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**Marketing
Excellence Awards**
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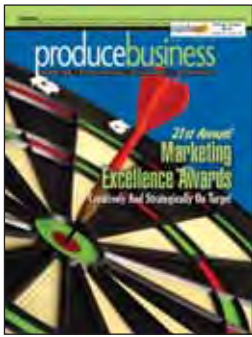


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producebusiness
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THIS MONTH'S WINNER:

Lynne McCluskey
Assistant Produce Manager
Harry's Supermarket
Pittsfield, MA

Working at her family's grocery store, Lynne McCluskey does a little bit of everything. "My Uncle Jim runs the produce department, which is stocked from our warehouse, Bozzuto's in Connecticut, and I mostly help him with that. But I do whatever needs to get done. We all do," she says.

McCluskey has been at Harry's Supermarket, which was started by her great uncle and is now run by his two sons, for 25 years and has been reading PRODUCE BUSINESS for as long as she can remember. "It's nice to flip through it and get new ideas. For example, I read about breaking up the color in displays and when we followed the example, it really worked! Carrots are carrots, so you have to do different, eye-catching things to keep consumers interested."

As the winner of the PRODUCE BUSINESS quiz, McCluskey will receive a Cuisinart Toaster Oven, which will go perfectly in the kitchen of her brand-new home.



SPONSORED BY

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 October issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

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QUESTIONS FOR THE AUGUST ISSUE

- 1) When does the aerobic warm-up begin for the Live FIT 5K Run/Walk at the PMA Convention? _____
- 2) What are Yakima Fresh's two core values? _____
- 3) What is the role of Andy Judd at Domex Superfresh Growers? _____
- 4) What Brooks, OR, company grows Hermiston Sweets? _____
- 5) Which brand of avocados are "The World's Finest. No matter how you slice it." ? _____
- 6) What is the city and state for the Apple Country headquarters? _____

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

Name _____ Position _____
 Company _____
 Address _____
 City _____
 State _____ Zip _____
 Phone _____ Fax _____

Photocopies of this form are acceptable. Please send answers to:
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for a summer palate

Tanimura & Antle Artisan™ Red Onions and Artisan™ Lettuce serve up perfect summer sales.

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* Key retailers saw a 290% increase over prior year's red onion sales.
** After home use, Artisan Lettuce consumers most often say they like the flavor, freshness and variety.





Card Check Threat Grows

Temporarily sidelined by high profile opposition, the push to pass the Employee Free Choice Act (EFCA or “card check”) has regained momentum as proponents of the bill now enjoy a filibuster-proof majority in the U.S. Senate.

A subject of heavy speculation on Election Day last November, Senate Democrats finally reached the magic 60 senators after Al Franken defeated incumbent Republican Norm Coleman in a Minnesota Senate race that required multiple state Supreme Court interventions. His appointment, along with Pennsylvania Senator Arlen Specter’s party switch, have provided the necessary seats to reach 60 votes and potentially force a vote on bills before the Senate.

Although the EFCA has been introduced in successive sessions of Congress, it has, to date, failed to gain the necessary votes for passage. Additionally, strong opposition from the Bush Administration ensured a veto if the legislation was passed.

Strategists now see the next few weeks as critical. There is a strong likelihood that EFCA supporters are crafting a “compromise” that makes superficial changes to the bill while keeping its core elements intact. This offer of a compromise could spur wavering senators to support the measure.

As a group, the produce industry must stand strongly opposed to the goals and objectives of EFCA. The inaccurately named legislation will only serve to limit employees’ freedom to choose who negotiates on their behalf. Backers of the legislation seek to modify the 75 year-old National Labor Relations Act, signed by Franklin Roosevelt, by eliminating federally overseen secret ballot elections in which workers decide whether or not to establish a union as a collective bargaining representative. As an

alternative, unions want to circulate petitions to employees, thereby keeping a watchful eye on who does and does not support the organizing effort.

The inaccurately named legislation will only serve to limit employees’ freedom to choose who negotiates on their behalf.

Adding to concerns, upon certification of a union under the EFCA, employers are stripped of the authority to negotiate and agree to an initial collective bargaining agreement. Rather, if the employer and union cannot come to agreement after the unusually abbreviated timeframe of 120 days, the matter would be referred to binding arbitration with a mandatory contract ultimately being forced upon the employer.

The legislation also includes language sanctioning employer actions against union organizing, but does not create any of the same standards for pro-union campaigns. This means employers would potentially be prohibited from attempting to convince employees not to join a union, but union representatives would be given a free pass in the workplace. Essentially, proponents of the bill suggest that not passing the EFCA

would expose workers to anti-union intimidation by employers. With no secret ballot to protect the integrity of the vote, however, intimidation seems far more likely on the part of the union organizer.

The elimination of union employees’ rights to federally overseen, secret ballot elections for the purposes of union certification is a crucial issue for the fresh and fresh-cut produce industry, as well as the allied industries that help ensure the success of the businesses that keep our industry vibrant. The elimination of this right will assuredly erode employees’ workplace security, expose workers to intimidation and most importantly, upset the precarious balance between the interests of union leadership and those of employers.

For decades, the secret ballot election process has held both employers and unions accountable to their employees. If both parties make their case in an election, the privately cast ballots will allow employees to confidentially determine their own path. Both employers and unions have won and lost elections – the pendulum has not swung too far in either direction for very long.

It is this critical balance that is now in such danger. For three quarters of a century, the interests of union workers and the interests of management have been at opposite – but equal – ends of the bargaining table. Throughout the years, that bargaining table has been contentious and heated to say the least, but it has always been level. Through countless economic downturns and upticks, through wars and peacetime, there has been equilibrium between organized labor and business, and passage of the Employee Free Choice Act would serve only to tilt the bargaining table, break the equilibrium and upset the balance in favor of union interests.

Kam Quarles is the vice president of government relations and legislative affairs for the United Fresh Produce Association, which will discuss the Employee Free Choice Act at length during its Washington Public Policy Conference, September 9-11 in Washington, D.C.



IN UNCERTAIN TIMES, HOW DO YOU KNOW WHO THE MOST ETHICAL PRODUCE TRADERS ARE?

Companies exhibiting the highest standards of performance earn the badges of honor known as Trading Membership and Transportation Membership. These distinctions are established through reports from the industry on payment and integrity practices, ownership history, and financial status.

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American Produce International, Plant City, FL
Freshko Produce Services, LLC., Fresno, CA
Okroy Family Farms, Inc., Plover, WI

Find the current Trading and Transportation Members on BBOS and in the April 2009 print Blue Book.
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Look for the July and October *Blueprints*
to read more about this elite group.



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Doubling Foodservice Produce Consumption

Bryan Silberman, president and CEO of the Produce Marketing Association (PMA), is often told he resembles Abraham Lincoln. Yet, at the recent PMA Foodservice Conference, he came across more like John F. Kennedy. We recently celebrated the 40th anniversary of man's walking on the moon — a project brought into being at the behest of President Kennedy.

So, before the assembled attendees at PMA's annual Foodservice Conference, Bryan Silberman, speaking on behalf of PMA, the National Restaurant Association (NRA) and the International Foodservice Distributor Association (IFDA), announced what strategic planning consultants are wont to call a "big, hairy, audacious, goal" — to "double the use of fresh produce in the foodservice sector over the next ten years."

The announcement was both shocking and sweeping — shocking because, traditionally, restaurants have been product-neutral. If the trend is beef, they serve beef; if health concerns or the economy put chicken in style, they serve chicken. A few white tablecloth restaurants might see part of their role as exposing patrons to new tastes and flavors but, for the most part, restaurants and the broader foodservice sector see their role as serving what consumers want, not persuading consumers to want different foods.

What has changed? All you had to do was watch the presentation of a beaming Dawn Sweeney, president and CEO of the NRA, to realize she saw the announcement and conference as a big win for the restaurant industry.

What is really going on is that, as the premier public health problem in America comes to be seen as obesity, the restaurant industry fears being targeted as the cause, or at least an important contributor, to the obesity problem.

The NRA is trying mightily to wrap the restaurant industry in the flag of a healthy and sustainable industry — fresh produce.

IFDA president and CEO, Mark Allen, waived his place on the panel as he had a foodservice distributor and one of his board members up there. Although, once again, the distributors association has traditionally been product-neutral, it can't be indifferent as to the success of its customers, so it has bought into the notion that produce can provide a halo effect to the whole industry.

Of course, it is one thing for three associations to see the strategic value in such an effort, even for a group of industry leaders brought together in an intensive "think tank" to see that this is an imperative. It is another thing entirely for operators to really make this happen. Some skepticism is appropriate here.

Still, the three associations pinpointed five priority areas that the "think tank" participants identified as key to making this doubling fresh produce actually happen:

- Re-imagine the restaurant experience, with produce having a stronger presence and telling its story from field to fork.
- Increase consumer confidence in fresh produce, including product safety, trust and integrity.
- Demonstrate social responsibility, balancing the needs of people, the planet and profitability.
- Foster closer collaboration among the industry sectors, including operators, distributors and grower/shippers.
- Foster closer collaboration with government and other stakeholders.

The whole "think tank" experience was built on research funded by Markon Cooperative, and these goals are exceptionally important ones. Yet, this goal to double usage of fresh produce in foodservice is still daunting.

Think about what it means. If usage doubles in foodservice and remains flat at retail, the industry will be more weighted to foodservice than retail, almost the opposite of the way it is today.

And, of course, the obvious question is whose hide will be gored? Which products will restaurants sell less of and how will the producers of those products respond to this initiative once they realize they have something to lose?

We do note one potential victim. Most industry consumption efforts such as the *Fruits & Veggies — More Matters* program or the proposed generic promotion program have been geared toward an "all forms" policy, supporting the consumption of canned, frozen, fresh and 100 percent juice. This initiative is to double usage of *fresh* fruits and vegetables.

We certainly can aim high and hope to achieve this goal. It will not be easy... yes, fruit and vegetables are less expensive than proteins, but starches are less expensive still, and there is no easy way to make it profitable for produce companies to invest in menu development when they mostly sell commodities.

There is also the danger that foodservice operators may be more interested in listing healthy things on their menu — thus proving to politicians that obesity is not their fault — than in actually selling those items. Finally, consumers certainly say they want more fresh fruits and vegetables, but they may want them served with a bowl of ice cream, which sort of defeats the point.

Still, aiming for the sky is usually a wise idea. Even if you don't make it, you may wind up king of the hill.

pb

**If usage doubles
in foodservice
and remains flat
at retail, the
industry will be
more weighted to
foodservice than
retail, almost the
opposite of the
way it is today.**

Investment Strategy



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Lessons From The Past... Loss Of Theater In Stores

From Jim Prevor's Perishable Pundit, July 7, 2009



In our piece, *Vendors Beware As Wal-Mart Alters Course On Procurement*, we included a little story on how the Pundit learned about contracting in the produce industry:

When the Pundit was cutting his eye teeth in the business, he was sent by the Pundit Poppa down to Puerto Rico to study under the tutelage of one of the Pundit uncles, Sydney Prevor, who had long run the firm's Puerto Rican affairs.

We imported many items — potatoes prominent among them — and we would sell them to small wholesalers who had slots at the Mercado.

One customer was a little bigger than the rest and he could order, in advance, a full trailer. In exchange for doing so, he wanted a discount. So each week we gave him an offer, he accepted it and we had a contract for the week. Yet, a youthful Pundit learned about contracting from this customer. For it turned out that when the ship would arrive, if the market price was below the contract price, our customer would speedily come to get his trailer of potatoes and, in fact, would always have a story as to why he needed a few pallets extra at the same price this week. However, when the contract price was above the market, he never came for his potatoes. We would call him and there was always a reason why he needed it cheaper this week.

In time, Uncle Sydney advised our customer that a contract with him was no contract at all and told him we would no longer give him a price in advance and he was welcome to buy at market from us every week.

Little did we understand that the mighty Wal-Mart in its behavior would come to mirror our Puerto Rican potato customer.

This anecdote brought a letter:

I am in the natural and organic food business and I get your Perishable Pundit and wanted to send a note to say I think your columns are great.

Continue to spill ink and burn electrons on Tesco and Wal-Mart — your insight and analysis are "right on."

I have been in the natural food business since 1978, but I tell anyone who will listen — and those that don't listen — that I really learned the grocery business while working at an independent supermarket in the, ahem, late 1960s/early 1970s... so I really like the parenthetical comments you throw in about where your family sent you to learn the business (this week: Puerto Rico)...and loved your story about the potato guy.

Ok, enough praise in one email.

Keep up the good work.

— Gary Cohen, President, Natural Value, Sacramento, California

Consumers liked our theater in bringing out those old baskets and opening them before their eyes to reveal fresh mushrooms. They liked having a produce guy to talk to, but labor is expensive and pre-packaged mushrooms are more efficient to display. There is a gain there, but some loss as well.

We appreciate the kind words. It is true that we were very fortunate to grow up in a family not only involved in the industry, but in so many facets of the industry: Import, export, wholesale, retail, farming and foodservice. It gave us an unusually broad perspective.

Yet, we would have to say that we really learned the most at retail. Being right there at the point where consumers intersect with the product taught us a great deal. We remember the old 3-lb. baskets of mushrooms, and it was our job to pull them from the cooler and open them so customers could buy them.

It was really a fascinating study in consumer behavior. Every time we brought out a new basket, the customers, excited to see the fresh product and noting the beautiful wild mushrooms, would immediately buy. Depending on how

many customers were in the store, we sometimes had to open two or three more 3-lb. baskets.

Each time, though, there was a last basket and the customers would buy 1½ pounds and we would put the rest of the basket on the shelf.

Sales would slow significantly and there was always a question mark: Should we leave that basket out there, hoping to sell that last pound and thus reduce our shrink, or do we bring out new baskets in an effort to maximize sales?

In the end, our math found that selling more was more important than reducing shrink. We were often tempted, however, to take the mushrooms in the back room, combine a few baskets and come out with "new" mushrooms that were really repacked. In many cases, we thought it was the theater of bringing out the fresh mushrooms, more than any actual product quality advantage, that enticed consumers.

Today, we would think it would be good to constantly bring out new mushrooms and sell the open baskets to the deli for use as a cooked product in prepared foods. But, of course, we now have pre-packed mushrooms. They probably take better care of the product and are easier to handle, but they offer less romance.

Consumers liked our theater in bringing out those old baskets and opening them before their eyes to reveal fresh mushrooms. They liked having a produce guy to talk to, but labor is expensive and pre-packaged mushrooms are more efficient to display. There is a gain there, but some loss as well.

In our minds, the growth in packaging and decline in seasonality are mixed blessings for the produce department.

Many thanks to Gary Cohen at Natural Value for this nice letter.

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October 2, 2009

Anaheim Marriott Hotel, 700 West Convention Way
6:30 am: Aerobic warm-up - 7:00 am: Official start time

All level participants are encouraged to attend. Medals will be given to the top male
and female finishers as well as the top three winners in each age group.

Early registration discount deadline August 30

To register: visit www.pmafit.com/5k

Proceeds from this event benefit PMA FIT, a nonprofit 501(c)3 corporation dedicated
to ensuring a quality workforce for the industry, and making a positive difference in
the lives of current and future produce professionals by developing their potential for
leadership, personal growth and career success.



CALIFORNIA AVOCADO COMMISSION IRVINE, CA

Tom Bellamore was named president of the CAC. He has served as acting president since May 2008. Bellamore joined the commission in 1994, and has since served as senior vice president and corporate counsel. His experience includes the design and supervision of domestic and international commodity marketing programs.



DRISCOLL'S STRAWBERRY ASSOCIATES INC. WATSONVILLE, CA

Greg Andersen was named retail sales manager. He has 15 years of experience in the berry business and has worked for Driscoll's since 1998. His duties will include leading Driscoll's retail sales team and working closely with its category management team to develop and coordinate sales and promotional activities for U.S. and Canadian accounts.



NEW PRODUCTS

FRESH PERFORMANCE

PET TRAYS AND LIDS

Wilkinson Industries Inc., Fort Calhoun, NE, launched its new Fresh Performance 13-inch, round, 6-compartment black polyethylene terephthalate (PET) tray in both vented and non-vented transparent lid options. Ideal uses include displaying compartmentalized products, such as fresh-cut produce, in a contemporary way.



Reader Service No. 300

BEER LIME

Market Source, Glendale, WI, offers Beer Lime, an upscale retail package containing four Persian limes in unique, high-graphic, environmentally friendly, clear packaging. Also known as The Bev Wedge, these limes are the perfect size for entertaining. A display-ready master case of 26 units is ideal for both produce and liquor venues.



Reader Service No. 301

ANNOUNCEMENTS

PRODUCE BUSINESS EDITOR-IN-CHIEF SPEAKS AT FPFC LUNCHEON

More than 260 participants attended the Fresh Produce and Floral Council (FPFC) Southern California Membership Luncheon on June 17 in Cerritos, CA. Jim Prevor, founder of PRODUCE BUSINESS and *The Perishable Pundit*, served as the keynote speaker of the event. Prevor discussed the history of consolidation on the marketplace and his outlook for the future of the U.S. retail market.



Reader Service No. 302

GROWERS MARKETING EXPANDS CHERRY PRODUCTION

Growers Marketing, LLC, the Salinas, CA-based marketer of select Green Giant Fresh produce products, has expanded its cherry offerings with current cherry partner, Minneapolis, MN-based Roland Marketing, to include Northwest cherries. Dark Sweet varieties and Rainiers will be available in bulk cartons, slider bags and clamshells through early August.



Reader Service No. 303

EPIC ROOTS, NORTHWEST CHERRIES CREATE RECIPE

Epic Roots, Salinas, CA, joined forces with Northwest Cherry Growers to provide Summer Sweet, a seasonal recipe combining the sweet, nutty flavor of Epic Roots Mâche with fresh, seasonal Northwest Cherries. The recipe cards come in pads of 50, which have an adhesive strip for quick and simple displays in any produce department.



Reader Service No. 304

VOC TEAMS UP WITH ROUSES MARKET FOR DEMOS

The Vidalia Onion Committee (VOC), Vidalia, GA, is participating in a partnership featuring a series of cooking demonstrations at Rouses Market stores in Georgia. Its efforts are aimed at educating consumers about the original sweet onion. The series is one way the VOC is promoting its *Sweet Times With Vidalias Recipe* contest, which runs through August 15.



Reader Service No. 305

PUBLIX ANNOUNCES FREE GROCERIES CONTEST WINNER

Publix Super Markets Inc., Lakeland, FL, awarded more than \$20,000 in free groceries in its *Win Free Groceries For a Year* sweepstakes presented by Eagle, ID-based Idaho Potato Commission (IPC), and Sargento Foods Inc., Plymouth, WI. Sandra Browne of Fort Lauderdale, FL, won the grand prize, valued at \$10,400.



Reader Service No. 306

MONSANTO, DOLE FRESH VEGETABLES FORM AGREEMENT

Monsanto Company, St. Louis, MO, and Dole Fresh Vegetables, a Monterey, CA-based wholly owned subsidiary of Dole Food Company, Westlake Village, CA, announced a 5-year research collaboration to deliver better-tasting, more nutritious and all-around more diversified product options in broccoli, cauliflower, lettuce and spinach.



Reader Service No. 307

AVOCADO LEADERS TO LAUNCH MARKETING CAMPAIGN

The Hass Avocado Board (HAB), Mexican Hass Avocado Importers Association (MHAIA) and Chilean Avocado Importers Association (CAIA) are jointly preparing to launch a comprehensive, multi-discipline marketing campaign tied to the professional baseball 2009 playoff season. The Big Hit campaign will be promoted via a variety of media outlets and is expected to generate more than 147 million impressions.



Reader Service No. 308

PAIA ANTICIPATES PROFITABLE ASPARAGUS SEASON

The Peruvian Asparagus Importer's Association (PAIA) forecasts asparagus production in Peru to increase by 10 percent, meaning imports into the United States for the 2009-10 season will also increase. The organization continues to concentrate on pricing and captivating the efforts and direction of major retailers to the availability and profitability of Peruvian asparagus.



Reader Service No. 309

CORRECTION: In the May issue of PRODUCE BUSINESS, we incorrectly listed the headquarters of Accu-Label Inc. The company is located in Leamington, Ontario.

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

Kids Just Wanna Have Fun...

and DO on FoodChamps.org!



Activities



Raoul™

Kids, aged 2-8, or kids at heart, are guided through this interactive site by Fruits & Veggies Color Champions™, helping them learn in a fun way about all forms of fruits and vegetables and why they are important to eat.

Games



Yaz O'Frazz™

Coloring Pages



Greta™

Easy-to-Make Recipes



Winona™

Art Gallery



Happy Birthday!

Big Pauly™

Birthday: July 2
Favorite snack: Fruit kabob
Favorite activity: Skate boarding and smiling on fruit kabob!
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Keeping Produce Safer

This time of year, we don't need research to remind us that food safety is top of many minds — consumers, government and our own. Nonetheless, we've got plenty of it. PMA members recently rated food safety as the top issue facing the industry. Meanwhile, new surveys by The Hartman Group for PMA's Consumer Research Online underscore that consumers' produce buying habits hinge on their confidence in the safety of our products.

When it comes to food safety, our industry has broad needs — from working with government to conducting applied research, from teaching the basics to cultivating a culture of food safety throughout your company. Let me touch on some of these briefly.

We're continuing to reach out to the federal government, from the Food and Drug Administration and U.S. Department of Agriculture to Congress and the White House. Our goal is to inform them about our industry, to consult with them to aid and speed produce-related illness investigations, and to ensure any produce-specific food safety requirements they may consider are risk-based, science-based, commodity-specific, and apply to domestic and imported produce alike. The recent recommendations of the White House Inter-Agency Work Group on Food Safety show that the Obama administration is taking notice of our industry's needs — though the devil is always in the details that must still be worked out.

