquisition with Crossgar Foodservice. In the U.S., Sysco purchased a company called FreshPoint to be its dedicated produce house since the company found the full line houses were not focused on selling produce and, often, not capable of doing the job well.

Brakes has subsidiaries, such as

In general, Sysco is an enormously successful and well resourced company. Is it more than ten times the size of Brakes. So there are few things Sysco can't do — if it is committed to doing them.

Pauley's and Wild Harvest, and both are sufficiently produce-focused that they exhibited at our London Produce Show and Conference.

Whether these specialist organisations are sufficient for Sysco's reach or whether the company feels there is market space to scale up and will look to acquire a major U.K. produce specialist, it is probably premature to say.

In the U.S., Sysco also purchased various specialist distributors, both in product (seafood, produce, etc.) and in niche (Asian foods, etc.). If there is a big distributor with a dominant place in, say, Indian food in the U.K., Sysco would be interested in buying it.

In time, if Sysco has some success in

the U.K., it will look to make an acquisition on the continent, and the company might task Brakes with identifying European opportunities.

In general, Sysco is an enormously successful and well resourced company. Is it more than ten times the size of Brakes. So there are few things Sysco can't do — if it is committed to doing them.

But Sysco is a large, publicly-held company, so it is constrained in its ability to move quickly and concerned about quarterly earnings presented to Wall Street, etc.

Reasonably projecting, competitors probably have a year-and-a-half while merger issues distract the Sysco/Brakes team to sharpen their reputation and capabilities. Then one can expect a tougher competitive environment than in the past.

Amazon-Morrisons

As far as Amazon goes, the news is a boost to Morrisons and a threat to Ocado (the online supermarket). In the long term, the point is not the specifics of this deal; it is that Amazon is incrementally expanding in the food business in the U.K. — growing its geographic footprint and broadening its product range.

What gets lost is this: Tesco's total market capitalisation is about 14.5 billion GBP, while Amazon's is 186.5bn GBP!

For the moment, this support by the market means Amazon can invest substantially in building its U.K. platform. Long term, this disparity in market value indicates that the markets see the future more in clicks than in bricks.

And for vendors across Britain, and around the world, the message is clear: the times, they are a changin', and the opportunities are there to be seized by those both innovative and the agile.

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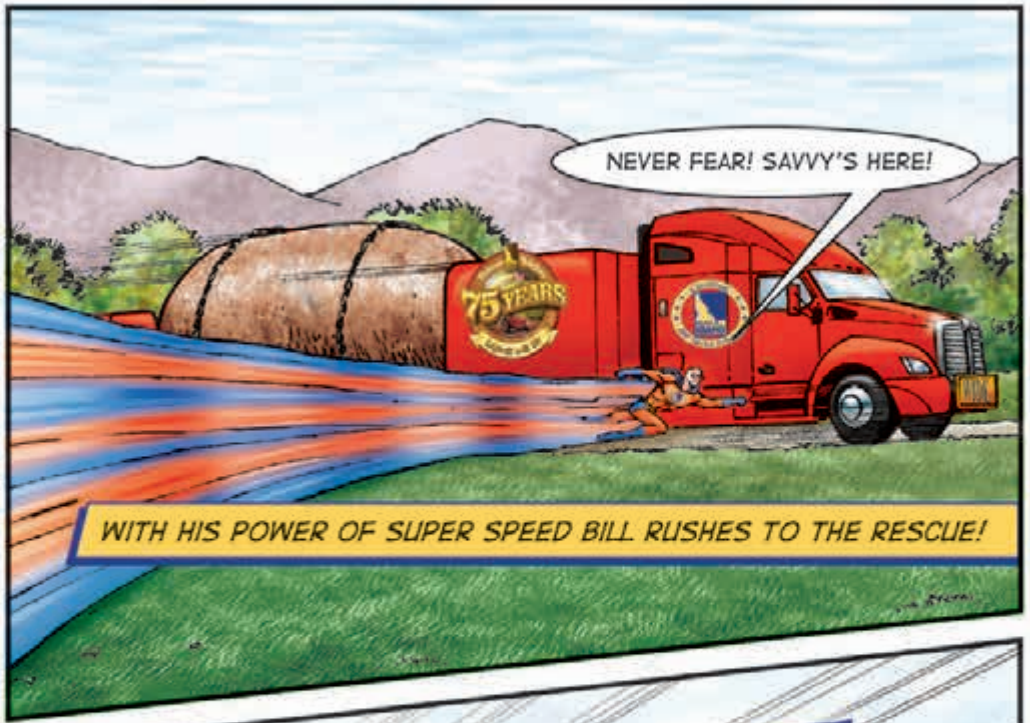
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RETROSPECTIVE

JEFF SHILLING, VICE PRESIDENT PROCUREMENT FOR FRESHPRO FOOD DISTRIBUTORS, REMINISCES ABOUT HIS EARLY DAYS IN PRODUCE AND SHARES ADVICE FOR FUTURE GENERATIONS.

BY JODEAN ROBBINS

With 42 years in produce, Shilling encountered significant shifts in the industry during his career. He started as a part-time clerk in Kings Food Markets in 1973 at the age of 16 during high school and remained in retail, holding positions such as produce manager, night manager and assistant store manager. After 10 years, he moved into the warehouse (owned by Kings at the time) as an assistant produce buyer, then produce buyer, head produce buyer, sales manager, and director of produce procurement. He is currently vice president procurement for FreshPro and responsible for overseeing all purchasing in all departments.

Where were you in 1985?

I was working in the warehouse as produce buyer and assisting as sales manager for Kings. My responsibilities included produce purchasing and store merchandising, in addition to managing retail pricing and advertising programs for the stores.

What was the produce department like in 1985?

We had about 250 regular SKUs in the produce department — almost all of which were fresh. I remember a few years later, we remodeled a store, and in effort to show our variety, we brought in around 450 items, which was unheard of at that time!

In the mid 1980s, just about everything still had a season. When the season was over, we went to the next item. Imported produce was beginning to become popular around then, with products like colored peppers from Holland and Jet Fresh peaches and nectarines from Chile. There was no marketing of organic produce in our supermarkets until the Alar scare of the late 80s. Whatever fresh-cut products were in the department were cut in the store. Strawberries were still sold in



Jeff Shilling

loose pints. There were no packaged salads to speak of; in fact, if something was packaged, it usually meant it was being reduced for quick sale. Loose bulk displays of product were synonymous with freshness. We had our own product identification numbers for the cashiers to identify product with at the front end. PLU numbers and UPC numbers were just being introduced in produce.

How was the overall retail environment?

This was probably the most exciting time in the produce business. Fresh produce was in and we could do no wrong. Just pile it high and watch it fly! Tonnage was constantly increasing and new items were arriving all the time. Farmers were starting to pay attention to flavor, rather than how long the product would hold in a cooler. Improvements in trucking and refrigeration helped get product to the destination faster and in better condition. The increase in popularity of air containers meant more imported produce from overseas could be introduced to the mix.

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

In my opinion, the single event with the greatest impact on produce was the introduction of the Jane Fonda workout videos in 1982. Suddenly, women (and eventually men) had a new interest in exercise and eating healthy. This caused an explosion in the produce industry, as everyone wanted to add fresh fruits and vegetables to their diet. Produce department cut-out percents [the percentage of produce sales compared to total store sales] went from the low teens to the high teens — even low 20s in some stores.

What were some of the biggest innovations in the industry during the past 30 years?

Starting in the early 80s, we saw the introduction of salad bars, juice machines, pineapple corers, and we even had pea shuckers and sprout growers in some departments. Educating the consumer on how to prepare fresh produce and the nutritional value of fresh produce was starting to become popular. We had produce “Tip Tapes” in the departments. They were a looped VHS tape — put out by United Fresh Produce Association — to help educate consumers on specific products. Recipe cards were marketed by several companies and point-of-sale signs were becoming more informative.

As we entered the 90s, organics became a hot button for us. While few supermarket chains carried organic produce in the early 90s, just about everyone had some organic presentation by the end of the decade. Packaged produce began to become more popular with packaged salads increasingly replacing fresh salad sales. Produce variety went wild in the 90s with new items constantly introduced. Companies like Frieda’s helped retailers sell these new products to the consumer with informative and attractive packaging. Flavor

was key to repeat sales, and growers were finally planting only flavorful varieties.

How would you describe the produce department today?

After the turn of the century, it seemed nothing had a beginning or end to the season. More variations of the same items were introduced, which cut into available shelf space. In just about every chain, this made the once overflowing displays turn into small, neat cubbyholes requiring constant attention to keep them stocked. Once bountiful looking departments were replaced with departments appearing to be more concerned with the number of items carried rather than the number of total cases sold. As supermarket family owners were replaced with corporate and financial owners, it became more about margins and less about sales.

What was the greatest lesson you learned about retailing during the past 30 years?

Without a doubt, one has to love this business to be successful in it. Produce is a living, breathing commodity. Every day is as different as it is exciting. It's really simple too: take care of the product and the product will take



(L-R) Jeff Shilling and Harry Taylor (now deceased) photographed in a Kings sometime in the 1980s showing off the "Tip Tapes" — looped VHS tapes distributed by United Fresh Produce Association — to help educate consumers on specific products.

care of the sales. If you do what is right for the product, it will sell itself. Cold items need to be kept cold, wet needs to be kept wet, dry needs to be kept dry. It's not that hard. It drives me crazy when I see apples displayed out of refrigeration and pears in refrigeration. It should be the other way around if you really want to do what's best for the product.

What will drive the industry in the next 10 to 20 years?

If I knew this answer, I'd invest in it and retire. However, the ridiculous demand for high gross-profit margins needs to be replaced with a push for increased tonnage. If the demand for fresh produce does not keep increasing, there is no incentive for young people to get into the farming business. Without new farmers, our fresh food supply will be forced to rely more on imported produce. This negative spiral can still be controlled, but there needs to be a conscious effort to do so. At the same time, the retail environment needs to attract "career" produce people, not just those looking for a weekly paycheck.

What are the challenges holding us back?

Government over-regulation continues to interfere with industry growth. We seem to be more concerned with fresh produce safety than we are with fresh produce consumption. Obesity is a serious problem, yet the answer is staring us in the face. Increase fresh fruit and vegetable consumption and the obesity problem will start to go away.

What are your thoughts on choosing produce as a career today?

I don't know if there are enough financial or motivational incentives for young people to enter the produce industry, or the supermarket industry in general. Due to the need for companies to constantly show an improved bottomline, full-time positions are hard to come by as they have given way to part-time. It is difficult to make this a career if you are only working part-time hours.

What advice would you give young retailers entering the produce industry?

Know your product, and know your customers. Do what is right for your product and give the customers what they want.

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1. EXPANDING STAFF

Over the past year, Grower Alliance has expanded key staff positions to better support the on-going mission of the company and to service customers. In 2015, the company hired two new sales team members to keep up with the increasing product and season expansion. Alan Durazo, is part of the company's sales force and Alex Angulo is a sales coordinator.

At the field level, Grower Alliance recently hired food safety specialist, Ricardo Romero as food safety director. Romero has an extensive food safety background and is responsible for ensuring all growers associated with Grower Alliance have their food safety specs and certifications are current. He provides assistance to growers as needed in the areas of food safety programs and audits. All Grower Alliance growers are both

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PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Watermelon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mini-watermelon	✓	✓	✓	✓	✓	✓				✓	✓	✓
Honeydews	✓	✓	✓	✓	✓	✓				✓	✓	✓
Cucumbers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Squash-Italian/Yellow	✓	✓	✓	✓	✓	✓				✓	✓	✓
Green Bell Peppers	✓	✓	✓	✓	✓	✓				✓	✓	✓
Red Bell Peppers	✓	✓	✓	✓	✓	✓				✓	✓	✓
Beefsteak Tomatoes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Roma Tomatoes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Green Beans	✓	✓	✓	✓	✓	✓				✓	✓	✓
Euro-Cucumbers	✓	✓	✓	✓	✓	✓				✓	✓	✓
Hard Squash	✓	✓	✓	✓	✓	✓				✓	✓	✓
Sweet Corn	✓	✓	✓	✓	✓	✓				✓	✓	✓
Eggplant	✓	✓	✓	✓	✓	✓				✓	✓	✓
Hot Peppers												Available upon request



GAP- and GMP-certified. All fields are certified with either PrimusLabs or SCS Global Services.

2. INCREASING MCALLEN DEAL

Though Grower Alliance has been shipping from South and Central Mexico via McAllen for the past seven years, the company recently established additional deals for significant volume increases. This coming season, the company expects to quadruple the packages received via McAllen. This substantial deal will be July 2016 through February 2017 and include Beefsteak and Roma tomatoes and bell peppers.

3. INCREASING BAJA DEAL

Grower Alliance is also expanding operations to include a cucumber, a hot pepper and a watermelon deal from Baja. Cucumbers from Baja will be shipped June through September. Hot peppers and watermelons

from Baja will be available June, July and August. The Baja watermelon deal now establishes Grower Alliance a year-round supplier of watermelons out of Mexico. The company's watermelon deal out of Northern Mexico (Chihuahua and East Sonora) provides product in September, so the Baja deal serves as a bridge between the Northern Mexico region and other source areas.

4. EXPANDING SERVICES

To better serve customers and meet future growth, Grower Alliance offers 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 rental office space to them. The company also provides consolidation services for companies outside of Nogales that want to load in one location as opposed to picking up in different warehouses.

5. CONTINUED FOCUS ON PEOPLE

Grower Alliance's success is rooted in its philosophy that its business is about the people who grow and market the products. The company provides support to its growers and customers — helping expand operations and investing in communities. Through this investment, the company ensures high quality, consistent product and fair 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 also assisted its growers in the acquisition of more land. Grower Alliance supplies growers with drip irrigation systems and cover for their plants, and assists growers with the purchase of shade house systems.

YOUR ALLIES

Key people involved with Grower Alliance include:



Jorge Quintero, Jr.
Sales, Managing Member



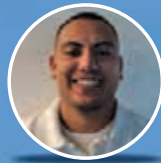
Jorge Quintero, Sr.
Sales Manager, Managing Member



Luis Caballero
Mexican Operations, Managing Member



Jaime Martínez
Head accountant & grower relations



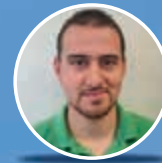
Frank Hernandez II
Sales



Alan Durazo
Sales



Luis Alcantara
Sales Assistant



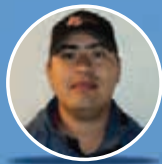
Alex Angulo
Sales Coordinator



Maritza Guevara
Accounts Receivable



Francisca Davila
Accounts Payable



Armando Robles
Warehouse Foreman



Cesar Yanez
Dispatcher



Ricardo Esquivel
Quality control

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Balls Food Stores

The three-format retailer serves a diverse customer base using its authentic heritage.

BY CAROL M. BAREUTHER, RD



PHOTO OF A PRICE CHOPPER'S PRODUCE DEPARTMENT COURTESY OF BALLS FOOD STORES

There's an old saying that if you can't be first, then be different. Balls Food Stores is a good example of a business that is both — inventor and innovator. These assets have proved a winning combination for this third-generation chain that is close to celebrating a century in operation.

Borne out of a single mom-and-pop store in 1923, today the chain boasts 28 stores in a trio of formats designed to fill the needs of its Kansas City customers. The secret to this success is putting customers' needs first. Nowhere is this evident than in the produce department.

Produce was one of the foundations of this early full-service supermarket. The store's founders and food distributors, Sydney and Mollie Ball, opened a store and implemented

the area's first cash-and-carry system. Fred Ball (their son) grew up in his parent's business. By the 1980s, Fred expanded the chain to 13 stores. Fred's son, David (the current chief executive officer and company president) continued to expand and kept the focus on fresh with a strong "Buy Fresh, Buy Local" program and in-store CSA.

Today, Balls Food Stores operates three formats: Hen House Markets, Price Chopper and Payless Discount Foods. The retailer is one of the largest employers in Kansas City with 3,200 team members.

Hen House, with 11 locations in the Kansas City Metro area, is a neighborhood supermarket where the emphasis is on perishables and a high level of service. There is an average of 700 produce SKUs, 80 to 100 organic fruits and vegetables, and produce

represents 13 percent of total store sales.

Price Chopper is middle-of-the-road in its aesthetics and the low-price leader in Kansas City. The banner's 16 stores, located in Kansas and Missouri, offer some 500 SKUs with 40 to 50 of these organic. Produce generates 10 percent of total supermarket sales.

Finally, Pay Less Discount Foods carries an average 400 SKUs of fruits and vegetables, limited organics, and 9 percent store sales come from produce. Pricing is EDLP (every day low price). Store sizes span from 30,000-square-feet for a Hen House Market in a small community to a Price Chopper of up to 80,000-square-feet. It's a trio of formats that gives Balls Foods the ability to offer something to everyone in this two-state metro area — where the population is 2.3 million and median income ranges between \$38,000

to \$45,000 on the Kansas or Missouri sides, respectively.

The opening of its own central warehouse 15 years ago enabled Balls Foods to purchase 70 percent of its produce direct from suppliers. The remaining 30 percent is sourced through its membership with Kansas City, KS-headquartered Associated Wholesale Grocers (AWG).

“Having our own warehouse allows us to be hands on in what we buy, such as cream-of-the-crop items such as Driscoll’s berries, Sun World’s grapes and Oneonta’s (Starr Ranch Growers) apples, pears and cherries for our Hen House stores,” says Steve May, director of central warehouse, produce and floral for the Kansas City, KS-headquartered chain. “We can also take advantage of a variety of sizes of fruits and vegetables for use in tote programs at Price Chopper and EDLP pricing programs at Pay Less.”

Balls receives deliveries to its warehouse seven days a week, assuring as May says, “maximum freshness due to turns through the roof.” AWG delivers to Balls warehouse three to five days weekly. Individual stores receive produce from the chain’s central warehouse four to five days a week.

May heads the buying team and purchases East and West Coast fruits. Wayne King buys vegetables on both coasts, while Lori Franklin heads up the Hispanic/tropical and organics sourcing. Mark Fishman is the local procurement buyer. Local is huge for Balls, along with organics, and both categories are a major way the chain differentiates itself from chief competitors such as Hy-Vee, Sprouts Farmers Market and Wal-Mart Super Centers and Neighborhood Markets.

“We partner with 150 growers annually located within a 200-mile radius for our ‘Buy Fresh Buy Local’ program. Many of these are family farms, and we serve as their distribution arm by having them simply deliver to our central warehouse. We meet with the growers in November and December to give them specifics on what we want. For example, 300 pounds of cucumbers weekly from X to Y date and what we are willing to pay. That’s what our growers love about us. We’re willing to pay a fair market value.

The locally grown season in Kansas starts with leaf lettuces in the month of May. Fruits and vegetables from berries and apples to peppers and broccoli are cultivated through the summer and into October. This local produce is offered at all three of Balls formats.

May says food safety is key to quality and ensures customers feel safe. This is a fascinating



PHOTOS ABOVE OF HEN HOUSE MARKETS COURTESY OF BALLS FOOD STORES

■ BALLS FOODS’ HEN HOUSE MARKETS NAMED RETAIL ROLE MODEL BY PRODUCE FOR BETTER HEALTH FOUNDATION

Hen House Markets, an 11-store banner of Kansas City, KS-based Balls Foods Stores, is one of only 10 retailers in the nation to receive recognition as a Retail Role Model in 2015 by the Hockessin, DE-headquartered Produce for Better Health Foundation (PBH). This is the first time Hen House received this honor.

Retailers who attain this title employ a multitude of methods to encourage consumption of fruits and vegetables by its customers. This ranges from using the PBH logo on marketing materials, packaging, signage and ad circulars to linking to the organization’s website. In addition, Hen House Supermarket Registered Dietitian, Kayla Graves, teaches customers about ways to include more produce in their diets in a variety of ways, such as school store tours, cooking and nutrition education classes, and in-store events.

“This is very cool,” says Steve May, director of central warehouse, produce and floral, of the Retail Role Model accolade. “It’s great to be recognized for doing good.” **pb**



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challenge since many of the growers are simple Amish and Mennonite farmers who eschew modern conveniences such as electricity and literally use horsepower to plow. Fishman and his team, May says, help farmers decipher the volumes of requirements needed to become GAP-certified and remain certified each year. To accomplish traceability, the Balls team has come up with a sticker system. Farmers affix these stickers to each box of produce. The stickers have the farmer's number, and the farmer can then trace the product down to the specific field by date.

"We hold farmers markets right outside the front of our stores from 5 a.m. to 1 p.m. on Saturday mornings from July through September," says May. "The aroma of the ripe fruits is especially enticing. It's a fantastic way for us to showcase the freshness of our produce to customers immediately as they start to shop. In addition, we'll host 'Meet the Growers' events in our Hen House Markets. This will include beef, poultry and dairy farmers as well as a couple of fruit and vegetable farmers. It's another way that sets us apart, embracing local in a way that's not limited to produce."



Steve May, Director of Central Warehouse, Produce and Floral

Hen House Markets was one of the first chains in the U.S. to set up a CSA program in-store. This program is now a decade old. Customers pay \$25 to register, and they receive a bag and T-shirt. Each week, shoppers can opt to pick up their bag on Saturdays or Mondays. Prices for products in the bag are up to 30 percent off regular retailers. Bag contents may include a few cucumbers, tomatoes, fresh corn, watermelon, a pound of cheese, chicken and

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a quart of milk. There's a trading table where customers can swap items, such as meats for more produce. Members receive a weekly newsletter that highlights participating farms, the growers, crop updates and recipes.

In addition to local, Balls Foods made a commitment to sustainability. For example, the retailer recycles 100,000 tons of cardboard each month; the store has a Bag-to-Bag recycling program that diverted nearly 150 tons of plastic bags from landfills annually; and it composts more than any retailer in Kansas City at 65 tons monthly.

Another way Balls Foods differentiates itself is its chef's prepared produce. "We are the leader in our market area for fresh-cut fruits and vegetables," says May. "It's all done in a specific area of each store's backroom built for this purpose, by trained dedicated chefs with a stringent food safety program in place."

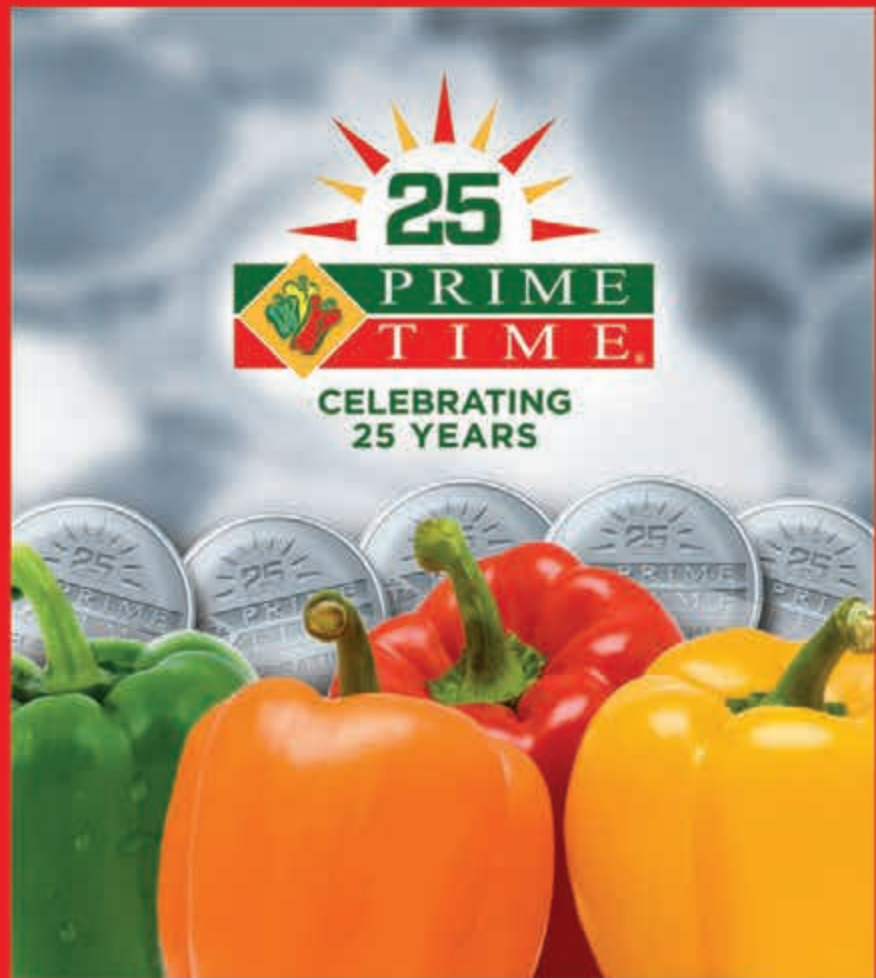
Four Hen House Markets are equipped with fresh squeezed juice machines. It's something the chain introduced 20 years ago. Fresh-squeezed orange juice and lemonade are the two best-sellers. The juice machines are located in a kiosk on the sales floor. There's a menu of 20 different juices available akin to a juice bar concept. Combinations include carrot-beet and blends with kale. Kiosks are manned by full-time produce staff. The recipes are concocted by the store's Development Team, which has four produce managers. The team also innovates other fresh-cut produce offerings as well as comes up with a go-to-market strategy for the new products.

"We made a decision a long time ago to only use fruits and vegetables at their peak of freshness to juice, rather than culls," says May.

Bulk foods are another standout in produce. Selections include the top 120 SKUs of dried fruit, nuts and trail mixes in both conventional and organic. A full-time employee mans this station and makes freshly ground nut butter daily.

Produce isn't the only perishables department to stand out at Hen House Markets. The deli boasts brand name meats and cheeses as well as an award-winning salad bar with more than 25 fresh fruits and vegetables.

"We can be nimble on truckload items since we have our own warehouse," adds May. "These are items we didn't know about in time to put in our banner's weekly ad. We'll let customers know via social media. We also use this method to announce in-store events. For example, we do roadshows where our chefs go in store and do demos. We recently did this with breadfruit and ended up selling 30 to 40 cases because of the demo." **pb**



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FOODSERVICE AT RETAIL

Convenience and culinary creativity elevate the bottomline.

BY MINDY HERMANN, RD

Nearly two decades ago, “The Home Meal Replacement (HMR) Opportunity: A Marketing Perspective,” a report from The Retail Food Industry Center, University of Minnesota, recognized a flourishing future for the pioneers of adding a foodservice component to retail. At the time, only a handful of chains produced prepared foods. Shoppers could purchase ready-to-eat, ready-to-heat, ready-to-cook, or ready-to-prepare items from the deli’s or prepared food’s section to enjoy primarily at home. A few stores set up tables and chairs, along with a microwave oven, so shoppers could heat and eat their food in the store.

Fast-forward to today, when “sales growth in the prepared foods department is outpacing any individual department, and also the entire store,” says Rick Stein, vice president, fresh foods, Food Marketing Institute (FMI), Arlington, VA. “Over an eight-year period from 2006 to 2014, the foodservice industry achieved growth of slightly more than 2 percent annually. During that same timeframe, supermarket fresh prepared foods grew at a rate of 10.4 percent annually. There’s nothing like double-digit growth to fuel expansion.”

“We made predictions in 2013 that underestimated the continued growth of fresh prepared foods in supermarkets,” notes Wade Hanson, principal, Technomic, Chicago. “The double-digit growth we have seen over the past decade and the 8-plus percent growth we expect in the years ahead confirm the robust outlook for the channel.”

Stein points out the way things have changed: “We once defined prepared foods as primarily salads, rotisserie chicken and salad bars. Now, high-quality meal solutions directly compete with restaurant offerings,” he says. “Supermarket fresh prepared food departments can be segmented into tiers based on the breadth of their offerings. Tier 1 includes stores with restaurant-like operations. Tier 2



PHOTOGRAPHY BY DOMENICA COMFORT FOR DECICCO & SONS

encompasses ‘destination supermarkets’ with comprehensive offerings around their perimeter. Tier 3 stores, the largest tier, focus on ready-to-eat and ready-to-heat. Tier 4 stores feature an expanded deli.” The 2015 FMI-Technomic report, *The Sophistication of Supermarket Fresh Prepared Foods*, notes that nearly all markets surveyed offer soups, sandwiches, salads, and salad bars. Pre-packaged grab and go is the biggest contributor to growing sales, followed by self-service stations.

Fresh prepared foods fit today’s busy lifestyles. “People value their time far more than cooking and shopping,” observes Kelly Jacob, vice president, retail and emerging channels, Pro*Act, a national network of local distributors headquartered in Monterey, CA. “They also will pay for convenience when they can’t or don’t want to prepare fresh, healthy eating options

for themselves.”

PRODUCE NEEDS ARE SIMILAR — YET DIFFERENT

For suppliers, fresh prepared components offer the opportunity to provide a broader breadth of products to the supermarket. “The deli department purchases some of the same items as the produce department, namely salad blends and whole leaf lettuce,” says Kori Tuggle, marketing vice president, Church Brothers, Salinas, CA. “Deli departments also use larger pack-style formats for larger serving applications that do not include the consumer graphics produce departments require.”

Ready Pac Foods adapted its foodservice and produce department lines of salad bar ingredients, multi-serve offerings, salad kits and bowls, fresh-cut fruits and vegetables,



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and snack trays for the retail prepared foods section, with offerings both behind-the-glass and grab-and-go. “We bring solutions for freshly made options and work closely with our retail partners to create offerings they can assemble onsite,” explains Tristan Simpson, chief marketing officer, Ready Pac Foods, Inc., Irwindale, CA. “Our team of chefs and culinary scientists can work hand-in-hand with the retail foodservice team to provide cost-saving options that help improve performance and realize efficiencies.”

Degree of preparation often differentiates foodservice products from those sold in the produce department. The prepared and recipe-ready products available to the prepared foods department save time and labor costs, as well as lessen the food safety risks of preparing foods onsite. Traditional deli supplier Reser’s Fine Foods (Beaverton, OR) provides both potato salads and cooked potato dishes such as roasted wedges and mashed potatoes with added flavors in bulk size that can be served in the hot case or cut up into squares for the cold case. Shopper data from the U.S. Potato Board and Chicago-based Nielsen Perishable Group shows wedges are the most popular deli potato item, followed by mashed. Smaller varieties of prepared potato dishes are growing more rapidly.

To support the Mushroom Council’s *The Blend* program (a mushroom-ground meat mixture), mushroom suppliers began chopping, cooking, and packing mushrooms for sale to restaurant and foodservice within the supermarket. “Foodservice doesn’t want to spend time chopping and cooking,” explains Steven Muro, president, Fusion Marketing agency in

Chatsworth, CA, which represents producers of consumer and industry-recognized fresh produce brands as well as national and state fresh produce marketing associations. “Innovations like these make good sense to retail foodservice departments.”

TRADITIONAL MEETS TRENDY

“Retail foodservice is in a position to develop new, non-traditional recipes utilizing traditional produce commodities,” says Muro. “For example, at one time, avocados were thought of just for guacamole, and now look at this industry. Avocados are used as a fat replacement in cakes and cookies, grilled, and sliced on sandwiches.”

Retail foodservice also can add excitement with demo kitchens and stepped-up sampling programs throughout the store. “Guacamole may be traditional, but we started making it on the sales floor in guacamole stations with mobile sinks and iced displays,” says Alfonso Cano, produce director, Northgate González, Anaheim, CA. “This is a combined effort between our prepared foods and produce departments to move more product. The demo sits next to a display of fresh produce, so shoppers can buy prepared guacamole to enjoy today or pick up the ingredients to make it tomorrow.”

INDEPENDENCE VERSUS COLLABORATION

Providing produce to the ever-growing and more sophisticated prepared foods department within the supermarket has unique challenges. No longer can produce suppliers rely solely on supermarket produce department buyers to get produce into the prepared foods section.

Most retailers operate foodservice and produce independent of each other through different cost centers. Foodservice also may order from a broader base of sources, including traditional suppliers and distributors, foodservice distributors, supermarket buying groups, specialty foods purveyors, and local farmers.

“As a supplier, we maintain relationships with each department we work with and have multiple relationships within a single retailer,” says Benjamin Walker, director, marketing and business development, Baldor Specialty Foods, Bronx, NY. “Retail prepared foods departments heavily index toward fresh-cuts or value-added produce for consistency and labor reduction. Finished goods like individual green salads also are popular.”

“We offer the same high-quality, washed and ready-to-eat vegetables to our retail and foodservice customers,” says Jenny Stornetta, marketing communications manager, Apio, Guadalupe, CA. Our foodservice packs come in 2-pound, 3-pound and other sizes, allowing our foodservice customers to select the right size for them. For example, we offer a kale vegetable blend similar to our best-selling Eat Smart Sweet Kale salad kit in a 2-pound foodservice bag.”

“Our fresh prepared foods department uses the same vendors as produce. However, each department orders separately,” says Maria Brous, director, media and community relations, Publix Super Markets, Lakeland, FL.

Sourcing procedures, whether formal or informal and internal or external, impact accounting practices. Jacob of Pro*Act observes that the produce department might resist ordering for or supplying produce to

the prepared foods department, because it complicates inventory management and paperwork. A produce department fears it might not be getting paid, especially if prepared foods employees informally shop for the produce needed by their department.

In contrast, the departments in some stores work closely together. At Northgate González, the produce department transfers excess and ready-to-eat items to fresh prepared at no cost since the items otherwise would go to waste.

New York's DeCicco & Sons encourages collaboration. "Our goal at the end of the day is zero waste," explains Andrew Mimran, system administrator, DeCicco & Sons, Brewster, NY. "Our produce manager and prepared food manager communicate daily to coordinate the fruit and vegetable supply in the stores. Produce has perfected truck-to-shelf stocking so the back room stores very little extra produce. That's why prepared food generally orders its own fruits and vegetables but from the same suppliers as the produce department. The produce department then adjusts the combined order to reduce redundancy and make the best use of items already in the store."

"We have a produce buying operation and a central kitchen commissary buying operation," explains Steve Duello, director of produce operations for Saint Louis-based Dierbergs Markets, Inc. "These entities operate independently of each other, but an open line of communication between buyers is essential for a successful operation."

Dierbergs works with United Fruit and Produce to get much of the inventory for produce departments. The company also has its own produce warehouse and sources a portion of product from the terminal market in St. Louis. Sysco, US Foods are examples of distributors both the produce and the central kitchen operators utilize. The central kitchen has a choice to outsource prepping for processors and pack facilities. Sometime Dierberg's produce departments even procure packaged or prepped items from its own central kitchens (to-go salads, for example).

FMI's Stein notes that while the whole culture of foodservice typically doesn't transfer well to retail in terms of efficiencies, supermarkets are trying to create synergies by using the same supplier for produce and prepared foods and setting up a system to transfer items between produce and prepared foods.

RISE OF THE 'GROCERANT'

The growth of retail restaurants (dubbed grocerants) is among the most exciting supermarket trends to impact produce. "The term

grocerant used to refer to retailers selling prepared meals or grab and go to be eaten on premise or off site," says Jim Matorin, founder of Smartketing, a Philadelphia-based marketing resource company. "That is rapidly changing."

"Prepared foods are moving away from black plastic plates to in-store food courts and full-service grocerants staffed with high-end, culinary-trained chefs," says Phil Lempert, food marketing expert and founder of Supermarket Guru, a food and health resource website head-

quartered in Santa Monica, CA. "The trend goes beyond salad bars loaded with great fruits and vegetables. Grocerant diners want local and fresh. They want to see a beautiful display of healthier ingredients that are incorporated into fresh, healthy, unique recipes. They want to eat different types of foods and flavors that are hard to replicate at home. They want to be entertained with ballgames, bands, and wine tastings. This goes beyond placing half a dozen Formica tables next to the deli."



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Retailers can look toward the restaurant industry for guidance on diner preferences since grocerants compete directly with restaurants for dining dollars. The National Restaurant Association 2016 *Restaurant Industry Pocket Factbook* notes a majority of consumers say they prefer dining out with family and friends to cooking and cleaning up, look for flavors they can't easily duplicate at home, eat a wider variety of ethnic cuisines, order more healthful options than in the past, and turn to technology to boost convenience.

Technomic's Hanson points out today's consumers want global and ethnic cuisines freshly prepared and "better for you." They seek exciting flavor profiles and expect that level of flavor from any away-from-home food establishment, not just traditional restaurants.

"In the store grocerant, the retailer can change menu items, atmosphere, and employee assets to match current trends," says FMI's Stein. "Operations become more efficient and shrink goes down."

Grocerant formats vary from market to market. Some New York-based Kings Food Markets have sit down areas where customers can enjoy items purchased from the salad bar, sandwich section, Neapolitan pizza counter, soup bar, or hot bar. A half-height wall separates the dining area from the store.

Shoprite of Greater Morristown, NJ, was remodeled in 2013 to include a 4,000-square-foot atrium with a 100-seat, glass-enclosed food court called the Village Food Garden. As described by Amanda Fischer, marketing and business director, Village Supermarkets Inc., Springfield, NJ, and the ShopRite of Greater Morristown shoppers choose from hundreds of food options from numerous kiosks — including an oyster bar, a salad bar, Mediterranean, a cold entrée bar, a hot bar, foods by the pound,

pizza, coffee and espresso, juice, sushi, subs and sandwiches, and barbecue.

Fischer notes produce-centric items — including roasted root vegetables, a superfood salad, classic salads (using avocado, tomato, chicken and arugula) as well as juices from the juice bar — are extremely popular, and the cold entrée bar was installed to meet increasing customer demand for healthful choices. "We partner with Baldor and other suppliers of premium and value-added items to cut down on prep time in the store."

The Village Food Garden also recognizes its entertainment value. Its built-in chef's station, kitchen, and culinary studio host in-store demos and cooking classes. Area corporations and businesses participate in lunch-hour sessions with a registered dietitian who helps employees pick foods that are better for them. TV screens as well as a yoga and fitness studio add to the Garden's appeal. But the main draw remains food, with close to a dozen chefs in the Village Food Garden and three corporate chefs driving the menu.

Giant Eagle's Market District is enhancing its seating areas to create a restaurant-style atmosphere for enjoying its diverse range of ready-to-eat and made-to-order offerings representing a growing number of global cuisines. Recently, it also opened its first independently branded operation, Table by Market District.

"Whenever and wherever we can, we tie in what's freshest and in season," explains Dan Donovan, spokesman, Giant Eagle, Pittsburgh. The majority of produce we use in our prepared food departments is procured directly from, or through, our in-store produce departments. The opportunity to have the largest fresh food pantry, that is, the store, is a unique resource that we use to our advantage."



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First introduced in 2012, Hy-Vee Market Grille restaurants offer a large casual dining menu that includes vegetable-based salads and sides, served in a contemporary atmosphere. Hy-Vee plans to add to its current 80 Hy-Vee Market Grille locations.

Rochester, NY-based Wegmans is well-known for its extensive prepared foods departments and services. Prior to the 2015 holiday season, Wegmans created a holiday menu and event that featured prepared dishes, including produce-centric side dishes and desserts, easy ready-to-prepare demos and dishes, and creative recipes using produce.

Wegmans full-service grocerants — Market Café, The Pub by Wegmans, Next Door by Wegmans, Amore Italian Restaurant and Wine Bar by Wegmans — are led by executive chefs and inspired by fresh ingredients sold on-site in the stores. Its Rochester test kitchen at Next Door by Wegmans recently hosted celebrity chefs for each of three specialty dinners. One dinner, for example, celebrated the vegan diet with a variety of grains, vegetables, and fruits.

Retail-sponsored food trucks are expanding the definition of a grocerant. Sacramento, CA-based Raley's recently partnered with

Sacramento executive chef Brian Stansberry to sponsor and co-brand Stansberry's Flavor Face food truck. Raley's supplies all the ingredients incorporated into the fresh and innovative dishes cooked in the food truck. The truck travels to public and supermarket events sponsored by Raley's.

In February 2016, Whole Foods Market launched a new food truck test kitchen at its flagship Austin, TX, store. Using the truck as a venue for experimenting with new recipes and collaborating with chefs and supplier partners, Whole Foods Market will update the truck's concept, menu and name every two months to explore food trends, seasonal flavors, and vendor partnerships. Whole Foods Market recognizes the growth potential of prepared foods and expanded select in-store bars and restaurants with increased prepared foods offerings — including vegan options. It also regularly updates its in-store prepared food selection.

PARTNERSHIPS PROMOTE PRODUCE

Suppliers can be a valuable resource to supermarkets. Church Brothers offers recipe development and ideation sessions for behind-

the-glass departments, usually connected to a challenge the department is trying to resolve. Ready Pac partners with its chef customers — in the FMI survey, 88 percent of reporting banners said they employ a corporate executive chef — to develop specific programs and recipes that align with their vision. Ready Pac's in-house R&D team also works closely with its partners' in-house development teams to bring unique offerings to the company's programs.

With the rapid growth of freshly prepared foods, foodservice distributor J. Kings Food Service, Holtsville, NY, has seen rapid expansion from traditional foodservice into the retail supermarket business. "Many markets don't have the wherewithal and food safety procedures to prepare foods, so we make their meals in our production facility," says Joel Panagakos, sales ambassador, J. Kings. "Additionally, our culinary team, executive chef, and sous chefs are available to help chains redesign their deli cases and teach employees about proper display and product rotation."

Susan Weller, global foodservice marketing manager, U.S. Potato Board, Denver, also sees the value of partnering. "U.S. Potato Board invites deli and foodservice folks, including

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retail representatives, to our annual food-service innovation program at the Culinary Institute of America," she says. "Our resources include recipes and other materials for food-service, including the deli department. We currently are conducting a foodservice research study to better understand the foodservice needs of supermarkets."

Muro of Fusion Marketing stresses the importance of collaboration among all parties. "Suppliers who will have the greatest success at

retail foodservice are those who are prepared to roll up their sleeves and work directly with the culinary directors of the retail chain. It's not enough to walk in with produce in hand and say, "Here is what we sell." It takes commitment, work and perseverance. Focusing on long term success is key."

RETAIL FOODSERVICE — A FUTURE JUGGERNAUT

Based on its report, FMI concludes most

supermarkets consider foodservice to be a top priority. Growth in prepared foods far exceeds that of other departments and can help offset declines in the center of the store. In fact, in many stores, expansion of the prepared foods department is taking away floor space from center-store grocery items. FMI's Stein notes supermarkets can compete with and beat restaurants on price, in part because of their in-store inventory, food cost structure and willingness to accept lower profit margins.

Consistent positioning among all departments, including prepared foods, reinforces a store's brand and values. "Some of the market leaders are doing a better job of creating a cohesive store by carrying local or fresh marketing/merchandising messages across departments," says Technomic's Hanson. "Dynamic and informative signage and the marketing of an in-store experience have also been taken to a new level by many supermarket banners."

"I envision better cross-marketing between prepared foods and produce," says Matorin, of Smartketing. "For example, a store could display fruits and nuts from the produce department with prepared desserts, or value-added vegetables with a prepared entrée. The typical side dishes currently paired with a prepared entrée could be much better. Also, vegetarians and vegans currently are poorly served, opening the door for better plant-based dishes."

It also pays to offer new and exciting choices. "If I were a produce brand, I would borrow from traditional foodservice strategies such as limited time offers and new recipe development," suggests Fusion's Muro. "On the supermarket side, retailers need to adopt the data analytics tools used by traditional foodservice to predict demand, estimate supply needs, and better manage shrink."

Pro*Act's Jacob reminds retailers not to forget about ethnic choices. "We see a growing opportunity in ethnic taste profiles, foods, and ingredients. As a network of local distributors who specialize in produce for foodservice, Pro*Act anticipates an evolving role in supplying smaller volume specialty items to the prepared foods department of individual stores," she says.

Observations from the University of Minnesota report hold true nearly 20 years later. Success takes time, patience and understanding and requires the same considerations as running a restaurant: service, marketing, organization, decision-making, training, specifications of products, and equipment. Shopper priorities evolve with time and differ by generation; so too should prepared foods departments.

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More Matters

PROGRESS REPORT

Industry coalition continues to move the needle in the produce department.

BY MINDY HERMANN



The bins and shelves of many produce departments are graced with a rainbow of fruits and vegetables atop a garden-green stick figure. This logo, belonging to the More Matters campaign of the Produce for Better Health Foundation (PBH), has been guiding American shoppers to eat more fruits and vegetables for almost a decade. Nearly 25 years after the creation of the first nationwide produce campaign, More Matters continues to impact the fruits and vegetables Americans put in their cart and on their plate.

FROM 5 A DAY TO MORE MATTERS

PBH was formed in May 1991 in a partnership with the National Cancer Institute to co-sponsor the new 5 A Day for Better Health program. In 2007, the naming of a new lead government partner, the Centers for Disease Control & Prevention (CDC), led to a new name — Fruits & Veggies - More Matters — and the simultaneous creation of the National Fruit & Vegetable Alliance, a group of health organizations, government agencies, and produce industry groups working together to increase access to and demand for fruits and vegetables. PBH serves as the brand manager, and the CDC oversees scientific decisions, More Matters criteria, and key health messages.

Industry support grew from 60 produce companies and commodity boards in the early 1990s to more than 400 donors and licensees representing growers, shippers, packers, processors, merchandisers, commodity boards, trade associations, food industry organizations, health professionals, and supermarkets.

“Over the course of 16 years [as vice president of produce and floral at Schnucks], I worked with PBH on both 5 A Day and More Matters,” says Mike O’Brien, vice president, sales and marketing, Monterey Mushrooms, Watsonville, CA. “Increasing produce consumption for the health of our nation is one of my passions.”

“Oppy has supported PBH since the beginning,” notes Brett Libke, general manager, East Coast, The Oppenheimer Group (Oppy), Vancouver, Canada. “I became a member of the PBH board a few years ago, and it’s a great initiative to be part of.”

WORKING WITH INDUSTRY

More Matters seeks to motivate shoppers to overcome challenges preventing them from buying and eating more fruits and vegetables. The campaign reaches out with industry- and market-related packaging and materials, traditional and social media and outreach to health influencers and others.

“Our research shows that moms who say

they see the More Matters logo on packaging and in stores are more likely to buy fruits and vegetables; and More Matters on a product connects that product to health,” says Elizabeth Pivonka, president and chief executive of Produce for Better Health Foundation, Hockessin, DE.

The More Matters campaign encourages industry partners to display its logo on packaging, signage, and promotions; promote both National Nutrition Month (March) and Celebrate Fruits & Veggies — More Matters Month (September); connect through the Internet and social media; work with supermarket dietitians; adopt a local school; utilize PBH toolkits; and attend the PBH Annual Conference.

“Retailers are key in getting the message to consumers through the More Matters logo and store signage,” says O’Brien of Monterey Mushrooms. “Placing the logo on promotional tools such as recipes and product usage signs also helps grow consumption.”

“We use the More Matters logo on every package, box, and bag, plus our website and traditional and online marketing materials. We also use the logo on company presentations,” explains Kaylyn Bender, manager of marketing, Market Fresh Produce, LLC, Nixa, MO. “We want to show 100 percent support of this great program. Also, recognition

of the More Matters program helps support our reputation of providing quality products. Quality makes a big difference in produce.”

“We place the More Matters logo on all of our consumer packaging in order to support the cause and the many health attributes of the fruits inside the package,” says Roger Pepperl, marketing director, Stemilt Growers, Wenatchee, WA.

The program’s consumer website (MoreMatters.org) encourages consumers to look for the More Matters logo, visit the website for information, start good eating habits early in life, and use social media to stay connected with the program.

“Our primary target audience is moms with children ages 10 and younger, so influencing Mom is our key area,” says Pivonka. “We also offer materials for children on both MoreMatters.org and FoodChamps.org, our website designed specifically for kids ages 2 to 8. Here, they can have fun with games, coloring sheets, activity pages, and kid-friendly recipes while learning interactively about fruit and veggies.”

SOCIAL MEDIA SELLS

“Since social media is one of the best ways to communicate the meaning of More Matters — and PBH does such a great job developing fun, relevant content — we took the opportunity to integrate messages on our many social media platforms,” says Libke of Oppy. “We co-host a Twitter party that aligns More Matters with one of our newer brands, Outrageously Fresh. It’s the perfect opportunity to introduce our new line of greenhouse snacking items to consumers looking to integrate more produce into their family’s meal plans.”

Stemilt’s Pepperl also recognizes the value of social media. “We have a page on our website that links to the More Matters website. We also host an annual Twitter party with PBH where we talk about a topic related to fresh fruits. Last year, our topic was smoothies. We fold the More Matters program into our social pages, and sponsored recipes and content through the More Matters social network, which reaches an impressive number of consumers.”

PBH recognizes the role played by industry members in sharing More Matters. Yearly, it names industry Champions and Role Models who best share More Matters in traditional and social media, advertising and packaging, and promote National Fruits & Veggies — More Matters Month. PBH also encourages partners to “like” its Facebook page, “follow” on Twitter and Pinterest, “retweet” and “repost,” join More Matters Twitter parties, as well as blog about More Matters.



‘PRESCRIBING’ PRODUCE

Cross-promoting More Matters throughout departments increases the number of shopper touchpoints with the More Matters message and the pharmacy is a natural partner. “In conjunction with our pharmacy team, the dietitians at The Little Clinic/Kroger provide More Matters recipes and tips on select pharmacy prescription inserts,” says Allison Kuhn, MS, RDN, LD, director, retail dietetics, The Little Clinic, Cincinnati.

“Giving our customers easy access to fruit- and veggie-focused recipes makes healthy eating more convenient, and inspires customers to interact more at the pharmacy level. We focus on top chronic conditions, including diabetes, high cholesterol, depression, and hypertension, enabling us to provide fruit and veggie messaging to those shoppers who need it most. To date, nearly 2 million patients received this messaging, which contributes to medication adherence. In addition, the use of our More Matters logo corresponds with our PBH-branded produce bags and select private label products, serving to unify fruit and vegetable messaging throughout the store.”

SUCCESS CONTINUES

More Matters is moving the needle in the produce department. “Fresh fruit and vegetable consumption is going up slowly and steadily,” says Pivonka of PBH. “The percentage of moms likely to purchase products with the Fruits & Veggies — More Matter logo has risen to 49 percent, up from 39 percent in 2007, and 49 percent of moms are very/extremely motivated by More Matters (compared to 24 percent in 2007). PBH exceeded its goals for website visits, opt-in email participants, industry role models, and social media.

Vegetable consumption is up among children and young adults, although somewhat down overall. Children of all ages are consuming more fruit, particularly berries,

bananas, apples, and oranges, at all meals while adults (ages 18 to 44 years) are eating more berries, bananas, and other fruit at breakfast.

“We made good progress and have a positive outlook for fruit and vegetable consumption in shoppers younger than 40 years of age but consumption is down in shoppers older than 50, a trend we are looking to reverse,” says Pivonka.

STRATEGIES AND GOALS

PBH follows a three-year strategic plan to help the organization create public value, fulfill its mission, meet mandates, and serve its stakeholders effectively, efficiently, and responsibly. The PBH executive committee reviews this plan each year and makes necessary adjustments for continued success. Goals and strategies for 2016 include expansion for PBH’s industry and professional partners:


- Provide legitimate health and/or structure/function claims about fruits and vegetables.
- Expand beyond supermarket dietitians to include other dietitians and consumer influencers who can help with messaging.
- Target C-stores, drug stores, and value/dollar stores as venues for message dissemination.
- Implement a grassroots advocacy plan that encourages consumers to spread the message and includes promotion of online giving.
- Celebrate the 25th anniversary

“Stemilt truly believes in More Matters and its work,” says Pepperl. “The goals of PBH and More Matters align well with our marketing goals and values. Everything we do with PBH supports our direct-to-consumer marketing efforts and products. The team at PBH is incredible and being a partner is truly a win-win scenario. Unlike many “sponsorships,” the benefits PBH provides are long-lasting and well-thought-out, and support the cause and goals of our company.”

“Being a More Matters partner opens the doors for exciting conversations with our retail partners as well as those we’d consider competitors, except for the fact that we’re united in the goal to build fruit and vegetable consumption,” says Libke of Oppy. “The More Matters promotional umbrella can move a high volume of produce while educating consumers about easy ways to prepare and serve more fruits and vegetables.”

Mike O’Brien of Monterey Mushrooms notes, “having the industry come together in a noncompetitive way grows the pie, and we all get a bigger piece.”

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The Continued Spread OF GUACAMOLE

Positioned to take the crown as king
of dips and condiments in produce.

BY CHRIS AUMAN

Guacamole has become ubiquitous in grocery stores and homes across the United States. Delicious, versatile, spreadable, and dipable — “guac” has become a staple food item for grilling and get-togethers, and it comes by its health halo effortlessly.

The Hass Avocado Board Hass reported in a *Washington Post* article that Hass avocados comprise more than 95 percent of all avocados consumed in the United States, which soared to a record of nearly 1.9 billion pounds (or some 4.25 billion avocados) in 2014 — more than double the amount consumed in 2005, and nearly four times as many sold in 2000.

Avocados, garlic, salt, and lemon juice — these few ingredients comprise the basic guac recipe. What gets dipped into it is up to the

consumer. But guacamole is not strictly a dip. Clever cooks and foodies devised a variety of uses for it. They spread it on bread and use it to top salads or pasta and find other new ways to incorporate it into their diets.

While it's easy to make at home, prepared guacamole in the produce section is a segment that tremendously grows. There are a number of ways in which retailers can promote prepared guac. Successful cross-merchandising and effective promotional tools will alert shoppers to its presence in produce departments. Recipe ideas and POS tools can educate them on new ways to enjoy it.

GROWING CONSUMPTION TRENDS

“Avocado consumption continues to grow due to its broad appeal for nutrition and diver-

sity among many types of cuisine,” says Kristyn Lawson, vice president of sales for Good Foods Group, a brand of preservative-free vegetable dips, guacamole and juice products, based in Pleasant Prairie, WI. “Consumers enjoy quality prepared guacamole for its convenience and the ‘better-for-you’ condiment choice.”

The list of dishes made better with a dab of guac is expanding. According to Lawson, in addition to topping salads and being rolled into wraps, it is added to a variety of appetizers such as deviled eggs, potato skins, tacos, even egg rolls. It's also a tasty addition to pasta and grilled fish dishes, fajitas, soup and whatever else the creative home cook feels like concocting.

“Growth of avocado consumption during the past few years has been phenomenal,” notes

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Dionysios Christou, vice president marketing at Del Monte Fresh Produce based in Coral Gables, FL. “There is a large increase in healthy snack consumption, and prepared guacamole is ideally positioned to address today’s consumer needs.”

Samantha McCaul, marketing manager for Concord Foods in Brockton, MA, witnessed the growing popularity as well. “Today, consumers are more familiar with guacamole,” says McCaul. “They are used to seeing it on restaurant menus and on TV and websites. In addition, the avocado commissions have done an amazing job promoting the avocado and its various uses, including guacamole. It really helped spread the appeal throughout the country.”

Work by marketing associations such as Avocados from Mexico and the California Avocado Commission helped raise the profile of avocados in the U.S. According to Maggie Bezart Hall, the vice president of trade and promotion for the Dallas-based organization, Avocados from Mexico, the fruit’s year-round availability is just one of many reasons for its popularity.



“This continuous supply of good quality avocados with the right oil content has allowed retailers to prepare in-store guacamole with Fresh Avocados from Mexico.” The health benefits also make them appealing. Avocados have naturally good fats, are cholesterol-free and are packed with 20 vitamins and minerals.

Avocados from Mexico is a big reason consumers are aware of these facts and, according to Bezart Hall, retailers responded

in kind. “Retailers are very committed to their support of avocados and some found an additional profit center by offering delicious and nutritious fresh avocados in a convenient form that is not preprocessed but made fresh that day.”

As T.W. Bacon, senior brand manager for Fort Worth, TX-based Wholly Guacamole, bluntly states, “People love guacamole. We are seeing more consumers eating guacamole in the foodservice space and then trying it when they find it in the store. They are pleasantly surprised when they realize that there are great-tasting solutions that don’t have preservatives in the product. We also know that consumers are looking to get more avocado in their diets, and guacamole is one of the best and most fun ways to do so.”

■ KEEPING IT COOL



PHOTOS COURTESY OF GOOD FOODS GROUP

Retailers who capitalize on the popularity of avocados will see sales increase by employing some key merchandising strategies. Guacamole is best served fresh, so refrigeration is critical to preserving shelf life. Kristyn Lawson, vice president of sales for Good Foods Group based in Pleasant Prairie, WI, offers this advice to retailers: “To achieve the freshest-tasting product while enjoying a generous shelf life, the best products utilize HPP.” (High Pressure Processing provides the best taste and allows for the highest level of food safety.) “No additives or preservatives are needed by utilizing HPP.”

Avocados from Mexico works with select retailers to offer customized refrigerated units for placement in the produce department and other areas around the store to take advantage of tie-in opportunities. Maggie Bezart Hall, the vice president of trade and promotion for the Dallas-based organization, Avocados from Mexico, recommends signage to promote the freshness of the product and tie-in items such as veggies, chips and drinks. “Advertising on a cyclical basis helps to promote the availability of product to help consumers plan for their lunch snacks and weekend entertainment.”

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A CROSS-MERCHANDISING NATURAL

Dips and spreads are just one part of the equation. They need to be paired with something complementary, and retailers can propel the suggesting. Lawson at Good Foods Group recommends secondary ice bins to build incremental sales. “Also, building chip, salsa, fresh limes and margarita displays drive shoppers to add items to their baskets around the allure of good guacamole. In addition, with the exciting new flavors and size options that we are launching, retailers are enjoying building displays with new flavors and new sizes.”

“We see great displays across the country built around guacamole — including tortilla chips, pretzel chips, etc.,” says Bacon. “Whatever it takes to deliver an easy solution for the consumer is key to success with cross-merchandising opportunities in this space.”

To increase avocado sales across the board, retailers need to “think beyond guacamole,” says Robb Bertels, vice president of marketing, Mission Produce in Oxnard, CA. “Guac is an entry point for consumers. They know it, like



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it and understand it. The real challenge is to suggest additional usage ideas for the typical consumer. Lighter avocado users need suggestions for adding avocados to sandwiches and salads. Using packaging to carry recipe ideas, and POS materials to show all the different ways avocados can be used is a natural progression for increasing consumption.”

As consumers experiment with guac, retailers can also help them think outside of the chip bowl. “The primary usage is still the old

fashioned way — chips and guac,” says Bacon, “But we are seeing consumers ‘guac-ing’ in a number of different ways. Using guacamole as a topper for burgers and hot dogs is one example, or even using our Wholly Guacamole Avocado Verde Dip as a salad dressing. Consumers are becoming more savvy and finding new ways to guac all of the time.”

“Additional usage and convenience ideas generally spur more sales,” says Bertels. “Showing options with whole fruit in a variety

“Additional usage and convenience ideas generally spur more sales. Showing options with whole fruit in a variety of sizes, ripe and ready to eat, and bagged fruit with bulk fruit, gives consumers options.

— Robb Bertels, Mission Produce



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of sizes, ripe and ready to eat, and bagged fruit with bulk fruit, gives consumers options. Also cross-merchandising with ingredients to make guacamole, or with prepared guacamole in the store gives consumers even more options on usage.”

GETTING TO KNOW GUACAMOLE

There are a number of ways innovative retailers are familiarizing consumers with prepared guacamole products. For Good Foods Group, one tactic includes a variety of

■ RESPONDING IMPULSIVELY TO CONVENIENCE

The grab-and-go segment continues to rise, and prepared guacamole sales are increasing right along with it. Portable and healthy, it appeals to time-pressed shoppers looking for a quick lunch, dinner or snack solution. “They are becoming a staple in the kitchen,” says Kristyn Lawson, vice president of sales for Good Foods Group based in Pleasant Prairie, WI. “In addition to our 2.5-ounce single-serve containers, we launched a new grab-and-go snacking product that is gluten free and only 200 calories with delicious corn tortilla chips and our famous Table-side Chunky Guacamole.”

T.W. Bacon, senior brand manager for Fort Worth, TX-based Wholly Guacamole, says consumers' responses to guacamole product are overwhelmingly positive. “Our Wholly Guacamole Minis were IRI pacesetters for 2014 and command some of the highest repeat rates in the category. This segment of our business has continued to grow rapidly and will definitely be a part of our growth strategy for the brand in the years to come.”

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“We promote display contests to encourage the sale of specific products and gain attention from consumers.”

— Dionysios Christou, Del Monte Fresh Produce

promotional tools. Lawson says, “This year, we are excited to launch new consumer marketing that includes digital coupons, consumer engagement events, social media contests, and building our community with outreach programs to support healthy eating, active lifestyles and enjoying the good life through Good Foods Tableside Guacamole.”

“Sampling is a great way to get the consumer to interact with guacamole in stores,” says Bacon. “POS around holiday times is key to category success as well. We see a lot of great work in stores around the country for game day and summer gatherings, which remind consumers about the wonders of guacamole.”

McCaul also sees the positive results of POS displays. “Retailers familiarize consumers with Concord Foods products using POS displays,” she says. “In addition, we run promotions annually, which are featured on our packaging. A great number of exciting guacamole recipes can be found on our website, such as a layered ranchero dip, a summer pizza and tiny guacamole sandwiches.”

According to Christou, Del Monte Fresh Produce provides a number of POS materials to support retailers in their avocado programs. “We promote display contests to encourage the sale of specific products and gain attention from consumers. Using consumer insights, we also establish category management programs to help extend a retailer’s growth beyond industry averages.”

MORE THAN A SUPER BOWL SNACK

Guacamole sales spike around Super Bowl Sunday. In fact, Americans consume nearly 80 million pounds of avocados on this unofficial national holiday. Much of that is in the form of guacamole.

Cinco De Mayo is another holiday that is growing in popularity with Americans regardless of their ethnic heritage. Lawson believes any holiday meal is made better with guacamole. “Every holiday is enjoyed across the U.S. with guacamole including Fourth of July, Fathers Day, Halloween and more.”

McCaul recognizes this as well, “Super Bowl is the No. 1 event for avocado/guacamole consumption. However, there are many other great occasions as well, where we see sales spike. Some of these events include Cinco de Mayo, Fourth of July and tailgating season, which runs from September through November.”

“Avocados have a tremendous ‘get together’ quotient,” notes Bertels at Mission Produce. “Whenever there is a gathering — to watch sporting events, for a holiday, or a house party

— avocados are a natural for communal eating. Beyond that, you can’t avoid seeing avocado imagery in restaurant advertising, and that also spurs additional consumer use.”

By capitalizing on the popularity and high profile of avocados, as well as focusing on the healthy aspects and versatility of guacamole as a dip, spread and topping, retailers can take easy advantage with cross-merchandising and simple POS tools to increase sales in the produce department. **pb**

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Canadian Retailers Share 6 Insights To Increase Sales



PHOTO COURTESY OF LOBLAWS

From promoting consumption with marketing to generating excitement in store, these 6 retailers share their success stories.

BY CAROL M. BAREUTHER, RD

Ten buck's worth of produce in the U.S. will currently cost Canadian shoppers the equivalent of \$14. Currency devaluation, combined with longer-term logistical challenges, and the sheer need to import — since 40 percent of the Great White North's landmass is in the untillable Arctic Circle — all contribute to steep food prices. This scenario certainly doesn't sound like a recipe for robust produce sales. Yet, Canadians trump their American counterparts when it comes to fruit and vegetable consumption. Canadian retailers play a crucial role in this factor. How these grocers promote produce offers inspiring ideas for their U.S. neighbors.

Nearly 40 percent of Canadians reported eating fruit and vegetables five or more times a day in 2014, based on data from Statistics Canada, which is part of the government's department and agency website based in Ottawa, Ontario. By comparison, only 24 percent of Americans ate 1 cup (2 servings) or more of fruit, and only 13 percent ate 1.5 cups (3 servings) or more of vegetables daily.

What's more, while Canadians' intake of produce has remained the same for the past several years, per capita fruit and vegetable consumption has declined 7 percent over the past five years in the U.S., according to the *State of the Plate, 2015 Study on American's Consumption of Fruit & Vegetables*, published by the Hockessin, DE-headquartered Produce

for Better Health Foundation.

The distinctions are worth noting. "It's subtleties, nothing massively different," explains Ron Lemaire, president of the Ottawa, ON-based Canadian Produce Marketing Association (CPMA), which in January 2015 launched its Half Your Plate initiative.

The CPMA's Half Your Plate marketing effort, which was developed in partnership with the Canadian Cancer Society, the Canadian Public Health Association and the Heart and Stroke Foundation, encourages consumers to fill half their plates with fruits and vegetables. The Half Your Plate message is advertised via social media, produce packaging and in supermarkets across Canada by the 91-year-old, nonprofit organization and its members. The organization will soon announce its plans to encourage a 20 percent increase in produce consumption, or 1 additional serving of fruits or vegetables daily by each Canadian, by 2020. CPMA members, which include everyone from growers to retailers, are responsible for 90 percent of all the fresh fruit and vegetable sales in Canada.

Canada, like the U.S., does have a number of tremendous food retailers, from major supermarket chains and key independents to small secondary and tertiary retailers. However, in the face of unique challenges, each Canadian retailer developed a way to creatively source,

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serve and ultimately cater to their patrons' fresh produce needs. A good example is Colemans, a 12-store chain based in Corner Brook, Newfoundland.

"Twenty years ago, we were really fruit- and vegetable-challenged," says Byron Bellows, produce buyer and merchandiser. "Fresh produce was hard to get, expensive and people obviously weren't eating enough. I refused to throw up the white flag. Today, we have a streamlined sourcing system that provides us with three deliveries a week from the Ontario Terminal. We have a buyer on the market whose job is to find us the freshest and best quality produce. He has to, or it won't make the trip. The trip is a two-day drive from Ontario and a 19.5-mile ferry ride to our distribution center. We are becoming so good at this [travel pattern] that we really can brag about our freshness and quality."

Assortment, sourcing quality amidst price challenges, demand for locally-grown, unique shopping habits, educational needs and community involvement are subjects common to all retailers. It is these key areas where Canadian retailers developed ways to creatively use these opportunities to push fresh produce.

1. DIVERSITY MEANS ONE SIZE DOESN'T FIT ALL

Canada's ethnic diversity drives higher fruit and vegetable consumption. "Canada tends to be more of a mosaic versus melting pot society

like the U.S.," explains Joe Sbrocchi, vice president of business development and strategy for Mastronardi Produce Ltd, in Kingsville, Ontario. "For example, Canadians who move here from elsewhere such as East Asia and the Middle East are more likely to maintain their cultural produce-centric eating habits rather than assimilate."

On the supply side, Jane Rhyno, director of sales and marketing for Highline Mushrooms, in Leamington, Ontario, noticed this trend. "Exotic mushroom varieties are exploding in demand as new populations come in," says Rhyno.

On the retail side, Frank Pagliaro, vice president for produce buying at the Brampton, Ontario-headquartered Loblaw Companies Limited (Canada's largest food retailer with more than 2,300 stores under 22 regional and market segment banners), sees a shift in customer preference for more multicultural food products. "This is true whether it's because they remind a new Canadian of home or because of the increasing exploration of tastes and experiences," says Pagliaro. "We provide a wide variety of products to suit the many different tastes of our customers. That said, we still find our best-selling items to be what you might consider staples such as bananas, grapes, apples and tomatoes."

U.S. and Canadian retailers have similar promotional programs, such as seasonal in and out campaigns, according to Mastronardi's

Sbrocchi. "However, Canadians have more dedicated space to execute promotions."

At Longo Brothers Fruit Markets, Inc., a chain based in Vaughan, Ontario with about 30 locations, produce penetration is higher than for any other departments in the store, and it shows in terms of space dedicated to fruits and vegetables.

"Our stores range from 35,000- to 50,000-square feet and produce is about a third of this or 10,000- to 15,000-square feet," says Mimmo Franzone, director of produce and floral. "It's the largest department in the store. The linear square feet have pretty much stayed the same over the past 60 years, but vertical space increased with the use of multi-decks."

More space translates into more SKUs. "On average, we carry 350 conventional and 120 organic SKUs, and the organics is private labelled with our 'Organic Select' brand and is displayed in a mini produce store within the department," says Geoff Lander, distribution centre and produce manager for Pete's Fine Foods, a two-store chain based in Halifax, NS. "Organics represent 12 percent of produce sales, so it's definitely an important and growing segment for us."

A resounding refrain from Canadian retailers is the practice of catering to ethnic diversity among shoppers by customizing offerings at store level. For example, Lander says he stocks a greater volume of Asian vegetables and fruits such as pummelos at the chain's downtown Halifax location, while at the Bedford store on the outskirts of town, items like Lebanese zucchini and purple, egg-size 'Violetto' artichokes cater to shoppers with a Mediterranean/European ancestry.



“The Quebec market is different from Ontario market,” explains Bernadette Hamel, vice president, national procurement, produce, at Metro Richelieu Inc., a 600-plus store chain headquartered in Montreal, Quebec. “As well, many communities are found in both provinces. We adapt our offerings to the communities’

needs in each of our supermarkets, including when it comes to selling the right produce. This translates into increased sales, because we meet our customers’ needs.”

CPMA’s Lemaire sums this concept up perfectly: “The right offering at the right store at the regional level will bring repeat shop-

ping trips, purchases and ultimately greater produce consumption.”

2. A SPOONFUL OF FLAVOR MAKES HIGH PRICE EASIER TO SWALLOW

The sheer number of U.S. retailers can mean widespread channel distribution, which can be a challenge for suppliers. In addition, produce suppliers say with so many U.S. retailers dealing with internal reorganization or consolidations it can sometimes create challenging multiple levels of communication and decision-making. These hurdles aren’t the same in Canada. Here, there are five major retailers with greater ability to run coast-to-coast programs.

Plus, according to the Canadian trade representative for the Maitland, FL-based Florida Tomato Committee, Brad Brownsey: despite the size of the country, 75 percent of all Canadians live within 100 miles of the Canadian/U.S. border, and the vast majority of all Canadians reside in 33 major metropolitan cities across the country making distribution within the country easier. However, importation is the mainstay of produce procurement.

“Challenges, like climate change, definitely redefined how we work. It gave us the oppor-

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tunity to diversify our supply sources, when our regular suppliers couldn't help us meet our customers' demand," says Metro's Hamel.

The other big challenge, especially recently, is the dramatic decrease in the Canadian dollar, which led to higher prices for produce, and therefore, lower demand from consumers.