We're also working to connect members to current information, ideas and research. That's a key objective of PMA's Chief Science Officer Dr. Bob Whitaker: taking the best insights from the world of science and making them understandable and applicable to the real world in which the industry operates daily. Bob has hit the ground running in his first year. In addition to his work with Congress and the agencies, he is also leading numerous industry education events, such as Fresh Connections, the Foodservice Conference and Fresh Summit in October. He will also lead a new series of food safety symposia

The Center for Produce Safety stands at the center of food safety progress.

we launched in July. You can listen in and comment on his audioblog at *askdrbob.pma.com*, stay informed through our food safety Web page *www.pma.com/issues/food-safety.cfm*, and join the conversation and hone your food safety capability at our educational sessions.

When it comes to research, I believe our most valuable investment has been in creating the Center for Produce Safety (CPS) at the University of California at Davis. PMA has donated over \$2.5 million to cover CPS's formation and operations for four years. Taylor Farms committed \$2 million for initial research, and additional support came from University of California and the California Department of Food and Agriculture (CDFA). Bonnie Fernandez-Fenaroli was hired as executive director in March 2008. Past PMA chairman Tim York of Markon Cooperative chairs CPS's board on which I also serve.

Formed with the goal to answer our industry's fundamental food safety questions, CPS has marched forward with incredible speed in its first 18 months under Fernandez-Fenaroli's leadership. With the help of PMA's Dr. Bob as chair of the CPS Technical Committee (a group of top industry, government and university scientists), CPS quickly defined its research priorities and awarded its first grants by November 2008. By June 2009, additional industry financial support had increased CPS's research war chest to \$3.5 million.

As of July, CPS has issued \$1.1 million in research grants to fund 11 produce-specific projects. Meanwhile, CDFA recently committed to providing a portion of a state specialty

crops grants program to CPS; those awards will be announced in September.

Research is the first phase of CPS' work; it will also help translate those findings into actionable, ready-to-use solutions to prevent or minimize vulnerabilities, to be delivered via a research clearinghouse, education and outreach activities.

CPS's support is critical to our industry's vitality; our industry's support of CPS is critical to its success. By supporting CPS, our industry gains access to actionable research, training and outreach programs to translate research from the world's best scientists into real-world business practices to enhance the safety of the foods we produce.

Some might not think that applied research in the field has a direct correlation to confidence in the minds of our consumers. Yet it is clear that the proactive role taken by industry and government to kick-start this vital research is precisely what the consuming public expects us to do. I know from countless conversations and study that the public is assured when it sees an industry searching for answers to unknowns and looking to prevent problems, problems that undermine their confidence and our livelihoods.

Last month I wrote that "enhanced traceability is as fundamental as insurance to manage your other business risks." I can't say it strongly enough: research into what causes contamination of produce and what solutions are available is an insurance premium we must pay forward — the complex reality of today's food safety environment demands it.



No Absolutes In Food Safety

Whether the issue is governmental regulation or buyer procurement specifications, one point on which the industry is agreed upon is that requirements motivated by a desire to enhance food safety should be science-based. This makes perfect sense as the alternative is that such regulations or requirements will be based on superstition, political demagoguery or a desire to one-up competitors. This would mean a massive investment in meeting regulations and requirements that will do little or nothing to enhance food safety.

This quest for science-based standards has an Achilles heel however: We simply don't know much about an awful lot related to food safety.

What is the migration rate of *E. coli* O157:H7? What is the risk, if any, that filth flies can transmit *E. coli*? If we want to reduce the frequency of pathogen contamination by 20 percent, how great an increase in buffer zones will accomplish this?

We just don't know the answers to these and many other questions, which makes a science-based standard problematic to detail and implement. For years, consumer advocates criticized the industry — and not without reason — for using this desire for science-based standards as an excuse to do nothing. It wasn't really until the spinach crisis of 2006, when the FDA shut down the industry, that many in the trade realized that action simply had to be taken, even based on imperfect knowledge. This change in attitude ultimately resulted in the California Leafy Greens Product Handler Marketing Agreement.

The Produce Marketing Association (PMA) deserves much credit for recognizing that this was, at best, a short term mechanism. Gathering the best and brightest in a room and writing metrics is sometimes the best we can do, but it would be much better if these experts had real data to draw on in developing food safety metrics.

It is obvious that in fostering the Center

It may yet turn out, in produce, as in everything else in life, trade-offs are par for the course.

for Produce Safety, PMA hit a sweet spot of industry need. Although there were various private efforts being conducted to advance food safety science related to produce, notably a substantial one by Fresh Express, many companies and organizations have known they needed to do research but found the organizing of the process difficult.

Now the Center for Produce Safety is handling this arduous process for many produce commodity groups. The end result will be better research, done more efficiently.

Unfortunately, this still leaves two important problems: First, although the Center for Produce Safety has worked hard to fund relevant projects that can provide actionable information within a relatively short time frame, good research inevitably raises more questions than it answers.

This means that the need for funding will be ongoing and, although insights gained from the research can be continuously incorporated into our food safety efforts, it will be years before we can realistically hope to know enough to address — in a scientifically rigorous way — many of the food safety requirements buyers and government will look to establish.

Second, whatever the state of our scientific knowledge, a search for a science-based food safety rule is a kind of chimera, a shining city on the hill that we can never live in. Here's why: Safety, in food, automobiles, airplanes, buildings — almost all of life — is not a matter of a simple on/off switch or yes/no

indicator; there is a continuum and selecting a place along that continuum is, inherently, a values-based decision, not a matter of science.

So though effective research organized by the Center for Produce Safety may one day tell us that for every 10 feet we increase a buffer zone we reduce the likelihood of pathogen contamination by 1 percent, no research can ever tell us whether that means buffer zones should be 10 feet or 1,000 feet. That is a values-based decision and, in our society, one that will be made by the polity.

Just look at cars. We actually have a great deal of knowledge of physics and the force of moving objects, and we know how to build cars that will protect the occupants at a crash of 10 miles per hour or 100 miles per hour. The fact that there are still fatalities in auto accidents is not a function of our limited scientific knowledge; it is a function of our balancing many societal desires — such as for both safety and economy — in the regulations that control car production.

There may be some irony in our thirst for knowledge about food safety. Because we know so little, everyone can pontificate on what standards they would like to see imposed. If we ever actually come to understand what will solve the problem, those same folks will have to deal with the real costs of implementing their plans. It may yet turn out, in produce, as in everything else in life, trade-offs are par for the course, and absolutism in food safety is an extremism like any other.



Peruvian Asparagus Importers Association
Contact Priscilla Lleras Tel: 817.793.3133
email: prestige@1scom.net
To become a member of this association



Your Asparagus Grower



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The Peruvian Asparagus Importer's Association (PAIA) is an organization of U.S. companies involved in the trade of importing fresh Peruvian asparagus within North America. We are committed to improving the process and present a united forum through which dialogue and progress is achieved. We represent the industry to the trade and focus on issues of political and logistical importance.



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The Peruvian Asparagus Importers Association (PAIA) focuses on trade enrichment and advancing the category for fresh Peruvian asparagus imported into the United States by addressing issues relating to government, regulatory, logistics and marketing.

IN THE PAST DECADE, PERU HAS PLAYED A MAJOR ROLE FOR IMPORTS OF ASPARAGUS TO THE UNITED STATES.

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21st Annual Marketing Excellence Awards

Creatively And Strategically On Target

Industry ingenuity and creative campaigns put these companies and their marketing materials at the top of our list.

By Jennifer Leslie Kramer

Who says it's impossible for produce marketing campaigns to be geared toward consumers? While many camps have long contended that focusing on everyday shoppers is too costly and not always results-oriented, many of this year's winners of the 21st Annual Marketing Excellence Awards prove them wrong. A number of various companies, from behemoths such as Chiquita/Fresh Express to smaller organizations such as the Ontario Apple Growers, attest to the fact that consumer-driven marketing campaigns are not only possible, but have the potential to be incredibly successful, regardless of budget limitations.

The key to success is focus — choosing a dedicated demographic group whose buying power can sufficiently boost sales. With targeted marketing efforts, demonstrated by groups such as the National Mango Board and the University of Massachusetts Dining Program, which focused on children and college students, respectively, thorough and creative marketing campaigns can make a notable difference.

PRODUCE BUSINESS is pleased to recognize the following 17 marketing mavens, listed in alphabetical order, for their industry ingenuity and service to the produce business.

2009 WINNERS

California Giant Berry Farms
California Table Grape Commission
Chilean Avocado Importers Association
Chiquita/Fresh Express
Coast Produce Co. Inc.
Eurofresh Farms
Giumarra Bros. Fruit Co. Inc.
Idaho Potato Commission
National Mango Board
New York Apple Association
Network For A Healthy California
Ontario Apple Growers
Produce For Kids
Riveridge Produce Marketing Inc.
Sambrailo Packaging
Tanimura & Antle Inc.
University of Massachusetts

CALIFORNIA GIANT BERRY FARMS

Watsonville, CA

Sweet Lineup



OBJECTIVE: To promote California Giant Berry Farm's strawberries during peak season by offering national retail chains a creative consumer promotion that boosts sales and interest in the produce department.

CAMPAIGN: From April 1 to May 31, 2009, California Giant strawberry clamshells featured the Major League Baseball Players Alumni Association (MBPAA) brand for this sweepstakes, which appeared in retail chains across the country. Consumers could enter for a chance to win a youth baseball clinic for up to 200 kids, ages six to 18, taught by members of the MBPAA. The comprehensive campaign included trade advertisements, POS material, a Web site that offered health tips and recipes, as well as an e-mail blast targeted to MLB fans and California Giant BerryBuzz subscribers.

RESULTS: More than 18,000 entries were received, with a notable percentage of participants agreeing to opt-in to receive the BerryBuzz newsletter. Retail response has also been extremely positive, with many trade media organizations covering the promotion.

CALIFORNIA TABLE GRAPE COMMISSION

Fresno, CA

Grapes From California

OBJECTIVE: To generate awareness of and differentiate "Grapes From California" from other grapes in the world with an integrated, global marketing campaign targeted toward retailers, importers and consumers: moms 24-54.

CAMPAIGN: The most notable element of this campaign was the creation of a new CTGC logo, which looks like a stamp, or seal, that says, "GRAPES FROM CALIFORNIA." A series of print ads highlighted the growers' stories and how California soil and the harvesting expertise of the area growers results in the best grapes in the world.

Global messaging applicable to 28 different countries was pinned down with the appropriate message for each distinct region. A newly discovered medium — the Starlite, a billboard that sits in retail parking lots serving as a last minute reminder to purchase California grapes — was also used. A month-long sweepstakes was also offered with a grand prize of a trip to Disneyland.

RESULTS: Twelve retailers within the United States participated in the inaugural Starlite program and that number is not only expected to triple by the end of 2009, but the offer will also be expanded to Canada. Over 93 million impressions were garnered between consumer and trade print ads. The sweepstakes was offered at 28 retailers and resulted in 5,300 consumer registrations.



CHILEAN AVOCADO IMPORTERS ASSOCIATION

Aptos, CA

Simply Sensational

OBJECTIVE: To build recognition and demand of Chilean Hass avocados through the development of category-building programs and retail-specific marketing programs that translate as value to consumers during the fall and winter months.



CAMPAIGN: Consumers learned about Chilean Hass avocados on television and radio, on outdoor billboards, in magazines and newspapers and in-store — both nationally, and in key avocado consumption markets. The campaign also included participation in key consumer outreach events targeted at both the general market and Latino consumers, such as Fiestas Patrias, Chivas USA and the American Youth Soccer Organization.

Additionally, spokesperson, Ingrid Hoffmann of the Food Network's *Simply Delicious* promoted the brand on a number of nationally syndicated talk shows, including *Oprah*, *The Bonnie Hunt Show*, NBC's *Today Show* and CBS' *The Early Show*.

RESULTS: The association's merchandisers made more than 400 retailer calls during the September to February season, and the campaign as a whole resulted in more than 405 million consumer impressions about Chilean Hass avocados.

CHIQUITA/FRESH EXPRESS

Cincinnati, OH

Fresh Funds

OBJECTIVE: To promote Chiquita and Fresh Express value-added products by rewarding consumers who live a healthful lifestyle with good-for-you prizes.



CAMPAIGN: Beginning August 15, 2008 and still ongoing, Fresh Funds developed the first consumer loyalty program of its kind in produce history. Shoppers who buy specially marked Chiquita and Fresh Express products, such as Chiquita Fruit and Veggie Bits or Fresh Express Packaged Salads, receive a designated number of Fresh Funds points, located on the back of each package, which can then be used to bid on weekly auction items, make charitable donations or collect rewards.

The program also included a viral video campaign using the animated SproutWells family, the average family-next-door who has a fresh lifestyle. The rewards system builds excitement in the produce department and encourages healthful eating habits.

RESULTS: As of press time, 16,279 registered users had enrolled in the program and over 313,860 points had been redeemed for prizes and donations. The Fresh Funds Web site had garnered 94,951 total visits with more than 250,000 Web site impressions and more than 415,000 viral video views.

CHIQUITA/FRESH EXPRESS

Cincinnati, OH

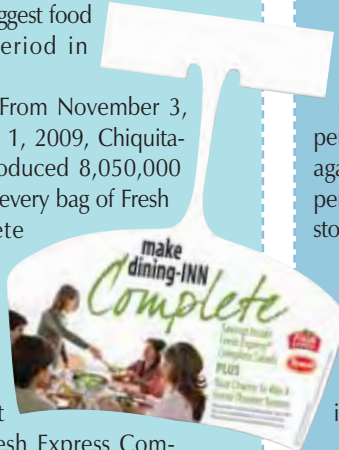
Make Dining-INN Complete



OBJECTIVE: To encourage families to eat healthful and nutritious meals together during a time that is already considered the biggest food consumption period in North America.

CAMPAIGN: From November 3, 2008 to February 1, 2009, Chiquita-Fresh Express produced 8,050,000 in-pack inserts in every bag of Fresh Express Complete Salad. The offer included a Fresh Express Complete Salad continuity offer in the form of a 55-cent coupon for a Fresh Express Complete Salad Kit, a 65-cent coupon for Tyson Refrigerated Chicken or Steak Strips — a perfect and easy accompaniment to a fresh salad — recipes for nutritious dishes, such as an Oriental Flair or Grilled Chicken Caesar Salad and a unique code for a sweepstakes on a Web site where consumers could win family-friendly prizes, such as a home theatre system and free movie rentals. The program also included co-branded shelf talkers and joint in-store demos to attract consumer attention.

RESULTS: Chiquita/Fresh Express experienced a 3.7 percent redemption rate of its in-pack offers and secured 391,000 sweepstakes entries. More than 41,000 shelf-talkers were distributed to various retailers and the volume share of Fresh Express grew by .5 during the last four weeks of the promotion.



COAST PRODUCE CO. INC.

Los Angeles, CA

Farmer's Select

OBJECTIVE: This in-store marketing promotion aimed to make an emotional connection with the consumer and have them realize the field-to-fork relationship of the produce they purchase. Coast also hoped to raise brand awareness within the produce industry in Southern California.

CAMPAIGN: The Farmer's Select program, which was launched on August 13, 2008, and continues to run on a monthly basis through the end of this year, emphasizes the wholesaler's specific grower-partners, products and growing areas of the produce they sell. One of the main points of the program is communicating to the consumers that Coast's produce has been hand-selected by the farmer for the consumer. This is accomplished through oversized POS signage, which creates a destination purchasing spot that shoppers can easily find and return to time and again, small bin sign holders that tell the personal stories of farmers and buttons for store employees.

RESULTS: Increased sales and volume have been reported with this promotion. For example, in a one-year period, sales of Family Tree pluots has increased 79 percent and Sage Washington pears has increased 125 percent.



Some People Really Love Our New Programs

(Others just love our avocados.)

We want to do more than simply deliver fresh, ripe Chilean Hass Avocados to your store during the fall and winter selling season. We also want to help deliver customers. So we've developed a powerful marketing campaign to do it, including:

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- Sponsorship of AYSO Youth Soccer and professional soccer clubs
- Public Relations featuring Food Network Chef Ingrid Hoffmann
- National television in English and Spanish
- National radio in English and Spanish
- Outdoor boards in both languages

And this year we're working closely with a national team of Registered Dieticians to help tell your customers about the health benefits of delicious Chilean Hass Avocados – good news for everyone who loves avocados, good business for you. Contact your Chilean Hass Avocado representative.

ChileanAvocados.org/retail



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COAST PRODUCE CO. INC.

Los Angeles, CA

Snacking Line

OBJECTIVE: To create a consumer brand that conveys specific Coast products are for snacking, and an impulse item, as opposed to one for use only in recipes or small meals.

CAMPAIGN: In August, 2008, Mini Snacking Cucumbers were launched, as well as three varieties of Tom Toms — Grape-Shaped Snacking Tom Toms, Chocolate Cherry Snacking Tom Toms and Baby Heirloom Snacking Tom Toms — which were promoted in April, 2009, and available in June.

The Snacking Line is designated by a blue label with a cute character that shares with shoppers the flavor-profile of each item, for example, “crunchy,” or “yummy.” Including the word “snacking” in the name of each product allows consumers to quickly distinguish the purpose of the item and that the shopper doesn't need to wait for a specific recipe in which to use them.

RESULTS: Southern California retailers reported a 15 percent increase in sales, which they directly attributed to the Coast Snacking label, specifically, the Mini Snacking Cucumbers.



EUROFRESH FARMS

Wilcox, AZ

America's Best Tomatoes are Arizona Grown



OBJECTIVE: To build consumer preference for Eurofresh Farms' products and increase market share in Arizona.

CAMPAIGN: The multi-faceted campaign began with a resurrection of the defunct “Arizona Grown” logo, created by the Arizona Department of Agriculture to include on packaging and POS material. Eurofresh also created an Arizona Grown farm stand merchandising section, which included signage and display cards and could be expanded into the creation of an entire merchandising section of Arizona Grown produce.

The company also formed a partnership with Fox Restaurant Concepts, an Arizona company that owns and operates upscale restaurants in Arizona, Texas, Colorado and Kansas. Fox agreed to identify the source of its tomatoes on its menus and gave Eurofresh the rights to use these recipes in its media outreach efforts.

RESULTS: More than one million viewer and reader impressions were achieved from the regional marketing campaign. Fox Restaurant Concepts continues to source Arizona Grown tomatoes and share recipes for use in publications, such as the Costco cookbook.

Additionally, Basha's asked Eurofresh to create a stand-alone secondary display unit for all of its Arizona stores. During the promotional period at Basha's, volume increased three times over any other similar promotion in the past.

GIUMARRA BROS. FRUIT CO. INC.

Los Angeles, CA

Per Pound Kiwifruit Program

OBJECTIVE: To increase sales of green and gold kiwifruit by encouraging retailers to change its pricing from “per piece” to “per pound.”

CAMPAIGN: Since first entering the market in the 1960s, kiwifruit has traditionally been priced “per piece,” and therefore, often perceived as an expensive fruit. But when priced by the pound, it is close in price to grapes, peaches and nectarines. Working with a regional retailer, Giumarra compared the results of pricing kiwifruit by the pound, rather than by the “each.”

Retailers displayed both gold and green kiwifruit near peaches and nectarines to test out this theory with a promotional price of \$1.49/lb. for the green and \$1.99/lb. for the gold. Participating supermarkets also included the price change in their weekly circulars and offered kiwi-based recipes on their Web sites.



RESULTS: This campaign was such a success that the change in price at participating retailers will be permanent. Sales increased by 24 percent over a 27-week period and have continued to remain above previous levels.

Giumarra will use this promotion with other customers in an effort to change the Best Practices for merchandising and pricing kiwifruit.



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IDAHO POTATO COMMISSION

Eagle, ID

Comic Book Trade Marketing Campaign (Year II)



OBJECTIVE: To reinforce and grow the reputation of Idaho potatoes as America's No. 1-selling potato by increasing retailer support for the product.

CAMPAIGN: This inventive program, re-tooled to build on last year's successful Comic Book campaign, promotes the selling power of Idaho potatoes using typical comic book characters, including heroic cowboys, evil villains, mad scientists, lovesick grocery shoppers and lightening-fast masked men. The Idaho Potato Commission hired several internationally known comic book artists to create visually stunning trade advertisements, direct mail pieces, a high-graphic trade show booth design and even a bobble head. Every piece of promotional material was designed to stop readers in their tracks with the depictions of the IPC's core message: "When you think potatoes, think Idaho."

RESULTS: Both the individual elements and the campaign in its entirety have won several marketing awards. While branded potato sales are impossible to track, industry response to the campaign by industry members has been very positive.

NATIONAL MANGO BOARD

Orlando, FL

Rising Mango Star Video Contest

OBJECTIVE: To encourage kids to experiment with mangos in the kitchen; position mangos as a delicious, versatile and kid-friendly produce item; and secure local, national and online media exposure for mangos.

CAMPAIGN: The contest, which officially opened in May, 2008, was a video cooking contest for children between the ages of eight and 14. Young chefs were asked to create their own original recipe using mangos and videotape themselves preparing their mango masterpiece. Entries were uploaded via YouTube and online forms were completed at www.mango.org.

Three finalists were selected to prepare their dishes for Chef Allen Susser of Chef Allen's in Miami, Ingrid Hoffman of the Food Network's *Simply Delicioso* and Regina Ragone of *Family Circle* magazine. Dean Sturt won the contest with his recipe for Mangolicious Flip Flop Cake, and starred in a taped segment demonstrating his winning recipe.



RESULTS: The contest attracted 23 contestants and received coverage on 42 Web site, 35 PR Newswire placements, 55 broadcast placements, seven print media outlets and much more. The total media coverage returned an advertising value of more than \$282,000 and over 53 million consumer impressions. Most impressive, the *Bonnie Hunt Show* welcomed Dean as a guest to demonstrate his winning recipe on air and featured a portion of his appearance on the main page of the television show's Web site for several days.

NEW YORK APPLE ASSOCIATION

Fishers, NY

Apple Country



OBJECTIVE: To work with retail chains and New York State farmers' markets to keep New York apple varieties prominently displayed and marketed during the fall apple season in an effort to boost sales.