"Canadian retailers are often challenged to offer a competitive market basket to their shoppers without causing sticker shock," says Jim DiMenna, president and chief executive of Red Sun Farms, in Kingsville, Ontario.

Loblaws' Pagliaro says customers tell him that price can be a major barrier to living a healthier lifestyle. "We're hoping to mitigate that barrier through the No Name Naturally Imperfect brand. It's fresh, delicious produce at a great value — up to 30 percent less than traditional produce. We launched the brand last year with limited distribution and have received tremendous feedback and results. Given the early success, we are expanding the program both in number of stores and in products available."

Private label programs are more prevalent among Canadian retailers and retailers will choose specific varieties and levels of quality to differentiate themselves, according to suppliers who sell in both the U.S. and Canada. A good example of this is the marketing program recently launched by Loblaws around its President's Choice-brand produce.

"We work closely with our vendors to ensure these products have an enhanced flavor profile. Once a customer tries it, we know they'll love it. Each month we are focusing on a new product to highlight and share with Canadians," says Loblaws' Pagliaro.

Flavor is something that is easier for Canadian retailers to assure in some products due to sourcing options not available to their U.S. counterparts.

"Mangos don't need to hold up under a hot water treatment as they do before entering the U.S., so the fruit can hang on the tree longer and is more flavorful," says Michael Mockler, produce director at Thrifty Foods, a 26-store chain headquartered in Victoria, BC, that was purchased in 2015 by Sobey's Inc, Canada's second largest retailer with more than 1,500 stores under a dozen-plus banners.

"We ran a display contest for Ataulfo mangos last year under the theme 'the fruit is so juicy you need to eat it in the bathtub.' One of our produce managers integrated a full scale tub with mannequin into the display. It really drew attention and sales," says Mockler.

Yet in other products, such as grapes, retailers on both sides of the border can follow

in Longo's steps.

"We work with our grower partners to help introduce and test proprietary varieties. They provide us with a small volume to test, we give them feedback as to how customers react, and in turn, we get an exclusive to the market," explains Longo's Franzone.

"We did this last year with unique grape varieties in partnership with the [Shafter CA-based] Grapery. We merchandised the fruit in a place we called 'The Flavor Corner' for two months with signage that encouraged customers to try the six new exciting varieties," adds Franzone.

3. LOCAL MEETS LOCALE

The Buy Local movement is a hot topic. "This is not a new trend, and we have seen the same strategy of featuring the grower at retail in the U.S. as well," says Chris Veillon, director of marketing for NatureFresh Farms, in Leamington, Ontario. "However, there is a greater disconnect due to distance/proximity of where some product is grown."

Loblaws' buying strategy gives priority to local and regional fresh products when the safety, quality, availability and value line up according to the retailer's specs.

"We launched the 'Grown Close to Home' program to highlight and market locally grown produce in our stores nearly a decade ago. During peak growing seasons, approximately 40 percent of produce in our stores is Canadian-grown. However, we are always looking for ways to increase the amount of Canadian produce in our stores, and work closely with our growers to identify trends and invest in new commodities to support consumer demands," says Loblaws' Pagliaro.

Locally-grown isn't a seasonal, but instead a year-round program at Longo's. "We feature local as part of our 'Taste Ontario' program. Canadian-grown mushrooms and greenhouse-grown long English cucumbers, for example, are available year-round. In the winter, it's apples and storage crops like potatoes. From May to October, it's a variety of fruits and vegetables that total 60 to 75 percent of our fresh produce offerings, and in the fall it's items like hard squash. We spotlight this produce with signage and point-of-sale that tells the grower's story," explains Franzone.

Local and locale intermingle at Pete's. "Six months of the year, we get much of our produce from farmers in the Annapolis Valley. The rest of the year, we feature what's in season. For example, we do huge displays of asparagus in the spring when it comes into season in California," says Pete's Lander.



The Spring Launch Program from the Ontario Greenhouse Vegetable Growers offers funding for flyer ad placement and provides the key Canadian retailers with media buy and point-of-sale materials to help merchandise Ontario grown tomatoes, peppers and cucumbers.

4. ANSWER THE DAILY CALL, 'WHAT'S FOR DINNER?'

The Canadian customer shops often, daily to three to four days a week, with less of a tendency to pantry fill, and it shows in greater produce consumption, says Thrifty Food's Mockler. "Because of this focus on fresh, we moved produce from the perimeter to right inside the front door at our new locations. And, the first thing customers see is a display with a meal solution. Shopping lists may have meat, fruit and vegetables, but it's no more specific than that. It's our job as a retailer to provide those ideas in a short amount of time. For example, we might have a nice big display of Peruvian asparagus with garlic, lemon, Roma tomatoes and pasta. The shopper sees it right as they walk in-store and it answers their question, 'What's for dinner?'"

At Colemans, the chain's Registered Dietitian Nutritionist demos the healthy family meal featured in the retailer's weekly flyer in-store each Friday between 2 and 4 p.m. Ingredients used are among those that are price-promoted.

Meal solutions are part of a multilayer coordinated effort at Longo's. "We go in depth about a category like berries in an issue of our quarterly magazine, *Experience*. This includes



Local and locale intermingle at Pete's. Six months of the year, the store gets its produce from farmers in the Annapolis Valley. The rest of the year, the store features what's in season.



"Colemans at the Gardens" event, Chef Maurizio shows Girl Scouts a series of safe food handling tips.

education about season, varieties and usage suggestions. Recipes are simple meal solutions that offer customers a different idea from how they may normally enjoy the product. For example, we did a Berry Quinoa Salad with strawberries, Spring Mix, sliced almonds and quinoa. A lot of our merchandising activities in store such as displays, promotions and recipe ideas are driven from the magazine. It's a 360 effect and meal solutions have become huge for us."

5. EDUCATION CREATES IN-STORE THEATER

There's value in a clean-store policy where excessive non-produce items don't detract from shoppers' clear line of sight to the enticing colors and textures of the produce department, says CPMA's Lemaire. "At the same time, shoppers today are hungry for information. Canada's retailers have become creative in providing this."

Loblaws, for example, focuses its attention on key events or programs throughout the year. One is a tropical event, where marketing and store displays drive awareness of new products and sales.

Suppliers are quick to assist retailers. For example, the Ontario Greenhouse Vegetable Growers, in Leamington, Ontario, kicked off its growers' tomato and pepper production with its Spring Launch Program. This program offers funding for flyer ad placement and provides the key Canadian retailers with media buy and point-of-sale materials to help

merchandise Ontario grown tomatoes, peppers and cucumbers.

Displays can take on the feel of in-store theater at many Canadian retailers. A great example of this is at Colemans, where public relations and event planner, Judy Bennet, orchestrated an awesome launch event for ENZA's Envy Apple a few years ago.

"Large posters supplied by the ENZA people featured graphics that depicted a beautiful woman holding the apple. To have some fun with this, we selected three of our largest stores to actually execute an unveiling of the new apple with a large white sheet over the apples. In those three stores we hired a model to dress up like the lady in the poster complete with long black gloves, a large brim black hat and red blouse. The envy apple display was huge and produce managers were instructed to pull the sheet at exactly at 10:30 a.m. The model stood in front of the display posing with the apple in her hand. Then, she gave out samples of the apples to customers and sampled a salad made with Envy apples," explains Bennet.

Regardless of which side of the border the retailer is on, what makes a program successful is execution.

"Partnering with retailers that are willing to try new things and work together to execute a program brings forth success," says Mastronardi's Sbrocchi. Beyond this, many retailers rely on staff for shopper education. Mockler at Thrifty Foods offers three four-hour sessions for groups of

eight to 10 as part of his Produce Passion training. Staffers learn everything from how to trim and crisp to how to answer customers' produce questions. Mockler says this process not only boosts produce sales, but creates chain ambassadors.

To assist all Canadian retailers, the CPMA is launching a new educational drive. Staff new to the industry can earn the Produce Basics certification, which has been online since December 2015. Ongoing education comes in the form of a Produce Essentials training credential. This launches this month at CMPA's annual convention.

7. PRODUCE-CENTRIC COMMUNITY PARTNERSHIPS

Metro has made healthy eating and the well-being of its customers a company priority, a concern that is clearly expressed in the retailer's Corporate Responsibility Plan. As such, Metro's Health and Wellness Program rests on four pillars. One of these is promoting healthy eating within the community.

"Our various initiatives are integrated into a global approach. That is, we offer nutritional attributes, in-store tips and recipes for our many product lines, both on our website and in the circular, as well as our Green Apple School Program. In this program, Metro awards 1,500 grants, each worth \$1,000, to elementary and high schools in Quebec and in Ontario for carrying out projects aimed at eating more fruits and vegetables for young people," says Hamel.

pb



Southern Fruit Supplies

From Carolina peaches to Georgia blueberries, The South diversifies.

BY BOB JOHNSON

Strawberries grown in the South, aside from national producer Florida, are largely sold locally, many of them at roadside farm stands or u-pick farms.

Muscadine grapes are such a closely held regional secret that most Yanks would not even know how to properly begin eating them.

But when the peaches, blueberries, and melons of all sorts are ripe and ready to pick, southern fruit fills the shelves of supermarkets everywhere west of the Mississippi, including into Canada.

"I would say that more than half of the country is serviced by spring and summer southern fruits and veggies once Florida begins to transition north to Georgia, South Carolina and North Carolina," says Andrew Scott, vice president of marketing and business development at Nickey Gregory Company, Atlanta. "*Georgia Grown* has increased in volume over the years, especially blueberries and other non-traditional crops. Peaches, blueberries, watermelons and cantaloupes are the most popular fruits grown in Georgia, with blueberries taking over as the top producer. Blueberry acreage is on the rise in South Georgia."

THE PEACH STATE OF MIND

Peaches are so important in southern agriculture that larger growers in Carolina and Georgia plant dozens of varieties in their orchards, in order to ship fresh picked, tree ripened fruit over the longest possible period of time.

"Our peach season lasts around 16 to 17 weeks," says Chalmers Carr, owner-operator of Titan Peach Farms, Columbia, SC. "We start around mid-May and continue into the second week in September. We grow more than 50 commercial varieties of peaches."

With more than 5,000 acres, Titan is the largest peach grower in South Carolina, and the second largest in the country.

"There's probably more than 100 varieties of peaches grown in South Carolina, including probably 40 or 50 commercial varieties," says Martin Eubanks, assistant commissioner of agriculture in South Carolina, Columbia, SC.

Although the peach varieties are generally selected to fill specific time slots, there is a family of favorites.

"We have our Freestone peaches," says Duke Lane III, partner in Genuine Georgia, a partnership among Lane Southern Orchards,

Pearson Farm, Fitzgerald Fruit Farms, Taylor Orchards, and Dickey Farms. "In Georgia, we call the Freestone the peach that made Georgia the Peach State."

Genuine Georgia ships Freestone varieties from the middle of June through August, but extends the season with 30 to 35 peach varieties, each lasting no longer than 10 days to three weeks, according to Lane.

There is a regional pride in the peaches brought forth from orchards in southern soils, and sunny but humid climate.

"If you eat a good southern peach in June or July, the juice runs down your chin," says Benjie Richter, co-owner of Richter and Co., Charlotte, SC. "We promote southern peaches. The South Carolina and Georgia peach has a different eating quality, because of the sugar to acid ratio, the humidity and the soil. It has a lot to do with the humidity, the sun and the soil. They are juicier."

Southern peach growers have developed markets for their juicy treasure that extend virtually everywhere in North America east of the Mississippi.

"We go primarily to the Southeast, but we go from Florida to Eastern Canada, from Texas



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“California takes care of west of the Rockies, but most of our fruit comes off the tree and can be at the store in 24 to 48 hours. It’s fresher.”

— Benjie Richter, Richter and Co.

to Kansas City, and the Great Lakes area,” says Richter. “California takes care of west of the Rockies, but most of our fruit comes off the tree and can be at the store in 24 to 48 hours. It’s fresher. Local is good for us. Four hundred to five hundred miles away is still pretty fresh.”

Some Georgia peach shippers have found markets, beyond the Mississippi on the far side of the continent.

“We have customers as far as Western Canada, and down into Montana,” says Lane.

People associated with peaches in South Carolina are frequently quick to let you know that they, and not Georgia, are the leading peach producer in the South, although they are also quick to say they have nothing against their neighbor.

“Georgia got the name as the peach state, because they were the first to ship peaches, but we produce more than twice as much as they do,” says Eubanks. “We do still play well together. They’re generally a little earlier than us, then we overlap for a while.”

South Carolina peaches reach Eastern markets in May, and the number of varieties is enough to keep the fresh fruit coming until late summer.

“We are No. 1 in peaches in the South,” says Eubanks. “We start to harvest in mid-May, and we’ll run into September. June, July and August are the peak months. We ship throughout the Southeast, to the Mid-Atlantic and New England, and we get into the Midwest to Illinois and Minnesota. The bulk is sold east of the Mississippi River.”

The weather looks to have cooperated this year, as after an unusually warm fall led to anxiety about chilling hours, the beginning of the year brought the cold peach trees needed.

“We’re looking really good,” says Lynne Chappell, owner of Chappell Farms, Barnwell, SC. “October through December was record warm, but we had a lot of chill in January and February. We’re all getting our chilling units.”

Even growers who aim for a particular time slot within the lengthy peach season, like Chappell Farms, have enough varieties to offer a steady supply of fresh fruit.

“We start around the 15th of May, give or

take five days,” says Chappell. “We’re at the southern end of South Carolina, so we get in early and get out early. We finish shipping in mid-July, around the 15th of July. We grow 22 varieties of peaches. You have different varieties so you can have consistent volume. We ship as far west as Houston, and up to Chicago and Detroit in the Midwest, and Montreal and Toronto in Canada.”

BLUEBERRIES ON THE RISE

Georgia earned a reputation as a pioneer peach shipper, but the state has emerged in recent years as the nation’s leading producer of blueberries.

“Georgia produced the most pounds of blueberries in the nation in 2014, and we think we’ll be close in 2015,” says Charles Hall, executive director of the Georgia Fruit & Vegetable Growers Association, LeGrange, GA. “Blueberries are our number one fruit crop in Georgia, and have been for some time.”

As far back as 2009 blueberries exceeded \$100 million in farm gate revenue in Georgia, according to Hall, while peaches brought the state’s farmers a more modest \$60 million.

“The blueberries will start in late May and go until mid- to late July,” says Hall. “We’ve increased acreage and production of blueberries. We’ve seen tremendous growth; we ship everywhere east of the Mississippi.”

Fed by its reputation as a superfood with many important nutrients, this fruit is opening opportunities for farmers throughout the region.

“Our blueberry volume is increasing; we have growers who are putting in more acreage of blueberries,” says Sonny Dickinson, assistant director of marketing and retail merchandising at the South Carolina Department of Agriculture, Columbia, SC.

CORNUCOPIA OF FRUITS

There is almost endless variety to the fruits coming from southern fields and orchards in the warmer months, with all sorts of melons closely following peaches and blueberries.

“We grow watermelons and cantaloupes,” says Nick Augustini, assistant director of

marketing at the North Carolina Department of Agriculture, Raleigh, NC. "In the fall we have apples. Blueberries are a big one, and we do grow some blackberries, honeydews and Muscadine grapes. The Sprite melon you could probably get from mid-June through

September."

North Carolina has a highly successful promotional campaign that helps merchandise this variety of fruits over much of the country.

"We started a 'Got to be NC' program eight or nine years ago," says Augustini. "*The Good-*

ness Grows in NC campaign works from the Mississippi east, and from Maine to Florida. Any time we go into a store we give them POP materials."

Their neighbors have also developed brand merchandising that helps to promote the fruit.

"We have a logo we put into the stores that says 'Certified South Carolina grown,'" says Dickinson. "We have a sign we put into the stores that says *S.C. Grown* on the front and, on the back, 'It's a Matter of Taste.'"

Although peaches are number one, South Carolina also has a variety of melons reaching the shelves in the summer.

"I work primarily promoting peaches and watermelons," says Dickinson. "South Carolina produces more peaches than anyone else on the East Coast; we produce twice as many peaches as Georgia. We are second only to California. All of the major supermarkets in the Southeast, and particularly in South Carolina, buy our fruit in season."

Most states in the region have developed effective promotional campaigns that help merchandise their fruit throughout the Southeast, and even the Northeast and Midwest.

"Each southern state does a great job of promoting their own fruits and veggies, such as *Georgia Grown* and *Fresh from Florida*," says Scott from Nickey Gregory. "These state-run marketing organizations do a great of promoting their fresh produce items to a national audience."

In many areas of the South, strawberries are effectively merchandised as fresh, local fruit.

"A lot of our strawberries are sold in state," says Augustini. "What might be 'local' in California would be regional here, because of the length of that state."

Georgia farmers, too, have developed highly local markets for their fresh strawberries.

"Strawberries start in late March or April, but most of them are pick your own," says Hall.

The most local southern fruit, however, could be a grape that most of the country would not even know how to eat.

"The Muscadine grapes are in September or October, but that's fairly specialized in the Southeast," says Hall. "Most New Yorkers don't know how you eat Muscadine grapes. You suck out the juice, throw away the skin, and pick the seeds out from between your teeth."

The Lane Orchard in Fort Valley, GA., has a small patch of strawberries, blackberries, blueberries, apples, and kiwi that also includes Muscadines, as well as the related Scuppernong grapes.

"That's more of a local thing," says Lane, "for people who come to the farm." **pb**

■ LET THEM KNOW, AND THEY WILL BUY

There are almost as many ways to merchandise southern fruits as there are supermarkets.

"Each retailer does their own different thing," says Benjie Richter, co-owner of Richter and Co., Charlotte, SC. "On peaches we usually get a good end display. We do have one retailer who does a barbecue display with Vidalia onions, corn on the cob, and peaches."

In season some stores find it effective to build a section within produce featuring fruits and vegetables from the home state.

"Locally, here in Atlanta, why not have a Georgia Grown section in the grocery store promoting the farmers and their products," says Andrew Scott, vice president of marketing and business development at Nickey Gregory Company, Atlanta. "One retail store in Atlanta has big pictures of the farmer next to displays of the farmer's products. These fruits can be merchandised as locally grown, especially in the spring, in April, May and into June."

From South Carolina, peaches, in particular, have developed a following based on their origin.

"We think the South Carolina name sells well," says Martin Eubanks, assistant commissioner of agriculture in South Carolina, Columbia, SC. "People look for our fruit in all the places we market. We see great market opportunities because of the eating quality of our peaches."

A few retailers will build a display of fruit from the entire region, rather than a particular state.

"We do have some markets that put together a southern fruit display," says Sonny Dickinson, assistant director of marketing and retail merchandising at the South Carolina Department of Agriculture, Columbia, SC.

Regional or state fruit brands carry weight in much of the country, because southern fruit is closer and fresher.

"A product can make it from Georgia to Indiana in two days," says Charles Hall, executive director of the Georgia Fruit & Vegetable Growers Association, LeGrange,

GA. "If we're up against Jersey Fresh or some other local program people wouldn't respond that favorably; but the Georgia name generally does pretty well."

Some of the fruit is sold as either from the South, or from a particular state within the region.

"With the buy local thing being a big angle, most of it is sold as 'From North Carolina,'" says Nick Augustini, assistant director of marketing at the North Carolina Department of Agriculture, Raleigh, NC. "Some of the cantaloupe is sold as Eastern, and also as North Carolina."

In some cases retailers decide the relative effectiveness of merchandising the region, a state, or a brand.

"The peaches all have a PLU label with the brand Titan, Carolina Beauty or Summer Snack on them," says Chalmers Carr, owner-operator of Titan Peach Farms, Columbia, SC. "The retailers sell them as southern or South Carolina peaches. Most of them prefer South Carolina."

This shipper uses packaging that has room for a promotional message, and encourages larger volume purchases.

"We sell bulk displays, gusseted bags and clamshells," says Carr. "Gusseted bags with two pounds of peaches are gaining a lot of popularity. People got used to them with grapes and cherries. There's enough room to print a message, but because they are not clamshells people feel you're not wasting so much on packaging. The retailer gets a bigger ring from the consumer; they're selling two pounds of peaches."

One state even has a campaign that lets the merchandising begin in the parking lot, even before customers enter the store.

"We have a four-foot tall street talker that says S.C. Grown," says Dickinson. "People may see that sign out front when they get out of the car, before they even get into the store. We started our program seven years ago, and we already have a 67 percent recognition for the brand within South Carolina. Our fruit sales are increasing." **pb**



SPRING GRAPE PRIMER – Four Sales Strategies

Category profits on the move as new varieties attract more consumers.

BY CAROL BAREUTHER

The quality of new crop North American grapes in May determines the payday this category provides for produce retailers over the next several months. Navigating the spring grape deal poses special challenges for retailers. In the summer, virtually all the grapes come from California, so it's easy to source. In the winter, virtually all the grapes come from Chile, so it's easy to source. But in the spring, retailers need to balance between Southern California (out of Coachella), Mexican grape production, and some late Chilean grapes that are able to meet required USDA standards.

"Grapes, like cherries, are a high sales volume item in our departments," says Jay Schneider, produce director at Acme Markets, headquartered in Malvern, PA, which is part of the 2,200-plus Albertsons family. "If you don't have them, you can't make up the sales. I rely largely on these two growing regions

[Southern California and Mexico] to supply us and to plan promotional strategies. It brings a new fresher grape to market for our customers."

The chief strategy for profiting from the spring grape season for retailers is to consider it a sprint, according to Andy Kampa, category manager at Robinson Fresh, headquartered in Eden Prairie, MN. "Retailers need to price grapes appropriately in order to move through a lot of fruit in a short period of time. Early estimates are calling for 18 million cases out of Mexico and 6 million cases out of Coachella, CA. At 24 million cases, the volume is there, but retailers need to price the product at a level that keeps customers purchasing grapes time and again during the spring season."

1. MAKE A SMOOTH TRANSITION

The spring grape deal is quick and lasts about eight weeks, traditionally starting in early May and finishing up at the end of June

when California's San Joaquin Valley starts production. The volume and quality of fruit at this time is a natural for retailers to kick off the spring and summer fruit season.

"Within this time period you essentially have three different growing areas (Chile, Mexico and Southern California) that come in and out of production," says Michael Smith, president and chief executive of Sigma Sales, in Rio Rico, AZ. "It is important for retailers to be in the right growing area at the right time to assure they are getting the freshest fruit available."

In considering when to transition from South to North American grapes, Acme's Schneider says he looks at how the quality is relative to the market and bases his decision off of good field reports and inspections on both sides.

"The Chilean marketing order usually goes into effect around the middle of April. This



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means they can continue to bring in seedless grapes after that date, but they have to pass U.S. No. 1 grade on arrival, so this usually limits availability to just red grapes,” says Schneider.

The undesired rainfalls this winter and high humidity levels in Chile through January should cause it to be a shorter season, specifically on green grapes.

“This could cause the early market on grapes out of Mexico and Coachella to be elevated as there should be demand with the absence of Chilean grapes,” explains Robinson Fresh’s Kampa. In addition, “depending on how the Crimsons hold up from Chile, the market could go one of two ways. If there is a general lack of quality, there will be an extreme demand to get into the new crop. However, if the quality holds on Crimsons out of Chile, there should be ample supply through April into early May due to the fact the U.S. is the closest, most viable market for the Chileans to export to. In this scenario, there could potentially be more grapes available in the marketplace.”

With regard to start dates, “most retailers look at Mexico and California as alternative sources, although some have a preference for one or the other,” explains John Pandol,

“Most retailers look at Mexico and California as alternative sources, although some have a preference for one or the other.”

— John Pandol, Pandol Bros., Inc.

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

“We take product from Mexico and transition into the Desert (Coachella Valley). The challenge is, if there is a gap between the two regions and fruit costs go up along with a limited availability to promote. Or there might be a big overlap making the fruit cheaper,” explains Acme’s Schneider.

Industry professionals in mid-March projected grapes out of Mexico to start 10 to 14 days ahead of normal, with fruit starting harvest in the last week of April. Meanwhile, the Coachella season should start in early May.

“We usually stay away from the Mexican grape crop and wait for the California season to start,” says John Savidan, produce director for Bristol Farms; a 12-store chain based in Carson, CA. “We ride our Chilean fruit

through pretty much until the California desert fruit is ready to eat. Our customers like the local product, which is why we usually wait. The down side is that early fruit is generally smaller and doesn’t eat really well. As a result, we put a lot of trust in our suppliers when it comes to making the seasonal transitions. We almost never are the first guys to go out, and always wait for fruit to size and sugar up. In our minds we want customers to get the best eating fruit they are accustomed to receiving when shopping our stores. Our vendor partners know our specs and know when to suggest moving into these types of transitions.”

To sell more spring grapes, retailers need to make sure they are stocking the grapes preferred by shoppers. Research shows 94 percent of primary grape shoppers prefer grapes from California to other origins when grapes



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are priced the same. What's more, 69 percent prefer grapes from California when the price for California grapes is higher, according to the California Table Grape Commission (CTGC) 2015 Online Omnibus Survey conducted by Fleishman-Hillard International Communications' St. Louis-based research division.

"These numbers confirm shoppers are paying attention to where their food comes from and a good way for retailers to promote local origin," says Cindy Plummer, vice president of domestic marketing for the Fresno, CA-headquartered CTGC.

As conditions continue to allow for an earlier start out of California, a retailer's focus should also be on the late season and how grapes handle the transition back into the import season.

"The historical pattern of 'El Nino' years is a big desert grape deal and a late Central California (San Joaquin Valley) start. So don't set your transition dates in stone, especially on the back end," recommends Pandol Bros.'s Pandol.

2. CREATE EXCITEMENT WITH NEW VARIETIES

Tried-and-true spring grape varieties like Flame seedless, Princess, Sugraones, Summer Royal and Thompsons are among the best sellers at Bristol Farms and Acme Markets. Beyond this, Acme's Schneider has tried a number of new varieties.

"Every week or two we feature a new variety. Cotton Candy obviously is the most popular. Customers love to try new things and welcome these new varieties. I see this growing every year as more supply becomes available," says Schneider.

In Mexico, "there is a lot of trial with the few early season varieties out there. There is also some trial with midseason varieties in combination with different production techniques to try and extend the season. Most of the early varieties are Israeli genetics and the response has been mixed. The 'I don't use Perlettes' crowd buys them for their visual characteristics, they tend to be greener and have better stems, but not necessarily taste. Some retailers are requesting Perlettes and Thompson

Seedless as heirloom varieties. There are at least 8 genetic programs from 4 continents at various levels of trial and introduction in Sonora and there is trial with new varieties out of new growing areas," says Pandol Bros.'s Pandol.

One of these is the green-skinned Early Sweets, grown for the first time in the Obregon region or more specifically in the Yaqui Valley, which is located 160 miles southeast of the established spring grape-growing areas of Hermosillo. The first harvest is expected in

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“I think from a merchandising aspect you have the ability to call out new crop on your signage and build larger displays of local fruit.”

— John Savidan, Bristol Farms

early May.

“The fruit coming from Obregon will be some of the earliest green grapes available out of Mexico,” says Sigma Sales’ Smith. “Additional acreage here is being planted now that will come into production in about two years. This is the first year harvest on the early plantings so volume will increase going forward.”

Sigma will market these grapes and other varieties such as Flames and Sugraones for the first time under the popular Melo label from the Pablo Borquez family of growers.

Prime Seedless is another newer early season green seedless grape. Fresh Farms, in Rio Rico, AZ, is one of only two growers to grow the early Prime Seedless green table grape in Mexico.

“The main problem with the Perlette is it doesn’t get sweet early,” says Jerry Havel, director of sales and marketing. “The Prime Seedless is larger, sweeter and tastier.”

The clear-cut variety out of Mexico is the Cotton Candy grape (green), which has a sweeter flavor profile that kids love, says Robinson Fresh’s Kampa. “In addition to the Cotton Candy grape, Sweet Celebration (red) and Sweet Globe (green) are the most prevalent in Mexico, as well as a few other IFG (International Fruit Genetics, in Bakersfield, CA) varieties that have been planted. In Coachella, there are a number of grape varieties including the Valley Pearl, Magenta, and Ivory, which are also known as the SHEGENE-21, Pristine, and Scarlet Royals. Most of those varieties will be available in June. We expect the Ivory variety to be a mainstay in Coachella and the Central Valley in years to come.

New this year in black grapes, Sun World International, LLC, in Bakersfield, CA, will have Sable Seedless out of Mexico and Coachella, thus extending the seasonality of this grape from June to September when added to its traditional San Joaquin Valley harvest.

“We will also have a light volume of organic Midnight Beauty and Sable Seedless brand



grapes out of Mexico,” says Rick Paul, grape category manager. “The company is renewing its interest in organics due to strong customer and consumer demand and low supply availability, and putting the investment in place to be USDA-certified organic in the next two to three years.”

3. SIGN DISPLAYS WITH ‘NEW CROP’

Grapes have become such year-round staples that 80 percent of respondents no longer see them as ‘exciting’, according to proprietary research supplied by VIVA International Partners, Inc., a marketing consultant firm based in Nogales, AZ.

“The ‘blur’ effect of grape displays on shoppers today is something that can be addressed, especially since the tote handles are what most consumers see first, not the fruit,” says Veronica Kraushaar, president of VIVA International Partners, Inc. “It is important to announce in point-of-sale, signage or in circular ads ‘New Spring Crop,’ ‘New Variety Here.’ Or, post this on-pack, such as on the tote handles, in order to give shoppers a reason to stop, especially when transitioning from winter to spring.”

Large end cap or cube displays merchandised in high traffic areas within the produce departments or in the front lobbies is how Bristol Farms showcases spring grapes.

“I think from a merchandising aspect you have the ability to call out new crop on your signage and build larger displays of local fruit. Since the fruit is a new crop it generally holds up well and bulk fruit merchandising is an option for us, and quite frankly, one of our

strengths,” says Bristol Farms’ Savidan.

Packaging in springtime mirrors that of other times of year.

“High graphic bags continue to be the primary pack style, followed by clamshells. We are seeing one-pound clamshells help retailers achieve a desirable price point in the pack style, as well as merchandise specialty grapes separately from bulk grape displays,” explains Sun World’s Paul.

At Acme Markets, Schneider says he tried a number of varieties in 1- and 2-pound clamshells last year with great success.

4. KICK OFF THE SEASON WITH PROMOTIONS

The gap between the end of green grapes out of Chile and start from Mexico leads to high demand and typically high prices, says Miguel Suarez, chief executive of MAS Melons & Grapes, in Rio Rico, AZ. “Prices are too high for retailers to promote in the first week of harvest, but one week to 10 days’ later prices start to come down and it’s a good time to begin promotions.”

There are many opportunities to promote spring grapes since there will be ample volume out of Mexico and California.

“We will have good supplies of red, green, and black seedless varieties for Memorial Day promotions,” says Tom ‘TW’ Wilson, grape sales manager for the Giumarra Companies, headquartered in Los Angeles. “Our peak production will take place from May 20 to June 20, so grapes can be promoted from the middle of May to the Fourth of July holiday.” **pb**

In Memoriam

Kurt J. Schweitzer

March 12, 1953 – February 17, 2016

And now these three remain: faith, hope and love. But the greatest of these is love. (1 Corinthians 13:13)



I first met Kurt in 1980 when I joined Keystone Fruit Sales. We worked together for close to 14 years. His personality was sincere and unpretentious. He always enjoyed meeting people and he always did it with a smile and with a tone that was witty and just plain humorous. He could speak with a full smile, yet deliver a serious message. Kurt was an adventurous person who took chances in business and in life. Although so heart-breaking, when Kurt passed he was being adventurous and enjoying life to the fullest.

Jim Allen | New York Apple Association

Obviously, from the success of Keystone Fruit, over the years the great minds of Kurt and his partners yielded great results. Working with and for Kurt was a pleasure; but knowing him for 36 years was more than that, and having lost such a close friend is yet another hard hurdle in life that we have to get over.

Kurt will be greatly missed. His produce family reaches across the country and across international borders. I am so grateful that I was part of that family.

Kurt was a force for progress in the produce industry, and a bright light to many, both professionally and privately. He showed tremendous energy chasing ideas and innovating new and better ways to bring produce to market, including pioneering work on sweet onions.

Jack Gyben | Progressive Produce

Kurt was devoted to his wife Pat and his family, his partners and his employees at Keystone. The smile, the twinkle in his eye, and his energy will be sorely missed, but not forgotten.”

We will always remember Kurt’s big smile. No matter wherever or whenever we were meeting, when he entered the room it was always a great, warm welcome. He was such an inspiration to his employees, his growers and his business partners. Our business dealings cannot be described to others because they are so unique: We were somehow

Jim Leimkuhler | Progressive Produce

business partners first and friends first. Nothing ever came second. We will miss Kurt dearly. But I can promise you that we will continue to honor him in our business partnership with Keystone every day.”

Kurt and I were friends for over 30 years. We golfed at the same club and I will miss those mid-day calls asking “Hey can you get away for a quick 9 around 4 o’clock”? The guys in our gang would always ask me where’s Kurt? My response was always the same “not sure but he’s out working on the next deal somewhere.”

Kurt was good at “pulling a rabbit out of his hat”. One day we were golfing at Arnold Palmer’s home course, Laurel Valley, in a charity event

Chef Dave Munson | Keystone Fruit Marketing

on a rainy day. Kurt spoke with Arnie and Jim Nantz, who was covering a Steelers game. From that conversation, we all ended up having lunch and sitting with members of the Rooney family, the Steelers owners.

Kurt taught me a lot, we laughed a lot and he always told me, “David sometimes we just don’t know what’s good for us.” So very true. Kurt led us all and gave a lot of himself, and all I know at this writing is I miss him!

Kurt Schweitzer’s love of life and people was a lasting gift to everyone he met, and especially to all of us at Keystone and KeyPeru. We were blessed to have him as a leader, a mentor and a friend. Kurt’s smile urged us to do our best, to do the right thing, and to do everything with

Marty Kamer | Keystone Fruit Marketing

kindness and integrity. Kurt’s spirit will move us forward as companies that embody his values, his energy and his unfailing optimism in every undertaking.

Kurt was employed by Keystone in 1979, became an owner a couple of years later and we were partners in Keystone until I retired in 2008. We then continued as partners in the Walla Walla Washington sweet onion farming operations.

Kurt was always the one with new, sometimes seemingly “out of the blue” ideas that in many cases led to successful ventures. His ability to

Bob Evans | Keystone Fruit Marketing

analyze a challenging situation and figure out a good solution was sometimes uncanny. His vision was from a sky-level perspective.

He was a wonderful partner to me, to Keystone and to all of our business contacts.

We will sorely miss him.

Identifying The Advantages Of Australian/New Zealand Fruit

Understanding the variety and innovation in Australia and New Zealand fruit provides a base for successful merchandising and promotion.

BY JODEAN ROBBINS

As Australia and New Zealand grow in both volume and variety, U.S. and Canadian retailers harness the fruits of their labors to extend sales. “There have been a few big game changers in the produce business during the past 20 years, and one of them is the Australian Navel orange development,” says Alfonso Cano, produce director for Northgate Gonzalez Markets in Anaheim, CA. “The variety and quality from Australia and New Zealand are crucial to filling out our department in key products during certain time periods.”

New Zealand and Australian apples and citrus keep Harps Food Stores Inc.

in Springdale, AR stocked with varieties not available for weeks or even months. “It helps sustain categories or parts of categories that would otherwise struggle during certain time frames and gives the consumer more to choose from,” says Mike Roberts, produce merchandiser for Harps, operating 80 stores in three states.

Just two decades ago, exports from Australia and New Zealand to the U.S. market were scarce. “In the early 1990s, Australia commenced exports of predominantly Navel oranges during the U.S. off-season,” reports Michael Worthington, chief executive of Produce Marketing Association Australia-New Zealand in Melbourne, Victoria,

Australia (PMA-A-NZ). “This [process] was done through a single importer [Fort Pierce, FL-based DNE World Fruit], and Australian exporter, Riversun — on behalf of leading citrus exporters. This export now continues, although with multiple exporters and importers all under increasing competition from Chile, Peru and South Africa.”

Both Australia and New Zealand expanded volume and variety. According to statistics from Australia’s Department of Agriculture and Water Resources, Australia exported 8,006 tons of oranges (valued at about US\$9.9 million), 2,180 tons of other citrus (valued at about US\$2.8 million) and 18 tons of mangos (valued at about US\$140,000) in 2015.



Total New Zealand fruit export value to the U.S. is close to NZ\$100 million (approximately US\$68 million) according to Alan Pollard, chief executive at Pipfruit New Zealand in Hastings, New Zealand. "Pipfruit (apples and pears) and kiwifruit make up the bulk of this," he relates. "A variety of other products tested the U.S. market, and some are quietly doing well — including plums, lemons, persimmons and avocados."

COUNTER-SEASONAL ADVANTAGE

The counter-seasonal nature of trade with Australia and New Zealand presents exceptional advantage. "It is important to have these items year-round," says Jack Cannon, sales manager/Australian team leader for DNE World Fruit LLC in Fort Pierce, FL. "Australian citrus items are counter-seasonal to the California domestic crop, and customers are accustomed to enjoying summer citrus from Australia for its flavor, convenience, and value."

Customer expectation for product 365 days per year means Northgate counts on counter-seasonal supply. "No one says, 'because it's not in season we don't expect much,'" states Cano. "Our customers expect the best at all times; so if we want repeat purchases, we need good consistent counter-seasonal supply and Australia/New Zealand deliver this."

The region provides a wealth of products to complement market sources. "Kiwifruit is counter-seasonal to U.S. product and consumers respond well to new arrivals of fresh in-season kiwi," says Glen Arrowsmith, market manager North America for Zespri International in Mount Maunganui, New Zealand.

Giumarra markets kiwifruit, apples, and pears from New Zealand and mangos, apricots, and cherries from Australia. "They complement the U.S. because of their Southern Hemisphere location," reports Jason Bushong, division manager for Giumarra Wenatchee of the Giumarra Companies.

Specialty companies such as Frieda's market lemons, kiwifruit, passion fruit and other sub-tropical items from New Zealand. "Using imported products allows best-selling items to be available year-round and makes retail merchandising easier," says Karen Caplan, president and chief executive of Frieda's Specialty Produce in Los Angeles, CA.

HARNESS PROVEN WINNERS

Retailers are urged to understand essential products from this region and how they fit into market windows. DNE reports the Australian Navel season normally starts the first week of July and runs through October.

The counter-seasonal nature of trade with Australia and New Zealand presents exceptional advantage.

"The main item is the Navel orange, which runs the length of the season," says Cannon. "Other items Australia sends include Daisy mandarins, Aussie Sweets, Minneolas, Blood Oranges, and Cara Caras. The Navel flavor profile is similar to domestic Navels while the Minneolas tend to be slightly more tart in their profile."

Apples represent an innovative and growing category for New Zealand. New Zealand exported 32,150 tons of apples to the U.S. in 2015 — representing 10 percent of the total New Zealand annual apple production according to Pipfruit New Zealand statistics. "The New Zealand apple industry underwent substantial changes since 2001 when deregulation removed single desk selling," reports Pollard. "The development, planting and harvest of new varieties changed the export varietal mix."

New variety innovation is a crucial tool for New Zealand. "Novel and interesting varieties are sales drivers," reports PMA's Worthington.

"These include the Gold kiwi, and Jazz and Envy apples in particular."

New apple varieties help Dorothy Lane Markets, a three-store independent in Dayton, OH, expand its marketing season. "New Zealand enabled us to promote apples more, because previously customers only bought apples in the fall harvest time," says Michelle Mayhew, produce director at the retailer. "Now, customers are picking up the new varieties outside the fall season. It opens a whole new door."

In 2010, Zespri began marketing a new variety of gold kiwifruit, the Zespri SunGold. "In 2015, we took the SunGold kiwifruit to the U.S. market in greater volume — selling 1.4 million trays," reports Pollard. "We plan to build on this success in the season ahead, which starts with arrivals from mid-May."

Kiwi is a high use item for Dorothy Lane. "We use kiwi in our fruit bowls and fruit trays in addition to selling it as a separate item," says

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Mayhew. "It's become as common as strawberries; we go through a lot of kiwi in our stores."

GET OUT THE MESSAGE

Timing, quality and volume of fruit from Australia and New Zealand make for successful promotion and merchandising. "Offering tropical and exotic fruit varieties provides room for good promotion when the high selling season on tree fruits, grapes, and melon season ends in the late summer and these items become available," says Robert Schueller, director of public relations for Melissa's Produce in Los Angeles, CA.

Summer is a perfect backdrop for promoting new crop freshness. "Australian citrus can be

"Online contests are a useful vehicle to educate and excite consumers about specific products and grower stories."

— Jason Bushong, Giumarra Companies

enjoyed in fruit salads at the backyard barbecues, toted along in the picnic baskets, or shared on the hiking trail," suggests DNE's Cannon.

Stores can take advantage of supplier programs and support. "Zespri invests marketing support to communicate the different varieties, the delicious, ripe eating experience and its extensive health benefits,"

says Arrowsmith. "In-store photography, messaging, attractive packaging and sampling support are key tools."

A good message starts with a prominent, attractive display. "Retailers should create large impactful displays of high color, cosmetically clean fruit at competitive retail price points," advises Cannon.

Giumarra's Bushong suggests promoting across a variety of channels to strengthen the message, including in-store and on social media. "Online contests are a useful vehicle to educate and excite consumers about specific products and grower stories," he explains. "Consider highlighting the unique growing story of New Zealand and/or Australia to generate consumer interest in products of that region."

■ AUSTRALIAN MANGOS AND LYCHEES ADD EXOTIC AND TROPICAL FLAIR

Retailers looking to increase tropical and exotic offerings can look far south for supply. Robert Schueller, director of public relations for Melissa's Produce in Los Angeles, CA, reports many unique items from New Zealand complement current supply: passion fruit from February through June; Kiwano Melon from January to May; feijoa from March through June; Meyer lemons from August to September; baby kiwi from mid-February through March; figs in March and April; and tamarillo from March through September. For Australian tropical fruits, Schueller lists the following: mango and lychee from December through February; as well as Blood and Cara Cara Oranges from early September through mid-October.

Continued progress in admissibility of products from this region support market development for specialties. "Trade opened the door to unique fruits during the past five years such as baby kiwi, figs and Meyer lemons," explains Schueller. "The addition of mango and lychee in this last year from Australia opens up opportunities in fruits already demanded in the marketplace."

Alfonso Cano, produce director for Northgate Gonzalez Markets in Anaheim, CA, views Australian mangos as another game changer. "Melissa's brought us some

Australian mangos this year, and they were amazing," he says. "It's a tough business currently, because of the competition. In the future, these mangos have tremendous potential."

Australia and its importers are also bullish on lychees. Recently granted market access into the U.S., Australia produces approximately 3,500 to 4,000 tons of lychees each year with exports estimated to be worth AUS\$18 to \$20 million (about US\$12 to \$14 million), as reported by Australia's Department of Agriculture and Water Resources.

Specialty products and new varieties provide opportunity

for retailers to create a premium product as evidenced by Northgate's orientation. "New varieties bring excitement and novelty to the department and give a chance for extra profits by selling something at a premium rate," explains Cano. "If we bring in a Gold kiwi or an Envy apple, we can promote it but not as a price-sensitive item."

Increasing availability of specialty fruits provides Dorothy Lane with a differentiation tool. "Our customers like the uniqueness of specialty items," says Michelle Mayhew, produce director at the retailer. "Our customers travel and are experiencing these products so having them in our store gives us an edge."



PHOTO COURTESY OF MELISSA'S PRODUCE

PREPARE WITH CONFIDENCE

Adequate preparation is the first step to merchandising success. "Pre-season planning and communication allows DNE to ensure necessary promotional volumes are initially loaded on the vessels and secondly earmarked for the specific retailer," advises Cannon. "Because the arrival volumes are finite, it is critical supplier and retailer work closely together regarding item volume needs and timing."

Zespri expects the kiwifruit season will start with Zespri Green, SunGold and organic product in the U.S. market from mid-May and be widely available. "An extensive marketing campaign will support the program and aim to re-introduce Zespri Kiwifruit to North America consumers," says Arrowsmith.

DNE reports the upcoming navel crop is projected to peak on the larger size. "A per-pound retail rather than by-the-each would be suggested," advises Cannon. "Also Daisy mandarins, known for their bold and aromatic flavor and moderate seeds, generally have good size and keep well allowing for successful promotion in bulk. Look to promote them early in the summer season, late June through mid-July. The flavorsome, easy-to-peel, Aussie Sweet mandarins will be very promotable in 2- or 3-pound bags in August/September — an excellent window of opportunity for driving incremental sales dollars."

pb

Profits From Pallets



PHOTOS COURTESY OF PECCO

Economy and sustainability come together in optimum systems.

BY BOB JOHNSON

Pallets can have major hidden impacts on produce waste, shipping costs, and the sustainable use of materials. Although usually used only for the relatively short time produce is in transit from the field to the store shelf, the impact of that time is multiplied because it can be measured in the hundreds of billions of miles.

“Trucks travel 275 billion miles on American roads, with 80 percent of them used to ship commodities and consumer goods,” says Jason Adlam, vice president for sales at CHEP USA, Alpharetta, GA. “Transportation is a critical component of the consumer goods supply chain – and that is why virtually every retailer is asking its suppliers to become more efficient, reduce costs and become more sustainable to win with consumers and spark marketplace growth.”

Sydney, Australia-based Brambles owns

CHEP, a major pallet supplier worldwide, and its sister company IFCO, a major supplier of reusable plastic containers.

SMALLER MAY BE BETTER

One of the newest developments in resource efficiency is the availability of smaller pallets for smaller loads.

“CHEP recently launched the half pallet in the U.S. market,” says Adlam. “The benefits of the 40-inch by 24-inch pallet include its ability to assist retailers in reducing the cost to ship, handle and display products from the point of manufacturing to the point of sale. The idea is that half-size pallet loads can go from the farm and processing facility to the retail store with minimal manual handling. This drives efficiency, reduces product damage and eliminates other wasteful practices.”

Not to be outdone, a U.S. pallet provider has come out with a product just 50 percent as large as the half pallet, and it can double as a floor display at retail.

“Our contribution to ‘what’s new and improved’ is our new 20-inch by 24-inch quarter size of our standard 48-inch by 40-inch pallet/base for use under point of sale floor displays and for use as a shipping

pallet for small lots and small footprint sized products,” says Gary Sharon, vice president at Litco, Vienna, OH.

Litco specializes in lower cost press wood pallets, made by molding wood and resin under high heat and pressure.

“It can be used for a base under point of purchase floor displays, and also as a pallet for small lot shipments. It is inexpensive, aesthetically pleasing, space saving, nestable, lightweight, yet strong. It has safer, rounded corners, no nails, no ‘foot trip points,’ which avoids feet getting stuck between the top and bottom of the pallet/base. There are no nails, mold, bark or contaminants such as listeria.”

Shippers and retailers alike can use a software program to see, in advance, how large a pallet they need, as well as the optimal amount of material and design.

“The engineering in the Pallet Design System enables users to quickly and accurately determine pallet performance under the intended conditions of use without time-consuming and expensive testing or trial and error,” says Patrick Atagi, vice president for advocacy and external affairs at the National Wooden Pallet & Container Association (NWPCA), Atlanta. “Comparisons in performance are

easily made between different pallet designs, wood species or grades, fasteners, and component dimensions.”

Brand name shippers are already using this software to design pallets with enough material to be strong enough for the job, but not so much as to be wasteful.

“Many major retailers either use or require the use of the Pallet Design System for their new pallets,” says Atagi. “This ensures using the optimal amount of material for the job needed, and avoiding ‘over building’ a wooden pallet. Del Monte, to my understanding, uses the Pallet Design System.”

GET IT TO THE STORE IN TACT

Nothing improves resource efficiency in moving produce more than minimizing damage to the product, and to the workers loading, transporting and unloading it.

“The Pallet Design System structural analysis and safe load estimates reduce concerns over human health and safety, and reduce or eliminate product damage which can result from inadequate pallet strength, stiffness, or durability” says Atagi. “The bottomline is the retailer should use the correct and *safest*

“The bottomline is the retailer should use the correct and *safest* pallet for the job, whether new or recycled. I underscore safety, because often times there are hundreds of pounds if not thousands on a pallet.”

— Patrick Atagi, National Wooden Pallet & Container Association

pallet for the job, whether new or recycled. I underscore safety, because often times there are hundreds of pounds if not thousands on a pallet. Worker safety should be paramount.”

One major California fruit grower considers pallets so important in reducing damaged or unsafe food incidents that they make their own under highly controlled conditions.

“The retailer should focus on arrivals and getting their produce in the same condition as when it was shipped,” says Denver Schutz, technical services manager at Gerawan Farming, Fresno, CA. “When suppliers ship on reused pallets, there is a chance for product damage. This would include crushed boxes, pallets that may have fallen over in transit and damaged product. Ultimately, a retailer should identify what is most important and strive to

achieve those goals.”

Gerawan Farming, a major peach and nectarine grower in California’s Central Valley, ships on its patented Prima Pallet.

“At Gerawan Farming we pride ourselves in making our own pallet,” says Schutz. “Our Prima Pallet is fabricated inhouse with select wood from trusted mills, each style custom-designed to safely protect the specific package it will carry.”

Damage to the produce is a major issue to consider when considering what pallets to use.

“Product damage can be a large opportunity for a retailer to reduce costs resulting from damaged products and produce on less than stable platform and unit loads,” says Adlam. “It is critical to look at the entire unit load, including the pallet to optimize the system

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to be the most robust, and environmentally stable solution. Often, a pooled pallet provides the best solution to reducing product damage throughout the supply chain.”

RENT OR BUY?

Among the most important economic decisions concerning pallets is whether to rent or buy. The consensus answer among the insiders most involved with pallets looks to be — it depends.

“Renting or purchasing depends on the retailer,” says Schutz. “The retailer normally drives this decision, but we always share our point of view. If we must use a pooled pallet it will always be a plastic iGPS pallet. We prefer the plastic iGPS pallet because of its overall appearance, durability, and cleanliness.”

“The North American pallet industry has seen continued growth and participation in the pooled pallet market,” says Adrian Potgieter, senior vice president of sales at PECO, Irvington, NY. “Many U.S. consumer packaged goods companies converted from whitewood to rental block pallets.

“Leading retailers, such as Costco and Walmart, also demonstrated a strong preference for block pallets, because they can hold more weight (up to 2,800 pounds) safely stored in overhead racks, allow true four-way entry, and are better for the handling and displaying of products,” says Potgieter.

One option is to buy used pallets for one-way shipping, but while this may be economical, the buyer should beware.

“One-way pallets are ideal for use in cases where shipping pallets are easily lost or difficult to recapture,” says Sharon, “also for companies that do not want to rent pallets because of the related costs involved with accounting and replacement of lost rental pallets. Used, recycled wooden pallets are popular for one-way shipping because the pricetag is low. However, the true cost of using them is much higher but is not reflected in the price. Most used pallets have been through the recycling process many times which makes the look and performance inconsistent and creates a high potential for contamination on the pallet surfaces.”

With this rental factor in mind, PECO offers tailored services. “PECO customers pay a simple, all-in-one price per pallet and don’t have to worry about sourcing, storing, tracking, or reselling their pallets,” says Potgieter. “And we consistently deliver high-quality, hassle-free pallets that work smoothly — even in fast-moving automated processing lines.”

The decision of whether to buy or lease, or whether to go with new or used, often comes



PHOTO COURTESY OF GERAWAN

down to the nature of the product.

“Leasing a pooled pallet works well for almost all produce items that are shipping into most U.S. retailers, major wholesale grocers and some foodservice lanes,” says Adlam. “Purchased recycled pallets may work better for products with long storage times, export products and non-traditional retail lanes.”

REUSE OR RECYCLE?

The environment and the economy come together on the challenging issue of finding a way to reuse or recycle the material in pallets.

“All pallets are made to be recovered, refurbished and reused again,” says Tim Debus, president and chief executive of the Reusable Packaging Association, Tampa, FL.

“Most of what we do is support the reuse of the material. Reusable applications lead to savings in the supply chain. We see a lot of trending toward reuse of the materials.”

There are already businesses that take old wooden pallets and either repair them, or find ways to reuse the materials.

“Used wooden pallets are generated at a source that receives palletized goods and offloads them,” says Sharon. “If they cannot use the empty pallet, they contact a pallet recycler for a pickup. The recycler normally pays for the pallets, takes them to his shop and sorts the pallets. They repair the good ones, and grind the unusable lumber for mulch. They sell the repaired pallets to another company that loads goods onto them and ships them down stream to their customer. And the cycle begins again.”

Even shippers who never use pallets twice, like Gerawan Farming, find ways to recycle

the material.

“We sell all of our used and broken pallets to third party pallet companies,” says Schutz. “They normally fix the pallets and sell them to other companies that may use them. That is just too risky for us. We always stack our fruit on new, and never previously used, Prima Pallets.”

Failure to reuse or recycle pallet materials is largely a matter of logistics, or of inadequate commitment to sustainability.

“The fact that wood pallets are landfilled is not an inherent problem with wood, it’s a failure of infrastructure, which is why we’re proud of the recycling network that exists and is growing throughout North America,” says NWPCA’s Atagi. “Using a Carbon Calculator pallet users can calculate the carbon benefits of your efforts to recycle/repair pallets and keep them from landfills.”

Just as growers increasingly must answer to sustainability standards, everyone in the produce supply chain will also face challenges in using sustainable pallet practices.

“We will be launching Nature’s Packaging,” says Atagi. “A website and initiative that develops and centralizes information and marketing materials for the wooden pallet and packaging. I presented materials at the United Fresh Produce Association Supply Chain Logistics meeting at the Washington conference last year on the initiative, and there was a great deal of interest and excitement about it from United’s members on the committee including Tanimura and Antle. For the produce industry, it’s important that not only is your product sustainable, but even the pallet you ship it on is sustainable.”

pb

The Unified Prize Of Produce

WHOLESALE MAKERS
A LIVING AT SELLING
SOMETHING HEALTHFUL

By Linda Brockman

At 8 a.m., when much of the working world is driving through rush hour, Marcus Koornneef is near the end of his day. Monday through Friday, he joins his father, uncle and cousins at the Koornneef Produce Ltd. warehouse in Grimsby, Ontario at about 1:45 a.m., then drives to Toronto at 2:30 a.m., arriving at the Ontario Food Terminal (OFT) at 3:30 a.m.

“For me, there is a certain level of honor in continuing the family business,” says Koornneef. “My grandfather and dad worked very hard. They are big shoes to fill, because when you look at the previous generations, you want to prove that the next generation can make the same contribution.”

Throughout the produce business in Toronto, an enduring and prevailing theme is family, many going back three or four generations — whether the last name is Bamford or Streef, Weinstein or Sarraino.

“Each generation puts a different spin on the business,” says Julian Sarraino, vice president of marketing and sales, who, along with his younger brother Christian, vice president



of sourcing and procurement, is the fourth generation of a family business that has been involved in every aspect of the industry, from growing and importing to wholesale and retail. Their father, Sal, remains happily immersed in the daily grind at Fresh Taste Produce in the OFT.

“You can’t hire someone to do what we do,” says Sal, who followed after his own father, Gus. “The Sarraino men put in the sweat, blood, passion and commitment. We take a lot of pride and joy in everything we do in this business.”

“Toronto is a good market, a vibrant market,” says Steve Bamford, chief executive of Bamford Produce, who runs a company that has been at the OFT since 1954. The company offers services from farming and growing to packing and transportation. “We are trying to



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TORONTO TIDBITS

Here are facts and findings that make Toronto unique:

- A population of 5.5 million people was tabulated in the last national census, taken in 2011.
- While families tend to be big in the United States, the average Canadian couple has 1.7 kids, according to Alex Roberts, a City Sightseeing Toronto tour guide.
- There are 180 common languages and dialects, and 127 spoken in Toronto City Hall. While English is the predominant language spoken by Torontonians, other language groups are significant, including Cantonese, Italian, Punjabi, Spanish, Mandarin, Tagalog, Urdu, Tamil, Portuguese, Persian, Arabic, Russian, Polish, Gujarati and Korean. East Asians make up the largest ethnic group. — Statistics Canada, the nation's central statistical office.
- A popular new trend among Toronto Millennials is Chef's Plate, where consumers receive a recipe and all the pre-portioned fixings to prepare it — including fresh produce, delivered in a refrigerated box to their doorstep.
- In 2014, the amount of people who reported eating five servings a day of fruits and vegetables was highest in Quebec (46.3 percent), and next highest in Ontario (38.1 percent). The Ontario number, however, is still lower than the national average, according to Statistics Canada, the country's national statistical agency.
- In March 2016, Justin Trudeau and President Obama bonded when the newly elected Canadian prime minister and his wife, Sophie, made Canada's first official White House visit in 19 years.
- Ontario excels at growing cabbage, celery root, parsnips, parsley and carrots, says Gus Bondi, president of Bondi Produce.
- The Ontario Food Terminal (OFT) in Toronto is the largest wholesale fruit and produce distribution center in Canada, where 2 billion pounds of produce is distributed annually. On average, that's 5.5 million pounds per day, according to Bruce Nicholas, OFT manager.
- The large Asian influence has brought in leafy greens, bok choy, and Chinese bittermelon to Toronto, says Vic Carnevale, Veg-Pak Produce.
- The former Maple Leaf Gardens, where the Maple Leafs hockey team won eight Stanley Cups, is now the site of Loblaws' flagship supermarket. It features a wall of cupcakes; an 18-foot cooler with 400 varieties of world cheeses; and the red dot on aisle 25 marks the spot where hockey's "center ice" used to be.
- McDonald's Canada added an egg, kale and Feta cheese "More-ning McWrap" to its breakfast menu.
- Tim Horton's (part of Restaurant Brands International, one of North America's largest restaurant chains operating in the quick service segment) was started by the NHL player of the same name who won four Stanley Cups. The restaurant serves coffee, doughnuts and fast food and is the most popular chain in Canada, surpassing McDonald's, says James Rilett, Vice President of The Canadian Restaurant and Foodservices Association. **pb**



Steve Bamford, Bamford Produce



Virginia Zimm, Ontario Produce Marketing Assoc.

"It is very important that we see as much product as possible before purchasing it to ensure that we are delivering the best product possible to our customers."

— Mimmo Franzone, Longo's

be as vertically integrated as possible."

When the Canadian dollar fluctuates or bad winters in parts of the world create supply challenges, Marshall Smith knows he can come to the market and function with a support system from the buyers and sellers. "We are all connected; we are all partners," says Smith, who is co-owner of Smith Markets in Sudbury, Ontario. Smith says he buys his berries from J.E. Russell Produce Ltd. at OFT, because company president, John Russell, consistently delivers quality.

While Russell appreciates Smith's loyalty, he knows that he has to remain dependable to keep that trust. "I can't lower my guard. I always have to be at the top of my game. I have to earn his business every day," says Russell.

Fresh Taste has one of the busiest stalls on the market, selling 150 varieties of produce. "We've been extremely fortunate," says Julian Sarraino. "Because of what we learned from our father and grandfather, we



(L-R) Tom Meschino, J.E. Russell; Marshall Smith, Smith's Markets; John Russell and Peter Meschino, J.E. Russell

have a level of experience beyond our years.”

Vic Carnevale, who works with his kids at Veg-Pak, agrees. “My success is because of family. It’s the reason the business continues.” He came to Toronto from Italy in 1966 at age 18. “I had no family here, but Canada accepted all immigrants.” Over the years, he worked for a variety of produce retailers, working his way from produce clerk to produce manager and department supervisor. Today he owns Veg-Pak and sits on the board of the Toronto Wholesale Produce Association (TWPA).

WHOLESALE OFF THE MARKET

About a mile off-market, Gus Bondi of Bondi Produce saw the need to expand the business to a new 42,000-square-foot facility down the street from his former one.

“We’ve been growing like crazy over the past four years. Five years ago, we had a fleet of seven trucks, today it’s 22,” says Ezio Bondi, Gus’s son. The business started with Gus’ father, Ignacio, selling produce out of the back of his



(Top) Sal Sarraino; (Bottom) Julian Sarraino and Christian Sarraino of Fresh Taste Produce

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(L-R) Jeff Jones, Marcus Koornneef, Bryan Koornneef, Fred Koornneef, Dave Termorshuizen and Emilio Giorgi of Koornneef Produce Ltd.

station wagon in 1976.

Gus Bondi attributes his success to many factors: family, staff and hard work. A big factor has been his involvement in Produce Alliance,

a produce management company that offers fresh produce procurement and distribution services to foodservice clients across North America, the Caribbean and beyond. Bondi

is the only full-fledge distributor in Ontario affiliated with Produce Alliance.

Another achievement for Bondi was securing Chef's Plate (the Canadian version

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Joe Guzzo-Foliaro, Summerhill Market

of Blue Apron) as a client. Instead of going to the store to buy groceries, Chef's Plate — for which Bondi is the exclusive produce supplier — delivers everything needed to cook a meal at home.

Bondi sells a variety of fruits and vegetables, plus other items, such as eggs and oil, that customers requested. Gus Bondi says the hot trends are in citrus: Cara Cara oranges, Meyer

lemons and Blood oranges.

Back at the OFT, Veg-Pak carries many unusual products, such as Indian bittermelon (also known as karela) and sunchoke. Each vendor has a different specialty item, says Carnevale. "The beauty of this place is that everyone brings in something different. There is not one day when I walk around the terminal that I don't see something I hadn't seen before."

BIGGEST IN CANADA

The OFT is the largest wholesale fruit and produce distribution center in Canada — the terminal is third in North America, after New York and Los Angeles — says Bruce Nicholas, manager of the OFT. The facility was established in 1954. Today it houses 100,000 square feet of cold storage, 50 office tenants, 500 farmers market stalls, and parking for



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(L-R) Louie Collins, Danny Simone and Ted Kurtz of Stronach & Sons



(L-R) Ezio Bondi, Gus Bondi and Fabio Bondi of Bondi Produce



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(L-R) Rick Carnevale and Vic Carnevale of Veg-Pak

550 employees.

The terminal serves buyers all over Ontario, New Brunswick, Prince Edward Island, Newfoundland, Nova Scotia, Quebec and Manitoba, and the northeastern United States.

Joe Guzzo-Foliaro, one of the terminal's more than 5,000 registered buyers, is at the OFT six days a week, an average of five hours a day, visiting every stall. "I'm looking for the best quality, so the customer gets the best quality," says Guzzo-Foliaro, a produce buyer for the independent Summerhill Market.

The produce team representing Longo's grocery stores also visits the OFT six days a week, says Mimmo Franzone, director of

produce and floral for the Ontario chain of 29 stores. "It is very important that we see as much product as possible before purchasing it to ensure that we are delivering the best product possible to our customers. As for anything we purchase direct, it's all about building strong relationships with our partners and ensuring they understand what exactly our customers are looking for," he says.

WORKING TOGETHER

If a buyer or chef wants an item Veg-Pak doesn't carry, Tony Dimitri, who handles sales, will check with one of the other 21 distributors in the horseshoe-shaped terminal. "We all try



TOP AND BOTTOM PHOTOS COURTESY OF GAMBLES PRODUCE



PHOTO COURTESY OF GAMBLES PRODUCE



to help each other out on the market. We are all like family, these are great guys," says Dimitri, who has worked for Veg-Pak for 10 years.

In July, Louie Collins will have been selling produce for Stronach & Sons at the Ontario Food Terminal for 43 years, and legend has it, he's never missed a day. "He's all personality and he's a hard worker," says his boss, Teddy Kurtz, president at Stronach. "Everyone loves Louie. Everyone trusts him, because he tells the truth."

Camaraderie also comes from working together to help the community. The OFT vendors are involved outside of the terminal through donations to charitable organizations such as Food Share, Second Harvest and Daily Bread Food Bank. In an effort to reduce waste and supply food banks and meal programs, wholesalers donate food — produce that may not be attractive for display — that is still tasty and nutritious for eating or cooking.

"It's all about relationship building," says

Jeff Hughes, president of Gambles Produce. "We respect and admire all the businesses on the market."

Gambles Produce, which dates back to the late 1800s, supplies wholesale, retail and food-service customers throughout eastern Canada.

The present day company was formed in 2002 through a merger of the former Gambles Produce and the Ontario Produce Company, says Sarah Burroughsford, who is Gambles' sales and marketing coordinator. **pb**

In Toronto's Foodservice Sector, Produce Gets Much Play

PRODUCE-CENTRIC DINING CONCEPTS FIND A NICHE IN ONTARIO'S CAPITAL.

By Linda Brockman

A star in its own right, the vegetable has “arrived” in Toronto. Elevated from its former role as a mere side dish on the omnivore’s plate and as a lead player on vegetarian-only restaurant menus, the humble veggies do not seek to replace meat, nor to stand beside it, but rather to express flavorful versatility.

Toronto-based food writer and researcher Mary Luz Mejia says the inventive menus at Toronto’s non-veggie-exclusive restaurants — such as the roasted cauliflower drizzled in tahini at the funky Fat Pasha, are making vegetables appealing, even to “die-hard carnivores.”

“I’m finding that more chefs are starting to put vegetables center-of-plate in creative, delicious ways,” says Mejia, who writes for *Travel & Leisure* magazine’s online platform, *The Globe and Mail* newspaper and *Saveur* magazine. “People seem to be receptive to creative ways of eating veg-based dishes now more than ever; whether in quick service restaurants like Kupfert & Kim [a wheatless and meatless QSR in Toronto], or at juice bars where green-based juices serve as the afternoon pick-me-up instead of espresso shots.”

Nick Liu, partner and chef at DaiLo, sees watermelon as something more than a refreshing snack at a summer picnic. In his hands and head, cauliflower is curried and melons are fried. His uncle’s spicy pickled watermelon rind, wrapped in pork belly, battered and fried, was the inspiration.

“When I recreated the fried watermelon dish, I wanted to base it on opposite contrast — hot and cold, soft and crispy, spicy and cooling, sweet and sour, salty and sweet, fried but refreshing. I knew conceptually having all these contradicting textures and flavors would create confusion and excitement. It was only when we put it on a plate for the first time we realized how well the dish worked,” says Liu, who opened DaiLo in fall 2014.



PHOTO COURTESY OF THOROUGHbred

At Woodlot, fungi is king. The wood-fired Creamy Wild Mushroom Pie with Swiss chard is featured on a separate vegetarian menu. The Ember Grilled Hen-o’-the-Woods Mushroom starter is on both the veggie and meat menus. Sides include seared rapini and warm kale salad. Chef David Haman buys the mushrooms from Forbes Wild Foods in Toronto; and his greens from 4Life Natural Foods located in the nearby Kensington Market and Cookstown Greens in Thornton, Ontario, about an hour north of Toronto.

“Vegetables can be the star of the show with as much flavor and wow factor as any other item,” says chef Jason Kalinowski with Gordon Food Service (GFS) in Milton, Ontario. “Preparation and flavor pairing is key. With the rising costs in today’s world, chefs are seeking out cost-effective alternatives to stay on top of profits. Vegetables allowed creativity and big bold flavors to flourish without breaking consumers’ banks.” GFS supplies restaurants, hospitals, and hospitality customers

throughout Ontario.

Julian Sarraino, of Fresh Taste Produce in the Ontario Food Terminal, is enjoying the challenges of supplying Toronto’s chefs. “There has been a boom in the restaurant business in the GTA [general Toronto area], which has sparked a new crop of artistic chefs who are requesting certain items,” says Sarraino, who sells 150 varieties of fruits and vegetables, including some lesser known commodities.

“It is how chefs distinguish themselves,” says Gus Bondi of Bondi Produce in Toronto. “We carry the specialty products that chefs want, like green Thai chili and Indian eggplant.”

Bondi’s son, Ezio, agrees. “Today, the back of the house is more important than the front of the house. Consumers follow chefs,” says Ezio Bondi, who added non-produce items such as oils and eggs to his inventory, to make orders and deliveries more efficient for the chefs. “Thanks to social media and the Food Network, if a chef is good, people will come.”

pb

Thoroughbred

SHOWCASING VEGETABLE COOKERY OF A CERTAIN PEDIGREE

By Linda Brockman

High school friends Ariel Coplan and Jacob Fox opened Thoroughbred Food & Drink in Toronto's entertainment district with a great concept — or so they thought. “The haute dog” would be a house-made truffle sausage with aioli on a bun freshly baked in-house. They expected a hit, but diners didn't order it.

Instead, people kept coming back again and again for a different menu item — the Kung Pao Cauliflower.

“People went crazy for it,” says Coplan, Thoroughbred's chef, who finds inspiration in the pockets of ethnic communities dotting the Toronto area. “It is still our best-selling dish.”

He poaches cauliflower in a soy-based sauce infused with chili, sugar, ginger and lime, then flash-fries it with cashews. In the past few months, cold weather conditions affected the supply of cauliflower, raising its cost.

When the partners opened Thoroughbred in 2014, cauliflower was a little more than \$40 (Canadian) a case. Then prices soared to \$90 a case for heads coming from outside of Canada. “We had to raise prices, although we didn't double our prices,” says Coplan. “We had to bite the bullet a bit on that one.”

NOSE TO TAIL

Thoroughbred has a separate vegetarian menu, which allows Coplan to make vegetables the star. “I like to use vegetables in an unexpected manner,” he says. Many dishes rotate seasonally, such as Butternut squash lasagna (with Maitake mushrooms, homemade Ricotta and shaved black truffle) and mushroom Wellington.

Other veggie dishes are red quinoa beet salad with Radicchio, Blue Cheese and figs; charred dandelion; and gnocchi with Jerusalem artichokes.

“Everything is on the plate for a reason,” says Coplan. “We like to try to utilize every aspect of the vegetable. Sweet potato greens are incredibly sweet, arugula flowers, kohlrabi greens and stem. Nose to tail.



PHOTOS COURTESY OF THOROUGHNBRED

“We are just starting our rooftop garden and will be trying to concentrate and focus on heirloom varieties of lettuces.” Inside the three-story Victorian, patrons can stay at the bar downstairs, where casual food is served, or visit the second floor, for a more refined menu. The top landing will soon be a wine bar.

The restaurant's name and mascot suggest pedigree, which seems to contradict the restaurant's unpretentious vibe and humble chef. Still, Coplan — even at the young age of 31 — has cooked in Michelin-starred kitchens throughout the world, including New York City, the UK and Australia.