CAMPAIGN: This comprehensive campaign includes numerous graphic elements, such as a New York State Apple Ad Planner, which provide retailers ideas on marketing and displays elements throughout the apple season, as well as bin wraps and various POS signage, including banners, posters, recipe cards and a nutrition, diet and lifestyle book titled *The New York Apple Advantage*. The organization also conducts demonstrations and samplings to allow consumers to taste the excellent flavor of a New York apple.

RESULTS: Over the past two years, the New York Apple Association was granted \$750,000 to use in the organization's consumer campaign. This generous contribution is reflective of the ongoing success of the program, which continues to drive the sale of apples at retail chains and farmers' markets throughout the state.



NETWORK FOR A HEALTHY CALIFORNIA

San Jose, CA

Fruit and Veggie Fest

OBJECTIVE: To increase awareness of the health benefits of fruits and vegetables; help low-income shoppers learn how to eat healthfully on a budget; and enhance access to and consumption of produce.

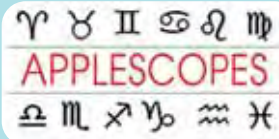
CAMPAIGN: Gilroy, CA-based Arteaga's Super Save Food Center hosted the Fruit And Veggie Fest, a comprehensive, produce marketing event including media and community relations outreach and a day-long special event. Flyers were distributed to approximately 25 local community-based organizations and bilingual press releases were distributed to local media. The event took place on May 2, 2009 and included both nutrition education and physical activity demonstrations provided by 25 local organizations. In the center of the parking lot was a 100-foot long produce stand where consumers could purchase potatoes, broccoli, apples, carrots, strawberries and many other fruits and vegetables.

RESULTS: More than 2,000 community members attended the event, which was profiled in a local community newspaper and showcased by the Network for a Healthy California at its statewide conference as the one the most successful retail special events to date. The produce department also experienced a notable sales increase.



ONTARIO APPLE GROWERS

Vineland Station, Ontario, Canada



Applescopes

OBJECTIVE: To increase consumer and media awareness of Ontario apples during the winter months by making a personal connection between Ontario consumers and local farmers.

CAMPAIGN: Launched in January, 2009, the media campaign focused on pairing the 12 varieties of Ontario apples with the 12 zodiac signs. To help consumers decide which apple variety suited their palate and personality type best, astrologer Adi Poem developed an Applescope for each sign of the zodiac. A nutritionist and chef were also consulted to provide health information about the apples. Four new recipes were developed to correspond to the four apple varieties that were specific to the first four months of the year. Additionally, a handful of Ontario apple growers were matched to certain apple varieties based on their own zodiac signs, and a sticker featuring their image was created for the corresponding variety. This program created a connection between the apple, the local growers and the consumer.

RESULTS: The campaign was well-received by the media, which provided a considerable amount of coverage, thanks to its unique and creative spin. To date, the coverage has garnered 3,625,261 audience impressions, which nearly doubled the campaign's goal of 2 million impressions.



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Reader Service # 48

PRODUCE FOR KIDS

Winter Park, FL

Eat Smart For A Great Start



OBJECTIVE: To educate families about healthful eating and raise money to benefit PBS Kids.

CAMPAIGN: From September 4 to October 31, 2008, five participating retailers, including Publix, Meijer, King Soopers, Price Chopper and GIANT Foods' Carlisle division, partnered with 26 produce companies to make a monetary donation for designated produce items. Funds from the campaign supported PBS' effort to provide educational content, resources and outreach material that promotes healthful eating habits among kids.

The in-store aspect of the campaign included POS material, circular ads, radio announcements as well as various community activities. PFK also launched the first, nationwide classroom contest, *Play With Your Produce Healthy Challenge*, which invited teachers and their students to create a project that encouraged students to be healthier by eating more fresh produce.

RESULTS: The campaign raised more than \$160,000 and the public relations activities generated more than 28 million consumer impressions. *The Play With Your Produce Healthy Challenge* yielded more than 100 entries from a variety of grade levels, and was such a success that it will be offered again this year.

RIVERIDGE PRODUCE MARKETING INC.

Sparta, MI

Launch of Red Prince Apple

OBJECTIVE: To introduce the Red Prince apple to retailers and consumers at King Soopers and City Market stores throughout Colorado, as well as Meijer supermarkets in Michigan, Illinois, Indiana, Ohio and Kentucky.

CAMPAIGN: Special sampling events were held throughout the Colorado area, including in-store appearances by the Red Prince character, to the delight of children, who also received Red Prince stickers. Also included were recipe demonstrations of dishes such as a Red Prince Apple Turkey Wrap and Red Prince Apple Peanut Butter Pie. Life-size cardboard cutouts of the Red Prince were left behind to continue consumer impressions long after the event was over. Direct mail marketing techniques were also used, including a box of six ripe Red Prince apples, accompanied by sell sheets, recipes ideas and an apple slicer. The debut of the Red Prince apple was also featured in the King Soopers weekly circular.

RESULTS: Myriad new consumers were introduced to this apple variety great for fresh-eating and baking. Moreover, event day sales averaged \$5,000, a ten-fold increase over typical base sales of less than \$500.



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SAMBRAILO PACKAGING

Watsonville, CA

RunRite - "Seeing is Believing"

OBJECTIVE: To introduce the company's new line of high-speed blueberry clamshells to blueberry packers across the country. Specifically, Sambrailo set a goal of creating sales of its new equipment to 10 blueberry packers.

CAMPAIGN: Company sales representatives met with 20 blueberry packers to show them first-hand the power of the new packaging. Additionally, Sambrailo demonstrated its RunRite clamshells, which have been engineered to run on both high-speed volume and weigh-filled packing lines with minimal down-time and product loss, in action on a high-speed blueberry packing machine at the World Ag Expo in Tulare, CA. Trade advertisements were also used to help promote the new line.

RESULTS: In Tulare, Sambrailo executives made vital connections with growers and shippers interested in the new clamshells, who also helped the company meet with their network of distributors. Sales of the new product have dramatically increased.



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TANIMURA & ANTLE INC.

Salinas, CA

A New Red Is Rising



OBJECTIVE: To introduce the renamed Tanimura & Antle Artisan Red Onion to retailers, foodservice and distributors and to position it as a premium product in the onion category.

CAMPAIGN: This comprehensive campaign was two-tiered and included direct mail and trade advertising. The first direct mailing was a single Artisan Red Onion packaged in a Tanimura & Antle-branded balsa wood box with targeted communication crafted specifically for retail, foodservice or distributor recipients. A follow-up mailing was also sent with a product sell sheet and postcard featuring graphics from the complementary trade advertising program. Building on Tanimura & Antle's direct mail campaign, three consecutive full-page, color ads were placed in trade publications in June, July and August, crafting the story of the Artisan Red Onion.

RESULTS: Repeated, consistent messaging to a targeted group lead to the overwhelming success of this campaign, which commanded a six percent per-carton premium over other red, round onions. Moreover, unbranded sack volume decreased 58 percent, while branded case volume increased 17 percent to 91 percent of total volume.

Additionally, five key Tanimura & Antle customers collectively increased their purchases 290 percent over the prior year.



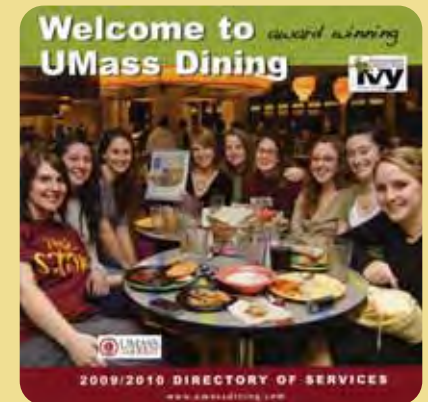
UNIVERSITY OF MASSACHUSETTS

Amherst, MA

American Produce Week

OBJECTIVE: To double the consumption of produce and increase the customer counts at the University's dining commons.

CAMPAIGN: The dining program at the University of Massachusetts at Amherst teamed up with three commodity boards — the Mushroom Council, the Hass Avocado Board and the National Mango Board — to feature new salads prepared right in front of student diners at four dining commons during lunch and dinner meals served between April 6 and April 10, 2009.



RESULTS: Mushroom consumption rose 60 percent compared to the previous year, and mango and avocado consumption rose 80 and 45 percent, respectively. Average customer counts rose by 25 percent, or 2,300 students per week, compared to the same period the previous year. Customer satisfaction ratings also increased, from 8.3 to 8.5 on a scale of one to 10.

For information about entering the 2010 Marketing Excellence Award competition, please visit our Web site at www.producebusiness.com



Earn an "A" for additional sales at back-to-school time by creatively promoting fresh and fresh-cut produce ideal for packing in kids' lunchboxes.

BY CAROL M. BAREUTHER, RD

"We see increases on featured produce items during this period. Some show impressive increases," reports Steve Duello, director of produce operations for Dierbergs Markets Inc., a 23-store chain based in Chesterfield, MO.

According to the Newark, DE-based Produce Marketing Association's (PMA) September 2008-conducted consumer survey on packed school lunches, 87 percent of those consumers whose children eat packed school lunches already include fresh fruits and vegetables.

Kathy Means, PMA's vice president of government relations, notes, "This suggests a clear opportunity for the produce industry to build upon an already solid presence in the packed school lunch market."

What's For Lunch?

The daily question, "What can I pack for lunch?" is on the minds of many Moms come late August. Natalie Menza, MS, RD, corporate dietitian for the Wakefern Food Corp., headquartered in Elizabeth, NJ, remarks, "We pub-

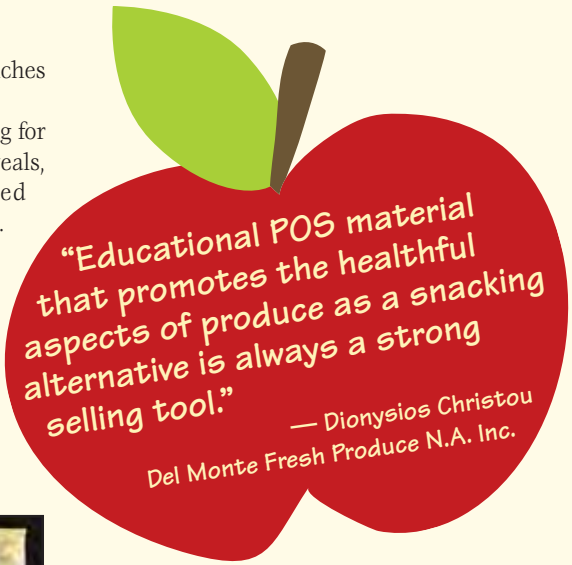
lish articles on our Web site and in our *Live Right* consumer publication that offer brown bag lunch ideas." Last year, for example, Menza provided tips such as how to make vegetable-topped Mini Muffin Pizzas for younger kids and directions for a grilled Portobello mushroom sandwich targeted toward older kids. Menza adds, "We also offer super-market tours for school classes and hand out *Fruit & Veggies – More Matters* materials such as coloring books to encourage kids to try a new fruit or vegetable."

According to PMA's survey, apples are the most popular piece of fresh produce to

include in children's packed school lunches at a staggering 72 percent.

Suzanne Wolter, director of marketing for Selah, WA-based Rainier Fruit Co., reveals, "Several retailers request small-sized apples for back-to-school promotions. Red Delicious is the standard, however Gala is a favorite in some parts of the country. Small pears, such as Bartlett's, which start by the end of August, are also popular for back-to-school displays and ads."

After apples, grapes (38 percent), bananas (34 percent), carrots (30 per-



cent) and tangerines (26 percent) are most popular for lunchbox packing, according to the PMA survey.

Rob Adams, business manager for bananas and specialty fruit at Chiquita Brands North America, Cincinnati, OH, says, "Bananas are always a lunch box favorite. They continue to be a fantastic value, especially when you compare to other snack items."

PMA's Means adds, "Beyond this, there seems to be tremendous room for growth among fresh strawberries, tomatoes, pears, plums and cucumbers."

PMA's survey reflects 38 percent of consumers whose children eat packed school lunches say they purchase single-serving produce items for their children's lunches. The fact kids will eat these items is a selling point with parents, says Greg Wilson, vice president of sales and marketing for Reichel Foods Inc., based in Rochester, MN. "If you pack a lunch with a whole apple, kids might not eat it. If you pack a sliced apple, they may, but if that sliced apple comes with a dip, it'll be gone." Wilson has the sales numbers to back up his point. "Our sliced apples and caramel sell the best, with carrots and ranch dressing second."

From Mom's viewpoint, "Fresh-cut items in single-serving containers reduce lunchbox preparation time, add healthy variety and give kids just the right amount of fruit so nothing will go to waste," explains Dionysios Christou, vice president of marketing for Del Monte Fresh Produce N.A. Inc., located in Coral Gables, FL. "Innovations in containers, such as the elimination of the shrink band, have also helped to extend shelf-life so the fruit will not spoil by lunchtime or leak onto other items. Another noteworthy advantage of fresh-cut fruit cups is they reduce bruising from rough handling by the kids."

Rick Harris, president and general man-

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Reader Service # 12

ager of Watertown, MA-based Sunkist Taylor LLC, adds, "The fresh-cut, single-serve concept fits well because of the convenient package and the fact that a serving will typically cost between 70 cents and \$1."

However, according to Roger Pepperl, marketing director for Stemilt Growers Inc., headquartered in Wenatchee, WA, the downturn in the economy is changing some consumers' buying habits. "The big seller for us now is the 2-pound bag of sliced apples with a zip-lock closure. Our research shows Mom would rather fill her own bags at home at a fraction of the cost. The 2-pound bags are very similar in price-per-pound to regular apples. The cost is reduced through less packaging per pound and quicker machine bag filling per pound."

Melinda Goodman, director of marketing for Imagination Farms LLC, headquartered in Indianapolis, IN, suggests, "Display and merchandize larger portion produce snacks as well to suit the needs of bigger appetites. For example, our Foodles combo trays can be served as a larger snack or as a second lunch."

One-Stop-Shopping

"Create a snacking set as a destination within the produce department," recom-



Photo courtesy of Military Produce Group

Retailers can cash in by creating an in-store back-to-school destination for purchasing lunchbox favorites.

mends Reichel Food's Wilson.

Sunkist Taylor's Harris agrees, adding, "We would love to see retailers make snacking more of a central destination spot. Various lunchbox items are still scattered around the produce department, and can grow as a category with a focus on an area."

Call attention to this set, suggests Christou. "Educational POS material that promotes the healthful aspects of produce as a snacking alternative is always a strong selling tool. For example, retailers can cross-merchandise produce with condiments, peanut butter, cheese and a variety of nutri-

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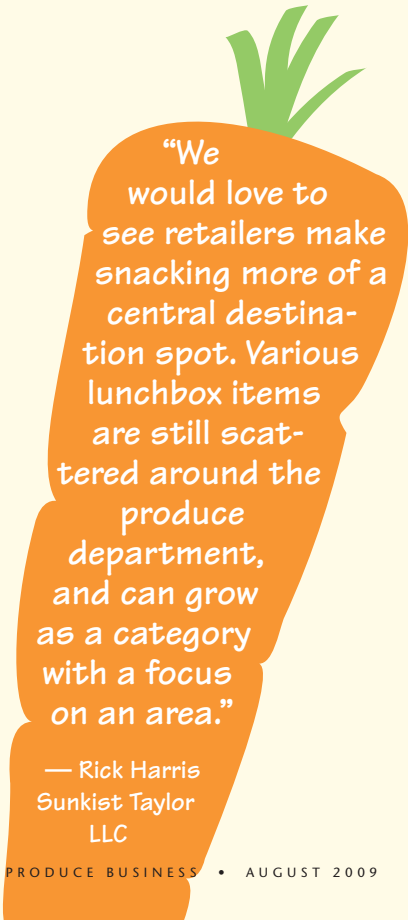
tious items from the deli and bakery departments," he adds. "This will encourage children who go to the supermarket with their parents to choose healthful snacks for their lunchboxes and give parents ideas on ways to incorporate nutritious items as well."

Following up on this theme, Bill Goldfield, communications manager for Westlake Village, CA-based Dole Food Co. Inc., says, "Retailers can hang colorful, hard-to-miss banners above their produce displays that communicate practical uses for bananas and their benefits to school children." Dole offers a poster with its Bobby Banana character and pictorial instructions of how to make a peanut butter and banana sandwich.

Del Monte's Christou adds, "Retailers can cross-merchandise produce with non-edible and lunchbox-related items such as snack bags, insulated containers and plastic ware."

Do The Math: Offer Ad Opportunities

While brown bagging has generally increased during this economic downturn, so has kids' participation in the National School Lunch Program. According to the Alexandria, VA-based School Nutrition Association, 62 percent of schoolchildren participated in this program during the 2008-09 school year, up from 55 percent two years ago. PMA's Means notes, "As a result, retailers have to offer produce snacks that are a value to moms."



"We would love to see retailers make snacking more of a central destination spot. Various lunchbox items are still scattered around the produce department, and can grow as a category with a focus on an area."

— Rick Harris
Sunkist Taylor
LLC



Back to School Promotion at U.S. DeCA Commissaries

Back-to-school time means eye-catching and educational produce displays at U.S. DeCA (Defense Commissary Agency) Commissaries. Every retailer in the country is fighting for a share of dollars this time of year, says David Linder, director of merchandising for the Military Produce Group LLC (MPG), based in Norfolk, VA. "We are no different."

DeCA's contract with produce wholesalers, such as the MPG, requires the supplier to coordinate health- and wellness-oriented educational displays in-store. This leads to some real creativity and excitement. Last year, for example, the DeCA Commissary at Fort Detrick, in Frederick, MD, displayed many types of fresh fruits in a large cardboard replica of a school bus. Linder says, "We brought a fixture from the grocery department into produce and then cross merchandized some of their product in the display as well. We also used POS materials from other industry partners with tie-in products, and we made our own in-house POS, too."

Josh Cassidy, MPG specialist, describes the Fort Detrick display. "The theme for the two-week promotion was Ride the Bus to Health and Fitness. Items promoted as healthy lunch-box treats included white/red seedless grapes, red/black plums, and 3-pound bags of red Gala apples. Other items included were 3-pound South African navel, 3-pound bags of mixed oranges/grapefruit/red apples and packaged, organic dried fruits. Cereal bars and nuts from the grocery department also were cross-merchandized into the display."

Demos are an active part of the displays as are more creative activities to engage children. Linder shares, "One commissary drew a hopscotch set on the floor in produce. The kids that went through it got a free piece of produce."

This year's theme for back-to-school promotions will be Lunchbox of Savings. "We'll also focus on fresh-cut fruits and vegetables for lunchboxes such as carrots and dip, sugar snap peas and sliced apples," says Linder. "This will provide a challenge in that our displays have traditionally not been refrigerated. However, we plan to carve out a piece of refrigerated space and devote it to these products."

Price promotion is one way to do this. Stemilt's Pepperl suggests, "Put fresh, sliced apples in back-to-school ads. We are recommending a buy-one-get-one-free concept for our sliced apples. Our research shows consumers need to demo the product at home to witness that the apples don't turn brown, but this can happen only after a purchase. That's why we recommend the BOGO to entice first-time purchases. In addition, when advertising, the movement is typically 2½- to 3-times the normal movement."

Multiple pricing is also effective, especially when it's geared to the convenience of reminding Mom to buy enough for the entire school week. Wilson reports, "Our Dippin' Stix singles line is line-priced so retailers can promote the whole line in multiple pricing ads."

According to PMA's packed-school-lunches survey, after-school snacks are served to 87 percent of the children of consumers who pack school lunches, but fresh produce,

specifically apples, only appears in one of the top three items included in this setting. Means suggests, "Remind Moms about the after-school snack as a way to encourage her to make two or more purchases instead of one."

Tie creative ad signage into cross promotions. For example, the Dole Food Company offers a POS sign card where retailers can promote a back-to-school deal of one jar of peanut butter, one loaf of bread and three pounds of bananas for one price. This sign can be displayed in the produce department where bread and peanut butter are cross-merchandized next to the bananas, or in the bread and/or peanut butter aisles where bananas can be cross-displayed. It can also be featured in the weekly ad circular.

Create In-Store Back-To-School Promotions

The buying power of kids will reach \$21.4 billion in 2010, according to *The Kids*

Market in the U.S., a May 2006-released report by Packaged Facts of Rockville, MD. Retailers can harness this purchasing influence at back-to-school time by creating in-store events that engage children, enticing them to ask for fruits and vegetables.

Dole's Goldfield notes, "We know children are heavily influenced by advertising and marketing, and there is strong evidence that young children have very high recognition rates when it comes to favorite characters and their influence. Characters like Bobby Banana make consumption of fruits and vegetables more fun for children, and retailers can capitalize by utilizing Bobby, or other Dole character costumes for appearances in their stores."

Another tool is The Produce Passport, offered by Imagination Farms. "The Produce Passport is typically a small booklet, the size of a passport, that provides information about different products and includes a place for kids to collect the appropriate PLU stickers just like they would collect a stamp if traveling with their real passports," explains Goodman.

Last year, a major retailer featured this passport in a promotion that offered free, back-to-school kits upon mailing in the booklet with six PLU stickers. The kit

included items such as pencils, note pads and erasers. The promotion was announced in-store via a themed poster and brochure holder for the passports adjacent to a display of Disney Garden-brand fruit and vegetable products.

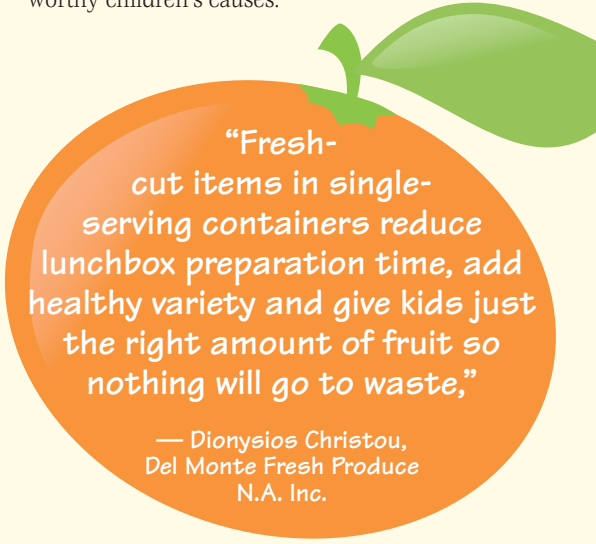
At Dierbergs, the Kid's B.E.E. Healthy or Kid's Better Eating & Exercise program, now in its fourth year, will run from September 8 to October 5. The focus is on healthful eating and exercise at back-to-school time. Carole Walker, advertising account executive, says, "We will have a Sampling Fair the first weekend of Kid's B.E.E. Healthy month. Parents and kids can sample healthful, delicious foods as they shop throughout the store." A cute bee character with the program logo is imprinted on shelf-talkers displayed next to kid-friendly, nutritious foods throughout the store and in weekly ads

New this year, Walker adds, "We are hosting an essay contest. Kids ages 6 to 12 years old can submit an essay describing what games they play at recess and what they pack in their lunchbox to stay healthy and fit. When kids pick up their essay form at Dierbergs, they will receive a fun Kids B.E.E. Healthy prize. One lucky winner will receive a bike and helmet, plus an assembly for their whole school with healthy snacks

and a visit by a St. Louis, MO-based pro-sports player."

Team Up With Suppliers

The theme for Produce for Kids (PFK) fall 2009 campaign is Eat Smart for a Great Start. Six retailers are participating in this season's promotion, which promotes healthy lifestyles for children by educating kids and parents about the benefits of eating fresh fruits and vegetables during annual fall and spring campaigns, while also supporting worthy children's causes.



"Fresh-cut items in single-serving containers reduce lunchbox preparation time, add healthy variety and give kids just the right amount of fruit so nothing will go to waste,"

— Dionysios Christou,
Del Monte Fresh Produce
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Spokesperson Kari Volyn, remarks, "Last fall, the multi-faceted campaign focused on school-based programs and featured a nationwide classroom contest, resources and tools for parents and educators, fun games and activities for kids and a variety of regional events, celebrity appearances and in-school promotions."

Retailers tied into the promotion in a variety of ways. For example, Miss Rosa, the popular on-air PBS KIDS personality, signed autographs and talked about the benefits of eating fresh produce at elementary schools in Orlando as part of Publix's participation. Meijer, at the Belle Isle Grand Prix in Detroit, promoted healthy eating and provided race goers with sponsor coupons, activity sheets and other fun PFK and PBS KIDS items.

A hot new band is the focus of a USA Pears promotion, designed to drive pear sales at both the start of the fruit's season and back-to-school time, says Dennis James, director of marketing for the Pear Bureau Northwest, based in Milwaukie, OR. "Honor Society is a new band playing with the Jonas Brothers tour. This summer, we embarked on a promotion called Valuing You that was pure product awareness in orientation. It featured radio announcements



Photo courtesy of Produce For Kids

in all 44 target markets where the band plays. Instead of a traditional radio tag that says where pears are available at the end, the spots direct consumers to a Web site where they will immediately see that market's retailer banner and can then enter to win concert tickets and a meet-and-great with the band."

The second part of the promotion, called

Pear Up with Honor Society happens in September. Shoppers obtain entry forms at the pear display of that market's target retailer to win the opportunity to spend the day with the band. The promotion "is designed to drive in non-traditional shoppers and even pull back shoppers who may have been lost to big box formats in this economy," explains James.

Finally, Apple for Education, Back-To-School for Better Health is a promotion offered in August and September by Imagination Farms through its Disney Garden-brand licensed suppliers, Chelan Fresh and L & M Companies. For every case of apples sold by participating retailers, a portion of the money raised will be used to purchase Adopt-A-School kits from the Wilmington, DE-based Produce for Better Health Foundation. The kits, which target kindergarteners to second graders, will be donated to local elementary schools of the retailer's choice. POS materials such as themed posters, sign cards and ad slicks accompany the promotion.

Goodman says, "This is our way of increasing fruit and vegetable consumption in children and a way for retailers to promote education, as well as health and wellness in their community." **pb**

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Reader Service # 33

IN LOVING MEMORY OF
Enza Scasso
1957 - 2009

Enza Scasso joined the Agrexco team in NY shortly after she was married over 25 years ago. Enza's charming personality made her a natural fit for the team at Agrexco. She started in the fresh cut flower department long before Agrexco was known for its produce. She excelled within this department helping with logistics and credits allowing her to grow within the company. She soon transitioned to become the Product Manager for the PPM (bulbs & cuttings) department.

Within this department, she was solely responsible for maintaining all logistics and statistical reports for the many varieties of bulbs and cuttings that Agrexco USA sent across the USA and Canada. Enza loved every aspect of her job and both her co-workers and customers will miss her dearly.

Enza is survived by her husband and her three beautiful daughters. She will not be forgotten!

Rally Promotions Around Tailgating Season

Appeal to tailgaters' taste buds by incorporating fresh fruits and vegetables in spirited football-themed promotions.

BY AMY SHANNON

Many diehard football fans are just as passionate about the snacks cooking up outside the stadium during pre-game tailgating activities as they are about the game itself.

As football season approaches, faster than consumers can fire up the charcoal, retailers are creating promotions themed around the great American sport and the tailgating parties that go hand-in-hand. "We've noticed that retailers, particularly in the East and Midwest, really capitalize on the college tailgating themes," explains Jose Luis Obregon, managing director of the Hass Avocado Board (HAB), located in Irvine, CA. "Tailgating entertaining has been one of HAB's major promotional activities." Some retailers stock all kinds of college-branded merchandise for sale, especially if there's a school within 100 miles of their store, he adds.



Photo courtesy of Hass Avocado Board

Creating an in-store tailgating destination will lead to higher rings during football season.

"Tailgating is a big past time for consumers," states Jay Alley, vice president of sales and marketing for Fresherized Foods, a Fort Worth, TX-based supplier and d/b/a of AvoMex, which produces Wholly Guacamole and Simply Avo lines of guacamole and avocado products. From Guac Dogs to game-day dip, Americans consume more than one billion pounds of guacamole per year, especially during football season, according to the supplier. Fresherized Foods' products are made using ultra-high pressure food preservation and "packaged in pouches and packets so they're ready-to-eat," notes Alley. "You can freeze them before you take them to the game. They're great for tailgating."

Consumers are also incorporating plenty of produce items into their game-day menus using 4-layered dips with mashed black beans, Chipotle salsa and cool guacamole. Like fruits, "Tailgaters can keep hunger at bay with veggies while they wait for the grilled foods," suggests Candice Blackmoore, director of marketing for Apio Inc., headquartered in Guadalupe, CA.

"An obvious product choice for tailgating are large and small vegetable platters," states Lorri Koster, vice president of marketing of Salinas, CA-based Mann Packing Co. Inc. "We have a variety of platters available with different dips and include a football-themed label for that time of year."

WHAT'S COOKING

"College football fans seem to go all out to support their school of choice," states Obregon, and a big part of that involves putting together tasty dishes that add to the festivities.

Potatoes have always been a favorite accompaniment, and cold-weather football dishes are no exception, explains Carroll Graham, director of retail programs for the U.S. Potato Board (USPB), in Denver, CO. "Every year we encourage retailers and their suppliers to capitalize on promoting potatoes around themes like football games or the Super Bowl."

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Apio is known for its vegetable party trays geared toward suiting many tastes. The Eat Smart Vegetable tray with Meat & Cheese is a top-seller during football season, according to Blackmoore. "The tray comes in a beef-bites version, as well as a version with turkey bites for a little more healthful option." Packaged, washed and ready-to-eat, the pre-cut vegetables are quick and simple to serve. "Just peel the film and your appetizer is ready to go," she adds. "Our consumers enjoy the variety these trays provide to their guests."

With so many ways to prepare potatoes, consumers can do what they feel is most convenient, according to Graham. "Grilling potatoes on-site is an option, as is preparing a crock pot full of baked potatoes the night before the big game."

Americans consume more than one billion pounds of guacamole per year, especially during football season.

ENCOURAGE CONSUMPTION

Avocado Producers and Exporting Packers Association of Michoacán (APEAM), located in Los Angeles, CA, is planning a marketing campaign geared specifically toward tailgaters. Emiliano Escobedo, APEAM's marketing director, reports, "We're planning a promotion with celebrity chef and author, Rick Bayless, during the holiday and football season that will be supported with online marketing, radio tag opportunities and customized retail displays offering free celebrity chef recipes, including Rick's Guacamole on the Wild Side, which is the perfect dip to prepare for football parties at home or tailgating events."

APEAM's campaign will reach millions of consumers via the PBS show, *Mexico — One Plate at a Time*. The first of 13 segments begins airing in September and reinforces the authenticity and quality of avocados from Mexico. Bayless has created recipes for consumers interested in preparing dishes themed around tailgating season and other special occasions.

The USPB is promoting the myriad fast and easy ways to prepare fresh potatoes, including a new set of grilling recipes devel-

Cross-Merchandise Complementary Items

Grouping items that can be merchandised together during football season is a great way to attract consumers to the produce department and build sales throughout the store. Jose Luis Obregon, managing director of the Hass Avocado Board (HAB), based in Irvine, CA, suggests displaying all the fresh ingredients used to make guacamole together, including avocados, limes, onions, tomatoes and cilantro. "Having tortilla chips, beer, peanuts and other snacks nearby helps to draw people into the produce department. Multiple data shows lifts in complementary items such as limes, tomatoes, onions, beer and chips, when displayed with Hass avocados."

Emiliano Escobedo, marketing director for the Los Angeles, CA-based Avocado Producers and Exporting Packers Association of the Michoacan (APEAM), agrees, advising, "Display avocados next to items they partner with in meals and recipes, such as tomatoes, onions, lemons and limes. This reminds customers to purchase these items, and provides a beautiful color contrast as well. And don't forget the power of suggestion! Try displaying avocados with pre-cut salads and platters, as well as chips and beer."

"Any protein going on the grill is a great addition, or sandwich toppings, as well," advises Lorri Koster, vice president of marketing of Salinas, CA-based Mann Packing

Co., Inc. "Also, nuts, such as pistachios and peanuts, are popular items for cross-merchandising."

The U.S. Potato Board (USPB), located in Denver, CO, recommends cross-merchandising fresh potatoes, especially value-added products, in the meat department for up to a 38 percent increase in net volume sales. "When bringing center-of-store items to the produce department, canned chili, soups and aluminum foil make logical pairings," notes Carroll Graham, director of retail programs.

Adding tailgating recipes to displays that group like items is important for boosting impulse sales. "The possibilities are wide," Graham continues. "Refrigerated dressings make great toppings and dips for potatoes, as do fresh salsas, herbs, chives, broccoli and avocados. Using recipes that tie these items together gives shoppers the idea and increases the sale."

Eat Smart vegetable trays made by Apio Inc., in Guadalupe, CA, should not only be merchandised in the produce department, but also at the front of the store in a cooler with beer and other beverages, advises Candice Blackmoore, marketing director. "Make it easy to see from the check-out lines, which tend to get long near big game-days. Use on-package cross-promotion instantly redeemable coupons to get the consumer to buy items in different departments." **pb**

oped this summer. "We offer recipes with coordinating photos for use in ad circulars, online and at point-of-sale," explains Graham. He suggests, "Showcase recipes in ad-circulars or at POS that not only taste good, but are also easy to prepare, transport and serve well."

HAB provides many tailgating-themed recipes, including Field of Guacamole, a colorful dip that looks like a football field; Grilled Chicken Avo-Wheelies, a sassy play on finger food; and Hass Avocado Deviled Eggs, a tasty twist on an old favorite. The board offers retailers a variety of POS materials, including information on Hass avocados to build incremental consumption.

Fresherized Foods suggests tailgating recipes, too. "We've had a great response promoting tailgating recipes such as guacamole dip that looks like a football field," states Alley. Fresherized Foods' Wholly Guacamole has also teamed up with ballparks, stadiums and football teams, including the Dallas Cowboys, to promote Guac Dogs during game-days.

August and September are excellent months to begin promotions, particularly for the potato category since it's also the beginning of the potato harvest. "Many specialty varieties of potatoes are available at this time of year," notes Graham. "This provides retailers the opportunity to promote a segment of the category proven to increase incremental dollars by bringing new shoppers to the category."

In addition to the general football season, keep in mind that playoffs are a great time for tailgate promotions as well. "Retailers can get a good run from the promotion without wearing it out by the end of the season," explains Apio's Blackmoore. "Rotate promotions for approximately three to four weeks before the big game-day, and add special promotions one week before the end-of-season game to entice more consumers."

PROMOTE GOOD NUTRITION

Health-conscious consumers are incor-

porating plenty of produce in their tailgating dishes such as vegetable antipasto made with squash, onion, red peppers, zucchini and balsamic vinaigrette dressing. "Consumers want to eat healthy," stresses Fresherized Foods' Alley, pointing to the nutrients in guacamole. It's a healthful and flavorful alternative to using butter, sour cream or ranch dressing.

Mann's healthful items from its Snacks On The Go line are a nutritious alternative to potato chips and cookies. "They're great for tailgating as they are more grab-and-go, and people can have their own individual serving," states Koster.

"Just because it's game day doesn't mean consumers can't eat something good for them," notes Blackmoore. "Eat Smart vegetable party trays provide options that are easy, taste great and are healthy and fresh."

SCORE BIG WITH DISPLAYS

To capture impulse sales, remember to include a large display as people enter the store. "Bundling tailgating items together to create a destination is helpful and something as easy as putting up some football pennants from the local team. Bring in a truck and drop the tailgate," advises Koster.

Likewise, in-store themed displays are very effective. "They can be built in the front of the store as you enter produce or within the department," recommends HAB's Obregon, who notes the best time to begin football-related promotions and advertising is in early September.

APEAM's Escobedo adds, "Retailers can create hype and increase sales by creating displays that are eye-catching, setting up secondary displays in high traffic areas and showcasing promotional cards and recipes that are ideal for football season."

"Use danglers combined with creative football-themed displays," adds Blackmoore.

Keep in mind many consumers will wait until the day of their tailgating event to purchase ingredients. "If the store doesn't have ripe avocados, the consumer will either go somewhere else or buy processed product, and not serve fresh guacamole," Obregon warns. "It is all built upon the foundation of having enough ripe fruit on display to satisfy consumer demand," explains Obregon. "Many stores don't order enough ripe avocados or their distribution center hasn't planned accordingly to have additional ripe avocados in the system ready for delivery to the stores."

Koster agrees, adding, "Avoid out-of-stocks. Consumers will come in a day or two before to stock up — even on the way to the game — so be ready on Saturday and Sunday mornings." **pb**

Washington Apple Varieties Continue Their Wow Appeal

A large assortment, smart promotions and respect for heritage varieties help Washington apples stay on shelves — and consumers' minds.

BY MIKE DUFF

This year's Washington apple crop looks to be about as abundant as last year's, but it should yield bigger fruit and provide new merchandising opportunities for retailers who commit resources to maximizing sales.

Last year's king bloom was dethroned by frost during a season that produced a heavy crop. Consequently, the crop tended toward bagging sizes. This year, as more large apples look to be coming in, some of the small apple packaging that remains commonplace as the most recent crop moves through the distribution system may disappear. Opportunities to merchandise multiple sizes of popular and specialty varieties could become a method to offset some recessionary price pressures.

ENDLESS OPTIONS

Todd Fryhover, president of the Washington

Apple Commission (WAC), based in Wenatchee, WA, reports, "We really did have a good quality bloom. The Fujis, Red and Golden Delicious seem to be slightly less volume. The Galas seem to be a normal crop. We expect it to be a good year as far as volume goes."

Andy Tudor, director of sales for Raleigh, NC-based L & M Companies Inc., which also has a branch in Selah, WA, adds, "If you look at it by variety, things are set very similar in the Gala crop to last year. The Red Delicious and Fuji bloom is down, so we're looking at less supply in those two varieties in our initial estimate. It looks like the Granny Smith bloom was spotty. We're working through small fruit in Granny Smith this year, and it looks like there will be fewer in numbers but larger in size. The weather could land in that area of increased supply of premium retailer sizes, which means a reduction of consumer pack sizes."

Randy Steensma, president of Nuchief Sales Inc., headquartered in Wenatchee, WA, characterizes preliminary estimates on the bloom as not heavy, but good, with major varieties down slightly to even with last year. Among the specialty varieties, Honey Crisp are about the same, and Jazz are up slightly.

Chuck Sinks, president of sales and marketing at the Sage Fruit Co. LLC, located in Yakima, WA, maintains a good king bloom as part of an overall strong season start should mean plenty of fruit and lots of large apples. "We have the new Sonya apple, which has been out in production for a few years now and is starting to become a hit with nice volume numbers. It's a really great apple — sweet and crunchy," he explains.

Suzanne Wolter, marketing director of the Rainier Fruit Co., based in Selah, WA, expects a more stable price transition between crops this year. Last fall, a price spike occurred as supplies ran down. This year, sufficient supplies will keep prices stable and volumes up.



Photo courtesy of Cameo Apple Marketing Association

While new varieties of apples may increase consumption, they can also lead to category cannibalization.

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Reader Service # 2

Fryhover asserts that, of the major varieties, Galas continue to come on strong and may now represent the second highest production volume after Red Delicious. "It will continue to be Number Two and maybe one day equal Red Delicious, but that's not something that is going to happen short-term."

However, Wolter notes Galas now have surpassed Red Delicious in terms of nationwide consumption. "In different regions of the country, you may find Gala is Number One, while in the West, it's Fuji and in the South, Red Delicious. But in those two

regions, Gala is Number Two."

Some of the new varieties are cannibalizing some of the established options, particularly Romes and Golden Delicious, and even Red Delicious isn't immune from the effect. "It's always an evolution," Steensma explains. "The question is: Can we increase consumption without losing market share on the older varieties? There are a plethora of tastes out there, so are we going to be able to increase consumption without cannibalization? New varieties have increased consumption, but we've put together a lot of new varieties in the last 10 years. Is it time

Organic Appeal

According to Todd Fryhover, president of the Wenatchee, WA-based Washington Apple Commission (WAC), despite the recession, organics have held their own in the market, after doubling in production over the past few years. It isn't always an easy sector, as it's driven by one or two sizes and dealing with anything outside that range can be problematic. Still, the larger crop has driven prices in line with conventional, which has helped maintain sales, and Fryhover expects the segment to keep growing. "When we have a little bigger crop, it makes prices a little closer between conventional and organic and we get new customers," he explains.

Suzanne Wolter, marketing director of Rainier Fruit Co., in Selah, WA, reports, "Our organic volume has been growing for the last few years because demand has been growing. She believes retailers can effectively handle organics like any other variety, providing it a place in the mix, but not segregating it in the store or in ads. "Organics increase category sales by a small percentage when run alone," she clarifies.

Organics are a bigger deal in Washington State, but the serious increases in production may have caught up with consumers, meaning producers may need to consider being cautious in continuing to add organic acreage. The economy, of course, isn't conducive to premium products, but the supply may just have begun to outpace demand. "Organics may have overshoot the target, but we are continuing to gain more organic customers," reveals Randy Steensma, president of Nuchief Sales Inc., located in Wenatchee, WA.

With prices of organics down and demand growth questionable, some off-size organic apples may wind up in conventional boxes, at least short-term. But the consensus is that demand has been increasing and a plateau, if that's in fact what looms, could be temporary.

Organics have their place in the market, declares Chuck Sinks, president of sales and marketing at the Yakima, WA-based Sage Fruit Co. LLC. However, he often finds retailers just taking a few apples and other items so they can say they have an organic program. "Certain retailers do a really good job. I believe we have the ability to supply as much organic as needed. At less than five percent of volume, we're at a state where have enough to supply the demand from customers," he explains. **pb**

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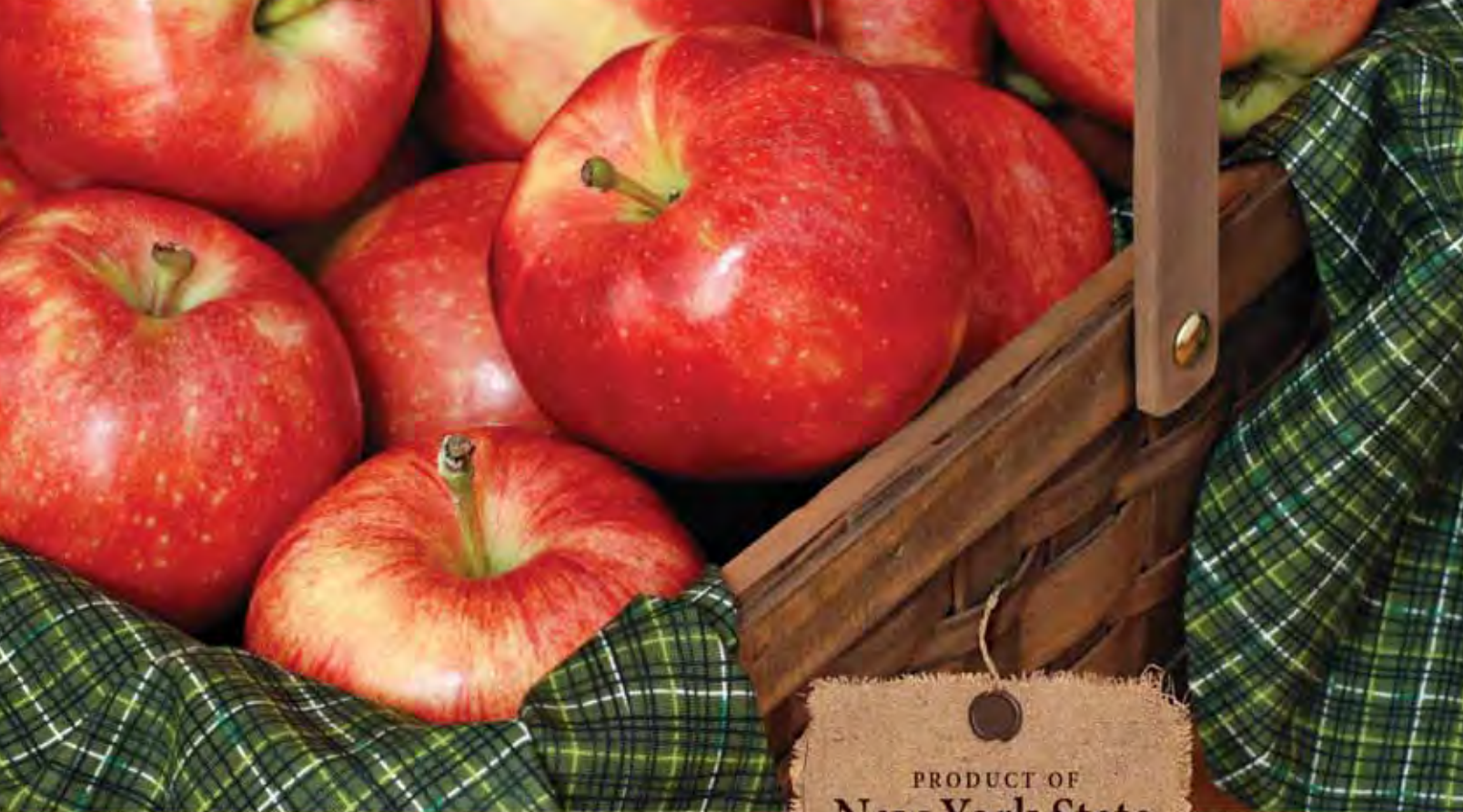
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to take a break?"