One of the dishes on the vegetarian menu is called Brussels Sprout 5:15. What are the numbers for? A passage in the vegetarian bible: Chapter 5, verse 15? Or the start of vegetable happy hour? Neither. “It is the time it takes to perfectly smoke the egg,” which accompanies the dish, “so the yolk is still runny,” says Fox,

who handles marketing at the restaurant.

CONNECTING WITH FARMERS

Coplan gets his produce from a variety of sources, including Bondi Produce. The company's foodservice director, Ezio Bondi, sends out market reports to educate customers on prices and what's happening with crops locally and in the world.

“The reports tell us which crops are naturally flourishing,” says Coplan. “Having this kind of a dialogue with the purveyor is helpful — and really necessary.”

Growing up in Toronto, Coplan made weekly visits to the farmers market with his father. “That really opened my eyes. Being able to have the connection with the farmer made the food taste better. At Thoroughbred, we put a lot of pride into utilizing different cooking techniques for vegetables,” he says. “Vegetable cookery and preparation require equally as much skill as meat or fish.”

pb

Produce Retailing For Toronto's Ethnic Diversity

EACH DEMOGRAPHIC POCKET REQUIRES A DIFFERENT TASTE.

By Linda Brockman

Malaysian, Portuguese, Korean, Armenian, Filipino, Sri Lankan, Polish, Somali ... the list of Toronto's immigrant communities goes on. As the largest city in Canada, Toronto is also its most diverse.

In fact, Toronto, located in the province of Ontario, is the most culturally diverse city in North America, says Virginia Zimm, president of the Ontario Produce Marketing Association (OPMA). "The number of different demographic pockets in this city is amazing — evidenced by the ethnic ma-and-pa green grocers in each neighborhood."

In his Fresh Taste Produce showroom at the Ontario Food Terminal (OFT), Christian Sarraino picks up a cactus pear and shows it to a customer in the market. "Part of the challenge of selling 150 varieties of fruits and vegetables from 25 countries," he says, "is educating the public — and retailers too — about the less-familiar commodities. It's all about marketing the health benefits."

That is where Zimm comes in. As president of the OPMA, she promotes fruits and vegetables on the association's website. "Very often, consumers will ignore an unfamiliar fruit, because they don't know what to do with it," says Zimm. So the OPMA created a website called Produce Made Simple, to teach consumers how to select, store, and prepare fruits and vegetables. There are recipes too.

Toronto's cultural diversity presents many exotic vegetables to discover. East and South Asians make up the largest ethnic groups in Toronto's overall population. That is no surprise to Manpreet Singh, who owns Indian Foodland, a small supermarket and tandoori grill in Brampton, Ontario.

Singh buys his produce from different vendors at the OFT, where he finds the mainstream items like cauliflower and spinach as well as Indian okra and bittermelon. His business's success comes not only from recognizing



PHOTO COURTESY OF CHALO! FRESHCO.

this specialized need, but also in knowing his own cultural circle.

"The ethnic communities were all servicing their own demographic with ma-and-pa green grocers," says Zimm, "until the big boys said, 'Wait, we should be doing this.'"

That light bulb went off for Sobeys Inc. and Loblaw Companies, two large Canadian grocery chains that are investing in Toronto's largest ethnic groups. Loblaw bought T&T Supermarkets, Canada's largest Asian retailer, in 2009, and Arz Fine Foods, a Middle Eastern grocer, in 2014.

Sobeys recognized the need to cater to the local South Asian population with its August 2015 opening of the 50,000-square-foot Chalo! FreshCo. in Brampton, Ontario, says Rob Adams, general manager, discount format at Sobeys Inc. The location was chosen "based on the high South Asian population in the community, their existing familiarity with the FreshCo. brand, and our familiarity with catering to this market."

Chalo! FreshCo. — Chalo means "Let's Go!" in Hindi — is the company's biggest discount grocery store in Ontario, explains Adams. In addition to the store's regular food offerings, there is also a restaurant and thousands of South Asian grocery products including fresh specialty produce. "Now, they can find the popular and unique products that they regularly look for and enjoy in one convenient location."

In 2013, Sobeys teamed up with

British celebrity chef Jamie Oliver, who says Canada holds a place in his heart. In late 2015, he opened Jamie's Italian Yorkdale in Toronto, his first restaurant in North America (with plans for more).

Oliver is selling his products at Sobeys and promoting healthy eating with "Jamie's Harvest Produce Pick," in which he highlights a fruit or vegetable and makes serving suggestions for shoppers on POS material. One Sobeys shopper surrendered, tweeting: "Every time I walk into Sobeys, the 7-foot cutout of Jamie Oliver scares the bejeezus out of me. Fine, I'll buy more produce."

Working for a small upscale retailer with two stores, Joe Guzzo-Foliaro says he has an advantage over the larger chain retailers. "It's the personal touch," says Guzzo-Foliaro, a produce buyer for Summerhill Market. He has the time to visit produce wholesalers daily and hand-select the best produce, while the produce buyers at retail chains must make most purchases over the phone.

When it comes to staying ahead of the weather and its effects, Gambles Produce offers weekly market reports to identify current market conditions on major produce commodities.

"The retailer can use it to explain to customers why prices are high and it gives them credibility, because they are knowledgeable on a global scale," says Jeff Hughes, Gambles' president. "Our marketing department helps us be proactive rather than reactive." **pb**

The Big Carrot

TAKING A HYBRID HEALTH AND NUTRITION CONCEPT TO THE NEXT LEVEL.

By Linda Brockman

The Big Carrot began in 1983, when five employees at a health food store found themselves unemployed. But instead of crying in their wheatgrass, they joined with four other partners and put all their eggs (or egg replacer) into one basket to start a cooperative.

They opened a store in an area called Greektown, or The Danforth, but outgrew the space in a few years. They moved across Danforth Street to a lot that had previously been a car dealership. The landlord envisioned an environment of wellness, and dubbed it Carrot Commons, hoping to attract only environmentally aware tenants.

The Commons' stores sell gemstones, books and sustainable clothing, and its professional offices offer massage therapy and alternative medicine.

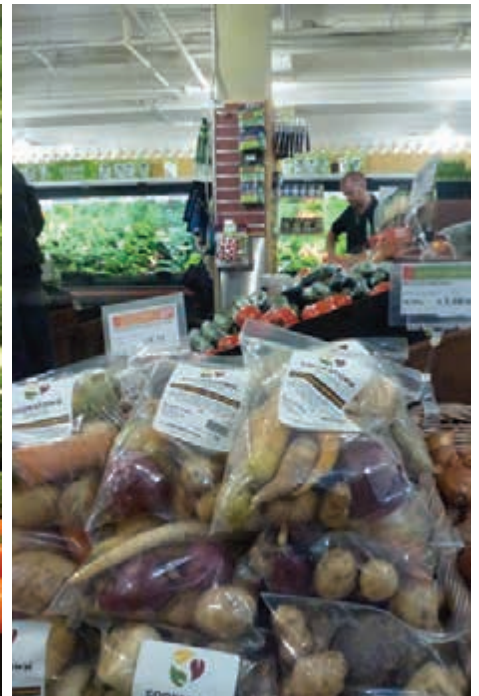
The produce department carries only fruits and vegetables that are certified organic (with the exception of those that are grown wild) and non-GMO verified.

"Our customer base is very intelligent," says Sarah Dobec, public relations and education outreach coordinator for The Big Carrot. "They ask a lot of questions. They're savvy and often bring food issues to us before we know about them."

Since local crops are seasonal, not everything is local, but "getting a peach from British Columbia is better than Argentina," says Dobec. She says Chris Cascanette, produce manager, is diligent about sourcing locally.

"I know what I am buying, and I feel good about it," says long-time customer Carol Coiffe of Toronto. "I am particular about my food." Confined to a wheelchair, Coiffe feels a sense of control shopping at The Big Carrot, because she can find products to help her cope with health issues, while enjoying a social atmosphere. She gets shopping help from Laura, one of the Carrot's 10 holistic nutritionists. "Without Laura's help, it would take ages to get my groceries."

The 12,000-square-foot building includes 8,000 square feet of public space — the grocery



THE BIG CARROT
348 Danforth Ave.
Toronto, Ontario
416.466.2129
thebigcarrot.ca
Mon. – Fri.
9 a.m. – 9 p.m.
Sat.
9 a.m. – 8 p.m.
Sun.
10 a.m. – 6 p.m.

PHOTOS COURTESY OF THE BIG CARROT

store, vitamin department and deli/juice bar. Employees do educational outreach, work in the community and donate a portion of profits to a local farm.

Every fall, during Canada's National Organic Week, The Big Carrot offers farm trips to customers, so they can meet the farmers and see where their food originates.

In March 2015, the store introduced Localize, a labeling system that highlights

key details about each product, giving the consumer a quick measure of how local it is. When customers spot the Localize label, they can use the app to scan the QR code.

The Big Carrot is still employee-owned — with 72 shareholders out of 160 workers. "We've outgrown the old plan, so we intend to revisit the model this year," says Dobec. "That way we can open ownership opportunities to more staff, not just full-timers." **pb**

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Dallas Produce Scene

DESPITE THE RECENT LOSS OF ITS TERMINAL MARKET, THE BIG D'S PRODUCE INDUSTRY CONTINUES TO THRIVE.

By Lisa White

Dallas' produce industry has been in flux the past couple years mainly due to the redevelopment of its wholesale market, but that hasn't slowed business.

In the spring of 2013, DF Market Holdings purchased the downtown market from the city, and Dallas' City Council voted to privatize much of the market's land and property.

Although this resulted in plans for a 240-unit residential building, retail and restaurants, the produce shed that was known as Shed No. 1 was retained by the city and leased to the group.

But as of June 1, 2015, the market began transitioning from a farmers market that emphasized local producers to fruit and vegetable stands. Tuesday and Thursday through Sunday, the market includes only local farmers and artisan producers that are growers, producers or makers. There are no longer refrigerated trucks or reselling of wholesale produce.

Monday and Friday, The Shed includes fruit and vegetable stands with produce from other regions. However, the market becomes a produce terminal at night, and what isn't sold during evening hours can be sold to the public at The Shed the next day.

"The Dallas Farmers Market is now more trendy and residential, which has driven property prices up," says Andrew Thomas, controller at wholesaler Thomas Mushroom & Specialty Produce Inc. "As a result, companies like ours are relocating to other areas of the city."

Although Thomas says this hasn't yet impacted business, he expects the anticipated additional overhead will eventually affect Thomas Mushroom's bottomline as well as delivery times.

Despite challenges, the city's produce industry continues to thrive. According to *Chain Store Guide's* market share report, Dallas is the ninth largest city in the U.S. and the



third largest in Texas. The Dallas/Fort Worth/Arlington metropolitan statistical area consists of 11 counties, which include Collin, Dallas, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant and Wise and has a population of more than 6 million.

According to the Dallas Convention & Visitors Bureau, the Dallas/Plano/Irving metropolitan division is slightly smaller, with a population of more than 4 million and is composed of eight counties, including: Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman and Rockwall.

The Texas Department of Agriculture, ranks the state No. 2 for total agricultural receipts, behind California. The leading fruits produced in Texas are watermelons, grapefruits and cantaloupes. Key Texas vegetables include onions, potatoes, mushrooms and cabbages.

WHOLESALE REINVENTION

Even with no centralized terminal market, the wholesale business in the Dallas area remains strong and includes a wide range of diverse companies.

Established in 2004, Thomas Mushroom sells specialty product, including herbs, baby

squash, heirloom tomatoes, microgreens and asparagus.

"Dallas is unique due to the low cost of living, which allows people to spend money on things they normally wouldn't, like eating out," says Thomas. "The population of the city increases every year, and the location also is beneficial."

Purchased by Lipman in 2012, Combs Produce is one of the country's largest field grown tomato growers. The full line packer/distributor relocated to the east side of Dallas in March of 2014.

"We're close to Nogales, so we have a lot of produce coming in from Mexico," says Brett Combs, general manager.

Business has changed dramatically in the last decade, with Combs working with broadliners and national chains to cover a seven-state region. The company also began tomato processing, which is the focus for the future.

"It's a rapidly growing region, and one of the fastest growing cities in the country," says Combs. "People are coming here, rather than leaving, including Fortune 500 companies."

Yet the city's centralized location also can be a detriment.



PHOTO COURTESY OF FRESHPOINT

“Our customer base has easy access to produce, so these people can source it themselves,” says Combs.

A-1 Produce is a buying broker that has been in business since 2001. The company handles a variety of produce out of south Texas and Mexico for its retail and foodservice customers.

“The biggest benefit in doing business in Dallas is the friendly people and close-knit community,” says Scott Marble, managing salesman. “It has been more difficult with the market disbanding.”

Truck driver deliveries take longer, and the number of produce companies has decreased because of consolidation.

“There are not as many firms like ours as there used to be, since they are buying out one another,” says Marble. “There used to be 10 to 12 places that sold Asian products and now there’s between eight and 10.”

“Dallas is located in one of the most convenient, central locations in North America,” says Dionysios Christou, vice president of marketing for Miami-based Del Monte Fresh Produce N.A., Inc. “Its proximity to Mexico and both U.S. coasts, in addition to growing areas, gives Dallas produce marketers the opportunity to pull product from all these locations readily and easily all year long.”

Dallas also benefits from its ethnic diversity. Still, the main challenges of doing business

in Dallas include an increasingly competitive marketplace and a wide variety of product that leads to a big variation in quality, condition and subsequently, pricing.

“Dallas is located in a southern state, thus making cold chain management for fresh produce a challenge,” says Christou. “Produce companies must work very hard to keep the products consistently cold, even when it’s 105 degrees during the summer. The slightest glitches in the process can easily affect quality control and food safety.”

Still, the location, proximity, diversity of products and growing populations are all driving factors for the Dallas market.

“Dallas is an ideal location for large companies with big distribution centers,” says Christou. “In addition, most of the major players in the industry are located here, including Wal-Mart, Kroger, Albertsons, Sam’s, etc. There is also a large number of retail, wholesale, foodservice, c-store, and more recently, home meal replacement providers.”

FreshPoint, a Sysco company, also is a leading fresh produce distributor based in the city. It has an inventory of more than 3,800 items including specialty produce, organic produce, locally grown produce, retail goods and imported goods.

The North Texas market — stretching from west of Fort Worth, down to Waco, past Frisco/Allen/Plano to the Red River region, and well

east beyond Dallas — is known to be diverse.

“With people living here whose origins are in Latin America and from Europe to Asia, it is important to offer fresh flavors for all major cultures,” says Robert Gordon, FreshPoint’s president. “The population growth in North Texas includes so many people who hold dear their cultural traditions, but are also extremely food savvy.”

FreshPoint leverages many of its nearby produce sourcing partnerships to ensure restaurants in the region have good local options.

“Among the trends we continue to address is substantial growth in the organic sector; produce moving to the center of the plate at some restaurants; a focus on seasonal produce; demand for more availability of Texas and locally grown produce; many specialty items becoming more mainstream items; and a continued consumer appetite for health foods and more nutritionally dense foods,” says Gordon.

Pepe’s Produce has been in the industry for about five years, starting off in an 11,000-square-foot building and three years later moving into its current 43,000-square-foot space. The company caters to the Hispanic market, but also works with mainstream produce lines.

“Many produce companies don’t cater to other ethnicities like we do,” says Ramon Carrasco, general manager. “There are about five states bordering Texas, and we sell to them all.”

The company plans to relocate from its current location near the Dallas Farmers Market in the next two years.

“Many companies moved to the city’s outskirts, such as Mesquite, Garland and Duncanville,” says Carrasco. “Despite the market dissolving, we increased business 15 to 20 percent in the last year.”

Harrington Produce Co. is a wholesale warehouse that has been impacted by the changes in the Dallas produce industry.

“Everyone wants to buy direct, we’re like a dinosaur,” says Cliff Yarborough, general manager. “With the Internet and today’s technology, people are doing things themselves.”

The company uses local farmers out of Lubbock, TX, for yellow squash, zucchini and turnips, and also sources turnips out of San Antonio. Its greens come out of McKinney and cucumbers are sourced from Mexico.

“We try to buy pole cucumbers that aren’t grown on the ground, since they don’t have a yellow belly,” says Yarborough. “Logistically, Dallas is a good place to be; it’s a big hub in the center of the country.”

Spiral Diner and Bakery

THE VEGAN DINER
BUCKING PRODUCE TRENDS
IN EVERY WAY.

By Lisa White

Both the retail and restaurant industries in the state are on a growth trajectory. In 2015, the National Restaurant Association reported Texas's restaurants, which accounted for 1,182,900 jobs (or 10 percent of the state's employment), were projected to register \$44.5 billion in sales.

According to the Texas Restaurant Association, in 2013, there were 41,678 eating and drinking places in Texas and the segment's job growth is anticipated to be 22 percent in the next 10 years.

Spiral Diner and Bakery is a Texas success story. The restaurant's first location opened in 2002 by Amy McNutt in Fort Worth. Manager Sara Tomerlin saw an opportunity and opened the diner's second location, which is separately owned and operated, in 2008.

"We're separate companies as far as finances, but the menu and philosophy are the same," says Tomerlin.

This 80-seat vegan diner has a traditional style, décor and menu.

"The idea is that we're serving comfort foods that people grew up eating, but in a vegan version," says Tomerlin.

This includes burgers, sandwiches, pastas, shakes, baked goods and ice cream. All items are made in-house from scratch. There also is a menu of rotating blue plate specials that include items like meat loaf curry. Being vegan, no ingredients at this eatery come from animals. No meat, dairy, eggs or honey are used. All ingredients are plant-based and cholesterol-free.

"But we don't position our menu items as health food," says Tomerlin. "Instead, we really focus on taste and familiarity — since we still use sugar and oil and other ingredients that are not necessarily health oriented."

Produce is a big part of Spiral Diner's menu. The restaurant gets fresh produce daily. Among its popular items are salads and grilled veggie bowls. Dressings and sauces are made in-house using fresh herbs and tomatoes.

"In terms of produce trends, we've seen



A traditional burger in appearance, texture, and taste — piled high with lettuce, tomato, red onion, pickles, mayo, ketchup, and mustard — the Spiral Burger's patty is made of soy protein.

ingredients with produce become more popular in the past 15 years," says Tomerlin. "For example, kale is really trendy now."

Organic produce is used as often as possible, and local products are sourced frequently.

"The produce we order pretty much stays the same with the exception of the blue plate special, and we try to order local where we can and look for minimal fruit and vegetable processing," says Tomerlin. "It depends on the seasons, but we don't position ourselves as a farm-to-table concept."

Specifically with tomatoes, Texas farms don't use wax coatings, which Spiral Diner avoids due to being a vegan restaurant.

Tomerlin says there is definitely a push toward independent restaurants in Dallas, as opposed to big chains.

"People are going to the chains less often than before," says Tomerlin. "We're in a trendy neighborhood that includes all small, independent chef-driven restaurants that offer high-quality food."

SPIRAL DINER AND BAKERY

1101 N Beckley Avenue
Dallas, TX 75203

Tel: 214.948.4747

www.spiraldiner.com

Closed Monday

Tue-Sat. 11 a.m. – 10 p.m.

Sun. 9 a.m. – 5 p.m. (Brunch Menu All Day)

When Spiral Diner's second location opened, it was the first eatery of its kind in the neighborhood. In the past seven years, more independents have arrived.

Its customer base has expanded, as well, from mainly vegans and vegetarians to mainstream diners.

"Our food tastes like traditional diner fare so, over time, our clientele has broadened quite a bit," says Tomerlin. "Now, way less than half of our customers are vegan or vegetarian."

Instead, there are an increasing number of Millennials who are environmentally conscious supporting the concept.

pb

Terry's Supermarket

EMBRACING PRODUCE ETHNICITY

By Lisa White

Specialty markets, including Sprouts Farmers Market and Fresh Market, are an expanding presence in the Dallas area due to the increasing retail development and population growth.

Terry's Supermarket is a nine-store independent business that has been in operation for the past 21 years. The last store was added three years ago.

"We have so many retailers, it's basically equal in terms of chains and independents, but independents are very strong here," says Tony Macaluso, who heads procurements for the retailer.

Stores range in size from 20,000 to 100,000 square feet. In addition to two stores in Dallas, Terry's has locations in Fort Worth, the Dallas suburbs of Plano and Douglasville as well as a site in Oklahoma City. Its stores are mainstream, but the demographic is largely Hispanic.

Produce is a big component of Terry's. "It's basically 22 percent of our business," says Macaluso.

Fruits and vegetables are sourced from Florida, California and Texas.

"It's about supply and demand," says Macaluso. "We try to buy as much as possible locally, but not a lot of produce is available in Texas during certain times of the year."

During the peak season, however, all of Terry's produce comes from Texas. On the off season, much of its supply is from Mexico.

"When it comes to produce trends, it depends on the season," says Macaluso. "Right now, we're limited in soft fruit, since it's hard fruit season with apples and oranges."

Best-sellers include avocado, peppers and other Hispanic items. Terry's also has a strong Asian produce business in some of its stores, with pea pods and kimchee selling well.

On the retail trade, Terry's has benefitted from Dallas' reputation as a mega point for produce shipments.

"We have a tremendous range of produce available in the city," offers Macaluso. "This increases the freshness and affordability. Here



PHOTOGRAPH OF LEWISVILLE, TX. LOCATION TAKEN BY DON BAIRD

Terry's Supermarket is a nine-store independent business that has been in operation for the past 21 years.



Terry's Supermarkets range in size from 20,000 to 100,000 square feet. Its stores are mainstream, but the demographic is largely Hispanic.

TERRY'S SUPERMARKET

4444 W. Illinois Ave.
Suite 100
Dallas, TX 75211
Tel: 214.339.2274

3025 Webb Chapel Ext.
Dallas, TX 75220
Tel: 214.956.9112

in Dallas, produce is a key component of all supermarkets, even the big box stores."

He estimates that in typical grocery stores, produce is 6 to 10 percent of the offerings, whereas those that cater to Hispanic and Asian customers have an even higher percentage of fruits and vegetables.

"We're always looking for different varieties of produce," says Macaluso. "We look for items customers request during the different seasons."

Winter is a prime time for grapes, which are sourced from Florida, California and Mexico. African Americans tend to look for greens, including turnip, mustard and collards.

"We try to source locally whenever possible to fulfill customer demands," says Macaluso. "And we try to accommodate customer requests, because if we can't, they go somewhere else. It's a very competitive business and becoming more competitive every day." **pb**



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LINDA BLOOMFIELD
Sales Manager
linda.bloomfield@londonproduceshow.co.uk
M: +44 (0)7711 509709

A First Hand Account: Burgeoning Prospects In Belgium

PRODUCE BUSINESS is invited for an exclusive produce tour hosted by VLAM, Flanders Agricultural Marketing Board



PRODUCE BUSINESS[®]
Mira Slott interviews
Lieve Wittemans.

REPORTING BY MIRA SLOTT PHOTOGRAPHY BY JULIA SELTZER

Our whirlwind, exciting two-day tour of Belgium's fruit and vegetable supply chain included visits to its auctions, small co-op growers, customized production facilities, and an innovative research station. Meetings with agricultural sector officials and produce experts revealed business opportunities for U.S. retail buyers and distributors.

VLAM, Flanders Agricultural Marketing Board, headquartered in Brussels, is a nonprofit promoting the sale, added value, consumption, and image of products and services of the Flemish agriculture, horticulture, fishery and agro-alimentary sector in Belgium and abroad. The organization launched this unique produce sector excursion in February as part of a broader strategy to strengthen and expand the country's export reach, bolster brand messaging, and build bilateral and multilateral partnerships, explains Leen Guffens, VLAM's press officer, who jointly facilitated the itinerary with Gert Van Causenbroeck, export manager at VLAM.

Forging through the cold torrential rains and blustery winds, executives from across the supply chain warmly hosted PRODUCE BUSINESS and partner PRODUCE BUSINESS UK. While fruit and vegetable trade flows more readily between Belgium, Europe and the U.K. — due to logistics and geographical proximities — capitalizing on the scope of Belgium produce exports and market prospects for the U.S. proves more challenging,

acknowledges Dominiek Keersebilck, sales and marketing director for REO (Agricultural Auction Market for Roeselare and surrounding area). REO is a cooperative fruit and vegetable auction, where more than 3,000 producers market an average of 60 different types of vegetables, auctioned six times a week.

U.S. consumers are treated to iconic Belgium endives — the country's largest U.S. vegetable export (some 1,600 tons exported to the U.S. in 2014) — and to a lesser extent, celery, shallots, asparagus, and leeks, respectively, explains Veerle Van der Sypt general secretary of Fresh Trade Belgium (the association representing the importers, exporters and wholesalers, fresh-cut companies and logistic service providers).

Nonetheless, Keersebilck is determined to change that: "If a supermarket or wholesaler wants to work with us, we'll do anything necessary to get that certification."

VBT (Association of Belgium Horticultural Cooperatives) represents the interests of Belgian producer cooperatives in the fruit and vegetable sector. In fact, Belgium exports a significant amount of its total production, but when segmented by country, the U.S. market blends into the relatively marginal "other" category, according to Philippe Appeltans, general secretary of VBT.

Cautiously optimistic, after more than six years of government negotiations to meet phytosanitary concerns and other strict

procedures, the chance for Belgium's globally popular Conference pears to hit U.S. supermarket shelves is within grasp, according to Van der Sypt.

The USDA draft rule set the steps in motion in January to accept apples and pears from eight EU countries, including Belgium.

"The process involves new measures we have to take during the growing season, and of course establishing the commercial relationships," says Appeltans.

"We remain positive for the near future. We're quite optimistic we will soon have a breakthrough," adds Van der Sypt.

The pear variety's potential entree to the U.S. market would piggyback off Canada's allowance last year to import Belgium's Conference pears. An aggressive promotional, marketing and in-store tasting campaign made inroads in Canada, according to Miguel Demaeght, division manager sales, BelOrta (Europe's largest cooperative auction) with a turnover of more than 350 million EUR. Since 2015, this division became the hub for Conference pears destined for Canada. The goal: introduce and educate Canadian consumers on the inherent virtues and characteristics of Conference pears, which are available from mid-September to end of April, he says.

Such virtues ["delicious; both hard and crispy, or soft and sweet; good shelf life; and storing capacity; high quality cultivation, unique elegant shape; and long availability"]

at first sight may elude retailers and shoppers unfamiliar with the variety — creating a difficult sell if not marketed properly, according to VLAM's Van Causenbroeck.

“Conference pears have a brown/copper appearance. If you don't know the pear variety, customers and consumers think it is overripe. In every market we launch the variety, we have to educate. Even in the Russian market 15 years ago, there was initial resistance to Conference pears. Now, it's the same in Canada and India,” he says.

“We have to convince people, ‘Please try it; taste it,’” adds Appeltans, “and that will involve educating our colleagues from the United States.”

“Tastings really have an effect, says VLAM's Guffens. “If people taste Conference pears, they're hooked.”

Belgium's push to create new marketing opportunities abroad was expedited following Russia's punishing food-import ban starting in August 2014 in retaliation for EU and U.S. sanctions over Russia's annexation of Ukrainian peninsula, Crimea, and actions in Ukraine. The ban generated a debilitating impact on certain Belgium commodities, particularly stinging Conference pear producers, who were heavily dependent on Russia — it's main export market, according to Appeltans, who notes Belgium is the biggest supplier of Conference pears worldwide.

“The Russian ban not only affected fruit and vegetables but the ‘aisle-food’ business in Belgium and Europe in general. We said, let's join forces to profile ourselves under the promotional flag, *Food.be: Small country. Great food*,” explains Van der Sypt, pointing to a coordinated, multifaceted effort among agri-food sectors, government agencies and private organizations within Belgium and across oceans.

The Belgium produce sector thrives under a highly organized and controlled historic

auction system grounded in transparency, explains Tom Premereur, market manager at REO. Its global reputation centers on co-op grower compliance of quality and food safety production guidelines and premium-brand product standards and specs to nurture trust between buyers and suppliers, according to Premereur. Integrated, streamlined logistics and strategically located transportation hubs connect the supply chain and provide traceability, which gives auction buyers confidence and flexibility, adds Keersebilck.

In addition, sustainability/corporate social responsibility play a fundamental role. “We decided to not make sustainability a competitive issue between us, because it's a task for the entire sector to move forward on together,” says VBT's Appeltans.

Van der Sypt says they developed a multi-layered concept called “Responsibly Fresh,” based on the Global Reporting Initia-

tive. (GRI is an international independent standards organization that helps businesses, governments and associations understand and communicate their impacts on issues such as climate change, human rights and corruption.)

Products are produced with attention to balance people, planet and profit. To use the Responsibly Fresh label, producers must fulfill a set of recognized quality systems and sustainability conditions.

“We measure the progress of the growers through inspections by external bodies on a continuum, because we have to make advances in sustainability collectively,” says Appeltans.

Collective advances extend to scientific product research and innovative pilot testing in tandem with the growers to address specific needs, and to stay on the cutting edge of industry development. We witnessed a range of trials at different stages during our visit to Belgium's nonprofit, Research Station for Vegetable Growth (Proefstation voor de Groenteteelt or PSKW), which is based in Sint-Katelijne-Weaver — a major vegetable production region.

“In many ways, we are like a small grower,” says Lieve Wittermans, a specialist in glass-house production and scientific assistant at PSKW, who works closely with auction cooperatives, a primary focus. For instance, “We give them advice on quality standards for different varieties based on scientific analyses. Often there can be external pressures to accept new varieties and it's easier to have objective standards.”

But that only touches the surface. Research spans varietal experimentation, energy and climate steering, water conservation and diversification techniques, innovative growing systems, waste management, food safety, and labor issues through mechanization, automation and ergonomics; always weighing the economic viabilities. **pb**



[Editor's note: to get a more detailed account on solutions to cross-border vegetable challenges, you can go to our online sister publication ProduceBusinessUK.com to read Gill McShane's article, “Belgian research institute seeks solutions to cross-border vegetable challenges.”]

Maximizing Tomato Sales With Purpose



Understanding key drivers behind the proliferation of the tomato category increases sales by targeting merchandising and marketing to meet consumer needs.

BY JODEAN ROBBINS

In recent decades, the powerhouse tomato category moved from a price-conscious bulk commodity to a bountiful mélange of sizes, colors, production methods and packaging with year-round availability. “Tomatoes have become a destination center,” says Richard Stiles, director of produce and floral for Redner’s Markets in Reading, PA. “They are an important part of meals and the variety provides consumers with options for many other uses.”

With U.S. consumption at around 6.5 billion pounds, according to USDA Economic Research Service data, tomatoes represent significant market share. “Tomatoes remain one of the most consumed produce items in the U.S. — making it a necessity for retail produce departments to have high-quality tomatoes available year-round,” says Dionysios Christou, vice president marketing, Del Monte

Fresh Produce North America, Inc., Coral Gables, FL.

As consumption has grown, so has category diversity. “There’s so much more to the category now,” says Rick Feighery, vice president of sales for Procacci Brothers Sales Corp. (parent company of Santa Sweets, Inc.) in Philadelphia. “In any given produce department, you see different sizes, different shapes, different colors, and different packages.”

Jim Darroch, director of marketing for Backyard Farms in Madison, ME, explains the enormous year-round diversity in the category compared to 20 years ago stimulates consumption. “Consumers have more fresh tomato choices today than ever before,” he says. “Providing consumers year-round access to an incredibly versatile fruit is a great asset for any produce department.”

DRIVE SALES WITH VARIETY

Retailers that capitalize on the increasing demand for tomato options by consumers will see sales increase. “Variety drives sales,” says Redner’s Stiles. “Customers will buy more than one type of tomato. New tomatoes are adding sales to the category because customers are using tomatoes for many different purposes.”

This consumer demand spurs innovation in various aspects. “The greenhouse tomato category has been and will be driven by

varietal offerings as breeders have come to understand consumer needs better in terms of size, shelf life, texture, firmness and especially flavor,” explains Fried De Schouwer, president of Greenhouse Produce Company in Vero Beach, FL.

According to Dr. Roberta Cook, cooperative extension marketing economist in the Department of Agricultural and Resource Economics at University of California, Davis, CA, differentiation is a key motivator. “Fresh tomato types proliferated as farms pursue product differentiation in a mature market,” she says. “Types now grown solely as ‘field-grown’ include: mature green round tomatoes, vine-ripe round tomatoes, and tomatillos. Products grown under ‘protected production’ include: Beefsteak/round tomatoes with calyx, Tomatoes-on-the-vine (TOV), Campari and other specialties. Both field-grown and protected culture include: grape tomatoes, Romas, cherry and heirloom.”

Statistics collected by Cook from the Nielsen Perishables Group Fresh Facts show decreasing market share for the traditional tomato and increasing interest in the “newer” comers. Field round and hothouse round represent only 14 percent and 13 percent of volume retail category sales respectively. Romas boast 30 percent, and TOV’s capture 23 percent.



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“Protected culture tomatoes, including hi-tech and low-tech production, captured the majority of the retail tomato category while field production has retreated to control the foodservice demand,” says De Schouwer.

However, the newcomer Snacking Tomatoes segment captured 20 percent of the category by volume and 31 percent by dollar value, according to Cook's statistics. “New snacking varieties for the tomato category have been instrumental in expanding the consumption especially for consumers on-the-go and those with busy lifestyles,” says Del Monte's Christou.

The increasing options present opportunity for retailers to merchandise to specific consumer demand. “The No. 1 suggestion for merchandising tomatoes is for the retailer to understand their customer base and what motivates them to purchase,” says Elijah Booth Ornstein, chief operating officer at Eli & Ali in Brooklyn, NY. “You could have the best tasting tomato in the world but if your customers are driven by price, it won't matter. Conversely, you could have the cheapest tomato, but if your customers value taste, then price isn't priority.”

“Product mix depends on the demographics of store customers,” says Ken White, director

of sales for the category at Procacci. “For example, if you're marketing in an upper-middle-class neighborhood, you might have more greenhouse or snacking tomatoes. In the Hispanic markets, we see better movement with Roma over heirlooms. Each store must analyze and assess what people are buying and what they're not — that's ultimately what determines your mix.”

FOCUS ON PURPOSE

Leading retailers and suppliers recommend focusing tomato merchandising on each product's purpose for the consumer. “You now see a lot more branding to purpose,” says Doug Kling, senior vice president and chief marketing officer for Village Farms in Lake Mary, FL. “Instead of saying, ‘This is a tomato, and it's 50 cents’; we say, ‘This is a tomato, and here's what it will do for you.’”

Procacci endorses focusing on usage to encourage multiple purchases. “Promoting functionality encourages people to buy different types of tomatoes,” says White. “You may buy vine-ripe-round tomatoes for a sandwich, but use grapes for snacking.”

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today's tomato category. "Attributes of tomatoes are extremely important," explains Kling. "I want to speak of those attributes important to my customers in my merchandising. Do I need POS on health and wellness, or should I focus on locally grown? Are my customers interested in something hydroponically grown and sustainable? Analyze the benefit you need to highlight to connect with those shoppers."

Redner's considers the "local" attribute crucial to its tomato merchandising plans. "Local tomatoes are a bigger deal every year," says Stiles. "Customers are disappointed when the local season is over. Retailers must highlight local production and make a big deal about it."