Steensma believes Washington apple producers need to ask themselves these types of questions because constantly producing new varieties — on top of the myriad sizes and grades already creating market complexity — doesn't shape up into a coherent plan to reach what should be the central goal of increased consumption. "We've seen varieties disappear," he discloses. "The Winesap and Rome are smaller in market share. We might lose Ginger Gold. Some varieties are getting neglected. The Jonagold is a terrific apple, but we're not getting

marketing. The Cameo is another terrific choice, but it is feeling the neglect of a concerted marketing effort. We were on the forefront of the Honey Crisp, and that's mainline now."

HELP FOR HERITAGE AND LOCALLY GROWN

Thanks to the heritage movement, which is coming to the rescue of some endangered apple varieties, Steensma may not have to worry. Home-delivery retailer, Spud, which is headquartered in Vancouver, British Columbia, but also operates in Cal-



Photo courtesy of CIVIL

Merchandizing apples with a locally grown flare can boost sales.

gary, Alberta; Seattle, WA; Portland, OR; San Francisco and Los Angeles, CA; has a local mission. It brings Washington apples to its clients in Seattle and Portland. Yet, it has other priorities as well and develops its program to differentiate itself for the organic and other food-conscious consumers who often favor it. "We try providing a variety of apples each week, looking for ones with really good quality," said David Van Seters, president, founder and CEO. "We will favor new crops. However, if there is a locally grown one available, it will be taken first, especially if it is a heritage variety." Among the heritage varieties Spud is promoting are Ginger Gold and Winesap.

The Cameo Apple Marketing Association (CAMA), a grower funded organization developed to promote the variety, based in Wenatchee, WA, is making strides to develop the kind of concerted marketing program that's necessary to ensure its ongoing development. "We work with shippers in Washington who handle about 85 percent of Cameo apples," reports Kevin Precht, marketing program director of the association. "We have the industry's only variety-specific quality program covering how apples are harvested, stored and packed."

In operation since 2002, CAMA is trying to provide retailers with a new understanding about the variety. "Cameo is viewed as a strong late-season apple, and retailers are using it on the front-end, as well as in main displays," explains Precht. "It's getting more inclusion in fall displays, but it is a true year-around apple — the only apple we have in the state of Washington that has 12-month keepability. Cameo has carried top-tier pricing at retail. Retailers realize the Cameo tends to size a little larger. Since they

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Reader Service # 61

sell by weight, size and price, Cameos provide a big ring."

Precht believes the Cameo crop size off the current bloom should be down slightly this year from last, peaking at the 72 preferred by markets. "We've consistently seen a high quality crop since 2006 and that is expected to continue with the '09 crop in color, starch and pressure levels."

Going forward, Precht anticipates stable prices for Cameos and that shippers will be more aggressive with this year's crop coming out of the gate and, thus, maintain volumes. "The problem we had in '08 had more to do with supply side issues at retail. The evidence of that is we're shipping 25 to 50 percent more fruit per week in the last season than we did this time last year. We're finishing this crop strong and are well positioned to continue."

Alan Taylor, marketing director for Pink Lady America LLC, headquartered in Yakima, WA, also has a particular focus with regard to Washington apples. The organization is charged with protecting the Pink Lady trademark and supporting a modest promotional program, which has included research that suggests marketing the variety to the slicing market. "We're going to do more research on that in four markets," he

Washington still produces 65 percent of fresh apples in the United States, and ultimately, can benefit from consumers wanting to support product grown closer to home when competing against fruit produced overseas.

reports. "It's a great slicing apple." Pink Lady America is exploring both retail and foodservice opportunities to use the fruit as a slicing apple, given the products that have been rolling out in various establishments, be it

apple dippers from McDonald's or apple fries from Burger King. The initial bloom was good for the Pink Lady, too, according to Taylor.

Local produce also has an impact, WAC's Fryhover notes, although it's temporary and usually confined to big apple growing regions such as New York, Pennsylvania and Michigan. Ultimately, planning for local variation in demand is simply part of the production cycle.

Nuchief's Steensma adds local and regional apples are something retailers from Wal-Mart on down to the smallest retailers are increasingly concerned about because the consumer wants them. Accordingly, Washington apple growers can benefit if they incorporate regional seasons into their merchandizing plans.

Even though local apples may be getting a lot of attention given current trends, Rainier's Wolter points out that Washington still produces 65 percent of fresh apples in the United States, and ultimately, can benefit from consumers wanting to support product grown closer to home when competing against fruit produced overseas. "Isn't locally grown also within the United States as a whole?" she asks. "We're now taking Gala into June and July, and we have Fuji year-



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Various Concerns

Of course, considerations outside of crop health and merchandising trends impact Washington apples. Among them, is the economic downturn.

The recession is having an effect, admits Suzanne Wolter, director of marketing for the Selah, WA-based Rainier Fruit Co., but not as strong as one in the food business. Promotions of less expensive fruit can help retailers keep consumers coming back to the category who might otherwise be a little wary because of money concerns. On the other hand, the recession has mitigated labor concerns, although how the other Washington — as in D.C. — decides to regulate it makes long-term considerations more difficult. Wolter also is concerned that as some new varieties become popular, they may be hobbled by bad practices, as new

growers come on line who are producing them using practices that don't uphold quality. "If you are not bringing it in at the right quality, it doesn't get better in storage," she asserts. "It all starts with the orchard."

Food safety is another ongoing concern the Washington apple industry needs to keep in mind, particularly traceability, according to Randy Steensma, president of Nuchief Sales Inc., based in Wenatchee, WA.

Andy Tudor, director of sales at L & M Companies Inc., based in Raleigh, NC, with a branch in Selah, WA, adds the lengthening stone fruit season is something else the Washington apple industry must take into consideration. "We have tree-ripened stone fruit in front of our produce sections three or four weeks after Labor Day," he reports. As they say, it's always something. **pb**

round, and that fruit has a quality that competes with import."

PROMOTION-WORTHY

For many retailers, Washington apples

have strong enough brand significance to merit special promotional consideration. Lakeland, FL-based Publix Super Markets Inc. promotes Washington apples as part of its season's peak promotion series during

October in the transition out of summer fruit in its Florida and southeastern marketing area. Not only is the Washington name featured in merchandising, but in Publix advertising as well, including TV spots. "We do the promotion when fruit is at its peak, at its juiciest," explains director of media and community relations Maria Brous. "The promotion features varieties from Gala and Granny Smith to Red Delicious and Honey Crisp. Our job is to educate customers, so we tell them where the apples come from."

In some apple producing regions, local apples, rather than those from Washington, get an emphasis. "When stone fruit ends, we're starting New York State apples while we're resetting," reports Joe Battaglia, vice president of produce at New York-based Western Beef, a 26-unit chain in the New York metropolitan area and Florida.

Yet, even in the Northeast, some retailers believe Washington apples carry a cachet for their customers. "We still do a Washington apple promotion," said David Lessard, senior director of produce and floral at A&P, with headquarters in Montvale, NJ. "It kicks off in September, and we have a lot of variety. At any time, we'll carry 16 to 18 varieties, including Jazz, Pink Lady and Pacific Rose — all types."



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Varietal Development In The United States And Abroad

Among the specialty apple varieties developed over the past couple of decades, Honey Crisp has been the standout. However, its development puts a spotlight on how new items are impacting the overall market.

A number of interests came together to promote the Honey Crisp, and it emerged into the top tier of apples consumed. Yet, Randy Steensma, president of Wenatchee, WA-based Nuchief Sales Inc., admits, with the Washington Apple Committee (WAC) no longer doing domestic promotion and growers, co-ops and other industry participants looking to their own projects, it's more difficult to gather the resources to generate the momentum necessary to achieve a breakthrough with a given variety.

Todd Fryhover, president of the WAC, located in Wenatchee, WA, notes the Honey Crisp has a good chance of climbing up the volume ladder, but he points out tastes change — and sometimes quickly. Fryhover believes some of the shift to Galas was a matter of changing taste profiles and uses this example to underscore the fact the development of new varieties remains important. Consumers develop new preferences, but they also seek out novelty. In order to keep apples dynamic in terms of the larger market — where new varieties of stone fruit, grapes, etc., fall in front of consumers as cascade displays, particularly at independent grocers — the customer needs to find something new in which to sink curious palates.

Changing tastes affect both international and domestic markets. The international arena is where the WAC devotes its attention these days, although as nations develop and middle-classes emerge or shrivel, opportunities change. "Tastes and preferences change with the consumers in the international market," Fryhover adds. "We can compete or be superior with the Gala variety. There is a relatively flat consumption curve — no new

markets to explore right now, but some niches. International is always an opportunity, but demographics and economics are changing rapidly. There are opportunities on a quarterly basis that exist in exporting that don't demonstrate themselves in mature markets such as the United States."

The Honey Crisp — although hard to grow and premium-priced — has continued to gain during tough economic times based on consumer demand, notes Andy Tudor, director of sales for Raleigh, NC-based L & M Companies Inc, which also has a branch in Selah, WA, "You have a tremendous amount of demand and that sends a message to the grower community," he remarks. "Consumers have decided it's one of their favorite varieties and are not as concerned about retail price because it provides a great eating experience.

Still, Suzanne Wolter, director of marketing for the Selah, WA-based Rainier Fruit Co., remarks club varieties do less than one percent of sales nationwide, something retailers need to keep in mind. It took many long years for Honey Crisp to break into the Top 10 apple varieties, where it found itself in the first quarter of 2009, and 75 percent or more of sales come from that top echelon. Wolter clarifies her company is not against specialties. It promoted the Lady Alice varieties for some weeks in March and will do so again next year. Rather, she suggests retailers should weigh their assortment toward products that generate volume and keep the customer coming, carry less well known varieties in proportion to their roll of stretching price tolerance and pique shopper interest in the apple display. "The retailer needs to look at allocation and space for what's working," she says. "Do you want to give space to a product that does less than one percent? If it's a variety that maybe does well in fall and sales slump in January, you might need to look at what you are doing with it." **pb**

Given the bigger sizes that should be available at summer's end following the spring's good king bloom, merchandisers of the new crop should consider their opportunity. Tudor of L & M explains, "The increased supply of premium sizes may have an effect on pricing once August comes around. We have a pretty good idea what we have to do — seek a little more

aggressive retails for quarter four compared to last year."

Retailers also need to think in four dimensions, suggests Nuchief's Steensma. "The key is to sell the apple in the optimum eating time. If the consumer has a great eating experience, that person is going to come back and order it again. You can't let quality suffer at the tail end of a cycle. You've got to

get the shelf space, but at the optimum eating time, and if that means rotating apples in a slot on the regional and varietal and club end, sliding in a new apple every three or four weeks, okay. We have the market to drive and the varieties to sell."

Concentrating on timing can provide price, quality and volume that constitute a win-win-win for consumers, retailers and growers, adds Steensma.

Although establishing an assortment discipline is important, retailers should carry enough variety to established tiered merchandising. "They need to look at tiered pricing for their emerging, core and regional varieties," discloses Wolter of Rainier Fruit. "Line-pricing cannibalizes core varieties and hurts the profitability of emerging varieties by causing consumers to trade up from core and too low pricing with emerging apple varieties."

What's true of shelves is true of ads, Wolter continues. "When retailers run promotions with multiple SKUs and varieties, those generate the strongest performance," she reports. "Retailers should consider running five to eight varieties at a time to get the most dollar lift with the lowest amount of discount."

Although CAMA's Precht represents a specific variety, he agrees retailers should merchandise and promote various apples together to maximize several selling propositions. "The best practice we've stressed with retailers is to promote Cameos more often, but at the same time as varieties, rather than run Cameos alone two or three times a year. Include it with Fuji and Gala and maybe Honey Crisp and Pink Lady in fall as a mix of three varieties and advertise those three more consistently. It helps us upsell when we're included with a more established variety," he explains.

In another tack, Sage Fruit's Sinks notes bag-and-go offers can drive sales in-store. "We've had a lot of success with tote bag programs. We put in bins with tote bags, and it has helped sales." He suggests retailers study how their consumers purchase apples and under what circumstances, for example, merchandising "smaller apples for kids' lunches and the larger counterparts for adults. Multiple sizes — even within the same variety — really drive sales, rather than a one-size-fits-all approach."

Sinks also advises retailers set programs that incorporate regional preferences to solidify apple programs in various markets. "You need to know, for example, that in the upper Midwest, Braeburns sell better, and you may have to have two SKUs of Braeburns, large and small, to take full advantage of this opportunity." **pb**



ETHNIC GUIDE BOOK

MERCHANDISING TO ETHNIC CONSUMERS

Most supermarket chains have only scratched the surface of ethnic marketing potential. Yet, targeting and capturing huge, fast-growing ethnic segments is arguably the most important corporate initiative the retailer can undertake to grow sales and profits, win consumer loyalty and gain the competitive edge.

Produce executives, take note: Fresh produce is of core importance to multi-cultural shoppers. Latinos, Asian-Americans and African-Americans represent about one-third of the U.S. population, and collectively, are expected to grow another 40 percent by 2010.

The PRODUCE BUSINESS *Guidebook Series On Merchandising To Ethnic Consumers* is designed to offer different strategies and perspectives for success in reaching targeted ethnic segments of the population. This is part of an ongoing collaboration with market leaders and PRODUCE BUSINESS.

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COMPANY:
AVOCADOS FROM MEXICO

PRODUCT FOCUS:
Avocados (Mexico)

TARGET ETHNIC GROUP:
Hispanic



Why does your product appeal to this specific ethnic group?

Avocados are a food staple in the Hispanic household. According to research conducted in 2009, eight out of 10 Hispanics say they buy avocados to eat or serve at home with nearly half purchasing avocados weekly. Avocados from Mexico evoke a sense of nostalgia for Hispanic consumers who grew up eating avocados and prefer fruit from Mexico. Additionally, Mexico is the world's largest producer and No.1 provider of avocados in the United States, providing a year-round supply of avocados in a full range of sizes so customers can get what they want, when they want it.

Are there other market segments for this product?

The general market also responds well to avocados. However, compared to the general market, Hispanics buy avocados and eat and serve them at home more frequently. They tend to buy more per shopping occasion and use them in more ways, such as salads and guacamole.

What are the principal buying factors?

Taste is the number one factor followed by price, nutrition and convenience.

What advice can you share on display tactics to help produce departments better reach your target ethnic consumer?

Ripe avocados can outsell unripe avocados by 2-to-1. Note the following tips on the "ripe" way to display:

- To help consumers find what they want, identify ripe avocados with stickers or signage. This will prevent customers from squeezing the fruit which causes internal bruising and shortens the shelf life.
- Keep an eye on your display inventory and remove poor quality fruit on a daily basis.
- Avocados like it dry. Do not refrigerate! Do not display on wet racks or near misting systems. Display at room temperature.
- Replenish your display as needed with avocados from a new carton and remove damaged fruit (look for air pockets and other damage). Place new fruit on bottom of display.
- The ideal display should feature ripe fruit. Firm fruit is best featured on a separate display.
- Keep both green and ripened avocados refrigerated at 40°F. To ripen further, store avocados between 60 to 70°F, but never exceed 70 °F because it damages the fruit.

Can you pinpoint key marketing or promotional strategies?

CROSS MERCHANDISE: Display avocados next to items they partner with in meals and recipes. For example, next to tomatoes, onions, lemons and limes.

PRESENT OPTIONS: Use multiple display stations to promote large and small sizes, different price points, levels of ripeness and bagged fruit.

PROMOTE CREATIVELY: Create displays that are eye catching. Tie them into holidays, entertaining and occasions where families gather.

DISPLAY POS MATERIALS: Set up secondary displays in highly trafficked areas, create hype with promotional cards and increase sales with recipes ideal for Super Bowl, Cinco de Mayo and other special events.

What is the biggest challenge in ethnic marketing?

Determining the right product mix that appeals to your customers is key. By providing both large and small size avocados you can give customers a choice at varying price points. Also providing ripe fruit will boost sales.



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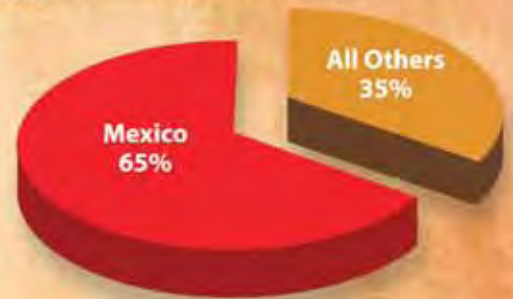
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✓ **Authenticity.** Avocados originated in Mexico, so growers have had centuries to perfect the techniques that deliver great-tasting avocados.

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Hass Avocado Market Share
(July 2008 - June 2009)



Source: APEAM



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COMPANY:
BROOKS TROPICALS, LLC

PRODUCT FOCUS:
Tropical Fruits and Vegetables

TARGET ETHNIC GROUP:
Hispanics and Asians



What is your target ethnic market?

Tropical fruits and vegetables from Florida, Central and South America are popular with Hispanic and Asian consumers.

Hispanics enjoy having ready access to the produce they found in their homeland. It may be price and/or availability that tempts our Asian consumers to try Caribbean produce, but it's the flavor that keeps them coming back. Often, Asians recognize that we're growing Asian favorites, such as the Caribbean Red Papaya, in the Caribbean.

What other segments are you targeting?

Most definitely, tropical produce attracts the health-conscious and typically, the more affluent consumers.

What products are you directing to ethnic consumers?

Everything we sell attracts ethnic consumers, with many items also gaining interest in mainstream markets.

How do product preferences differ among segments?

Meal time is quality time for family-oriented Hispanics and Asians. It's no surprise that they look for quality foods to bring to the family table. With many tropicals becoming available year-round, repeat purchases can — and do — build recognizable brands, such as Brooks Tropicals.

Discuss supermarket buying habits among your target consumers.

Priorities are quality, price and convenience in that order.

What advice can you share on display tactics?

Tropical displays are great attention builders for the mainstream consumer. Hispanic and Asian consumers, however, care more for displays that allow them to visually and physically check out the produce. Selling papayas cut in half is an appreciated convenience for meals on-the-go.

Can you pinpoint key marketing strategies?

Buy enough to always have enough, but still order frequently.

Build an "exit" strategy for fast ripening tropicals. For example, a Caribbean Red papaya's skin may look over-ripe, but the flesh inside is extra sweet. Cut the papaya in half, add a spoon and cover with film for a treat on-the-go. If the flesh is a little soft, use it to make smoothies, which your Hispanic clientele refer to as *batidos*.

What are the biggest challenges to ethnic marketing?

You've got to identify who your ethnic shoppers are and what they want to eat and serve their families. Determining the right mix of tropical fruits and vegetables can be tough, but very rewarding.

An emerging challenge is knowing when it makes sense to break up the tropicals section and integrate some or all of the fruits and vegetables into the mainstream produce aisles: grouping russet potatoes with nuttier tasting boniatos, calabaza with pumpkins, chayotes with squash, Caribbean Red and Caribbean Sunrise papayas with other melons.

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Colorado Produce Continues To Grab Fans Far And Wide

Diversity, freight advantage and organics draw buyers from near and far.

Its wide diversity of produce, surrounded by its breathtaking scenery and healthful climate all are part of the Colorado mystique.

Not only are tourists increasingly discovering that fruits and vegetables are an attractive draw, but locals have gained a new appreciation of fresh produce available from their beautiful state. Colorado continues to offer diversity that appeals to the cravings and needs of even the most inventive retail and foodservice buyers. Add the state's natural freight advantage, and the appeal of its fresh produce is relatively unmatched.

Colorado's location in the middle of the western

half of the United States provides a significant freight savings to customers, and buyers who had previously diverted their purchases to more distant growing regions are becoming increasingly drawn to the state's offerings. Demand has escalated even further resulting from the locally grown product category, adding even more value to the Mile High State's produce.

"The beauty of the farms and ranches enriches the Colorado landscape," notes Wendy White, marketing specialist for the Colorado Department of Agriculture (CDA) Markets Division's Colorado Proud program, headquartered in Lakewood, CO. "Buying Colorado is better for the environment



Safeway is one of many Colorado retailers that take advantage of locally grown produce.

Photos courtesy of Colorado Department of Agriculture



Dorothy Martin,
Martin Produce Co. **Chuck Bird,**
Martin Produce Co.



Bob Sakata,
Sakata Farms Inc. **RT Sakata,**
Sakata Farms Inc.



Dennis & Jean Hoshiko,
North Weld Produce Co.

because it helps keep farms and ranches profitable, thereby maintaining open space and wildlife habitat."

Colorado has received a few hits from Mother Nature this year, including scattered tornados and hailstorms, impacting crops at different stages. Prior to harvest, reports from growers noted most crops were in good shape and volume would be solid, with a few exceptions.