During its local season independent retailer Babbs SuperValu in Spencer, IN, sells a high volume of "homegrown" tomatoes. "During summer, all our shoppers care about are slicing tomatoes because of the local aspect," reports Tina Fisher, assistant produce manager.

Displays should be built to highlight different types and uses. "Tomatoes are displayed differently based on size and consumer desire," says Roger Riehm, owner/president of Blue Creek Produce in Saint Charles, IL. "Heirloom tomatoes, mixed cherry/grape and specialty tomatoes in a clam shell, as well as pear tomatoes all have a unique look and flavor that should attract consumers to the category and make sales stronger."

MAKE SUGGESTIONS

One of the best ways to draw attention



to produce is through cross-merchandising. "Tomatoes offer many cross-merchandising opportunities, because they can be combined with a wide variety of items," says Christou. "We recommend cross-merchandising Del Monte tomatoes with other Del Monte products such as avocados, onions and peppers and with packaged salads, fresh basil, garlic, and dressings. Cross-merchandising tomatoes outside the produce department with non-produce items such as sandwich items, pastas, deli meats, and cheeses such as Mozzarella is also effective."

Redner's cross-merchandises with other produce department items in its tomato destination section and also places tomatoes throughout the store. "Cross-merchandising always yields multiple sales," says Stiles. "We'll put tomatoes in the pasta aisle and merchandise with olive oil and basil or by the cheese case, usually with basil to suggest use in a Caprese salad. We also put them near the meat case, particularly in the summertime, to use on hamburgers."

Cross-merchandising also helps draw attention to the category. "Many retailers use

the different shapes and colors of specialty tomatoes to separate, draw attention and keep items from blending together," says Riehm.

Del Monte's Christou emphasizes the significance of the appearance of the category. "Packaging and color play a crucial role in merchandising the product and driving impulse sales," he says.

Babbs' Fisher says packaging may draw consumer interest to certain products. "With the Cherubs, the packaging is quite nice and you can see more of the tomatoes than other packaging," she says. "It seems the packaging catches their eye and stimulates sales."

"Experiment in cross-merchandising," advises Ornstein of Eli & Ali. "Try new things and push boundaries. So many great recipes are out there requiring tomatoes. A retailer could do weekly specials based on unique recipes and cross-merchandise profitable products with the tomato display."

GET SHOPPERS TO TASTE

Any good merchandising strategy should not overlook the importance of flavor. "Flavor is at the forefront of everything in food, and we see it so prominently important in tomatoes," says Procacci's Feighery.

The best way to communicate flavor is through sampling. "Sampling is extremely important because the proof is in the pudding," says Kling. "Sample tomatoes with a little bit of sea salt in a cup. When chains sample, they typically see a 30 to 60 percent lift based on the

MAKING THE 'ROUNDS'

Focus on flavor and purpose to keep traditional tomatoes in the mix.

BY JODEAN ROBBINS

Although novelties and snackers may hog the spotlight recently, industry marketers still emphasize the importance of carrying more traditional tomatoes in the mix. "Slicers, TOV, beef tomatoes and others are equally as important to carry," says Dionysios Christou, vice president marketing at Del Monte Fresh Produce North America, Inc. in Coral Gables, FL.

The more traditional tomatoes still hold a place in the market, and retail can utilize them by promoting specific uses. "Beefsteak, round tomatoes and TOVs tend to be used in the summer months when cook out and grill seasons are in full swing," says Roger Riehm, owner/president of Blue Creek Produce in Saint Charles, IL.

Stores may use certain tomatoes to draw price-conscious consumers. "Roma

and round tomatoes are used heavily in ads for price attention to drive customers to stores to buy in bulk quantities," says Riehm. "TOVs and other specialty tomatoes are priced higher due to less volume."

Retailers are encouraged to market creatively and think out of season. To promote UglyRipe Heirlooms, Procacci Sales Corp in Philadelphia, previously ran a "taste of summer" campaign in the dead of winter. "There has always been a gripe about finding good winter tomatoes in the Northeast," says Frank Paone, director of marketing. "This campaign provided POS materials for retailers as well as social interaction and content for consumers. We look back at the success of campaigns such as this and others to determine how we can continue providing value to

consumers and added sales to retailers."

Consumers can also be captivated with the unique look and story of heirlooms. "Heirlooms usually derive from a uniquely shaped, sized, or colored variety of tomato," says Paone. "It serves as eye candy to garner interest, but the taste brings home the sale. These varieties and brands usually have a great story set in nostalgia behind them, and consumers can be roped in with these interesting facets."

Due to their outstanding flavor, sampling is a great tool for heirlooms. "Heirlooms are one of my favorites," says Richard Stiles, director of produce and floral for Redner's Markets in Reading, PA. "If you can get people to try them, they'll buy them. I predict greater growth in the heirloom category." **pb**

channel, consumer and item. Some chains see even more. If you have something that knocks people over, they're going to buy it."

Redner's is a big proponent of sampling. "We know taste sells," says Stiles. "Especially when customers haven't tried newer varieties; for every one you get to sample, you get a new customer."

However, stores are cautioned to ensure tomatoes are consistently flavorful. "Nothing is more irritating to a consumer than having to pick out a tomato having no idea how long it will last, how it will cut, or what its taste will be from week to week," says Josh Wanless, vice president of business development at Lucky's Real Tomatoes in Brooklyn, NY. "Consumers look to our brand to provide a consistent product. Variety and branding are the solution."

Kling reports most growers have a passion for what they do, and he encourages retailers to source from passionate people. "We grow 80 percent of what we sell in our own facilities," he says. "We understand what we do when it comes to crop selection and flavor as well as safety, because we're on top of it with our growers and partner growers."

CONNECT WITH CONSUMERS

Stores can build interest in products by connecting customers with product stories. "A lot of these varieties have great stories behind them," explains Frank Paone, director of marketing for Procacci. "When you garner interest from consumers with a great backstory and then deliver a great-tasting product, you have a great shot to win them over and provide value to retailers in return."

Case in point, Procacci's UglyRipes have a loyal following. "We get emails from consumers thanking us and connecting with us because they love our product," says Feighery. "A brand has the ability to earn life-long trust with the consumer."

Del Monte suggests eye-catching, useful signage and materials to make connection. "POS should be relevant and creative," advises Christou. "Signage should always inform consumers about the different usages and occasions for the product. Recipe cards should be placed directly next to the product in order to drive sales."

Stores can also make a consumer connection through cutting product. "One of the biggest things we can do at store level is to actually cut tomatoes on displays," says Wanless of Lucky's. "Watermelon and other fruit categories do this to show how great the fruit looks and smells inside. We highly suggest this since we

know our varieties and expert handling always provides a bright red, meaty cutting tomato."

Stores can also work with supplier-marketers to harness the popularity of social media. "Everyone seems to be a foodie, and everyone loves being on social media," says Paone. "The best campaigns we've seen are those indulging these two joys of life. We get people to post online and share fun pictures and recipes. The best marketing gets your consumers to interact with the product on a deeper level to build a greater connection

and better trust with our brand and our team."

CONVEY HEALTH AND WELLNESS

Stores are encouraged to place particular attention on the health and wellness aspects of tomatoes. "Awareness of health, wellness and diet is important to today's consumer," says Kling of Village Farms. "In the past two to three years, snacking tomatoes have become more popular because people are using them as a healthy alternative to other snack foods."

Redner's reports a definite advantage for

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linking health benefits to items. “Promoting wellness benefits for tomatoes increases sales of various types,” says Stiles.

Merchandising wellness incorporates a variety of demographics from seniors to kids. “As the emphasis on healthy lifestyle grows, families reach out to produce for healthier alternatives for their kids,” says De Schouwer of Greenhouse Produce.

Though the much-touted demographic currently tends to be the Millennials, Kling cautions merchandisers not to overlook the segment with the most spending power. “Millennials are important for the future, but over 70 percent of the disposable income is in the hands of Baby Boomers,” he says. “The Boomers prioritize health and wellness, so it’s important to not ignore any segment.” **pb**

SHOWCASE organics

TIPS FOR MINI’S, SNACKERS AND SPECIALTIES

Draw customer attention to these fun and unique tomatoes to sell more.

BY JODEAN ROBBINS

The fast-growing segments of mini, snacker and specialty tomatoes present great opportunities for retailers to differentiate their tomato display. “We sell more of snacking than the slicing tomatoes,” reports Tina Fisher, assistant produce manager at independent Babbs Super Valu in Spencer, IN. “The cherubs especially are an excellent product. They tend to sell better than regular cherry or grape tomatoes.”

The first step in successful merchandising is visibility, and Procacci Sales Corp. in Philadelphia, emphasizes the importance of this in attracting consumers. “Make sure they show,” advises Frank Paone, director of marketing. “Packages should not be hidden by any other products. The display should not appear cluttered from being stacked up.”

Backyard Farms in Madison, ME, developed a 360-degree merchandiser that can be placed virtually anywhere in the department and still provide the consumer with access to the product from every angle. Jim Darroch, director of marketing, emphasizes one golden rule: “Don’t stack tomato boxes five to six layers high,” he cautions. “Some retailers favor large multi-layered tomato displays to draw consumer attention into the produce department. These displays look nice; however, unless your turnover is extremely fast, your shrink will be high. Two to three layers is the right balance between visual impact and product integrity.”

Snacking and specialty tomato purchases can also be stimulated with recipes and demos. “We found creative, easy-to-make recipes inspire consumers to buy more or try new varieties,” reports Darroch. “There’s no substitute for a successful in-store trial. During in-store sampling of a freshly prepared recipe,

we’ve seen consumers take the recipe card and all the ingredients from the display and place them in their cart.”

“Cross-merchandising with recipes is crucial for these products,” says Elijah Booth Ornstein, chief operating officer at Eli & Ali in Brooklyn, NY, regarding snacking and specialty tomatoes. “Education is the No. 1 tool for increasing sales.”

The smaller-sized tomatoes are ideal for cross-promotion with salads. “Grape, cherries and specialty tomatoes are used more for salads during the holiday and party seasons,” says Roger Riehm, owner/president of Blue Creek Produce in Saint Charles, IL.

Retailers can also promote snacking tomatoes to kids. “If it’s soccer or baseball season, show POS of kids eating snacking tomatoes,” recommends Douglas Kling, senior vice president and chief marketing officer for Village Farms in Lake Mary, FL.

New varieties and packs developed by suppliers offer retailers easy and innovative items to meet consumer demands for flavor and convenience. Del Monte Fresh Produce of Coral Gables, FL, launched its Bon Bon grape tomato in April 2014. “This super sweet tomato comes in two different containers,” says Dionysios Christou, vice president marketing. “The first is a grab-and-go, 5.5-ounce cup. The second alternative is in a 10-ounce proprietary tomato-shaped clamshell with multiple display options for maximum appeal.”

Retailers can also attract consumer interest by drawing attention with unique products such as Village Farm’s mini San Marzano. “Unique colors and high-flavor products, such as our heavenly Villaggio Marzano, can draw consumers to the tomato display and create something exciting for them,” says Kling. **pb**

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Hitting The Sweet Spot



Proper merchandising keeps sweet onions selling year-round.

BY LISA WHITE

Sweet onions have been marketed in the United States for more than a 100 years but have only recently become a year-round product in supermarket produce departments.

This is because, over the past several years, demand for sweet onions has been steadily increasing, fueled by increased consumer awareness and the growing popularity of these products.

For a period of time, the available supply of authentic sweet onions was lagging behind the demand. However, with more consumers seeking sweet onions from both coasts, additional varieties have been developed or imported to meet this need.

“Onions are one of the most consumed produce items in the world,” says Marty Kamer, vice president of Keystone Fruit Marketing, Keystone, PA. “Average annual per capita onion consumption in the United States is 21 pounds, a tremendous opportunity for consistent sales.”



Sweet onions have become a staple in many consumers’ kitchens due to a mild, sweet flavor and versatility in a variety of dishes.

“Growing steadily over the last decade, sweet onion sales have either been tied with or have overtaken yellow cooking onion sales,” says John Shuman, president of Shuman Produce, Reidsville, GA. “Year-round avail-

ability and consumer demand continue to drive these trends, and retailers can capitalize by keeping sweet onions on their shelves all year.”

The latest research shows sweet onions continue to be the onion category leader, making up the largest share of total onion dollar sales.

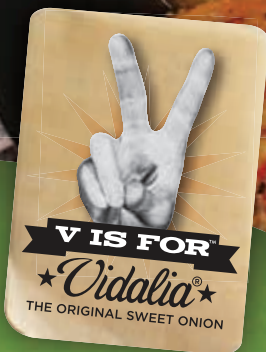
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“We do a lot of merchandising and cross-merchandising with recipes and onion ring mix. We also display in end caps and put onions up front to increase visibility.”

— Ted Romero, G&G Supermarkets

purchase conventional onions, 81 percent of consumers say they like their onions mild and sweet,” says Greg Smith, marketing communications manager of Bland Farms, Cato, NY. “If we drill further down into the sweet onion category segment, Vidalia sweet onions represent 62 percent of sweet onion sales.”

EFFECTIVE MERCHANDISING

The popularity of this category is no surprise to G&G Supermarkets’ two locations in Santa Rosa and Petaluma, CA, which carry sweet onions year-round.

“Currently, we’re offering a 2-pound Peruvian sweet onion, but during the season, Vidalias are very popular,” says Ted Romero, produce manager. “We do a lot of merchandising and cross-merchandising with recipes and onion ring mix. We also display in end caps and put onions up front to increase visibility.”

Sweet onions also sell well all year at Tadych’s Econo Foods, a Brillion, WI-based supermarket chain with three Wisconsin and three Michigan locations.

“We have our staff at all stores educate customers on other sweet onions apart from Vidalias,” says Jim Weber, produce supervisor. “Like anything else, sales depend on growing conditions and availability, and the demographic is all across the board.”

The store displays all onions in one area and cross-merchandises sweet onions with condiments and barbecue sauces.

“When these products are on ad, we’ll put together a full end cap display,” says Weber.

Sweet onions present an opportunity for incremental produce sales particularly when the health and flavor benefits are highlighted.

For example, the onion’s sweet and mild flavor is a good fit for a burger or salad topping as well as part of a shish kebab or atop steak.

“Sweet onions are most often used to enhance flavors in a wide range of recipes, including salads, soups, stews and casseroles,” says Kamer. “These onions also are used as a garnish in sandwiches, wraps and in classic Mexican or Italian cuisine. Approximately 15 to 18 percent of onions are processed for use in prepared food items, such as salsa, soups and appetizers.”

Merchandising sweet onions alongside additional products that can be combined to produce an easy meal solution draws

consumers in and raises the ring at the register.

“We suggest placing sweet onions in the center of the produce department for maximum effect,” says Shuman. “For example, a display including sweet onions, bagged salad, tomatoes and refrigerated dressings can be used to create a flavorful salad promotion.”

Spring and the grilling season are prime times to promote sweet onions.

“Pulling grilling items into the produce department, whether it’s aluminum foil, spatulas or fresh herbs, can bring added attention to a display,” says Kim Reddin, director of public and industry relations for the Greeley, CO-based National Onion Association.

Educating shoppers about the varieties and attributes is key. Helping the consumer identify sweet onions, whether they are from the Vidalia region, California, Peru, Texas, etc., is important in order to distinguish this type from conventional yellows and to further identify the origin.

“Research shows 67 percent of shoppers look at packaging, pricing or signage to identify the type of onion being purchased, so it’s key these are labeled as sweet to best capitalize on sales,” says Smith.

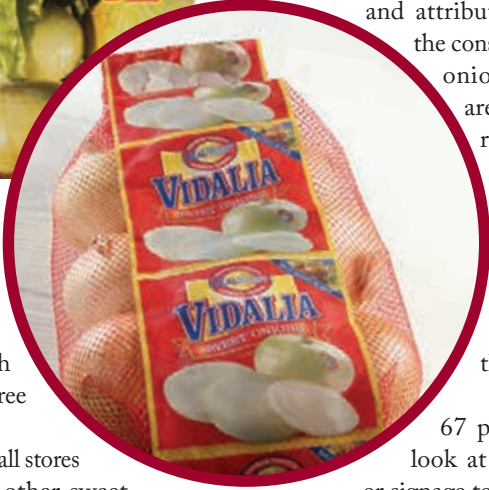
Research also shows merchandising onions near other specific produce items generate a greater likelihood for sales.

“For instance, consumers who purchase sweet onions are 5.6 times more likely to purchase peppers, 4.8 times more likely to purchase mushrooms, and 4 times more likely to buy carrots on the same trip,” says Smith.

Research from Shuman Produce and Nielsen Perishables Group shows sweet onions drive sales of a variety of other items. Consumers with sweet onions in their carts are more likely to purchase celery, tomatoes and bagged salad as well as fresh meats, such as beef and chicken.

Bland Farms’ sweet onions are often successfully cross-merchandised amongst the company’s sweet potatoes and Vidalia brand snacks. During the holiday months, the company offers a split full-sized high graphic bin filled on one side with sweet potatoes and the other side with sweet onions.

Retailers also will cluster locally-grown sweet onions for higher exposure.



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PREMIUM SWEET ONIONS

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“Expanded footage, secondary displays and of course, cross-merchandising are very effective,” says Barry Rogers, president of the Sweet Onion Trading Co., based in Melbourne, FL.

CAPITALIZING ON TRENDS

Although Tadych's Econo Foods typically carries one type of sweet onion at a time, there

have been overlaps.

“We start with the Northwest Sweets from Idaho, then move into the 10/15s, followed by the Vidalias, and lastly the Walla Wallas,” says Weber. “The Vidalias are the most popular, with imports and domestic sweet onions selling at about the same rate.”

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Keystone Fruit holds in-store demonstrations with a chef, and shoppers are selected to participate. This activity introduces new recipes that emphasize quality, flavor, nutrition and the food safety differences of authentic sweet onions versus regular cooking onions.

some companies are seeing a shift toward domestic sweet onions.

“If a consumer had a choice between domestic or imported, they would choose domestic,” says Jessica Peri, retail sales manager at Peri & Sons Farms, Yerington, NV. “If they aren’t given a direct choice with both

on the shelf, I think the consumer would buy the imported product if that is all that was available.”

In terms of onion types, many consumers mix and match. While whites or yellows are most often used for cooking, reds are relegated to salads and sandwiches.

SWEET ONION TUTORIAL

To properly market and merchandise sweet onions, it helps to be familiar with the traits and types.

Onions are sweet due to the lack and dilution of sulfur. Traditional onions are the long day type, since these are planted in spring, growing when the days are longer in summer, and harvested in fall. Sweet onions are short day, since these are planted in October or November. Those planted before October 15 are referred to as 10/15s.

Sweet onions contain more water than other varieties and, for this reason, have a shorter shelf life. This type also is named after the growing areas, such as Vidalia from Georgia, Walla Walla from Washington and Peru.

Onions Etc., a sweet onion shipper and repacker, is a division of Farmington Fresh based in Granite Bay, CA. The company supplies product to more than 2,500 retail stores, primarily on the West Coast. “Vidalia sweet onions sell great on the East Coast, but aren’t as popular on the West Coast,” says Derrell Kelso, Jr., president of Onions Etc. “The imported variety is available during the winter

months in the U.S., and is a strong seller.”

Onions also are distinguished by use. While the sweet type is used for cooking and as a topping or raw ingredient, the pungent variety is more likely to be a recipe component.

“Chefs would rather cook with long day onions, because this type has more soluble solids and less water, so the cooking time is reduced,” says Kelso. “Sweet onions are more common in salads, on burgers and with dishes as a feature flavor.”

Onions Etc. has seen impressive sales of Peruvian sweet onions by retailers who put the product front and center with promotions to highlight the attributes. The sweeter the onion, the higher the sales.

“Onions can be used in more than 90 percent of recipes, so there are many opportunities to cross-merchandise these products,” says Kelso. “Also, retailers can bag this product and include recipes to grow incremental sales.”

Consumer knowledge is key to increased sales. Onions Etc., is working with retailers to implement smart phone apps with usage information to better educate customers. **pb**

“Endcaps, stand-alones, value-added product offerings, multi-size strategies and consumer bagged displays offer consumers multiple buying options and ensure sales lift.”

— Marty Kamer, Keystone Fruit

“Real onion lovers know white onions are the best for cooking, because they have the highest sugar content and do not leave a bitter taste in their cooked meals,” says Peri.

Peri & Sons offers a combo pack with red, white and yellow onions in hopes of having consumers try an onion they may not have picked up in the past.

Sweet onion sales are largely dependent on the season, as domestic product can only be harvested in spring and early summer. There have been issues in the past where regular onions have been mislabeled or passed off as sweet onions, which is misleading to consumers.

“One of the biggest problems with sweet onions is when stores put stickers on regular onions designating sweet to make more money, which kills the category,” says Brian Kastick, president at Savannah, GA-based Saven Corp., supplier of OSO Sweet Onions. “Stores enjoy

higher gross sales when they sell true sweet onions and have distinct programs that accentuate the differences.”

Due to this increased demand of sweet onions, many retailers have found it advantageous to carry bulk or loose jumbo sweet onions as well as consumer bags of medium sweet onions.

“Endcaps, stand-alones, value-added product offerings, multi-size strategies and consumer bagged displays offer consumers multiple buying options and ensure sales lift,” says Kamer at Keystone Fruit.

Also, signage is an effective medium to educate consumers on the differences in flavors, textures and uses of sweet, yellow and red

onions. By providing insight on the onions’ attributes and also details on the origin, retailers are ensuring consumers won’t be disappointed with their purchase.

“Consumers are putting onions in their baskets if they’re cooking at home,” says the National Onion Association’s Reddin. “This is one of the most purchased items.” **pb**

GETTING THE WORD OUT

Keeping sweet onions front and center year-round with innovative marketing and displays is effective in growing sales at the store level.

Brillion, WI-based Tadych’s Econo Foods runs sweet onions on ad starting in early spring, including Vidalias when this variety is in season. “We have Vidalia promotions every three weeks until the season ends,” says Jim Weber, produce supervisor.

Because sweet onion availability depends on the season, this segment is especially impacted by promotional programs that educate consumers.

For example, unlike Vidalia onions that can be kept in cold storage for months at a time, Walla Walla sweet onions have a short shelf life. In Wisconsin, the Walla Walla-type onions are planted in April and are harvested beginning in July. They’re usually on the market until fall, and smaller than those grown in Washington. In Walla Walla, the season is June-August.

These delicate onions are 95 percent water with a very mild flavor and low pyruvic acid, which determines the amount of sweetness.

“We have a niche market, and there’s such a small window of opportunity for these products, the onions should be the focus during the season,” says Kathy Fry-Trommald, executive director of Walla Walla Sweet Onion Marketing, based in Walla Walla, WA.

The organization offers point of purchase materials, including recipe card packets, onion posters that are frameable, and signage.

“Retailers should build a display at the department’s entrance, stacking 40-pound boxes and including attractive signage, which will help move these items,” says Fry-Trommald. “It’s critical to push these onions during the season and emphasize that these are a limited time offer product,

which helps set them apart.”

Sweet onions are an ideal promotion item for inclusion in a wide range of recipes, so providing information on usage ideas is key.

“Thirty percent of consumers say they would buy and eat more fruits and vegetables if they know how to use them,” says Marty Kamer, vice president of Keystone Fruit Marketing, Keystone, PA.

Fortunately, today’s packaging includes usage tips, recipes and nutrition details. Growers, shippers and retailers continuously strive to develop packaging and displays to catch the eye of the consumer, at the same time providing information on nutrition and utilizing point of purchase products to boost sales.

Also, food TV, celebrity chefs, cooking shows and all forms of media have brought added awareness to fresh fruits and vegetables. Onions are a big part of this awareness as a staple ingredient, which naturally resonates through to increased consumption and higher sales numbers at the store.

Effective point-of-purchase materials and signage helps showcase the nutritional benefits and flavor of sweet onions to consumers.

Keystone Fruit holds in-store demos with a chef, where shoppers are selected to participate. This introduces new recipes that emphasize quality, flavor, nutrition and the food safety differences of authentic sweet onions versus regular cooking onions.

Shuman Produce works with *Chef and The Fat Man* (Kevin Jenkins and Erik Holdo who are Atlanta radio personalities and culinary celebrities) on a regular basis to present consumers with recipes, tips and videos featuring sweet onions.

“As our retail partners know, displays drive sales, and that’s why we provide

bags, bins and boxes that work to complement each other and feature the product with bright and colorful imagery to draw consumers’ eyes and attention,” says John Shuman, president of Shuman Produce, Reidsville, GA.

The company also provides retailers with point-of-sale materials for in-store displays featuring photos of its fields and facts about the health benefits.

“Shoppers are looking for information on the web prior to and during their shopping trips, and we provide a virtual tour of our fields with a slideshow of our growing and harvesting processes as well as video content introducing consumers to our farms, farmers and the story behind Shuman Produce,” says Shuman. “All of this information can be found on our mobile-friendly website as well as through our social media channels.”

With targeted consumers, mainly Millennials, influenced by TV, Pinterest and other social media, signage is important to provide links and information to boost the category.

“When consumers understand the seasonality aspect of sweet onions, even if it’s just a simple chart saying what onions are available when and from where, it enhances the display’s impact,” says Kim Reddin, director of public and industry relations for the Greeley, CO-based National Onion Association.

Because each season is different in terms of sweet onion availability, there is more potential for creative ads and displays with this product category.

“Retailers can change the feel of the display by including the story, history or photos of the growers to better connect consumers with sweet onions,” says Brian Kastick, president at Savannah, GA-based Saven Corp., supplier of OSO Sweet Onions. **pb**

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Melon Merchandising For Year-Round Appeal



PHOTO COURTESY OF THE NATIONAL WATERMELON PROMOTION BOARD

Thanks to the increasing quality grown overseas, this fruit offers flavorful options for consumers.

BY SOPHIA MCDONALD

Melon sales may peak between the Memorial Day and Labor Day holidays, but grocery stores don't have to wait until the sun is shining to market this fruit category. Customers will purchase melons from January to December.

"We don't market melons in the off-season much different than we do during the domestic deal," says Keith Cox, produce category manager with K-VA-T Food Stores in Abingdon, VA. The company operates under the Food City name in Kentucky, Virginia and

Tennessee. "Over the last few years, the quality of the import melons improved so much in appearance and taste that the consumer didn't even notice. With the year-round availability on most produce now, it is virtually seamless to the consumers when we need to change product procurement locations."

MORE THAN CANTALOUPE: OLD AND NEW VARIETIES

The two best-selling melons are seedless watermelons and cantaloupes. According to the Orlando, FL-based National Watermelon Promotion Board (NWPB), the domestic watermelon seasons run from May to September. The U.S. Department of Agriculture reports Florida is the country's No. 1 producer, followed closely by Georgia, California and Texas. Seeded, seedless, mini and personal watermelon are the most common varieties. Watermelons from Mexico, Guatemala and Honduras are available when the fruit isn't growing in the U.S.

Cantaloupe and honeydew follow a similar timeframe for growing. "The U.S. season really is from about May to November," says Garrett Patricio, vice president of Westside Produce in Firebaugh, CA, a grower/packer/shipper of cantaloupes and honeydews sold under the brand name TRI. "Historically, the main shipping season is July through September, but excellent quality domestic melons are grown in warmer, desert climates in early spring and late fall."

California grows about 75 percent of the cantaloupes produced in the U.S., according to the Dinuba, CA-based California Cantaloupe Advisory Board. Arizona, Texas and Georgia are other top producers. From December to April, American stores rely on melons from farms in Mexico and South America.

Consumers are increasingly looking for new and interesting foods in the produce department. There are now several types of melons available beyond watermelon, cantaloupe and honeydew. Milas Russell III, president of Savor



TOP LEFT PHOTO COURTESY OF THE NATIONAL WATERMELON PROMOTION BOARD

Fresh Farms, a grower/packer/shipper in Yuma, AZ, describes the four specialty melons his company markets under the Kiss label. Their most popular melon is the Sugar Kiss. "It melts in your mouth, and it literally tastes like sugar," he says. Tests have shown that the melons have double or even triple the typical sugar levels.

The Honey Kiss melon is oblong, with crisp meat and a distinctive honey aftertaste. "The Golden Kiss melon is a French Charentais melon," says Russell. "It almost looks like a basketball. It's dark orange and very dense."

Savor Fresh Farms' answer to honeydew is the Summer Kiss, a green-fleshed melon. Russell describes it as "mellow and sweet. It's a very good summer melon that's very refreshing." The growing season for these melons run from mid-May to mid-November.

Russell points out that many regions around the country have their own specialty melons. He says watermelons grown in Hermiston are quite popular in Oregon, and 'Athena' cantaloupes are prized on the East Coast.

"We have some great local growers with fantastic varieties that come on closer to July," says Maroka Kawamura, produce director for New Leaf Community Markets, which is headquartered in Santa Cruz, CA, and has seven locations in the northern part of the state. The retailer has success with more obscure melon varieties such as Piel de Sapo (also known as a Santa Claus or Christmas melon), Sharlyn (which looks like an elongated cantaloupe) and orange honeydew.

TASTE SAMPLING

"Our most recent consumer research study showed taste was one of the top reasons those surveyed purchase watermelon," says Juliemar Rosado, director of retail operations and international marketing for the NWPB. Stores interested in selling more melons of all types must focus on letting consumers know how good their products taste.

"Fruit is a qualitative impulse purchase," says Russell. "They're not onions. You don't

process them into stew. The question is, is this melon good now?"

The most effective way to convince shoppers the melons are ripe and sweet is to let them taste them. "Sampling really works best for selling," says Kawamura. "We made some guides that outline how to select melons and their flavor profiles, but the most successful thing is just having someone available to talk to customers directly."

Johnny Shepherd, sales and operations manager with Borders Melon Company, a family-run watermelon grower in Edinburg, TX, says he can't emphasize enough how important sampling is. Even setting out a plate with melon slices or cubes can make a big difference. The bright-colored fruit will attract adults and kids, and the latter can be quite persuasive. "A kid will talk Mom into getting what they want," says Shepherd. They may also be able to talk Mom into buying melons over and over, and that repeat business is critical.

Cutting open a melon and setting it on the

display will give people a better idea of what they can expect, because they can see the flesh, says Patricio with Westside Produce. That can be a good way to increase sales if consumers are feeling shy after having a few bad melon experiences.

If consumers have questions about how to pick a ripe watermelon, Rosado recommends three easy steps. “I like to say look, lift, turn,” she says. “First, look at the watermelon, and make sure 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. Last, turn it over and look for a creamy yellow spot. That’s often referred to as the ground spot to show where it sat on the ground and ripened in the sun.”

The California Cantaloupe Advisory Board also advises three steps to identify a delicious cantaloupe. The melon should have prominent, cream-colored wrinkles all over the exterior. The stem end should be smooth and well-rounded. A ripe cantaloupe will have a sweet, musky aroma if you smell the stem opening. Tapping will not communicate much about the fruit’s ripeness. Consumers should not be scared off if one side of the cantaloupe is slightly flatter or paler than the other; it’s the side that sat on the ground.



“First, look at the watermelon, and make sure 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. Last, turn it over and look for a creamy yellow spot.”

— Juliemar Rosado, National Watermelon Promotion Board

WHOLE, CUT OR VALUE-ADDED?

Selling cut melons is a great way to attract consumers who are scared off by a whole watermelon, says Shepherd. “You have the ‘picnicker’ who will take the whole melon. But then you have the elderly customer who won’t eat a lot and doesn’t want the waste. You have the couple with no children that wants to eat it over a few nights.”

Cox with K-VA-T Food Stores says they sell melons whole, halved and quartered. “For those on the go, ready-to-eat melon cups and bowls are very popular,” he says. “We’ve had good success with melon cups and bowls packaged in 24-ounce and up containers displayed in a vertical set with several varieties.”

Kawamura says New Leaf Community Markets also sell whole and cut melons. “Cut melons are really impulse items,” he says. “They need to be eaten more quickly than their whole counterparts, so we try and merchandise them front-and-center.”

“If a customer thinks the watermelon is too big, encourage them to use the whole watermelon by featuring recipes that showcase its versatility and potential to be eaten at every meal of the day,” says Rosado. The NWPB makes point-of-sale materials such as recipe cards and brochures available for retailers at

no cost. This year they’re offering free retail kits chock full of watermelon information, nutrition facts, and merchandising tips and ideas. The California Cantaloupe Advisory Board has recipes and resources available on its website as well.

MELON MERCHANDISING ADVICE

Having an appropriate price point is important in merchandising melons. Melons are generally considered a bulk commodity and will sell better at a lower retail price, says Patricio. “When people put a high retail price on a melon, they tend to not sell very well. At 79 cents to \$1.29, they seem to move well.”

“In summer, when you have the whole melon at \$4.99 or \$5.99, they move off the shelf real well,” says Shepherd. They won’t sell nearly as well when priced over \$8.99.

Melons typically sell best during the season when people are accustomed to eating them, so increase displays during that time. “Cantaloupes are one of those items that are typically cut and used during the summer months just because historically they always were a summer crop,” says Patricio. “They usually do better in

those summer months because from a pure fruit perspective, the best quality melons are grown during the summer months.”

During the non-peak times for melon sales, remind customers how good they are with recipe suggestions, nutrition information, melon facts and reminders of how much they love summer fruit.

Melons tend to sell best when displayed by themselves. Good-quality displays will attract consumers’ attention and help increase melon sales.

“Displaying all whole melons together in four to six dummied-up bin displays makes a melon destination center,” says Cox. “Customers looking for a cantaloupe may pick up a honeydew as an impulse buy. During the spring and summer months, displaying whole melons on the sidewalk or lobby also creates impulse buys.

“We display whole seedless watermelon the same in January as we do in July,” he adds. “The difference is we will only display one bin versus several bins. We also will have a secondary display on cantaloupe as well.”

pb

Asparagus Transcends Seasonality



Seasonality shouldn't deter creative marketing and merchandising tactics.

BY LISA WHITE

Asparagus has transcended its seasonal reputation to become a year-long presence in the produce department.

Publix Super Markets' 1,114 stores have taken advantage of the added opportunities in the burgeoning asparagus segment. The stores carry traditional green asparagus as well as white and purple varieties, supporting sales through weekly ads and with recipes.

"We offer recipes for asparagus through Aprons Simple Meals, our in-store demonstration meal program where we prepare and sample the meal for customers," says Maria Brous, director of media and community relations for the Lakeland, FL-based chain.

Recipe cards are available, and all items to recreate the meal at home are located in an adjacent kiosk. The recipes also are found online. "In addition, we offer secondary displays for asparagus and other produce fruits and vegetables on tables that are iced and have a filtration system," says Brous.

Unfortunately, smaller supermarkets are not yet taking advantage of this vegetable's year-round potential. For example, Priceville Foodland, an independent retailer in Decatur, AL, does not focus on asparagus merchandising, even during its peak months.

The same is true for Tom's Foodland, a single-store operation in Freeburg, IL. Its asparagus is located in the cooking vegetable section, with the stalks in a pan of water and dips cross merchandised nearby.

"Prices during the off season are really high, and it's hit or miss with supply," says Ken Carol, the store's manager. "We don't do a lot of asparagus marketing, even during the spring."

This points to the fact some retailers may be missing opportunities to drive sales with innovative merchandising strategies, marketing tactics and pairings with these products.