A freeze wiped out commercial levels of apricots and cherries on Colorado's Western Slope this year, but it spared later-blooming apples, pears and peaches. The state's primary orchard production is centered in Colorado's Delta, Mesa and Montrose counties in the west central area of the state. The season begins in mid-June when cherries are harvested. Customers throughout the United States anxiously await the harvest of peaches, apples, pears, plums and apricots.

Commercial volume of apricots is "a no-show this year," according to Charlie Talbott, president of Talbott Farms Inc., based in Palisade, CO. Conversely, he expects about 85 percent of the normal peach crop — in spite of spring temperatures, dropping as low as

10 degrees.

Richard Kinser, manager of Rogers Mesa Fruit Co. Inc., located in Hotchkiss, CO, reports wine grapes, apples and pears will be at normal volumes. In south central Colorado, cantaloupes and watermelons began shipments in late July. The Arkansas Valley preserves its reputation for its legendary Rocky Ford cantaloupes.

Sellers say universal regard will maintain the popularity of Colorado fruit, intensified by the locally grown popularity trend. Producers and distributors agree the high altitude at which the fruit grows makes it

taste better. While in recent years, other regions of the country have focused on bringing back the lost flavor in stone fruit, western Colorado orchard owners claim they have always maintained a practice of not harvesting fruit before reaching its flavor peak.

POTATOES AND ONIONS STILL LEAD VOLUME

While fruit provides a popular niche, potatoes and onions are two of the state's leading vegetable crops. Yet, they are only the beginning of the offerings. Carrots,

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Reader Service # 25

What's New

Martin Produce Co., Greeley, CO: As the company commemorates its 70th year of operation, it has made a significant adjustment in Zabka Farms, its growing operations. The organization has discontinued its transplant onion-growing and harvest program, according to vice president Chuck Bird. The crop from Colorado normally begins shipment during an earlier market window in late July, prior to the direct-seeded, storage onion crop's availability. "We still will have plenty of seed onion supplies for our customers, starting in August," Bird emphasizes. "And we began shipping potatoes the first part of August."

The Martin Produce potato crop is produced for the fresh market and is shipped through Labor Day. Center, CO-based Canon Potato Co. Inc., where storage potato volume overlaps with the early crop and provides a year-round spud supply for its customers, is in charge of selling the crop.

All onions and potatoes are now packed from Martin's Greeley packinghouse. What was formerly its onion packing and storage shed, located in Peckham in northern Colorado, is now being utilized by Brighton-based vegetable and greens grower-shipper David Petrocco Farms Inc.

Griffin-Holder Inc., Rocky Ford, CO: This well-established, year-round onion packing and marketing organization is being acquired by Raleigh, NC-based L & M Companies Inc. Details of the transaction have yet to be finalized, notes Mike McGee, vice president of production and grower development at L & M. McGee believes Griffin-Holder's operations provide a "good fit" for L&M's expanding onion customer base. Griffin-Holder's holdings had included packing operations in the Greeley and Rocky Ford regions, as well as the Imperial Valley of southern California. Griffin-Holder's owner and president is Justin Ensor.

sweet corn, beans, squash, mixed greens, cabbage, lettuce and broccoli are also harvested and shipped.

Colorado farmers have been producing potatoes for over 140 years, according to Jim Ehrlich, executive director of the Monte Vista-based Colorado Potato Administrative Committee. Approximately 59,000 acres of potatoes are produced in Colorado. The northeastern section of the state produces a summer crop, while the San Luis Valley in southern Colorado produces a fall storage

Sakata Farms Inc., Brighton, CO: The locally grown popularity has resulted in this firm's recommitment to its diverse line of Colorado produce, according to vice president, R.T. Sakata. Growers of onions, sweet corn, cabbage and broccoli, the company had seriously considered the option of eliminating broccoli from its mix for various reasons, including mounting production and distribution costs along with labor and water concerns. "However, our local retailers approached us and strongly encouraged us to continue growing it," Sakata reports, emphasizing the locally grown trend has increased demand for all of the company's primary commodities, in addition to broccoli.

North Weld Produce Co., Greeley, CO: Celebrating its 45th year in business, the company continues its emphasis on a more traditional measure to maintain the quality that president Dennis Hoshiko believes is a step above his competitors.

Unlike virtually all direct-seeded onion growers, North Weld still harvests the majority of its onion crop by hand. "Our clientele appreciates the higher quality and longer shelf life that hand-harvested onions are known for, and we are pleased to be able to provide jobs for more people by doing so," Hoshiko notes.

Fagerberg Produce Inc., Eaton, CO: Answering increasing demand from both the retail and foodservice sectors, the company is installing a robotic palletizer to its packing operation, according to sales manager, Alan Kinoshita. "It takes the bags and puts them on a pallet mechanically and wraps them automatically," he explains. "It reduces some labor and increases efficiency." Another robotic palletizer may be added at the packinghouse in the near future, Kinoshita adds. Fagerberg ships onions throughout the country and specializes in a full line of consumer packs. **pb**

crop harvested in September.

The 2007 potato crop was valued at \$182 million, making it one of Colorado's leading agricultural industries, reports Tim Larsen, senior international marketing specialist for the CDA. Colorado ranks second in fresh market production nationwide.

Onions are Colorado's second leading crop. "The onion fields are looking good, even though we've had a lot of weed pressure because of all the moisture," notes R.T. Sakata, vice president of Sakata Farms Inc.,

Brighton, CO. "Overall, we're just thankful for the moisture."

Chuck Bird, vice president of Greeley, CO-based Martin Produce Co., agrees. Although the company discontinued its transplant onion growing this year, it continues to market its seeded onion crop and handles onion packing and distribution for other growers. "We have our supplies committed for our onions and potatoes," he says, adding early demand has been strong.

Colorado's dry climate yields high-quality onions and potatoes to supply the United States and export markets nearly year-round, thanks to in-field curing and modern storage facilities. Most of the onions are grown north and east of Denver, with some in the Arkansas Valley in the southern part of the state and on the Western Slope.

COLORADO'S EXPANDING ORGANIC AND SPECIALTY SECTORS

According to CDA's Tim Larsen, in 1989, the CDA was the first state agency to begin a certification program for organic farmers. "Since then, some farmers, ranchers and processors are choosing organic production and processing to differentiate their products and seek greater farm revenues."

According to the USDA report on national organic certification statistics, Colorado's organic industry consists of more than 270 certified organic farms and ranches with more organic certified acres — over 580,000

Popularity With Receivers

deal Sales Inc., located in Dallas, TX, buys a wide variety of fruits and vegetables from Colorado. Potatoes and onions are among its highest-volume procurements, according to sales associate, Pam Dunning. "Colorado's dry climate helps onions and potatoes cure in the fields and makes the storage crops perfect for shipments through most of the year," she emphasizes.

Ray Keegan, an owner of American Produce LLC, in Denver, CO, appreciates the attributes of Colorado produce, which helps him supply his retail and foodservice customer base. Safeway, King Soopers, Albertsons, Super K-Mart and various Hispanic markets are among his key retail customers. "Colorado vegetables have more flavor; they keep their freshness longer; and the quality is great," he asserts.

pb

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Colorado Proud Celebrates 10th Anniversary

The expanding popularity of locally grown produce has provided the perfect backdrop for a special milestone of the Colorado Proud program as it celebrates its 10th anniversary. Colorado Proud, which is administered under the umbrella of the Lakewood, CO-based Colorado Department of Agriculture's (CDA) markets division, was created by the CDA in 1999 and promotes locally grown, raised and processed products statewide. Currently, the program has more than 1,000 members that include growers, processors, restaurants, retailers and associations.

The state's governor has officially proclaimed August as Colorado Proud Month. "There are a number of events scheduled to help celebrate our anniversary, including Feast in the Field and a Harvest Feast," announces Wendy White, CDA marketing specialist. Feast in the Field, slated for August 17, will feature all Colorado products at the Colorado Chefs Association monthly meeting. "We are expecting 150 chefs to attend, so this is a great opportunity to showcase Colorado agriculture to our foodservice friends. Companies will be paired with chefs to create a unique dish using local products."

The Colorado Dueling Cooks Challenge with take place on August 30 at the Colorado State Fair in Pueblo. "Professional chefs will be partnered with home cooks to prepare an all-Colorado meal in just one hour," White explains.

On October 10, the Governor's Residence is hosting a Colorado Harvest Fest Farmers' Market "to celebrate Colorado's bounty," White continues. "Vendors are invited to participate free of charge. Products sold at the event must be grown, raised or processed in Colorado."

"We also take August as an opportunity to encourage Colorado residents to participate in an 'Eat Local' challenge by eating foods that are only grown, raised or processed in the state."

Other events continue to draw attention to Colorado-grown products. The Colorado Proud television advertising campaign began in July and continues into the fall. The television ads encourage consumers to look for the Colorado Proud logo and support local producers. This year's campaign features a new advertising creative. Major retail chains, including Safeway, King Soopers, and Wal-Mart have taken advantage of the Colorado Proud program to promote locally grown produce with in-store displays. Safeway displays feature photographs of local growers in the field or packing operations, along with background information about the grower-shippers.

"People are becoming more aware of where their food is coming from, and they want to have an interest in what their local area has to offer," says White. "The average food item on your dinner plate has traveled somewhere between 1,200 to 1,500 miles, causing a large part of your food dollar to go toward transportation costs," she adds.

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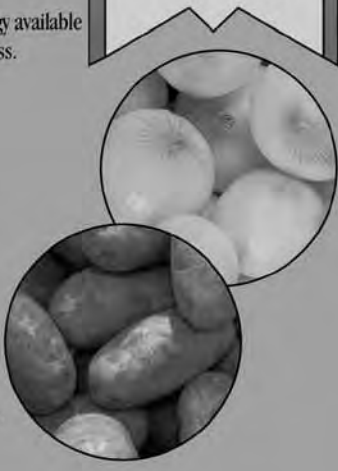
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"The average food item on your dinner plate has traveled somewhere between 1,200 to 1,500 miles, causing a large part of your food dollar to go toward transportation costs."

— Wendy White
Colorado Department of Agriculture

— than any other state, a figure that represents 25 percent of the total certified organic acreage in the United States. Of that acreage, 45 farms utilize 10,700 acres for vegetable production, placing Colorado third in the nation for organic vegetable acreage. CDA statistics also report that 30 farms produce organic fruit on over 550 acres. Additionally, Colorado has over 60 food processors that are producing some or all of their

"Reducing the distance food travels from production to consumption also reduces its carbon footprint."

"Eating locally not only helps keep the cost of food down because it doesn't have far to travel, but it also encourages the production of superior ingredients while benefiting the environment," according to Elizabeth Williams, manager at Highland's Garden Café in Denver.

"August is the perfect time to buy local products," stresses CDA's White. "Buying products with the Colorado Proud logo shows our commitment to Colorado farmers who are hard at work providing us with safe, fresh and abundant food."

White reiterates Colorado produce helps the state in numerous ways, "Locally grown, raised and processed products are vital to the state's economy, and buying these products helps the state's farmers and ranchers. Colorado's agricultural industry strengthens the state's economy, benefiting the state now and in the future."

The program's website, provides recipes, fact sheets and produce tips. The Department's Annual Farmers' Market Directory is also celebrating an anniversary. "We are excited about the 25th Anniversary edition of the Colorado Farm Fresh Directory," says White. "This year's directory is the biggest ever, listing more than 240 farms, ranches, roadside stands, u-picks and agri-tourism operations, as well as 110 farmers' markets across the state."

In addition to listing farms, ranches and farmers' markets, the free directory features information on county fairs, food and agricultural festivals, recipes and tips for picking Colorado produce. Farm Fresh also includes farms that offer tours, wineries, corn mazes, pumpkin patches, farm and ranch vacations and a crop calendar. The 2009 Colorado Farm Fresh Directory is available for free at participating libraries, chambers of commerce, welcome centers, visitor centers, CSU Extension offices and other businesses.

Receiving a big boost for marketing outside the state, the Colorado Department of Agriculture Markets Division was awarded more than \$40,000 from the U.S. Department of Agriculture Specialty Crops Grant Program for a Colorado pavilion at the Produce Marketing Association's Fresh Summit trade show. While several Colorado producers and distributors participated in the first-ever Colorado pavilion at the 2008 show in Orlando, FL, the full-scale pavilion will be expanded for the 2009 PMA trade show in Anaheim, CA.

Highlighting some of the strongest benefits of the Colorado Pavilion, Tim Larsen, senior international marketing specialist for the CDA, notes, "The Colorado pavilion is a large exhibition area where the Colorado produce industry can share common spaces at trade shows. We will be able to promote Colorado's produce on the U.S. level, as well as internationally."

pb



Ryan, Alan and Lynn Fagerberg



Colorado Onion Association Board of Directors includes, from left, Joe Petrocco, Robert Jensen, Wayne Stewart, Harry Strohauser, Glen Fritzler, Dennis Hoshiko, Brent Hines, R.T. Sakata, Randy Knutson and Duane Homewood.

food products under organic certification regulations.

With a lineup that includes several Fingerling potatoes, LaSalle, CO-based Strohauser Farms Inc. has seen phenomenal growth in its organic specialty produce. Harry Strohauser, president and owner, maintains the increase of consumers eating at home has increased demand for flavorful, new items, both organic and conventional. He has increased his specialty acreage by 15 percent this year.

Tanya Fell, director of marketing and retail relations at Strohauser, explains, "Our organic and conventional fingerling potatoes are smaller in size, which makes them convenient, flavorful and versatile."

One of the oldest organic farms in Colorado is Grant Family Farms Inc, in Wellington, CO. President Andy Grant reports he has added more than 50 specialty vegetables to his mix this year, mostly for the farm's Community Supported Agriculture (CSA) members, who pre-pay a monthly fee and receive a weekly box of fruit and vegetables for 26 weeks. Grant Farms' 2,200 acres include chard, collard greens, onions, cilantro, parsley, dill, leeks, kale, heirloom tomatoes, winter squash, beets, carrots and many other kinds of produce.

pb

Selling Produce In A Melting Pot

How one Cincinnati retailer serves a diverse neighborhood.

BY E. SHAUNN ALDERMAN

Call it picturesque, artsy, quaint, historic and collegiate and you practically will paint a picture of Clifton, Ohio, a village-like neighborhood about three miles north of downtown Cincinnati.

The pedestrian-friendly Gaslight District, which includes Ludlow Avenue, offers independent shops, a marquee-fronted film theatre and a handful of eateries featuring international fares such as Chinese, Italian, Thai, Indian and Mediterranean.

The melting pot neighborhood also embraces The University of Cincinnati and boasts several medical facilities and buildings filled with hurried employees. On the sidewalks, you may see Vietnam veterans, mothers with strollers, young professionals, old hippies, students, professors and retirees. Many ethnic and racial groups are represented and one element they have in common is that they all eat fruits and vegetables.

Keller's IGA, an independent grocery store located at 319 Ludlow Avenue, has served Clifton in its present location since 1939. There were two previous locations, with the original store opening as a grocery and meat market in downtown Cincinnati in the early 1930s.

The 30,000-square-foot store features a 1,700-square-foot produce department to the left of the store's entrance. Managed by four full-time employees and one part-time employee, the produce department also manages the commanding salad bar, with one full-time and a one part-time employee. Approximately 450 produce items are carried and the only significant change with this number occurred in November 2007, when the produce department experienced a major renovation. The pre-cut and bagged salad items increased by 20 or 30 SKUs, according to Joe Paff, produce manager.

The renovation was encouraged by Crosset Co. LLC, an Independence, KY-based service wholesaler owned by Castellini Co. LLC in Wilder, KY. Crosset manages produce procurement and direct store deliveries. In that time of encouragement, Bob Lummis, Crosset Company's sales manager, nudged Keller's to step up its organic offerings. He believed the diverse community would make it practical to increase the organic volume and felt the profits would support his prediction.

Paff, who has been with Keller's for 30 years, is seeing an increased interest in organic produce, but contends display space is a restriction. "The quality has gotten better and a lot of people come for some of it, but price is still a factor. We just don't have the room to have a full complement of both organic and conventional. But we try to accommodate special requests when possible." Organic items available include broccoli, carrots, celery and apples.

WELCOMING SHOPPERS

Subtle, but distinct, overhead lighting sets a welcoming tone to the produce department and distinctly segregates produce from the rest of the



Keller's IGA underwent a major renovation in 2007 and now offers about 450 produce items.

store. There is nearly a café feel to the department as shoppers stroll by wooden display tables positioned at the entrance.

Brian Noschang, a Crosset Company employee, works full time stocking and merchandising produce items and related products sold in the produce department. He answers questions and directs customers throughout the day.

Along the left entrance wall are shelved cold cases featuring tofu, polenta, hummus, and vegetarian products. Chilled salad dressings are plentiful and Paff contends customers are continually supportive of Ohio-based Marzetti products, dressings and dips.

Automatic misters keep items hydrated in the refrigerated cases. Hanging scales are strategically placed throughout the department making it convenient for shoppers to weigh purchases themselves. Centered in the department, shoppers will find baskets of potatoes, bananas surrounding a box of loose California Medjool dates, four different kinds of pears and other fruits such as cantaloupes, strawberries and pineapples.

Packaged herbs are sought and well-liked by Keller's shoppers. "Thirty years ago the fresh herb was parsley," sites Paff, who has enjoyed seeing the expansion of The Herbal Garden line of fresh, packaged herbs. The Herbal Garden is based in Wauconda, IL. He indicates branded produce runs about 50 percent or a little less and some of the brands featured include Dole products, Sunkist citrus and Washington State apples.

When asked about offering loose mushrooms, Paff explains, "We want to make it easy for people to choose one — or six — if that's what they want. Bulk can mean convenience. A package of mushrooms does not mean convenience for someone who wants to buy just a few to stuff," Paff contends. The substantial mushroom display is positioned on the 40-foot, three-shelved wall case where items are merchandised from knee- to eye-high.

CROSS MERCHANDISING

From product placement to signage, Keller's produce department is merchandised with customer convenience and ease.



For example, tomatoes are cross-merchandised with avocados and onions. Apple displays include caramel and chocolate dips and fresh-shelled nuts. Paff says the fresh bulk peanuts sold in open half-barrels are popular and customers appreciate the old-time feel of being able to scoop their own.

SALAD BAR CITY

Twenty-five years ago, Keller's premiered a salad bar on a four-by-eight produce ice-bed table. The humble, but admirable attempt proved to be a profitable effort and worthy of more items, space and attention. Today's 51-item salad bar measures four-by-twelve and heavily draws customers between 11:00 am and 1:00 pm for lunch and from 4:00 to 7:00 pm for dinner. All fresh-cut fruits and vegetables are prepared on-site and chilled, prepared items, such as potato and chicken salads, are prepared off-site.

Paff and staff members watch customer buying trends and monitor varying tastes. Lunchtime salads seem to be purchased as the lunch meal, but Paff notes based on late afternoon and early evening purchases, the items sold appear to be meal enhancements. His one surprise — garbanzo beans! Paff has never even eaten the salad bar favorite himself, but he knows to keep a steady supply of them available for his melting pot customers.

OFFERING CHILLED JUICES

Keeping hurried customers in mind, the chilled juices are displayed close to the mammoth salad bar. Single servings are offered, as well as larger size juices for families. Paff reports students often pop in to the



store on their way to classes and pick up single-serve juice bottles. Odwalla, Bolthouse and Pom Wonderful juices are popular brands, but other brands are available as well. "The juice category could easily expand to be one-third more in size," explains Paff, who has enthusiastically watched the category strengthen in the past few years.

Tucked in among the juices are a few clamshells of fresh-cut fruit, such as berry combos and chunk-cut cantaloupes, prepared on-site. Though the display is insignificant, Paff says the sales are strong and he believes the labor-intensive items have proven themselves worthy of more attention in the future.

BLOOMING PRESENCE

Front tables displaying potted plants and rosemary cones are enhanced by an overhead line of hanging, flowering baskets. Seasons influence floral material throughout the year and the tables may be double-stocked during major holidays. The store's floral offering also includes a refrigerated bouquet case positioned as an end-cap on a grocery aisle. Paff says floral deliveries arrive as standing orders coordinated by the Crosset Company.

ANTICIPATION FOR REGIONAL PRODUCTS

Local tomatoes, grown about 25 minutes south of the store, are the big summer hit item. Paff admits customers start asking for the local tomatoes about two months too early every year. Available beginning around the Fourth of July, the tomatoes are independently purchased by Paff. Cantaloupes and watermelon grown in nearby Indiana and trucked directly to the store are additional summer products promoted as locally grown that have a loyal following among Keller's customers. Other summer products promoted as regionally grown include Ohio-grown green beans, cucumbers, radishes and bi-color sweet corn.

Related to promoting regional produce



Keller's IGA makes a concerted effort to merchandize items for its varied clientele.



Keller's salad bar is managed by one full-time employee and one part-time employee.

items throughout the year in the weekly insert coordinated by Minneapolis, MN-based Nash Finch Co., Paff has to deal with frustrated customers when weather problems cause changes in production and scheduled deliveries. "Being too regional can backfire sometimes, such as when we promote California strawberries or Georgia peaches." Paff calmly reassures eager customers who come in looking for regional specialties that weather problems can cause delays and the sales flyer can't predict the weather. Promotions are seen on the store's Web site, in the weekly insert and with in-store signage.

PRICING PHILOSOPHY

In 1979, weekly produce sales ran about \$9,800, according to Paff. Today, weekly produce sales average \$28,000, with Keller's IGA showing about \$1.5 million in annual produce sales.

Paff says the store's pricing philosophy is based on suggested retail prices set by wholesale food distributor Nash Finch and Crosset Co. When needed, there is a little flexibility that can be initiated. For example, when early cherries are heavily advertised and sold as a loss-leader by a major local competitor, Paff has to answer to his customers who want to know why Keller's is not selling cherries for \$2.99- or \$3.99-per-pound. He admits it's not easy to explain that if he offered the early-season cherries, he would have to sell them at the suggested price of \$7.49 per pound. Paff holds his breath a little while, offers explanations and then eventually takes the leap to serve his customers. Thirty years in the same produce department have taught Paff that loss is part of the journey to profit and that thoughtfully serving customers keeps them coming back to Keller's IGA. **pb**

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Food Safety and the Environment: A Delicate Balancing Act

*Sunday, October 4
9:15 a.m. – 10:45 a.m.*

We all know how important it is to be diligent about food safety, but the pressures to be "green" are equally intense. In this session, we will explore solutions that find the balance between food safety and the environment. You will learn strategies that are mutually beneficial for achieving your goals with both issues.



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A Further Look At Traceability (Part II of II)

As the industry moves closer to understanding and applying case-ready traceability, discussion of the tools to create data standardization and bar code verification are just beginning.

BY MEREDITH AUERBACH

In Part I of our PTI investigation (in the July, 2009, issue), we explored how companies large and small can begin to implement PTI standards.

Part II of the report explores the challenges and tools that continue to emerge. FDA is applying pressure with strict timelines and buyers' demands are advancing.

Until PTI is fully implemented, companies are not fully case-traceable, as receivers are not yet reading or storing incoming case data.

Once a case of fresh produce is labeled with a GS1-compliant Global Trade Identification Number (GTIN), a virtual library of information is made available on a case-by-case basis: producer or brand owner, product, variety, growing practices, pack and case style. Combined with a lot number and harvest date, the case is then ready to move on to the next step in the supply chain.

Exactly where that case arrives and what happens next — well, the possibilities are endless. Will it be sent to a processor to be combined with cases of other produce and transform into a completely different product whose entire history must be represented by a new set of codes? Will it move as part

of a pallet of comparable cases to a grocery retailer's distribution center where it may be received, inspected, accepted and moved to a cooler rack before being pulled and restacked as part of a new pallet that goes to an individual store?

At each step, the volume and pace of movement increase incrementally. It is critical to have methods to assign, capture, record, organize, store and share the growing amounts of data in an industry where speed and accuracy often mean safety, quality and freshness.

"We encourage companies to get involved early, provide education, network intensively with peers and implement the steps one-by-one as the harvest season approaches, probably working three months out," advises Steve Arens, senior director of industry development for GS1-US, based in Lawrenceville, NJ. "Our job is to be the manager of the standard selected. The manner in which individual companies implement the standard is not our call. The industry must remain aware the government is observing how the process is progressing. Over time, the challenge will be small to medium-sized packers who are unaware or who are waiting to see if this will be the way things are done."

TRACEABILITY TOOLS AND APPLICATIONS

A number of traceability solution providers point to a concept called Auto Identification and Data Capture, or AIDC, for case-level data collection and a system to receive and communicate this information to users through Web-based portals managed by a third party.

"We look at the whole process of supply chain movement, starting at field-level," says Jeff Tazeelaar, product manager for Lowry Computer Products, based in Brighton, MI. "We work to match the technology to the needs of the business group. That said, there is a significant learning curve, and some parts of agriculture have traditionally been tech-averse. As a result, our AIDC solution, Secure Visi-



Case-ready traceability is still in its infancy.

Photo courtesy of Yottamark

Conflicting Opinions

bility Track and Trace, is turnkey, starting with label manufacturing, use of top-quality Zebra OEM printers, Motorola handheld scanners and Microsoft platform software to ensure complete and compatible data capture. Reporting is Web-based with controlled access for all users," he concludes. The foundation of the program is an integrated inventory control system.

"The larger the entity, the more it will have to invest in automation and infrastructure to make the data collection and reporting process more efficient," says Rafi Pilosoph, vice president of sales and marketing for ImageID Ltd. a worldwide Supply Chain Traceability (SCT) provider based in Hod-Hasharon, Israel. "We have developed the Visidot system as a rapid, image-based AIDC with a large viewing field, enabling accurate detection of tags and labels regardless of their location or orientation — even on pallets in motion. Pallets, or cases, pass by Visidot readers and the data captured is uploaded to the portal and can be integrated with other ERP systems." Pilosoph continues, "We can read standard 1-D barcodes or 2-D Data Matrix. Existing handheld scanners are compatible with the system, and it can accept input from any other AIDC devices such as scanners, imagers, RFID, smart cameras and cell phone cameras."

Hardware and software applications, such as the Visidot, become essential to retailers and distributors due to sheer vol-

Not everyone believes that the GS1 standard of codes is the best choice, largely because of cost and the need for infrastructure. Joe Farmer, president of Trace Produce, based in Nyssa, OR, and an onion grower/shipper for Fort Boise Produce of Parma, ID, says, "We will comply with PTI, but our preference would be to use USDAPLI, or USDA Positive Lot ID, which is a number, not a barcode, that includes the producer's state identification

code, lot number and Julian date of shipment. These codes have been used for years, especially for Federal Marketing Orders where an inspection at point of shipping is mandatory, and traced through to the consumer. We view the costs involved in other standards as a big problem." Trace Produce has developed a software package that includes the USDAPLI codes on 50-pound bags of onions to be used in addition to GS1 codes. **pb**

ume. What's more, software programs are the first — and arguably most integral — step in data synchronization, which enables full traceability. It's a daunting challenge to maintain an up-to-date, yet ever-changing database of approved products as they flow through distribution centers en route to individual retail stores. If the database is not fully updated in real time to include any special requests, pack changes or substitutions, traceability and the ability to inspect product quality will be hindered.

The transition of single-product pallets into mixed pallets that match individual store orders depends on the accurate retrieval and recording of case information

as they are assembled into pallets leaving the distribution center. In spite of FDA preferences, it seems unlikely individual records can or will be held at store-level. While stores retain order records and the occasional arrival records, retailers do not have the staff, space, scanning equipment or IT requirements to complete this in a traceable fashion.

Part of the tsunami wave of movement, visible trace-back, is the necessity of pinning down a primary standard of recording to minimize the prevalence of individual, unique systems or requirements originating with single commodities, not to mention the demands of individual retailers and other

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LABELS, LABELS, LABELS

For the foreseeable future, some sort of label will act as the vehicle to carry data, be it numerical or coded information. An image-capture method of data collection relies on precise labels. Companies such as ImageID or Lowry Computer Products incorporate label production into their systems and focus on the external case or RPC.

Others look to bring traceability to the consumer level via labels that go beyond PLU or DataBars on individual packages. "What we bring to the table is a system to produce real-time, on-demand, ink-jet printed labels for consumer packages with a unique serial number, which includes grower, field and Julian date of harvest, reports says Sam Sleiman, co-owner of Accu-Label Inc., based in Leamington, Ontario. "It is customized automation for agriculture."

To illustrate how far the label development process has matured, Tim Lydell, CEO of Label Vision Systems Inc., headquartered in Peachtree City, GA, reveals, "We supply vision inspection systems that determine the quality of the printed image, verifying all levels of barcodes meet ISO Print Quality Standards. That's an important part of the

process, because traceability depends on being able to read the code in subsequent steps of the supply chain. If you can't read the code, the traceability system fails."

Thus, bar code verifiers become another piece of the traceability puzzle and take their place in the line of new knowledge and practice the produce industry must rapidly acquire. Lydell adds, "Full traceability systems consist of software, printers, scanners and readers, barcode verifiers and other devices that control the movement of product from field to retail store."

Despite solution provider assistance, individual grower/shipper/packers must understand the environmental conditions — dust, heat, cold, humidity, water and available power — that will influence the success of a labeling program. There's also the need to train workers to use sensitive hardware and software.

CONTINUING EDUCATION

Keeping all sides of the industry on the same page throughout the long process of implementing traceability calls for dedicated efforts in the areas of education and communication. ImageID's Pilosoph identifies three crucial areas to successful implementation, "Because food safety is a critical

aspect of public safety, it needs to be backed by law and regulation, properly defined and enforced. Standardization is needed to ensure all entities communicate in the same 'language' to achieve full traceability across the supply chain. Finally, communication is

"Standardization is needed to ensure all entities communicate in the same 'language' to achieve full traceability across the supply chain."

**— Rafi Pilosoph
ImageID Ltd.**



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needed to educate the public about the benefits consumers can obtain from having access to traceability information."

Supplier adoption will happen faster if all retailers commit to only buy from vendors — global, national, regional or local — with traceable products. When these pieces are implemented, the industry will have a marketing tool they can use with the public. But until product can be traced all the way to the field, marketing traceability as a reason to buy is moot.

Dan Vache, vice president of supply chain management for Washington, D.C.-based United Fresh Produce Association, believes, "There's plenty of business benefits for all entities once we have full traceability in place, from targeted efforts to reduce shrink, to research that provides a better understanding of consumer consumption and buying patterns. For right now, however, our efforts are focused on getting case-level traceability in place across the entire industry."

Despite all the cautions, the produce industry is slowly progressing as it marches forward toward traceability compliance. GS1-US' Arens commends the industry, "Other perishables groups are closely watching PTI and consider the produce initiative to be an excellent model."

pb

Change Comes To Chicago

Buoyed by a strong ethnic market and a proliferation of independent grocers, the Chicago produce market continues to power through.

BY MIKE DUFF

Life In The Windy City

Chicago remains a dynamic city and one that likes to eat, although what that means is changing as residents balance a traditional fondness for steak and sausage with an increasing interest in more healthful fare, including farm fresh fruits and vegetables. Still, the recession is prompting consumers to adopt new eating habits.

Consumers are looking for bargains in restaurant meals, yet many are sticking to better eating habits, despite the economic downturn. "Chicago has everything and does it well," says Dave Watson, president of Strube Celery & Vegetable Co., based at the Chicago International Produce Market in Chicago, IL. "I think the abundance — the proliferation of produce — is being used on the restaurant side of the business."

The recession also has promoted more eating at home, with many Chicagoans signing up for cooking classes, including those put on by Judith Dunbar Hines, director of culinary arts and events for Chicago's Department of Cultural Affairs. Even Chicagoans not taking lessons are interested in applying what they've learned about food from restaurants and on televised cooking shows. Those home cooks have the advantage of value promotions coming from big and small food retailers, and of an available food variety that is being driven by a proliferation of ethnic and gourmet independent grocers throughout the region.

The 2008 U.S. Census Bureau estimate of the Chicago population put the total at 2.84 million, down slightly from 2.9 million in 2000. Chicago household and family sizes come in above average in the United States at 2.64 versus 2.6 and 3.54 versus 3.19, respectively. In terms of education, while it is below average with regard to high school graduates, at 77.5 percent in Chicago versus 84 percent nationwide, it comes in ahead in terms of people holding a bachelor's degree at 29.4 percent versus 27 percent. Chicago median household income is \$44,473, compared with \$50,007 for the United States.

Regarding ethnicity, the Census Bureau records Chicago's population as just under 38 percent white, 35 percent black, five percent Asian and Native Americans and Hawaiian/Pacific Islanders at less than one percent combined. A bit under 21 percent of the population is characterized as "other" race and a little under two percent as two or more races. The Hispanic or Latino population, which the Census Bureau considers separately, is just over 28 percent.

Chicago's population is about 30 percent of the metropolitan area total, as defined by the city's Metropolitan Agency for Planning. Chicagoland, as the metropolitan area is often called, has a population of about 9.59 million stretching from nearby Wisconsin to the Indiana line and beyond to Gary, IN. The metropolitan area was the seventh fastest growing in the United States, adding about 73,000 people, between July 2007 and the same month in 2008, the agency reports.



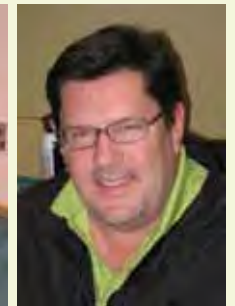
Sunset Food Mart caters to its upscale, health-conscious clientele with plenty of grab-and-go options.



Fred Plotsky, Cool Runnings



Mike Patton, Tom Lange Co. Inc.



Dave Watson, Strube Celery & Vegetable Co.



The team at Eclipse Produce Inc.

The produce industry in Chicago is going through a rough patch with the recession, and, although the impact varies from mild to severe, all the players find themselves reacting to the economy. However, apart from the economy, the produce industry is evolving independently of the business cycle. According to Watson, "From an economic standpoint, we're feeling the downturn on the demand side for certain products. We're doing everything we can to keep up business. We're changing gears to keep up with the demand.

Fruit sales are well ahead of last year, but we're seeing a downtick in vegetables."

New Opportunities

Although Watson reports Strube has managed to adjust to conditions and effectively maintain its business, he predicts that more mergers, partnerships and strategic alliances will emerge from the recession. In the meantime, he is on the lookout for new opportunities. "We're continuing to grow into different markets outside Chicago as well as inside," he explains. "We're continuing to offer a broader

line of products in the Hispanic category."

Strube has been enhancing services for core customers, doing more store-door delivery and merchandising support, and has continued to expand organics, as well as Latino-oriented items. The company also is growing its tomato category with the Nation Fresh membership network.

Being able to provide customers with additional support is critical as they are more likely to select a smaller number of suppliers who can do more for them as their circumstances

OPPORTUNITIES WITH ORGANICS

Robert Scaman, Jr., president of organic distributor Goodness Greeness Inc., based in Chicago, IL, maintains the recession has encouraged people to rethink their priorities, which has long-term potential benefits for produce companies, including natural food sellers who may see some consumers trade down away from their products in the soft economy, but some may trade up as well. "People are getting back to raw ingredients and cooking at home again," he says.

In fact, although some business may be shifting around, Scaman reports Goodness Greeness has enjoyed a fair stability overall. "Everyone expected this year to be terrible, but that has not turned out to be the case."

The retailers Goodness Greeness supplies are focusing their organic assortments around specific price points more than ever, with more aggressive promotions occurring as price points fall. Still, with less economic volatility, conditions have improved. "Looking back at the past couple of years, people have tended to have knee-jerk reactions, cutting back on selection," Scaman said. "Now, retailers have been maintaining a steady hand."

Retail isn't the only growth sector for organics. Kenosha, WI-based Cool Runnings' president, Fred Plotsky, notes his company has been gaining with foodservice-oriented customers of his freight firm. "Over the years, we've seen people moving away from the regular apple, and the receiver now will go to organic Red Delicious. We've seen organics go from a couple of partial pallets to half-loads to full loads," he remarks.

Still, while some may be addressing a level of organic growth that affords an opportunity, for others in the Chicago produce business, the change works out to be more incremental. Ed Romanelli, vice president of sales for Agrow Fresh Produce, located in Chicago, IL, maintains organics, while growing, is not as big an influence on the part of the market he services. "It depends on how you look at the rate of growth. If you look at it overall, going from half a case to a case is huge growth in percentage terms. But, if you look at it on a tonnage basis, it's not big growth," he explains.

For Goodness Greeness, retail consolidation in

the late '90s and early 2000s wound up boosting independents that help drive its market and the momentum snowballed. As new retailers expanded into the Chicago area, including Super Target and Meijer, they shook up the market, winning customers for themselves, but helping change the retail structure and opening up opportunities. "A huge number of independents burst into the neighborhoods," reports Scaman. "It allowed entrepreneurs to kick-start their businesses and, in turn, what was one or two stores has changed into six or eight or 10. Those stores are nimble competitors. It turned out to be a healthy time for just about everybody."

Although organic generally has been a supply-side driven business, Scaman points out circumstances have changed as availability has gained and prices have dropped. While demand has been there, prices today provide access to people who didn't feel they could previously afford organics. While the pressure to save money during the recession is a factor that plays into the market, Scaman notes the revival of cooking and pressure on organics prices due to additional supply counters that weight. "People are going back into the kitchen and cooking and picking up what they consider exotic or experimental ingredients. Independents are doing well focusing on niche markets, and that has been extremely good for us," he explains. We're finding, for example, in the Hispanic community — not regarded as typical organic — the first generation has gotten people through the universities. When they go back to their communities, they are comfortable shopping and asking for organics."

More parallel pricing with conventional produce provides access to a larger number of markets than was the case in the past because independent retailers particularly don't look at consumers of organic goods and ethnic items as separate groups. "They know it's not ethnicity, but education," says Scaman. "Once that's developed, they trade by having a good mix of organic products. They know they can count on the purchasing patterns being similar despite ethnic backgrounds."

While participants in the Chicago produce industry generally contend varieties are not a strong driver of sales right now, Scaman believes

they have been making some headway on the organic end. "It's important in certain high-end places where they are able to have multiple varieties of heirloom tomatoes or melons."

In more mainstream markets, the consumer may ask for new varieties, but many stores have trouble driving those products through the cash register, according to Scaman. "So it's not growing, but it is an opportunity for some markets to differentiate themselves from others. I believe more markets are making room for those commodities, but making them work at the retail shelf — that's a major difference."

Scaman points out the real issue isn't varieties per se, but providing customers with something unique and interesting that will generate regular return visits. Thus, retailers must ensure varieties not only appear attractive, but eat well, too. "They have to educate the staff on how to properly handle them. The industry has gotten more nimble in the last 10 years and brought varieties into being, but being able to market them is another thing"

Scaman contends more retail consciousness of fresh food and fresh produce in particular has helped to shift organic food from confinement to the specialty store sector to broad availability. "For someone in my chair, that's great," he said. "We've been accepted."

Moreover, Scaman believes the organic business must continue to scale up to make distribution more economical and product price and quality competitive with conventional produce, which in combination, drives acceptance with retailers and, through them, consumers. "I remember when everybody had an organic section in four feet of space," recalls Scaman. "People would have to walk by the whole produce section as if they had blinders on to get to it. Consumers are not interested in having product that's isolated and not well maintained. Retailers see they can have the sales with increased care. Selling the last two pieces of fruit in the section is not an issue anymore because the organic spaces are always full. Consumer demand is responsible. As people in retail have had success, there comes enthusiasm. Organics have been a driving force in Chicago for some time."

pb

become increasingly demanding. "People don't have time to go to more than one or two places now," Strube's Watson notes. "If you are going to be one of those, you have to provide one voice and an ethical approach, fair trade, everything they need. We treat people fairly, provide good customer service from apples to oranges to tomatoes to onions, and Hispanic products as well. We have a business relationship with Albert's Organic. We're the company's exclusive distributor in Chicago. In some parts of the Midwest, we work with Naturipe and we're growing that category as well."

Watson notes the market in Hispanic produce affords new opportunities. "You have enormous demand for Hispanic products from the Latino community, which is 27 or 28 percent of the base here, but you also have Anglo-Americans learning to eat Hispanic produce items in everyday dishes, so you have two places to grow the business." Hispanic products, tomatoes and berries have been buoying Strube as of late, says Watson.

Chicagoland customers are seeking out local fruits and vegetables when available, Watson discloses, and the growing region — stretching from Wisconsin to Ohio — provides a wide range of fruits and vegetables in season. "Local is becoming more important for everybody from independents to chain stores

and warehouses. It's cheaper; it doesn't cost as much on the freight side. Sometimes you get somewhat different varieties, and it may taste better," he remarks.

The growth of independents, many of which cater to ethnic consumers, has pushed chain operators to introduce new initiatives focused on catering to important demographics in the various communities they serve.

Confronting Challenges

Despite having held up thus far to the recession, Watson realizes the immediate future promises to hold challenges. "The biggest issue we're dealing with right now is figuring out how to continue to grow the busi-

ness and continue to be important to customers. History tells us the economy will get better. We have to focus on doing what's best for the core business and add value by growing outside of that."

The current environment is pushing consumers to lower price alternatives across the spectrum of their purchasing and that is having an effect, notes Ed Romanelli, vice president of sales for Agrow Fresh Produce Inc., a potato and onion grower/packer/shipper headquartered in Chicago, IL, that specializes in Red and Yukon Gold potatoes, with about 80 percent of its product shipped private-label.

Romanelli believes independents continue to generate much excitement in the market. The evolution of major chain operations, such as Supervalu's being forced to sell Cub locations when it acquired Jewel, have helped shake up the market and encourage the region's independents — single or multiple-store operators — to expand their businesses.

The growth of independents, many of which cater to ethnic consumers, has pushed chain operators to introduce new initiatives focused on catering to important demographics in the various communities they serve. Indeed, Meijer just announced it would launch a new store concept in Niles, IL, that is just over 100,000 square feet in size — a little more than half as large as a typical Meijer

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CHICAGO MARKET PROFILE

supercenter — merchandised specifically to attract ethnic consumers from nearby neighborhoods.

With large Latino, Eastern European and Asian populations in sight, big retailers operating in ethnic communities “will cater to those audiences,” notes Romanelli. “But some independents are going full bore into those areas. They’re pushing that agenda, rather than putting on the normal supermarket spin.”

In terms of economic impact, Romanelli believes specialty products and packs are up against job concerns and unemployment. The fresh strawberries someone might have been purchasing to eat with breakfast are the sort of produce item they might eliminate when a steady paycheck is no longer assured. Similarly, consumers are buying in smaller quantities and portions than they normally do, while adhering more closely to the food budgets.

Romanelli maintains people across the entire Chicago produce industry are dealing with the same conditions. “Everybody in this business is asking, ‘What do I have to do to get through this year?’ People are a little strict with the dollars they’ll spend now. But going forward, people are going to buy produce. It’s healthful, and there is no comparison between the taste of fresh and frozen.”

That’s one reason why people have maintained quality standards. “People were looking

for the same quality last week as they were last year,” Romanelli adds. “Before quality standards change, you might see some smaller displays of higher-priced items, but we don’t see any change in what’s expected from us. I don’t think the consumer is ready for lesser quality. I don’t think that should ever happen.”

“People are a little strict with the dollars they’ll spend now. But going forward, people are going to buy produce. It’s healthful, and there is no comparison between the taste of fresh and frozen.”

— Ed Romanelli
Agrow Fresh Produce Inc.

Power Of The Independent

Mike Patton, vice president of sales for Chicago, IL-based Tom Lange Co. Inc., reports

his business is holding up to the recession, with the breadth of his customer base a factor in that relative strength. In general, Patton believes the produce business in Chicagoland from the terminal market outward has improved over the past couple of months, with strength coming from local, independent retailers. “Independent chain stores are doing well,” he asserts. “They respond more immediately to the changes in customer demand than the chains do.”