This is a burgeoning category. In 2014, the U.S. imported more than 486 million pounds of fresh-market asparagus of which Peruvian asparagus represented more than 42 percent of the total world supply, according to the U.S. Department of Commerce.

MERCHANDISING STRATEGIES

Although asparagus is promoted most frequently in the months of February through April, and again in October and November, there is a variety of promotional tactics to

increase sales during non-peak times. These strategies include cross merchandising, educational point of sale materials that promote asparagus' health benefits as well as large and creative displays.

Anticipating when a consumer will purchase, combined with product availability, is the key to a successful product flow strategy both during promoted and non-promoted time frames.

"With an item like asparagus, retailers tend to promote in bigger displays with larger quantities in order to create excitement," says Joe Dugo, category manager at Robinson Fresh, based in Eden Prairie, MN. "It's important to offer asparagus in bulk and bagged packaging as well as display-ready boxes in multiple value pack sizes in order to meet various price points at retail locations."

In its Regional Retail Opinion Market Study, the Peruvian Asparagus Importers Association (PAIA) includes a number of promotion and advertising tips for retailers.

The report states that point-of-sale material is valuable for educating consumers on recipes, usage and the nutritional benefits of asparagus. To enhance visibility, asparagus can be displayed with other produce commodities, such as lemons, grapes or strawberries.

Incentive programs, including coupon development and in-store demos have proven

not only to increase consumer awareness of this product, but also every day purchases, according to the PAIA.

In addition, cross merchandising can positively affect higher performance and yield of asparagus, reports the association. Pairing suggestions include salads, oils, dressings, deli meats and cheeses and wine.

“Retailers use POS materials, whether it’s in-store baseball card-size information that tells about the vegetable or its nutritional value,” says Jeff Friedman, president of Carb Americas, based in Fort Lauderdale, FL. “End cap promotions also are effective.”

Recipe cards are not as common, although some upscale stores utilize these to encourage increased sales.

Peter A. Warren, import director at Pompano Beach, FL-based Ayco Farms, was instrumental in the first box of fresh green asparagus that came from Peru more than 30 years ago. Today, Peru exports 20 million cases to the U.S. annually. The company has a designated cooling facility built for Peruvian asparagus, where the vegetable is pre-cooled and hydrated in less than an hour.

“People are afraid to cook asparagus, and don’t understand that it can be microwaved, boiled, steamed, fried, sautéed, baked, grilled or eaten raw,” says Warren. “This ease of preparation, along with its health benefits, is what will get new buyers to try asparagus.”

Rather than recipe cards, demos are most effective with this vegetable. In addition, it’s important to keep in mind that effective merchandising also is about perception.

Consequently, cross department merchandising with the meat and deli departments can

go a long way.

“With asparagus, you may have tuna steak, red meat or chicken breast in the meat section that will go with asparagus and béarnaise sauce with garlic roasted potatoes,” says Friedman. “As vendors and retailers become more educated, the consumers get more informed and people pay attention.”

Innovative packaging also has given this vegetable a boost. Los Angeles-based Gourmet Trading Co. is involved with asparagus bagging in 8-, 10- and 12-ounce sizes as well as 1- and 2-pound bags and offers private label programs as well as bi- and tri-color packs mixing green, white and purple asparagus.

“In terms of the 1-pound bunches, everyone has access,” says Jan McDaniels, who handles Gourmet Trading’s sales. “Given the weather issues and complications with imports, the only way to differentiate this product is by price.”

The company offers point-of-sale recipe cards, along with cross-merchandising suggestions that are still evolving and include steak, mushrooms, sauces and seasonings.

Asparagus can be difficult to cross merchandise, given the need for refrigeration, but it also can be paired with garlic, limes and olive oil that are in a separate nearby display.

“Typically, asparagus is in a prominent spot,” says Bruce Klein, Maurice Auerbach’s director of marketing. “Even though white asparagus is not as strong a seller, many retailers will mix it with the green to break up the color.”

The company offers asparagus year-round, following the growing areas of Peru in winter, Mexico in spring, followed by California and Washington in summer.

Experts say retailers are fortunate now

in that not only do they have the ability to merchandise green asparagus, but it’s possible to create displays with white and purple varieties to create more of a destination for consumers.

“The contrast in colors creates a lot of interest for the consumer and offers them variety within the asparagus category,” says Charlie Eagle, vice president of business development for Southern Specialties Inc., located in Pompano Beach, FL.

In addition to higher end varieties, the company offers Southern Selects, a value-added asparagus. This includes 8-ounce microwaveable asparagus tips, asparagus tenders in a steam pouch and larger club store format packs up to 2 pounds.

Packaging provides nutritional information and preparation tips, while also extending the vegetable’s shelf life.

“We have recipes available on our website, rather than recipe cards,” says Eagle.

The company encourages retailers to incorporate asparagus in foodservice programs. One store offered a deli special that included white and green asparagus varieties.

“It is a good way to offer something new, because this allows customers to try both types of asparagus without having to buy substantial amounts,” says Eagle, who recommends cross-merchandising with Parmesan cheese, prosciutto or any grilling item.

PROPER DISPLAYS

As with marketing and merchandising, displays are an important component to bringing added visibility to asparagus in produce departments. With asparagus, less is more on the shelf, especially if the store is not able to tend to the display or rotate the selection properly.

“Asparagus bunches tend to get knocked as customers evaluate the ones to pick, which means the display needs to be closely monitored to avoid product loss,” says Robinson Fresh’s Dugo.

The PAIA recommends strategically displaying the category during peak and non-peak holidays, since well-positioned product will ensure increased visibility and sales. This could include standalone, pyramid and table displays as well as doubling space when asparagus is on ad.

Including a variety of sizes, colors and packaging as well as different product forms, such as multiple SKUs sizes and colors, also is effective.

Highlighting nutritional benefits of fresh asparagus on brochures, signage and/or

DISPLAY IDEAS FROM PAIA’S REGIONAL RETAIL OPINION MARKET STUDY

- Strategically displaying the category during peak and non-peak holidays will ensure consumers see it and increase sales.
- Use stand-alone displays, pyramid and table displays as well as doubling displays when on ad.
- Display different product forms, for example: multiple SKU’s, sizes and colors (green, white and purple) of fresh Peruvian asparagus to increase consumer purchase penetration and frequency of purchase.
- Displaying white asparagus next to green and/or purple offers consumers with more choices and presents a contrasting, attractive and vibrant displays.
- Highlighting nutritional benefits of fresh asparagus will attract a wide variety of customers by providing brochures and signage as to the health benefits of fresh asparagus.
- Provide usage suggestions, recipe cards and handling/storage educational tools for the consumers.
- Refrigerate and hydrate to maintain quality and longevity of shelf life. **pb**

Merchandising Strategies Source: PAIA Regional Retail Opinion Market Study



packaging will also attract a wider variety of customers.

"[In terms of displays,] we need to think outside the box, since the current rules are not working," says Warren. "This product needs to be kept cold and wet for optimum quality and shelf life."

Proper care and handling is essential in terms of asparagus shelf life. It's typical for retailers to stand bunches in icy water if the product is not bagged, which is effective.

"The advantage of bagged product is it adds an extra 10 days of shelf life," says Gourmet Trading's McDaniels.

While some of Maurice Auerbach's retail accounts put asparagus on ice in the middle of an aisle, others will include it in a large display with water to hydrate the product.

The company recommends this vegetable be held between 36 and 37 degrees F. Stems in this atmosphere don't need to be kept wet.

"In fact, this could cause mold in some instances," says Klein of Maurice Auerbach.

Southern Specialties Inc. emphasizes that asparagus be merchandised vertically, not horizontally.

"In some stores, we've seen it laying sideways, but to best maintain the product's integrity and for proper hydration, it should be standing straight up," says Eagle of Southern Specialties. "Many retailers have island or end cap displays, which brings added attention to the product."

Robinson Fresh offers a two-piece box where the tops lift off and the bottom can be used in, or as the display. If the bottom of the box is not used as the display, it still protects the asparagus bunches from damage when being removed.

PRICING PROBLEMS

One of the biggest issues with asparagus, and one that impacts sales, is seasonal pricing differences. Ayco Farms moves a lot of product when it's priced between \$1.99 and \$3.99, but once it hits the \$5.99 and higher benchmark in winter, this product is a tough sell.

"There's typically more cost issues with white and purple asparagus, since these types are more expensive than green on a per pound basis," says McDaniels of Gourmet Trading. "These varieties can be between 20 and 25 percent more in cost."

As a result of its seasonality, asparagus is considered a luxury item for many in the winter, when it is mainly being imported from Mexico.

By emphasizing pricing during peak season, like promotions of \$2.29 or less, stores will move more product.

"Asparagus consumption is high, but it fluctuates so much in price that the majority of the year the retailer is confused," says Friedman.

"They wonder if there will be a limited supply, whether air freight is going up or whether growers will back the ads."

Because it's really cost basis that dictates if stores are moving volume or not, most retailers now understand marketing asparagus and promoting it is more seasonal than it is year round because of price fluctuations.

While Thanksgiving is a good time to promote this vegetable, Christmas time is not. During February and early March, Mexico will be offering 28-pound boxes instead of 11. It behooves retailers to follow asparagus growing patterns and regions, which will help determine when to promote this product.

"With asparagus, it's definitely difficult to deal with year-round merchandising," says McDaniels. "The price difference is huge between domestic and imported product, and transportation and fumigation with imports raises prices."

As a result, no retailers can afford to operate on one price for 12 months, so some operate on monthly and two- to three-month pricing.

Even though a year-round approach can be difficult to accomplish, retailers can get creative despite the seasonal price fluctuations to keep asparagus in the spotlight 12 months a year. **pb**

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Making A Mushroom Boom



PHOTO COURTESY OF MELLOW MUSHROOM

North American growers team with chefs to expand varieties on menus

BY JOHN LEHDORFF

Experts have noted an attitude change in American consumers this year. They are looking for change in 2016, and change is what they will encounter, at least when it comes to mushrooms at restaurants. The establishment white variety is dominant, fully 60 percent of mushroom sales in the United States in 2015, according to the United States Department of Agriculture (USDA). However, brown mushrooms (Portobello and Cremini) have sliced away at that dominance and now represent about 31 percent of sales. Portobellos have found wide acceptance in dishes like the ‘Shroom Burger served by the wildly popular New York-based Shake Shack chain. In the bun is a crisply batter-fried Portobello filled with melted Muenster and Cheddar cheeses plus the familiar toppings.

Specialty mushrooms – Shiitake, Oysters, etc. — still only comprise about 2.4 percent

of national mushroom sales, but they were up 14 percent over the previous year, according to the USDA. Now, you would expect to see exotic mushrooms at fine dining establishments like Verge Restaurant in Los Gatos, CA, where chef Albert Nguyen-Phuoc fills his mushroom cobbler with Parmesan and Humboldt Fog goat cheese and Cremini, Shiitake and Oyster mushrooms. Types of fungi most diners hadn’t heard of a decade ago are also muscling their way onto mainstream American restaurant menus by name in dishes that formerly said simply “mushrooms.” And the available choices have increased beyond fresh farmed including organic to encompass foraged, processed pre-blanched mushrooms, IQF (individually quick frozen), dried mushrooms and powdered mushrooms.

LET’S HEAR IT FOR UMAMI

In the past few years most of the foodservice mushroom news has been about blending, combining mushrooms with ground or chopped protein. Blended burgers have become hugely popular in university foodservice operations. Blending in mushrooms with their umami characteristics gives diners full savory flavor but reduced cost, salt, calories and environmental impact.

“As consumers have become more adven-

turous in trying mushrooms, chefs and foodservice companies have been able to gradually add more mushroom varieties to the menu,” said Katie Preis, marketing manager for the Redwood Shores CA-based Mushroom Council.

“Sales of Shiitake mushrooms are steadily growing outside of Asian cuisines where they are a popular ingredient. We’re seeing Shiitakes a lot in pasta dishes and on pizza because they keep their crunch,” she says.

“Portobellos are still very popular, still used a lot as vegetarian burgers, especially where foodservice is expanding vegetarian options to meet growing demand,” she says.

Mushrooms are also graduating beyond their longtime role as sidekicks, add-ons or just an ingredient.

“We’re seeing King Trumpet mushrooms cut lengthwise, grilled or roasted and served like ribs with barbecue sauce. Maitakes are being used like pulled pork in a way because of the texture,” says Preis.

This expansion of the mushroom varieties and uses has been a direct response to strong trends among diners, says Preis. Consumers have shown increasing interest in meatless, gluten-free and healthier dining, as well as ethnic and authentic cuisines, and locally sourced and organic ingredients. The National

Restaurant Association recently named local ingredients as the No. 1 hot culinary trend in 2016.

Mellow Mushroom, the quirky, 190-restaurant Atlanta-based chain, takes its namesake seriously even if it is not in every dish. The company reports that it uses more than 875,000 pounds of mushrooms per year on pizzas and in soups and other dishes.

“Mushrooms are very important to Mellow. We use a variety of fresh mushrooms including Portobello, Shiitake and Button. While they can be added to most anything, three of our most notable dishes are our Magic Mushroom Soup, our Stuffed Portobello Mushroom and our Holy Shiitake pizza,” says Annica Kreider, director of brand development for Mellow Mushroom. Magic Mushroom Soup is a wine and herb broth with Montmore cheese and grilled Shiitake, Button and Portobello mushrooms.

THE GATEWAY MUSHROOM

The biggest foodservice mushroom trend out there is blending – combining mushroom with ground or chopped proteins, but a quieter incremental change has taken place over the past decade. “We’re seeing our bigger foodservice customers steadily moving away from white mushrooms to brown mushrooms for the flavor and the marketability,” said Kevin Delaney, vice president of sales and marketing at Avondale, PA.-based To-Jo Fresh Mushrooms, a fourth generation family farm.

Brown mushrooms have turned out to be the gateway mushroom that led diners to more adventurous tastes. “Consumers have grown from White to Brown mushrooms and then they try Shiitakes, then an Oyster, Enoki or Trumpet. The flavors get a little more intense as they move up and the prep and cooking can get more complicated,” says Delaney.

“It’s a big sign that consumers are open to bigger flavors and want to keep enhancing their palate,” he says.

“I’m seeing many more restaurants using sliced Portobello on top of burgers and bringing in specialty mushrooms to combine with everything from couscous to quinoa. There is also a rising demand for organic mushrooms in foodservice, not just at chef-run restaurants,” he says.

Chain restaurants and foodservice programs are also utilizing more mushroom varieties. “We are seeing increasing interest from foodservice in Portobello, Shiitake, Oyster and Royal Trumpet mushrooms,” says Bill Litvin, senior vice president at Blandon, PA.-based Giorgio Fresh Company, a grower and distrib-

utor of fresh, dried mushrooms.

“Chefs are fully embracing a variety of mushrooms including substituting fried Shiitake mushrooms for bacon or utilizing Portobello as a “crust” for a mini-veggie pizza. Sales of sliced and whole Shiitake mushrooms are increasing. A real up-and-comer is the Royal Trumpet mushroom,” says Litvin, adding that chefs need to find ways to educate diners about mushroom varieties to expand their palates.

The artisan pizza movement has been a boon for small growers like Fort Collins, CO-based Hazel Dell Mushrooms, according to owner Jim Hammond. Hazel Dell’s certified organic mixed mushrooms, including Shiitake, Oyster, Lion’s Mane, Royal Trumpet, Maitake, Cinnamon Cap and Cremini, have become a popular topping at the growing number of wood-fired pizzerias that turn out individual pies in less than three minutes. “You see them sauteed with a white sauce and arugula on a

pizza and pick up a nice smoky taste,” says Hammond. Cinnamon Cap mushrooms grow in clusters of orange caps with long stems with a nutty flavor and they keep their shape when cooked, he says.

Hazel Dell Mushrooms are sold primarily in the Rocky Mountain region to grocers, individual restaurants, as well as caterers and foodservice. The company’s most popular new mushroom in foodservice is the Royal Trumpet. “It’s thick and meaty — an inch diameter stem usually, and five or six inches long. It’s really good grilled or smoked and served in barbecue sauce. Maitake (or Hen of the Woods) mushrooms are popular, too. They have a really good flavor,” says Hammond.

“Chefs are looking for ways to distinguish their menu using mushrooms. One of the best ones I’ve seen is a Chanterelle cappuccino. It’s a soup served in a coffee cup with a fancy, frothy top.”

MUSHROOMS ON MENUS: PORTOBELLO AND BEYOND

Olive Garden

Ravioli di Portobello

Portobello-filled ravioli with a creamy, smoked cheese and sun-dried tomato sauce

Seasons 52

Lump Crab, Roasted Shrimp & Spinach Stuffed Mushrooms

Portobello roasted with shrimp, lump crab and fresh spinach filling and Parmesan-panko topping

Clover

Blue Oyster Mushroom Sandwich

Buttermilk-battered Blue Oyster mushrooms with lemon-y kale, tomatoes and tarragon-miso spread

Houlihan’s Restaurant And Bar

Wild Mushroom & Arugula Flatbread

Portobello, Shiitake and Oyster mushrooms and roasted garlic white sauce with truffle vinaigrette and Fontina, Provolone and Romano cheeses

Panera Bread

Soba Noodle Bowl With Chicken

Chicken breast with buckwheat soba noodles, spinach, napa cabbage, roasted mushroom and onion blend, sesame seeds, cilantro in miso broth

Applebee’s Neighborhood Bar & Grill

All-In Mushroom & Swiss Burger

Portobello and Button mushrooms smashed into ground beef and topped with more mushrooms, smoky mayo and Swiss

Outback Steakhouse

Victoria’s Filet Mignon Portobello

Steak topped with seasoned butter, Portobello and Parmesan

McDonald’s

The Steakhouse

Sirloin beef patty, creamy peppercorn sauce, grilled onions, grilled mushrooms and white cheddar

Johnny Rocket’s

Portobello Chicken Sandwich

Grilled chicken breast topped with smoked Gouda, Portobello, spring mix, smoked bacon, and mayonnaise on brioche bun

Longhorn Steakhouse

Primetime Burger

Half-pound burger topped with shaved prime rib, sautéed onions and mushrooms and Swiss cheese with *au jus* and horseradish sauce

foodservice profile ► mushrooms

FOCUS ON HEALTH

The continuing mushroom category sales growth in recent years has been driven largely by brown mushrooms, says Mike O'Brien, national sales vice president at Watsonville, CA-based Monterey Mushrooms. "It's the Baby Bella/Cremi that continues to grow and, in some areas, outsells white mushrooms," he says.

Mushrooms fill a lot of needs for consumers increasingly focused on health. "Meatless Mondays are helping mushrooms gain popu-

larity as well, encouraging consumers to try produce items as alternatives to their usual proteins. Mushrooms happen to be one of those lucky foods that take on a broth-like or meaty flavor that comes in handy in preparing healthy dishes. That umami flavor is so robust, it allows you to use less salt when cooking. Since mushrooms are a low-energy-density food you'll get fewer calories in larger food portions," says O'Brien.

Chefs will continue to debate whether cultivated or foraged mushrooms have a better

flavor. "Several wild mushroom varieties are now being cultivated, it doesn't matter to me that these 'wild' mushrooms are not really wild. They have the flavors and textures of wild mushrooms I have gathered in the Provençal countryside – and they don't require the meticulous attention and cleaning that real wild mushrooms require," he says.

To fungi experts, it's just important to be accurate. "Exotic" doesn't mean "wild," or foraged from the forest.

"More chefs are using exotic cultivated mushrooms like Maitake, both roasted as a side and in winter braises. They are delightful," says Eugenia Bone, James Beard Award-nominated author of *Mycophilia: Revelations from the Weird World of Mushrooms* (Rodale). Bone urged chefs and restaurant companies to be careful when describing the sourcing for mushrooms.

"Chefs often call farmed exotics like Oyster, Shiitake and Lion's Mane 'wild mushrooms' on their menus. They are not," she says.

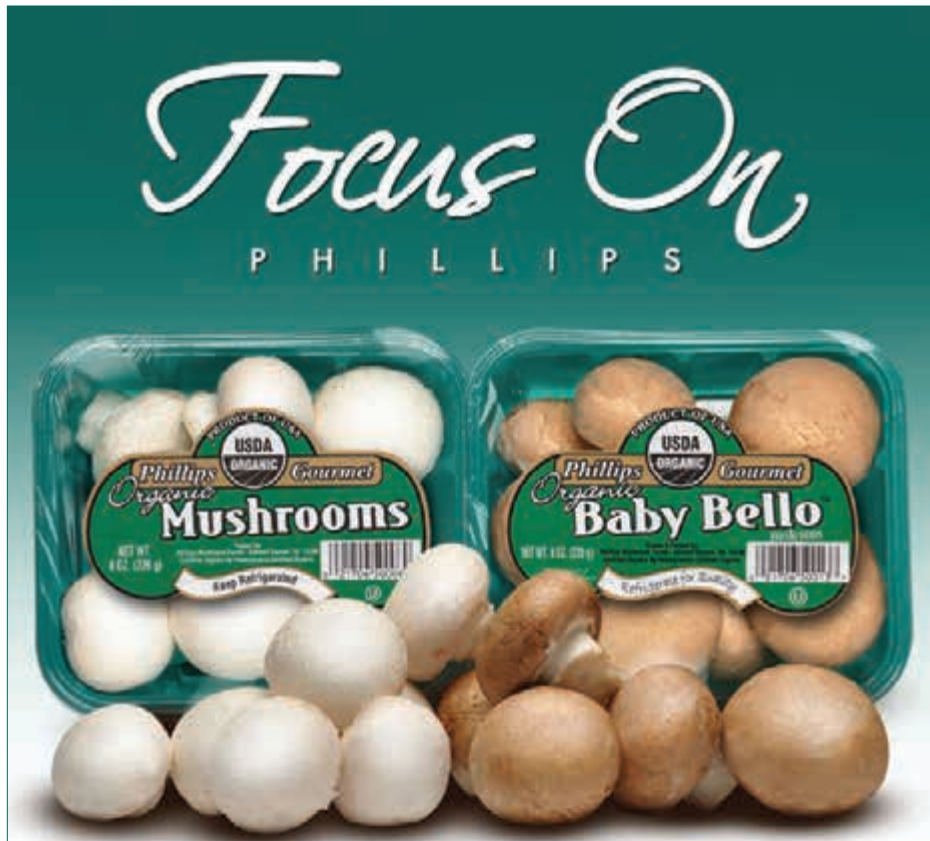
Foraged mushrooms are usually available in smaller quantities, at variable prices and they have a shorter season, all reasons chefs prize these fungi. "The chefs like that they can offer a premium local produce item, especially, in the winter, and tell diners where it was grown. We send out a weekly availability report letting restaurants and retail know which varieties are available and what's coming next," says Kevin Delaney of To-Jo Fresh Mushrooms.

Besides cultivating Shiitake, Oyster, Royal Trumpet, Maitake, Enoki and Beech mushrooms, To-Jo Fresh Mushroom maintains a network of professional foragers. "We worked very hard to set up a safe system with some of the best foragers harvesting out there," he says.

Education on all levels is an absolute when dealing with foraged mushrooms and related health and food laws. "Chefs with individual restaurants are the primary market for the foraged mushrooms. We'll go onsite at restaurants and present all the varieties and do education sessions with the staff. Because of the uncommon mushroom varieties, it really helps them to see foraged mushrooms as an option in their kitchen when we do a tasting," says Delaney.

FROZEN, DRIED, POWDERED


Restaurants are always looking to get an edge on the competition with a unique ingredient. "Chefs love to be able to use local ingredients and mushroom growers are often local or regional," says Joseph Salvo, president of Ponderosa Mushrooms. The Port Coquitlam British Columbia-based company grows and





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distributes cultivated and wild foraged fresh mushrooms, IQF mushrooms, dried mushrooms and mushroom powders.

No matter what form the mushrooms take, Salvo says chefs and foodservice operations actually have simple demands. "If you can provide chefs with a consistent product it makes it very easy but the quality has to be there. Pound for pound mushrooms are one of the most expensive ingredients in the kitchen. That's one reason we see the use of frozen mushrooms increasing every year because of the convenience and dependability of supply," he says.

Ponderosa's business has grown steadily as more restaurants are identifying individual mushroom varieties on their menus. "The market ranges from small ma-and-pa Italian restaurants to high end caterers. A big part of the business is institutional sales. We also create custom mushroom blends for chain restaurants," he says.

"King Oyster mushrooms seem to be getting popular really fast. They are part of our chef's mushroom mix that includes sliced or chopped white, brown, Shimeji and five other mushrooms, cleaned and pan-ready," he says. The mix is used in everything from omelets

"I think the next big thing will be Shiitake. Everybody knows about Shiitakes but they still aren't widely distributed and used on a lot of menus."

—Joseph Salvo, Ponderosa Mushrooms

and soups and side dishes.

Shimeji mushrooms are still largely unknown to most diners. "Seven years ago I couldn't give Shimeji away. Nobody knew what they were. Now we move all that we grow as soon as we have them," says Salvo. Shimeji are almost always cooked to remove a slightly bitter taste and have a firm, crunchy texture and nutty flavor.

Ponderosa's wild foraged mushrooms include Morel, Porcini, Chanterelle and Matsutake. "We have the largest forager collection network in the industry with foragers in

Nova Scotia, Saskatchewan, British Columbia and northern California which are processed at a facility in Vancouver," says Salvo.

Many of the restaurant chefs that order mushrooms also choose from Ponderosa's wild-harvested foods including fiddlehead ferns, ramps, wild onions, stinging nettles and huckleberries as the seasons roll along.

Powdered mushrooms have also taken off, according to Salvo. "We have a full line of mushroom powders we grind that are used in a lot of soups and sauces. Some chefs are rolling steaks or chicken in ground dried Black Trumpet mushroom powder. It's just a fabulous flavor when you saute it and it gives a nice dark color," he says.

When it comes to commercial mushroom growing the perennial search is for the next variety of mushroom that will be as popular as Portobello and Cremini, but the answer may be consumers will be open to many varieties including some familiar ones. "I think the next big thing will be Shiitake. Everybody knows about Shiitakes but they still aren't widely distributed and used on a lot of menus," he says.

"It has taken a long, long time to get to this point and there is a lot of room for growth," he says. **pb**



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Value-Added Packaging: Trending In The Right Direction



The category continues to be one of the most important and innovative in the growth of produce sales.

BY JANEL LEITNER

Packaging has become a key component in promoting and merchandising fresh-cut produce. “Having the right packaging in the produce department is critical,” says Jenny Stornetta, marketing communications manager with Apio Inc. in Guadalupe, CA. “Among the most important factors are how it maximizes consumers’ ability to see the freshness of the ingredients, provides key nutritional and ingredient information, and creates optimal merchandising and display options on the shelf.”

The presentation of the package is almost as important as the product in the package according to Keith Cox, produce category manager at K-VA-T Food Stores with 132 units and based in Abingdon, VA. “The package

must present the product well and stand out among all the other products surrounding it,” he says.

A study conducted by the Cleveland-based market research firm, Freedonia Group Inc., shows demand for fresh vegetable packaging is forecast to climb 3 percent per year to \$2.8 billion in 2019. Demand for fresh fruit packaging is forecast to climb 3.7 percent per year to \$2.5 billion in 2019, notes the study.

Convenience, grab-and-go trends and serving-size are all drivers for increased packaging. The Freedonia study predicts packaging growth to “outpace that of vegetable production based on favorable prospects for fresh-cut, ready-to-eat or ready-to-cook products, which offer increased consumer convenience and require more packaging than most bulk products. Greater use of value-added packaging for extended freshness, increased offerings of single-serving packaged items and ongoing introductions of new fresh-cut produce products will also drive gains as consumers look for healthy snack alternatives as convenient as traditional snack offerings.”

Precut, packaged fresh vegetables have become a major player in produce at George’s

Dreshertown Shop n’ Bag, an upscale independent grocer located in Dresher, PA. “We see this increase for the same reason as bagged salads increased,” says Nancy Grace, produce manager. “Customers love the convenience of no prep, the variety and (for some) the comfort of knowing that they are not buying produce that was exposed to the general public.”

Consumer concern over wastefulness can be another motivator for fresh-cut packaging demand. “A lot of people focus on the convenience of fresh-cut, but it is also cost effective by saving on food waste,” says Grant Ferguson, vice president at Chantler Packaging Inc., in Mississauga Ontario. “For example, a small-household shopper making stir fry may prefer to buy precut ingredients as opposed to purchasing large quantities of each and having a lot left over — leading to possible waste.”

SPECIALLY DESIGNED TO OPTIMIZE EFFICIENCY

Packaging options are designed with each product’s specific needs in mind resulting in an optimized product for retailer, consumer and marketer. “Fresh berries have historically been packed in a rigid container, but sustainability

initiatives as well as the growing snacking category really challenged us to think outside the box,” explains Janis McIntosh, packaging and product manager with Naturipe Farms located in Estero, FL. “In the snacking area flexible films are key.”

Mark Pins, marketing director with State Garden Inc., located in Chelsea, MA agrees that flexible packaging is important. “It helps extend shelf-life and maintains product quality and integrity,” he says.

Flexible packaging offers a multitude of benefits for bagged salads and vegetables as noted by Apio’s products. “It can be easily adapted to a variety of ingredients to allow for the proper respiration rates and it offers exceptional operational efficiencies allowing processors to maximize the speed of producing finished goods,” says Stornetta.

According to Pins, laser perforations (versus hot needle) is another key advancement. “It allows for a more consistent respiration rate,” he says. “This extends shelf-life and helps maintain product quality and integrity. It also protects the bag from rips and tears.”

Advancements in surface inks helped suppliers such as State Garden reduce the amount of film they use. “New inks stand up on their own and don’t require an extra layer of film or laminate covering,” says Pins. “This is particularly relevant in the packaging of our three SKUs of steamable/microwavable bagged spinach.”

With some stores still managing fresh-cut in-house, the industry must up the ante to provide successful alternatives. “Fresh-cut packaging is key to compete with these types of retailers,” says McIntosh of Naturipe. “A fresh-cut provider would have to offer something very unique and cost effective that could not be duplicated in the back room of a store.”

APPEALING TO CONSUMERS

Packaging developments focus on benefits to consumers in areas of cooking convenience or product appearance. “Consumers generally make purchases with their eyes, so any time you can change the look of a package for the better the consumer will notice the product as a new item even though the package contains the same product,” says K-VA-T’s Cox.

Anti-fog technology was a significant development in recent years to improve the appearance of fresh-cut. “Anti-fog is an invaluable way to improve the clarity of produce packaging, allowing consumers to fully see if the product inside is fresh,” says Stornetta of Apio. “We will continue to see more produce suppliers using this application.”


State Garden Inc., has been using packaging with anti-fogging technology for more than 20 years. “It’s a critical feature as it allows the consumer to see our product,” says Pins.

George’s Dreshertown Shop n’ Bag reports tremendous success with anti-fog technology. “The anti-fog, polypropylene bags are a retailer’s dream,” says Grace. “Products far outsell their neighbors in ordinary plastic or mesh bags and seem to protect produce very well. We started to package our own fresh green beans in poly-vented bags as soon as we could, and

it increased our sales dramatically.”

Peel and re-seal technology is another advancement State Garden adopted for its Simple Beginnings Celery Sticks. “They are a great added-value for our consumer — making it easy to tightly re-seal the package multiple times,” says Pins.

Advances in Steamable packaging are also on the rise. “The convenience of fresh-cut gets even better when you can steam these vegetables right in the bag,” says Grace. “It’s a win-win for both customer and retailers.”



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For K-VA-T stores, steamable packaging has become a steady staple. “Steamable packages grew at a fast rate when they first hit the market,” explains Cox. “They now leveled off with a good steady pace, and we feel these packages definitely have a place in the produce department.”

With Steamable packaging so popular, Ocean Mist Farms located in Castroville, CA, is expanding its Season and Steam line of fresh convenient vegetables with cleaned and ready to cook fresh artichokes. “The Season

and Steam line first launched in 2012 with whole and multiple cuts of Brussels sprouts,” says Diana McClean director of marketing. “It expanded to Kalettes in 2015 and now includes artichokes.”

Ocean Mist’s Season and Steam fresh vegetables package technology allows the user to open the bag prior to cooking, pre-season the contents to their flavor preference, reseal with the zip lock and steam by microwave all within the same bag. “The ability to pre-season the fresh vegetable contents prior to cooking

is an exclusive convenience attribute to the produce department,” says McClean. “Some people are intimidated by preparing and even eating artichokes. This package takes all the intimidation out of the process, so home cooks can easily make perfectly cooked artichokes in seven minutes.”

INTO THE FUTURE

New ideas for future fresh-cut packaging are making their way to produce from other industries. “Some new vendors have experience in other industries such as meat and pharmaceuticals — giving them some unique perspectives,” says Naturipe’s McIntosh. “More companies are trying to sell their unique film solutions with shelf-life extension properties into produce.”

Apio Inc., found several new packaging techniques useful. “Hermetically sealed, rigid-to-rigid packaging, originally developed for products such as deli meats and pastas, is now found in the produce department,” says Stornetta. “More earth-friendly packaging reducing the amount of total materials through the use of thinner films, removal of lids, and printed film replacing applied labels among other developments, is a trend that will continue to grow, both in and out of produce.”

Stornetta also reports high-graphic cardboard sleeves, used in the frozen and deli categories for awhile, are now finding their way into produce. “This type of package design offers greater visibility and print quality while allowing consumers to see the freshness of the product by removing the sleeve from the container,” she says.

Established in the 1930s, Chantler Packaging, Inc., traditionally focused on a variety of industries, but since the year 2000, its main focus has been food packaging. Chantler Packaging’s PrimePro shelf-life-extension technology is designed to reduce food waste from the beginning of the fresh-cut program.

“If a grower is shipping whole pears or broccoli, the grower or shipper uses our PrimePro shelf life-extension technology to ensure there is no food waste upon arrival at the fresh-cut facility,” explains Ferguson. “The fresh-cut people can build a whole story on what they are saving on food waste.”

However, despite much innovation from outside the industry, Naturipe’s McIntosh credits much of the innovation to the produce industry. “Changes are coming directly from the produce industry and their supporting vendors,” she says. “Produce demands complex packaging solutions, and no one knows those needs better than people close to produce.” **pb**



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Appealing To 'Sports Nuts'



Take them to the ball game or take them home, dried fruits and nuts are a healthy options for sports fans.

BY CHRIS AUMAN

According to a 2015 Gallup poll, nearly 60 percent of the Americans surveyed described themselves as sports fans.

That's a lot of spectators and a lot of snacking potential. This habit of eating while watching sports, both at home and at the stadium, means retailers have the opportunity to tie these two pastimes together and emphasize the convenience and health aspects of dried fruits and nuts.

NUTS ABOUT SPORTS

According to Mike Coskun, general manager of the Brooklyn Fare Market location in Manhattan, "During major sporting events, we always create a display with various 'go-to' items for gatherings, and our nuts and fruits are always displayed as they are big sellers. The quick-and-easy items enjoyed by many guests are popular, and dried fruits and nuts do see an increase in sales."

Adam Cooper, vice president of marketing for Wonderful Pistachios & Almonds based in Los Angeles, sees pistachios as the perfect snack for sports spectating. Wonderful works with produce managers to drive consumers to their sports-themed displays and bins. As Cooper says, "Eating pistachios while watching sports is one of the biggest consumer snacking occasions. We utilize our in-house merchandising team to supply retailers with high graphic POS, bins, balloons, tuck cards, and more, that are timed to each major sporting event, such as The Big Game, March Madness and the baseball season."

Joseph Setton, vice president of domestic sales and marketing for Setton Farms, headquartered in Terra Bella, CA, also sees value in targeting sports fans. "Nuts are already a staple for game day snacks, and generally loved by all," he says. "Pistachios are an easy snack to share with a large group of people, both adults and children. The convenience of nuts also makes them great to take along to the game, whether it's a little league event or a big league contest. Pistachios are convenient for outdoor events," says Setton, "and the shells are biodegradable, so there is less waste to worry about."

"Our products are a perfect tie-in with sports for a number of reasons," says Chad Hartman, director of marketing for Tropical Foods based in Charlotte, NC. "Number one:

peanuts and other nuts have always been a great ballpark snack, and with the different flavored nuts that we make, such as Buffalo Nuts, you can hardly go wrong promoting sports food and beverages along with spicy nuts. Number two: the local sports team's colors are a great way for a tie-in, we have a number of items, such as flavored yogurt pretzels and snack mixes with color components that tie great together with the colors of the local sports team."

Eric Boonshaft, brand marketing director for Hampton Farms, headquartered in Severn, NC, sees value in establishing that direct correlation with sports teams. "Hampton Farms has licensing deals with Major League Baseball" (all U.S. teams) and select universities," he says. "In-shell peanuts and baseball go hand-in-hand, so displays with Hampton Farms and other complementary baseball-related products can drive a lot of excitement for the produce department."

Peanuts and baseball certainly go together, but how about another American favorite? "We are also partnering with Budweiser, the official beer of Major League Baseball, to offer savings when Budweiser and Hampton Farms are purchased together," says Boonshaft. "We know that basket rings are up 63% when Budweiser and Hampton Farms peanuts are in the shopping cart together."

TAKE ME OUT TO THE BALLGAME

These healthy snacks aren't just convenient to serve while watching the big game at home. They're perfect for taking out to the ballgame. "We're seeing many retailers display the MLB-licensed Hampton Farms peanuts, especially in stores in close proximity to stadiums," says Boonshaft. "These are great impulse items at a great price. We encourage retailers to not only display in produce, but feature these products in multiple locations throughout the store including checkout, snack aisle, beer aisle, et cetera."

Matthew Buckley, executive vice president, sales and marketing at Mamma Chia based in Carlsbad, CA, has the grab-and-go consumer in mind. "All of our products were created to make the 'Magic of Chia' easily accessible in a grab-and-go manner. Our Chia Squeezes and Chia Vitality Bars are especially perfect for taking along for a boost of vitality at the game — for athletes and fans alike. Merchandising those products alongside other more traditional game foods create an opportunity for an incremental sale as people will consider taking a healthy snack option along with their intended purchase."

SERVING IDEAS:

APPETIZERS, ENTREES, DESSERTS

Vincent Kitirattagarn, founder and chief executive of Dang Foods based in Berkeley, CA, sees a variety of uses for its products in dishes from appetizers to desserts. "We recommend sprinkling our coconut chips on top of salads, yogurt, granola, oatmeal, baked goods and ice cream. From the beginning, we recommended they be merchandised as a healthy snack, but we encourage users to get creative with Dang as an ingredient and share it with their social networks."

Wonderful's Cooper has seen recipe ideas that tie-in well with the spread people lay out for sports spectating. "We have hundreds of original recipes that have been created to make dishes from appetizers to desserts, but to simplify that, if you want to add a buffalo flavor or nutty texture to a salad, buffalo wings, rice dishes or vegetarian dishes, Buffalo Nuts are a perfect fit. To sweeten it up, you can add our Praline Pecans to salads, desserts or even main entrees."

"Some consumers don't know that shelled pistachios are available," says Setton. "We made it convenient to bake and cook with pistachios by doing all the work of removing the shells for them. We have a collection of recipes available online that pair well with any event, from simple dips and appetizers to decadent desserts."



Dang Foods' coconut chips can be merchandised as a healthy snack or an ingredient.

One of our favorites is rich chocolate truffles using our Pistachio Chewy Bites. The recipe is simple, and it's a sweet treat that is convenient since it is also a finger food."

DISPLAYS & CROSS-MERCHANDISING

"Nuts in general lend themselves well to sports-themed display and demos," says Setton. "Consumers are looking for healthier snacks that are fun to eat and taste great. Giving a sports-themed display the space it needs to attract attention, offering sales or coupons on the displayed items, and supporting your local team will influence sales in a positive way."

With coconut being a tropical fruit, Dang's Kitirattagarn recommends tying in coconut chips to tropical-themed displays, "especially in the summertime. Memorial Day grilling, Fourth of July, Labor Day, are big holidays for us. As far as sports go, coconut chips make for a nice healthy snack while watching all sports."

"Generally," says Hartman, "I think if you merchandise these snacks near other items that a consumer would pick up for game day, you can help its promotion. Buffalo Nuts are a great grab-and-go snack anytime, but put them next to cold beverages and watch the sales skyrocket. Grabeez [Tropical Foods' resealable cups offered in 15 varieties of nuts, snack mixes and candies] is a great fit for any cup holder, so if the display lends itself to that, let the customers see its convenient shape and size."

THE HEALTHY SNACK OPTION

Snacking might be the most exercise a serious football fan gets during football season. When we think of the spread laid out for sporting events, we think of a variety of high calorie, high fat items. Pizza, chips, wings, nachos, all served with beer and soda. Nuts and dried fruits on the other hand, help create a healthy balance.

"Sporting events can be a time of overindulgence, and consumers are always looking

for healthy ways to add exciting flavors to their lives," says Cooper. "Wonderful Pistachios provides the perfect solution, with a variety of different flavors like Sweet Chili and Salt & Pepper, consumers feel like they have an assortment of healthy snack options."

David Lipson, president of Valued Naturals based in Dover, NJ, also believes the healthy aspect of dried fruits and nuts relates well to the sports fans.

"Depending on what type of event you are talking about, many sports fans have good incomes and also solid food choices. Many of those people are not just about a hot dog and a beer. Packing in some trail mix, cashews, almonds, or dried fruits would likely work very well. Our packaging is quite flat and fits in a jacket pocket. Worst case scenario, save it for the ride home [from the stadium]."

"Highlighting the health aspects is a great choice," says Setton. "Consumers are looking for healthier snack options in general, even sports fans. They are also looking for new and interesting SKUs, which is why we offer five naturally flavored pistachio varieties. When sharing dried fruits and nuts with friends or family, consumers are aware of things like gluten & natural. That's why our pistachios, which are Non-GMO-project verified are certified GF (gluten free), become easier choices for the customer. Offering healthy recipe cards alongside merchandise makes it fun and easy for consumers to pick up the extra items while at the store."

"We do highlight the nutritional value of chia and all of the other goodness that goes into our products," says Buckley of Mamma Chia, "including the facts that they are all USDA Organic Certified and Non-GMO."

While the sport of sports spectating is often accompanied by eating, consumers have healthy options with dried fruits and nuts. It's up to retailers to help them make the connection so they can make the sale.

pb



Managing The Spring ‘Gap’

BY DON HARRIS

In the produce world, as the weather begins to improve, we anticipate the opportunities presented to us by new crops of key commodities to jumpstart our sales momentum in the department to begin and drive higher volume toward the Summer selling season.

Unfortunately, management does not always share these upbeat feelings of a new season with opportunity in the same manner as we do in produce. Management’s thoughts often center upon the key holidays during that period — Easter and Mother’s Day. Planning for Easter, recovery from the Easter promotion, and the preparation for Mother’s Day are the produce priorities management puts on the calendar for the spring.

In a normal year, this is an adequate way to approach this season. However, every few years a situation shows itself where there is a tremendous gap of time between the two holidays, which requires a different reaction from management. Many times management fails to react properly to this “gap” and further proves “they just don’t get it”!

The gap we are talking about happens when Easter occurs very early in the year and Mother’s Day follows six weeks later. What is needed to properly build momentum and take advantage of the opportunity represented by spring commodities is an aggressive strategy that takes into account the vital need for promotional activity during this six-week spring gap.

The pitfall many retailers and management falls into is to approach this period with indifference and, even in some cases, ignore its existence, allowing produce sales to aimlessly drift through this timeframe. This type of approach leads to an ominous “lull” in the sales momentum that is very difficult to regenerate when Mother’s Day arrives.

The lull tends to continue into the early part of the summer and makes it extremely difficult to drive sales to the level that the opportunities warrant. It also makes the produce department personnel anxious and frustrated with the lack of sales momentum heading into the key summer season. Now it is required to work harder than necessary to rebuild that momentum. For produce, this can take a promising year and turn it into a difficult one forcing the produce operation to play catchup.

Fortunately, there are certain proactive, forward-thinking retailers that address this “gap” as an opportunity to further enhance the growth of produce sales by providing additional, targeted promotional activity to take advantage of the influx of new seasonal fruits and vegetables. These retailers schedule themed promotions such as “Spring Fling,” etc., with items featuring asparagus, berries,

artichokes, avocados, corn, etc., in between the two holidays to keep driving sales.

It really takes little additional effort to aggressively plan for additional promotion when this gap occurs. In fact some retailers look forward to the years when this gap occurs, with great anticipation for the opportunity that it provides for driving extra sales by taking advantage of new, fresh seasonal opportunities.

In taking aggressive action to promote produce operations during this period, these retailers are rewarded with establishing and fostering increased sales plus providing crucial positive momentum heading into summer and the abundance of opportunities that are presented during this vital time of the year. Certainly it would be in the best interest of the entire industry and certainly all retailers to actively utilize this “gap” to revitalize their departments and capture the customer’s attention.

Adopting an aggressive promotional strategy for this timeframe doesn’t cost much in terms of additional resources, but the benefits are far reaching in terms of providing the opportunity to lift the performance of the produce department to that “next level.” It would seem to be a small investment that would yield a tremendous upside in terms of establishing the foundation for building a record-breaking sales performance throughout the entire year.

The “risk/reward” potential of such activity has such an upside that it would seem negligent not to take advantage of this opportunity and utilize the potential it has for driving positive results. Rather than utilizing this six-week spring gap to allow the produce operations to “recover” from Easter and wait for Mother’s Day, the smart retailer would look at this gap as a tremendous opportunity to carry the natural sales boost and momentum from Easter all the way through Mother’s Day and into the summer. It would seem to be a simple matter of providing the opportunity for produce to turn in a record-breaking performance rather than “just another year.” **pb**

This year’s six-week period between Easter and Mother’s Day is an opportunity to create momentum by promoting new crop items.

Don Harris is a 40-year veteran of the produce industry, with most of that time spent in retail. He worked in every aspect of the industry, from “field-to-fork” in both the conventional and organic arenas. Harris is presently consulting and is director of produce for the Chicago-based food charity organization, Feeding America. Comments can be directed to editor@producebusiness.com.



Keeping Your Cash In A Good Flow

BY ALAN SIGER

Every week the trade press and credit reporting agencies list insolvencies or PACA actions against firms that have not paid for product purchased from others. Over the years, it seems there has been an increase in non-payment situations; with the cost of product so high, it doesn't take long for a company to owe hundreds of thousands — or even millions of dollars — when things go bad.

When I joined Consumers Produce Company as a salesman in 1973, one of the first things I was taught was that a sale does not count until the product is paid for and the money is in the bank. How does one navigate the minefield to make sure they are paid? I've seen a lot of situations over the years and learned some expensive lessons; let me share some with you.

1. **Do a credit check.** It sounds obvious, but I've seen folks who paid cash for a while ask for a few days' credit. A few days grows into a few weeks, and all of a sudden, you have a customer who has become a credit customer while bypassing a credit check. Don't just rely on a stock credit form for information; use an industry credit service like Blue Book Services, Inc. to get the full story.
2. **Use your sales team as eyes and ears on the ground.** They talk with customers regularly and may hear things about what's going on in the marketplace. I've been saved a few times by an early warning from a sharp employee who picked up some scuttlebutt about a company having problems.
3. **Management should set and enforce credit terms.** Don't put your sales team in a situation where the customer is angry with them. If you are forced to shut off a customer's credit, let your accounts receivable person be the "bad cop."
4. **Treat a change in ownership like a new customer, or at least keep a close watch on their account.** When a customer you partnered with for years sells to a new owner, they often continue to operate under the old name. Just because the name is the same, it doesn't mean the new company's integrity or finances are the same.
5. **Beware of generational changes in a family business.** When the boss retires and passes the ownership down to the next generation, there's no guarantee that the new leadership can do the job. In addition, I've seen family businesses so burdened with large payouts to the retiring generation that they were unable to handle the debt load.
6. **Don't fall into the "friend trap."** I can think of a few times over

Keeping a company's accounts receivable in check requires senior management oversight to make certain that all employees understand the vital importance of getting paid.

the years where I let a customer, who I knew well personally, get further beyond terms than I would have with someone I didn't know. These were good people whose intentions were honorable, and intended to pay for what they purchased. Whether a friend or not, when these folks went under, we were the ones left holding the bag.

7. **If you do get into a situation where your company is not getting paid according to agreed terms, act quickly, as every day counts.** Let your customer know that if they don't correct the situation, you'll have no choice but to put them on a C.O.D basis. Allow them a short period of time to get back within

terms and hold them accountable to that deadline. If you set up a payment plan on the old debt, you should check with an attorney knowledgeable about the PACA Trust. An attorney can best guide you on how to structure the agreement, as you don't want to lose your rights under the Trust.

8. **The PACA Trust is wonderful for creditors in our industry.** Since its inception in 1984, the Trust has protected hundreds of millions of dollars from banks and other non-produce creditors by insuring proceeds from the sale of produce were used to pay for that produce. However, getting paid under the Trust most certainly requires getting an attorney involved, resulting in an expensive and time-consuming process. Most importantly, the PACA trust only works if there are assets still remaining; being first in line for nothing doesn't do one a lot of good.

In a business where the commodity sold is highly perishable, it's sometimes difficult to pass up a sale to someone with questionable credit. When it's late on a Friday and one has several pallets of ripe bananas that won't make it through the weekend, and the only customer around is slow pay, it's can be a tough call. One may choose to take that chance, but as stated above, that decision should be made by management not the salesperson.

Keeping a company's accounts receivable in check requires senior management oversight to make certain that all employees understand the vital importance of getting paid. This 43-year-old lesson is as true today as it was in 1973. Stay focused on putting your receivables in the bank.

pb

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.



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What US Fruit Exporters Need To Know About The UK Market

BY JOHN GILES, DIVISIONAL DIRECTOR, PROMAR INTERNATIONAL

The U.S. has a long history of supplying a range of fruit products to the U.K. market, especially for items such as apples, pears, grapes, soft fruit and berries. While for some time the U.S. produce industry has been looking at other growth markets in emerging countries (in the likes of India, China and parts of Latin America to add to the overall export portfolio), it is worth noting what is happening in the U.K. This is may be an indicator as to what might happen in other markets around the world too.

The structure of the U.K. fruit supply chain has altered significantly during the past few years, with increasing consolidation. The key points to note are as follows:

- The sale of fruit in the U.K. is still dominated by the “Big Four” retailers (Tesco, Asda, Sainsbury’s and Morrisons). But widespread change is taking place with the growth of the German-based discount chains (Aldi and Lidl), online shopping, and developments in the foodservice sector, which all put pressure on the leading established supermarkets.
- Major U.K. retailers are now investing more in direct-supply relationships to ensure the integrity of the supply chain. This maneuver is seen as critical to ensure, and while different retailers all have their own business models to achieve this, the basic aim is the same — more efficient supply chains, removing costs and getting closer to the grower base.
- A relatively small number of highly influential importers and distributors is responsible for supplying the leading retailers. They are often specialists on certain products and geographical sourcing areas. They normally supply only two to three key retail customers. U.S. (and other) growers and exporters need to develop close working relationships with these key businesses to be successful in the UK.

The U.S. is still a highly regarded fresh produce supplier to the U.K. and has largely overcome some technical concerns amongst some importers in the past (e.g. water usage and labour issues). There is increasing attention to factors, such as Corporate Social Responsibility (CSR) and the protection of the environment, but the U.S. should now see these as an opportunity area rather than a threat.

It is clear that the U.S. has also developed other international markets in the past few years. One of the concerns of the U.K. trade is that U.S. growers and exporters pay more attention to markets in the likes of Southeast Asia and China than the U.K. This is understandable from both sides and is just as much about perception as reality. The U.S. could still strengthen its promotional position in the U.K. over the next few years by participating in major trade shows and other trade-based events. As good examples, Chile and South

Africa both continued to invest significant sums of money in this sort of activity and were funded by a combination of government, growers/exporters and trade associations.

U.K. retailers are renowned for having some of the highest quality standards and technical specifications in the world. However, the long-term impact of the economic downturn has seen growth of the discount sector and caused retailers to be far more cost-conscious than in the past. High-quality standards and systems of full traceability are key factors for all suppliers to be successful in the U.K., to ensure they meet the requirements of U.K./EU food standards as well as specific additional retailer requirements.

There is extensive U.K. and EU legislation, and further commercial requirements, in areas such as pesticide usage, traceability of produce etc., but these should not act as disincentive to serious U.S. growers/exporters. Accreditations such as the British Retail Consortium (BRC) and GLOBAGAP are seen as minimum standards to achieve.

The traditional system of wholesale markets has been under pressure for a long period of time, but has been rejuvenated by the growth of the foodservice and catering sectors. The leading foodservice businesses in the U.K. now operate to the same technical and commercial standards as the leading retailers. The catering sector is still quite fragmented when compared to the retail sector, but is also beginning to consolidate.

The U.S. sector should look at what is happening in the U.K. as an indication of what might happen in the future in other international

markets. While most U.K. retailers have a fairly modest international footprint compared to some of the U.S. and other EU retail chains, their influence on how supply chains develop around the world is strong.

Conversely, the U.K. remains a key import market for many suppliers. The U.K. is roughly a 3 million tonne import market for all fruit. Key suppliers include the likes of Spain, the Netherlands, South Africa, Chile, Central Americans and increasingly new suppliers, such as Peru. Many exporters in these countries use the fact that they supply the U.K., with its exacting technical and commercial standards, as an indicator as to the strength of their offer and ability to do business in one of the most demanding markets in the world.

Even if U.S. businesses are not marketing fruit direct to the U.K., it is well worth keeping a close watch on key structural changes. They act as an indicator as to what might happen elsewhere at some stage in the future.

pb

John Giles is a Divisional Director with Promar International, a leading agricultural and horticultural value chain consulting company and a subsidiary of Genus plc. He has been involved in a wide range of produce related assignments in the UK, the rest of the EU, Latin America, SE Asia and China.

Even if U.S. businesses are not marketing fruit direct to the U.K., it is well worth keeping a close watch on key structural changes.

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Transforming Your Foodservice at Retail Operation from Average to Awesome

BY AMY MYRDAL MILLER MS, RDN, FAND & CHEF SUVIR SARAN

One of the biggest trends restaurant operators are watching today is how foodservice retail establishments are biting into their business. If you want to take a bigger bite of this business opportunity, you may need to make some changes to your offerings.

If your deli case is still filled with coleslaw and macaroni salad from a tub, assorted cold cuts, fried chicken, and meatloaf, maybe it's time to take a fresh look at your offerings. Here are some tips to get you started.

1. Fresh Sells. “Fresh” is the most common descriptor used on American menus, according to insights from Chicago-based market research firm Datassential. If you're not already doing this, try using the descriptor on your menu boards and signage. Fresh means “good for me and my family” to your shopper, which plays into the growing trend of increasing demand for health and wellness at retail. And while fresh can describe anything from freshly baked bread to fresh caught seafood, most consumers equate fresh with produce. Freshly-prepared sauces and salad dressings are another way to add additional appeal to produce-centric menu offerings.

2. Local Sells. If you sell produce from local vendors, don't just highlight this in the produce department. Feature local produce in your foodservice offerings as well. Restaurants across the country have been doing this for years, and consumers take notice. They want to know how and where their food was produced; putting a farm or farmer's name on the menu adds more comfort and familiarity to new foods and flavors.

3. Flavor Sells. Who's running your foodservice operation? If it's a trained culinary professional, they will likely welcome the opportunity to bring in some new flavor profiles from Asia, Latin America, and the Mediterranean. If your shoppers include Millennials who love trying new foods, they'll appreciate you upping your game with new ingredients and offerings. A common theme in the restaurant industry is “make the familiar exotic, and the exotic familiar” meaning you can introduce new flavors to familiar foods, and you can introduce new foods with familiar flavors. Just don't push your customer too far too fast. And don't make your customer work too hard to understand new concepts. Provide menu names and descriptors that quickly tell the story of the new offering. Suvir's Green Beans with Coconut is a good example of an intensely flavorful dish that features a familiar ingredient with a more exotic yet appealing flavor profile.

4. Salads Sell. If your strategy includes offering more fresh,

flavorful foods, focus first on salads. Produce can fit into all salad categories, from pasta and fruit salads to bean, greens, and grain-based salads. Need some inspiration? Check out Chef Joyce Goldstein's *Mediterranean Fresh*, a cookbook featuring 110 recipes for salads and 30 recipes for salad dressings to mix and match with the salads. These recipes are based on a mixture of seasons, mood, and marketing.

5. Pizza Pleases. Does your foodservice program include pizzas and flatbreads? If so, consider them blank canvases for culinary creativity and presenting new flavor profiles. Pizzas and flatbreads are a wonderful menu category for increasing sales of a type of food Americans eat often. National dietary intake data show that about 1 in 8 Americans eats pizza on any given day. More than 25 percent of boys (ages 6-19 years) eat pizza every

day. And don't overlook flatbreads. We think part of their appeal is based on its more artistic, “artisan” shape. Artisan is synonymous with “hand-made” or “made just for me.” Many in foodservice are already capitalizing on flatbread as a way to add interest to a popular menu category. According to Guest Metrics (a Cambridge, MA-based data analytics firm delivering consumer insights and actionable intelligence to the food, beverage, hospitality and financial services industries) about

60 percent of recent incremental growth in the pizza category in foodservice is due to the addition of flatbreads.

6. Snacks Satisfy. According to the Bellevue, WA-based The Hartman Group, half of all eating occasions are now snack occasions, accounting for one-third of adult calorie consumption in the United States. What can your foodservice operation do to prompt more snacking? This can be as simple as providing a greater variety of fresh-cut fruit in take-out containers; or you can develop a snack program that features unique dips and crackers. This year is the FAO “Year of the Pulse.” What about a hummus program that features a different version each day of the week? Chickpeas are obvious, but what about hummus made from beans, peas, and lentils? Let your bakery department contribute unique crackers, spiced pita chips, or crostini.

There's no end to the options for improving and enhancing your foodservice at retail program. We hope our ideas spur more creative and strategic thinking at your store!

pb



Green Beans with Coconut

Amy Myrdal Miller, MS, RDN, FAND (@AmyMyrdalMiller, www.farmersdaughterconsulting.com) is a farmer's daughter from North Dakota, award-winning dietitian, culinary nutrition expert, and founder and president of Farmer's Daughter Consulting. Suvir Saran (@SuvirSaran, www.suvir.com) is an award-winning chef, restaurateur, and cookbook author. Born in Delhi, India, today Suvir lives on a farm in upstate New York.



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Disruptions In The Supermarket Business Model

BY BRIAN GANNON

As time goes on, it seems that more retailers have less employees taking care of produce display areas. Do you see that as well? As a “customer” do you see displays in rough shape, bad quality on display, tired merchandising materials, dirty conditions on the shelf, poor communication of item and price, and departments not ready for when “I” am shopping?

I’m seeing these conditions increasingly over time, and I tend to give produce employees the benefit of the doubt, that if they “had the time” the display area presentation would be a much more positive influence to my buying more. And if given more time, produce managers could train their employees better.

The ability of the produce department to make more of a contribution is lost by the simplicity of what can easily be documented on a P&L statement. Labor savings over the previous year is much easier to change, show savings, and is more celebrated. Yet what happens with sales, shrink, fresh image, and units sold is somehow viewed through a different lens, and not tied back to the impact of reduced labor. It’s this very pitting of labor-savings success, against a supermarket’s decreasing sales and customer count, that creates tension between the areas of sales and operations within retailers.

Just at a point in time when fresh, clean, excitingly merchandised produce departments could be the saving grace of many supermarket operators, the various competitive pressures now confronting supermarkets’ profit margins, and the high cost of labor in the business model, resulted in a slow, but steady erosion of hours invested. In the absence of any proven “conversion factor” clearly demonstrating the effect of labor contribution to fresh produce success, many supermarkets appear to be on a downward spiral.

It would be great to have an institution like a Cornell University or St. Josephs College do a study on the unique relationship in produce retail of applying the correct labor, and what that does for increased sales, profits, and fresh image — not just for the produce department, but how increased labor investment in produce results in driving the supermarket business model.

It’s been well documented that produce customers have larger baskets when they get to registers. Well run produce departments generate more loyal customers and are typically the best department for attracting new customers. Without proper labor and/or labor applied at the right times, the negatives begin to build fast; poor quality fruits and vegetables left on display, doing serious damage to the quality and

fresh image, slow sales. Without the proper labor and training, what’s left is mainly “filling,” which enhances the damage and leaves no time for cleaning, culling, customer contact, etc.

Sure, proper training and passion need to be in place, but not enough labor hours to get the job done right results in the development of poor attitudes, and lack of passion — leading to employees to believe their mission is simply to fill. A successful produce operation is so much more than “filling” holes and low spots.

A supermarket company will invest tremendous amounts of dollars in furniture, color schemes, lighting, weekly promotions, in-store marketing pieces touting “fresh” etc. Yet executives pay little attention to the very reason that people are coming into their stores, to select “fresh” produce, from clean surfaces. Everything in the supermarket should back up from the “point of purchase.” Because when the grapes, berries, lettuces, apples, etc. can’t be visually impressive to stimulate purchase, then all the other investments (such as marketing and physical plant) are worthless.

One does not need “formal” studies to understand the growing gap in ideal labor versus the current situation. This understanding starts with proper supervision that spends time in a produce department — regularly walking the entire produce department and storage areas to observe negative gaps. Noting the negatives will create the understanding of what’s needed to close the gaps. Yes, in some instances, it will be correcting an approach to the job, but I believe in the end, many “gaps” will be corrected by “intelligently” adding hours. Without supervision paying attention, the lack of labor will never be understood.

If brick-and-mortar supermarkets are to survive, it’s the point-of-purchase in produce that needs the intelligent investment of labor, training, supervision, and passion.

I think the type of comprehensive study I’m suggesting, and the published results, would give more retailers the confidence to take the step of reinvesting in labor. A renewed focus by supervision will result in increased sales, customer loyalty, and more profits for the retailer as well as everyone in the fresh produce supply chain. **pb**

Gannon has more than 33 years experience in the produce industry. He career offers extensive experience managing sales strategies, working within senior levels of the retail grocery supply chain, managing strategic business relationships, improving year-to-year performance, driving top line sales growth, designing sales and merchandising plans, improving account relations, rolling out new product lines and programs, and maximizing profitability.

Everything in the supermarket should back up from the “point of purchase.” Because when the grapes, berries, lettuces, apples, etc., can’t be visually impressive to stimulate purchase, then all the other investments (such as marketing and physical plant) are worthless.

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A&A Organic Marketing, Inc.	96	831-685-0303		Keystone Fruit Marketing, Inc.	63	717-597-2112	www.keystonefruit.com
Albert's Organics	97	800-996-0004	www.albertsorganics.com	Keystone Fruit Marketing, Inc.	102	717-597-2112	www.keystonefruit.com
Anthony Vineyards, Inc.	105	661-858-8300	www.anthonylvineyards.com	King Fresh Produce LLC	30	559-596-2040	www.kingfresh.com
Anthony Vineyards, Inc.	96	661-858-8300	www.anthonylvineyards.com	Koornneef Produce Ltd	73	416-255-5188	www.koornneefproduce.com
Avocados From Mexico	43	517-641-2152	www.avocadosfrommexico.com	Lehmann & Troost BV	13	180-631011	www.lehmann-troost.nl
Awe Sum Organics, Inc.	97	831-462-2244	www.awesumorganics.com	LGS Specialty Sales, Ltd.	45	800-796-2349	www.lgssales.com
Babe Farms, Inc.	105	800-648-6772	www.babefarms.com	F.G. Lister & Co., Ltd.	74	416-251-6591	www.fglister.com
Bamford Produce	76	416-259-5400	www.everythingproduce.ca	Litco International, Inc.	68	855-377-6118	www.litco.com
Big Red Tomato Packers	92	772-466-0700	www.bigredtomatopackers.com	Malena Produce, Inc.	60	520-281-1533	www.malenaproduce.org
Blue Book Services	123	630-668-3500	www.producebluebook.com	Mann Packing Company, Inc.	17	800-884-6266	www.veggiesmadeeasy.com
Bondi Produce Co. Ltd.	76	416-252-7799	www.bondiproduce.com	Melissa's/ World Variety Produce, Inc.	97	800-468-7111	www.melissas.com
Cabo Fresh	47	310-342-5363	www.cabofresh.com	MIXTEC Group	68	626-440-7077	www.mixtec.net
California Agricultural Leadership Foundation	111	831-585-1030	www.agleaders.org/apply	NatureSweet Ltd	91	210-408-8557	www.naturesweet.com
California Avocado Commission	5	800-344-4333	www.californiaavocado.com/retail	Pacific International Marketing	97	831-422-3745	www.pim4u.com
California Sun Dry Foods	92	800-995-7753	www.calsundrytomatoes.com	Peri & Sons Farms	102	775-463-4444	www.periandsons.com
Canadian Produce Marketing Association	49	613-226-4187	www.cpma.ca	Phillips Mushroom Farms	114	800-722-8818	www.phillipsmushroomfarms.com
Capital City Fruit Co., Inc.	36	515-981-5111	www.capitalcityfruit.com	Primavera Marketing, Inc.	105	209-931-9420	www.primaveramarketing.com
L. Cherrick Horseradish Co., Inc.	37	314-421-5431		Prime Time	31	760-399-4166	www.primetimeproduce.com
Concord Foods	46	508-580-1700	www.concordfoods.com	Produce for Better Health Foundation	39	302-235-2329	www.pbhfoundation.org
Creative Options Communications	56	972-814-5723	www.palmelitas.com	J.E. Russell Produce Ltd	75	416-252-7838	www.jerussell.ca
Del Monte Fresh Produce	132	800-950-3683	www.freshdelmonte.com	Shuman Produce, Inc.	101	912-557-4477	www.realsweet.com
Dole Fresh Vegetable Co.	2	800-333-5454	www.dole.com	Silver Creek Software	36	208-388-4555	www.silvercreek.com
Dole Fresh Vegetable Co.	15	800-333-5454	www.dole.com	South Carolina Department of Agriculture	55	803-734-2225	www.agrature.sc.gov
dProduce Man Software	115	888-PRODMAN	www.dproduceman.com	Stronach & Sons, Inc.	74	416-259-5085	
Dulcinea Farms	11	559-255-5400	www.pacifictrellisfruit.com	Sunkist Growers, Inc.	59	818-986-4800	www.sunkist.com
Family Tree Farms	105	866-FLAVOR-1	www.familytreefarms.com	Sunshine Bouquet Co.	30	305-599-9600	www.sunshinebouquet.com
Farmer's Daughter Consulting LLC	60	916-564-8086	farmersdaughterconsulting.com	Twist Ease	51	888-623-8390	www.twistease.com
Fierman Produce Exchange	37	718-893-1640		United Fresh Produce Assoc.	38	202-303-3400	www.unitedfresh.org
The Flavor Tree Fruit Company	9	559-389-5845	www.flavortreefruit.com	United Fresh Produce Assoc.	95	202-303-3400	www.unitedfresh.org
The Florida Tomato Committee	93	407-660-1949	www.floridatomatoes.org	The USA Bouquet Co.	14	800-306-1071	www.usabq.com
Fresh Farms	61	520-281-2030		Veg-Pak Produce, Ltd.	71	416-259-4686	www.vegpakproduce.com
Fresh Origins, LLC	35	760-736-4072	www.freshorigins.com	Vidalia Onion Committee	99	912-537-1918	www.vidaliaonion.org
Giorgio Fresh Co.	115	800-330-5711	www.giorgiofresh.com	Vlam Flandria	33	32 2/720.05.17	www.freshfrombelgium.eu
Grower Alliance, LLC	26-27	520-761-1921	www.groweralliance.com	West Lake Fresh	105	831-724-0644	
Harris Consulting Solutions	51	269-903-7481		Wonderful Company	7	661-720-2500	www.wonderfulcitrus.com
Idaho Potato Commission	23	208-334-2350	www.idahopotato.com/retail	Zespri International	65	650-368-2870	www.zesparikiwi.com/retail
Inline Plastics Corp.	117	800-826-5567	www.inlineplastics.com	Kurt Zuhlke & Association	118	800-644-8729	www.producepackaging.com



UNITED'S CENTENNIAL MILESTONE

Break out the Champagne for a toast to the 100th anniversary of United Supermarkets, a milestone reached by few businesses. Despite humble beginnings, the Texas-based chain has now grown to 66 stores in 36 communities under five unique banners: United Supermarkets, Market Street, Amigos, Albertsons Market and United Express.

In 1916, United Cash Store (pictured) opened in Sayre, OK, and marked the founding of the company by Henry Dewitt Snell. United moved to the company's now headquarter city of Lubbock, TX, in 1956 when Jack Snell, son of H.D. Snell, purchased three Safeways.

The company continued its expansion over the next four decades under the leadership of Jack and his son. By 1991, The United Family stores were in 20 communities throughout Texas.

Later, in 1998, the company adopted a strategic growth plan, which called for new stores, innovative concepts, diverse market expansion and self-distribution.

Also that year, the company introduced Market Street in Wichita Falls, a new concept that called for new stores, innovative concepts, diverse market expansion and self-distribution.

"One of the really amazing things that paved the way to such an expanded produce section from what you see in the photo is how fast we are able to get fresh produce in our stores," says Robert Taylor, chief executive of United Supermarkets. "Back in the early 1900s, the grocery shopping experience looked vastly different than it does today."

Taylor explains how a shopper would enter the store, probably with a list of items, and the clerk would fill the order for that shopper. "In other words, it was not the norm for a shopper to browse the store and choose their own items off a shelf," he says.

The shift to store layouts like you see at United today — with produce, meat, dairy and bakery in the perimeters — was "necessitated by the need to showcase the vast variety of items available now."

Taylor points to today's culture, where food is more than just the basic necessity it used to be. "Now, so many people shop for food related to a specific lifestyle or dietary need, like gluten-free, low sodium or sugar-free. It's our job to have stores that allow our guests to see and consider all the different offerings available in this day and age," he says.

"We hear from guests all the time that freshness is of critical importance. To deliver on that need, we continually strive for produce to go from field to table at the peak of freshness in very short time frames."

In addition to the fresh aspect, Taylor says the desire for guests to have access to organic and local produce led to expanded sections. "We will likely continue to see produce as an evolving and expanding category in our industry. Reaching our 100th anniversary is a remarkable accomplishment, and a true testament to the hard work and dedication of all our team members through the years, as well as our loyal guests in each of our communities." **pb**

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