For the most part, Strube’s customers are independent grocery stores that don’t have their own warehouses, Watson states. Despite the growth of large national and regional chains in the market, independents are more than holding their own. “Independents are getting more important, and national and regional chains are paying more attention to what’s going on in the neighborhoods,” he explains.

In recent years, independent retailers that specialize in Latino food have “helped the market people quite a bit,” says Patton. “That has become a bigger and bigger piece. They also eat more produce-per-capita, and that’s a good thing.”

What’s true of Chicago is probably true of most markets and vice versa, explains Patton. “I think most markets are pretty similar. Everybody wants quality, service and a fair price. Better yet, a cheap price.”

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Adolfo Vega, president of La Hacienda Brands Inc., based in Chicago, IL, who services primarily independent, ethnic retailers is among those who will acknowledge that business this year has been tough and even the ethnic, independent grocers that recently have helped invigorate the local wholesale community have hit a wall. "It's very slow recently, for about six months," he details.

Customers are coming in, but they're buying less, and Vega has the impression that major chains are suffering less than the independent stores, or at least the independents he services. He has been forced to lay off some employees and has been buying less himself. Vega expects conditions to remain the same for the rest of this year. "I hope early next year it will begin to improve."

In contrast, Dean Gatziolis, president of Chicago, IL-based Atom Banana Inc., notes, "We've weathered this quite well. I find our mainstay commodity — bananas — is recession-proof. We have expanded our customer-base wider."

Consolidation in the retail market hasn't had a notable effect on Atom Banana, either. Gatziolis says, "If anything, it's improved the climate. There were retailers in our marketplace who were not utilizing the produce terminal, staying in the constraints of their own distribution. Because of the economy, they've



Photos courtesy of Chicago Department of Cultural Affairs

The downtown farmstand is popular thanks to many new home cooks

had to look outside the box to become more aggressive in their position."

Ultimately, Gatziolis believes Chicago has its own ways, but also has much in common with densely populated, multi-ethnic cities, such as New York and Boston. "You have to find that niche in the marketplace to be successful, and typically, that niche is serving the ethnic make up and diversifying product to

capture that business. National chains now understand they have to come into step with the independents by offering a broader product mix. They were taking the cookie-cutter approach, which doesn't work. They've identified that and are doing the best they can to catch up with the little independents."

Transportation Troubles



Fred Plotsky, owner of Cool Runnings, based in Kenosha, WI, reports his freight business was improving through spring versus earlier in the year. "February was awful, last month was decent, but we're not setting the world on fire," he admits. Cool Runnings carries mostly for the foodservice trade, delivering produce products to customers including major distributors, terminal market operators and a few smaller niche players.

Plotsky knows the slowdown in business that Cool Runnings has experienced is a result of the economy and consumer reaction to it. "I attribute it to the recession, just people watching what they spend a lot closer. If you were doing 10 loads with a buyer, now maybe you're doing seven. And we do see pressure with rail. It has gotten better and that hurts our business, too."

Given a business down 20 to 30 percent with some customers, Plotsky is focusing on working more effectively, but it isn't easy as

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customers demand more from Cool Runnings. "What I find is they are trying to reduce their cost and pass it on to us," he explains.

Plotsky admits yearly contracts are harder to come by, but the result of bargain hunting is that some trucking firms are willing to work for \$1.10-per-mile until things get tight, and then they jack up their price to \$1.50. Plotsky notes trucking companies have gone out of business in the recession and, with fewer freight firms available, the situation in an improving economy could become more volatile. "It's going to be interesting to see what happens when we come out of it," he reasons. "So many people have gone out of business, we might see wider swings."

Brent Schmidt, president of truck broker Eclipse Produce Inc., based in Shorewood, IL, shares a major challenge he faces is moving vehicles when some of the people he works with can't get loads for both legs of California trips. "People are fighting to get out there, but I've had owner/operators sitting at home for a month at a time, and that doesn't help freight coming back to Chicago for my customers."

Sales and the price of produce support the cost of transportation, Schmidt notes, and the recession isn't doing anything to buoy them. "It's just kind of go with the flow and try to make everyone happy," he says. "Try to make it so the carrier is happy with the rate he has and the customer is happy, too. It puts more pressure on us trying to get everyone to work at a happy median and that's the hard thing."

The economy isn't the only problem that's affecting produce transportation into the Chicago area. California regulations look to boost insurance rates for truckers and may enforce trailer standards that some can't afford to meet. The result will be more difficulty in getting trucks to where Schmidt needs them.

In the current market, Schmidt admits he's paying more attention to his business, particularly in taking care of regulars who are critical to his operation. It's gotten tougher to hang on to regulars given the economy, he asserts, adding, "Everyone is looking for a better price, and I don't blame them."

Part of paying more attention means sticking to standards when it comes to conducting business. "Obviously, everyone is tight on money, so you've got to watch what's going on," Schmidt explains. "The biggest thing is to make sure you're not pumping up the volume and extending credit to too many people, and making sure your regular customers know your payment practices. We don't take outside chances with customers we haven't dealt with before. We're sticking with ones we know are solid. We've had companies go out of business that we never thought would. You have to watch who you are dealing with before you haul a couple of loads for them."

pb

Chicago Foodservice Gets Creative

Despite a dampened economy, the foodservice sector finds ways to boost business.

BY MIKE DUFF

Chicago's thriving foodservice sector has been hobbled by the recession. Nonetheless, the industry continues to work at ways to improve its proposition to customers and better serve their changing needs, which includes a desire for fruits and vegetables incorporated into healthier fare.

Take Chicago foodservice behemoth Lettuce Entertain You (LEY), for example. The first of the company's restaurants — it now operates 31 restaurants in the Chicago area and 17 others split between Atlanta, GA; Las Vegas, NV; Minneapolis, MN; Santa Monica, CA; Scottsdale, AZ; and Washington, D.C. — was opened in 1971 among the initial casual dining concepts. To this day, R.J. Grunts, part of the LEY family, likes to keep an echo of that era's vibe intact, which it does in part through the continued operation of its salad bar. Yet, while cherry tomatoes might have once been the spark of contemporary cuisine that made the feature trendy, things have changed and the throwback has been kept up to trend. "The salad bar has been enhanced over the years with more organics and local produce than before," notes Rich Melman, supervising partner for R.J. Grunts. "We also use more produce from the farmers' market when possible and seasonal items, too."

Yet despite the company's traditions, Lettuce Entertain You is offering bargains today — spend \$50 at one of its four Oak Brook Center restaurants in Oak Brook, IL, and get a \$20 gift card — and, with the recession having an impact on foodservice throughout Chicagoland, it's hardly surprising.

The folks who service foodservice in Chicago have noticed the softening of the industry. Tony Battista, a salesman at World Wide Produce Inc., located in Chicago, IL, which supplies foodservice distributors, maintains the recession is a reality to deal with and not to dwell on. "It's affecting us. You have to come to the realization, and you to make your customers happy. You have to find out who's unhappy and make them happy. We can't



Photo courtesy of R.J. Grunts

In addition to its salad bar, R.J. Grunts is also famous for its cheeseburgers.

afford to take on new customers."

After getting hit late last year in the tumbling economy, foodservice operators are buying conservatively, and that also has an effect felt through the distribution systems. "Now it's pretty steady as she goes, but there still are spikes," Battista notes. "Some of it is because everybody is being cautious. If they are buying soft, and if they get a little action and they need a little something, they'll fill in what they need on the street."

Laura Hansen, publisher of the *Best of the Best Dining Chicago* Web site, points out Windy City restaurants are changing their approach to food as they cope with the times. "What we have is the dressing down in cuisines, with more of a focus on things like tapas and small plates, pork sandwiches, hamburgers — things that are more affordable," she explains. "We went from large plates to small plates to bites."

Yet the recession doesn't dictate all things. "We've seen the trend toward more healthful eating incorporated into menus here in Chicago, with more greens and vegetables, and more vegetarian offerings as well," Hansen adds. "Among the most important things going on the menus for chefs today are locally grown elements. They are identifying farms on the menus. Chefs are trying to get exclusives on produce they love from those farms. And sustainable has become more important even than organic."

pb

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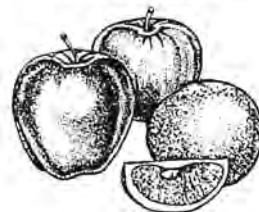


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Reader Service # 45

Chicago Retail Gets It Right

In a market saturated with choices, independent retailers and those who promote locally grown produce and focus on serving distinct demographics come out on top.

BY MIKE DUFF

When it comes to food retailing, Chicago has to be considered among the most dynamic markets in the United States, and its constant evolution provides the population with an unsurpassed range of choice in what they eat and how they can get it.

The Chicago market includes some of the most famous names in supermarkets, including Jewel, now owned by Supervalu, and Dominick's, owned by Safeway. Kroger is in the market as well, in the guise of Food4Less. And that's just for starters. Wal-Mart, Target, Kmart and Meijer all operate supercenters in the market, as well.

Meijer Inc., based in Grand Rapids, MI, has been particularly interested in Chicagoland, opening 11 supercenters in the area over the past decade, and is now developing a smaller variation on its supercenters designed to better fit more densely populated communities. Located in Niles, IL, the 102,000-square-foot store is about half the size of a typical Meijer supercenter. The new format will focus on supermarket categories, although it will retain more non-foods operations than a supermarket, and Meijer will tailor its assortment to the ethnic composition of the community. "Basically, it's going to be primarily grocery, health and beauty care and pharmacy," explains Meijer spokesman Frank Guglielmi. "There will be a seasonal products pad in there and some general merchandise."

Pleasanton, CA-based Safeway Inc. is putting a heavy emphasis on local produce in the stores it operates, including its Oak Brook, IL, Dominick's Finer Foods Inc. Spokeswoman Teena Massengill reports Dominick's is drawing produce from Wisconsin, Illinois, Indiana and Michigan for its local produce program. Once at the store, local produce is promoted regularly. "Not only are we trying to purchase locally grown, but also trying to make it more



Meijer has opened 11 supercenters in the past decade in Chicagoland.

attractive to purchase it," she says.

Independent food retailers are a dynamic and growing part of the Chicago scene, serving local preferences based on a range of demographics. Sunset Food Mart Inc., located in Highland Park, IL, an upscale suburb north of Chicago, offers a wide selection of produce for its health-conscious, affluent consumers.

In fact, snack products — including cups, bags and loose apples, oranges and pears — get their dedicated section. The idea was to provide shoppers with healthy snacks — with an emphasis on value-added — that they could take with them on-the-go to the pool or other recreational activities. Local knowledge is an advantage independents can apply in the recession as they tailor their operations to shifts in customer buying habits.

Or lack of shift, as it may be. Vince Mastromauro, Sunset Foods' produce and floral director, reports his organic business has held steady in the recession and to keep it attractive, he's run regular value price promotions advertised in the company's circulars. "We're known as an upscale grocery store, and we're not going to change who we are," he remarks. "Our customers want variety, value and quality of service, but, today, they also want value from us."

pb

Keep Onion Sales On A Roll At Retail

Smart, creative merchandizing techniques can bring new consumers back to an old staple.

BY CAROL BAREUTHER, RD

With consumers cooking now more than ever, supermarket retailers have a golden opportunity to sell more staples, such as onions. Indeed, Ed Laster, produce specialist at Metropolitan Markets, a 6-store chain based in Seattle, WA, reports, "Sales of all onions are either flat or up, with sweet onions representing our greatest tonnage."

According to the USDA's Economic Research Service (ERS), per-capita consumption of onions is 21.5 pounds in 2009, up from 20.2 pounds in 2008 and 18.47 pounds in 1999.

Keep onion sales steady with a new merchandising techniques that combine basic consumer education with innovative usage ideas that take their cues from trends in the foodservice sector.

ONE ONION DOESN'T FIT ALL

The continued diversification of the U.S. population has and will continue to positively influence onion sales, says Nichole Towell, marketing development manager for Duda Farm Fresh Foods Inc., located in Oviedo, FL. "As taste profiles broaden, it is up to us to educate the consumer on onion varieties and their uses. Merchandising onions based on taste should create positive eating experiences, which will lead to return business as consumers begin to choose an onion based on the flavor profile that best matches their palate preferences."

Sweet Onions: Chefs are definitely incorporating more sweet onions into their menus, notes Towell. "No longer are onions reserved for cold salads and sandwiches. They are now being served in savory applications incorporated into every course." A



Photo courtesy of Vidalia Onion Committee

Proper signage and informative POS will help move sweet onions year-round.

good example of this is the Angel Hair and Three Onion Soup served at Olive Garden, an Italian-American casual dining chain based in Orlando, FL, which calls for pearl onions, red onions and sweet Vidalia onions.

At retail, "Sweet onions are no longer impulse items. They're now on the shopping list," says Laster. "This is driven by their mild, sweet flavor and year-round availability."

Towell agrees, adding, "This drive for demand is coming from consumer's expectations of sweet onions, that being mild and pleasant flavors. No tearing of the eyes. No mouth burn. Limited aftertaste. A lingering impression of sweetness."

According to Mark Breimeister, president of Detroit, MI-based AAA Produce Exchange Inc., located in Detroit, MI, and logistics manager for Charleston, WV-based Oso Sweet, "People who shied away from the pungent flavor of yellow onions are coming back to the category now and buying sweet onions."

Towell notes, "At the same time, the category itself is growing. In years past, sweet onions were seen only in the late spring and summer, when Vidalia and Texas 1015 onions were in season. But now, with better storage practices and imports from Mexico and South America, sweet onions are available throughout the year."

As a result, "Sweet onions are driving the onion category and make up a significant part of the sales," remarks Marty Kamer, sales manager for the northeast office of Keystone Fruit Marketing Inc., based in Greencastle, PA.

Yellow Onions: Interest in sweet onions isn't taking away from the demand for yellow or cooking onions. In fact, according to the National Onion Association (NOA), headquartered in Greeley, CO, yellow onions represent 87 percent of the U.S. grown onion crop.

Sherise Jones, marketing director for the Parma-based Idaho-Eastern Oregon Onion Committee (IEO), remarks, "Onions could possibly be viewed as utility or even items consumers might skip to save money. It is critical retailers educate consumers about the high flavor profile benefit they are getting with onions, and the fact that even an old favorite can create something new. We market our onions as being great for cook-

"It is critical retailers educate consumers about the high flavor profile benefit they are getting with onions, and the fact that even an old favortie can create something new."

— Sherise Jones
Idaho-Eastern Oregon
Onion Committee

ing. Since onions are such a globally used food item, it is not difficult to incorporate them into the ethnic trends driven by consumer demand."

Red Onions: Pizza Hut, Subway and Wendy's move to include red onions on its pizza, sandwiches and salads, respectively, touched off a trend that led consumers to want more onion color in their dishes at home. Metropolitan Market's Laster explains, "Color is the consumer draw for red onions. They're popular, but don't sell as well for us as the sweet onions." According to the NOA, red onions represent eight percent of the U.S.-grown onion crop.

Rick Antle, CEO and president of Tanimura & Antle Inc., located in Salinas, CA, says, "While there's a color appeal for our

Expanded Uses Spur Green Onion Sales

Green onions were once used only as toppers for baked potatoes and Mexican dishes. That is no longer the case. John Killeen, vice president of sales and marketing for Moorpark, CA-based Muranaka Farm Inc., reports, "They're now being integrated into more mainstream dishes, such as chicken and beef entrees and salads."

Lindsay Martinez, director of marketing for Boskovich Farms Inc., headquartered in Oxnard, CA, agrees and adds, "The Asian Fusion trend continues to grow in foodservice, especially that of using shaved green onions in sushi, soups and garnishes. Retailers can capitalize on this by offering Asian recipes and/or serving suggestions at point of sale and by merchandising green onions with other Asian vegetables."

Green onions are even finding their way onto the grill. Martinez explains, "While regular green onions are terrific on the barbeque, we now offer *Cebollitas*, otherwise known as Barbeque onions. *Cebollitas* are similar to green onions, but have a small bulb on them, which is absolutely delicious when grilled."



Boskovich Farms offers its *Cebollitas* both bunched and bagged. "Our sales are split between bunched and bagged green onions, with bunched still slightly out-selling the bagged," reports Martinez.

In-store, Killeen suggests, "Keep green onions cool and hydrated to maintain their quality. In addition, profit from their popularity by providing information at point of sale or in ads that offer 'Great with...' suggestions." **pb**

Artisan Red Onions, these also provide flavor accents when used, for example, as whole rings on salads, chopped as a garnish on salads or bagels and lox, or caramelized on top of steak."

White Onions: Hispanic customers traditionally shop for white onions. This is evident in foodservice, too, where Fresh Mex restaurants such as Baja Fresh, a nearly 300-unit chain, headquartered in Cypress, CA, makes its signature house salsa with white onions. According to the NOA, white onions represent five percent of the U.S.-grown onion crop.

Chris Eddy, director of sales for Frontera Produce Ltd., in Edinburg, TX, explains, "As more Hispanic stores appear and more conventional supermarkets gear their merchandizing toward the ever-growing population of Hispanic customers, I think we'll see sales of white onions increase."

"In addition to Hispanic cuisine, white onions are staples in such dishes as macaroni and potato salad," says Kimberly Reddin, the NOA's director of public and industry relations.

EDUCATION IS KEY

When it comes to consumer education, Reddin adds, "Consumers want restaurant quality food at home that is quick and easy to prepare. Comfort food with a twist, such as barbecued meatloaf is also a trend."

However, there is a hurdle to overcome. According to Dick Thomas, vice president of sales for Potandon Produce LLC., headquartered in Idaho Falls, ID, "The younger generation cooks less at home and therefore has fewer cooking skills. This is why education is so important.

One major way suppliers have sought to educate consumers is through packaging. For example, in March, Progreso Produce Co., based in Boerne, TX, rolled out a line of onion packaging specifically targeted to educate consumers at point of purchase. The packaging features color-coded, mesh bags that are available in a variety of weights for all types of onions, including sweets, reds, whites and yellows. In addition to usage information, each bag also features a recipe along with product photography. Company founder, Dale DeBerry, remarks, "This type

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of information makes it easier for consumers to cook with onions and buy the right onion for the right use, which should keep them coming back for more."

Derrell Kelso Jr., owner and president of Stockton, CA-based Onions Etc. Inc., agrees with the benefit of on-pack recipes and usage information, and has turned this into a solution for his customers. "I had retailers telling me that they wanted to be able to sell boiler onions year-round, not just during the weeks between Thanksgiving and Christmas. So we came up with two 1-pound bags of boiler onions. One is labeled Soup 'N Stew Onions with a recipe for Sausage and Vegetable Soup using white boilers, and the other says Kabob Onions, with a recipe for Meat and Potato Kabobs using red and gold boilers."

Steve Phipps, owner and sales and marketing director for Market Fresh Produce LLC., headquartered in Springfield, MO, believes the days of shipping onions in clear, mesh packs with no information is behind us. "On-pack recipes, nutritional information and health benefits are an effective way to directly educate the consumer. The packaging is a more effective billboard than traditional point-of-sale materials because it goes right into the kitchen."

"On-pack recipes, nutritional information and health benefits are an effective way to directly educate the consumer. The packaging is a more effective billboard than traditional point-of-sale materials because it goes right into the kitchen."

— Steve Phipps, Market Fresh Produce LLC

RECIPES AT THE READY

There is always a place for POS, especially recipe booklets, maintains Redding of the NOA. "Consumers are always looking for new, healthful recipes to prepare for their families." The NOA offers two new recipe booklets. The first, called the *Healthy Onion*, features four recipes that feature various kinds of onions in various preparation methods. The second, produced in cooperation with *Eating Well* magazine, is called *Eating Well with Onions*.

Mark Luchak, director of produce and floral for Rice Epicurean Markets, a 5-store chain based in Houston, TX, says, "We've prepared fried onion rings in-store and

cross-merchandise packages of batter mix at the same time. It's labor-intensive, but the aroma is a real customer draw."

Retailers who want to conduct a similar taste demo with a new twist could prepare one of the recipes found in the Vidalia Onion Committee's (VOC) Rings of Distinction brochure, which lists a week's worth of simple-to-prepare onion ring recipes, such as Tortilla Chip Crusted Vidalia Onion Rings with Creamy Salsa Verde. This full-color brochure could be handed out during taste demos.

PROPER SIGNAGE

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play of onions. However, signing them correctly all the time, every time is a basic merchandizing tip that is key to sales, says Wendy Brannen, executive director of the Vidalia, GA-based VOC. "One retailer in the northeast used high-graphic potato boxes from another state to display Vidalias. The boxes caught my eye, but it was the wrong product inside. On the other hand, one of the best retail displays I've seen was where Vidalias were signed by name and displayed in alternating bins with tomatoes. There was an end cap of a nice olive oil. The display was not only attractive, but offered a usage idea at the same time."

Displays of onions are signed by variety at Metropolitan Markets. "We also include where the onions are from, flavor attributes, usage tips, health benefits and price," explains Laster.

Signage can be a great way to convey usage tips and potential cross-merchandising ideas, says Frontera's Eddy. "Three or four words — just a short burst of information — will do it. Good suggestions are: 'Best used in' or 'Try this with.'"

MAKE THE MOST OF CROSS-MERCHANDIZING

Take a cue from foodservice, suggests Antle of Tanimura & Antle. "Set a bowl filled with bell peppers, tomatoes and red onions in a display as an eye-catcher. If you want to create an Italian theme, add a bunch of basil, or alternatively, include cilantro to suggest an Hispanic theme. Restaurants do this on their salad bars and it instantly conveys freshness. Also, cross-merchandise red onions with salad dressing. Suggest to customers via signage that adding chopped

onion to the dressing will bolster its flavor."

Onions can be cross-merchandised with salads, leaf and iceberg lettuces and celery, reveals Duda's Towell. "Anything that prompts the consumer to think about making recipes like a fresh summer salad using crisp onions to enhance the flavor is what you want."

In addition, Potandon's Thomas reports, "As suppliers, we try to make it easy for retailers to cross-promote onions with potatoes. For example, we'll offer a coupon on a bag of potatoes for cents off the purchase of an onion product, or visa-versa."

Kathy Fry, director of marketing for the Walla Walla Sweet Onion Marketing Committee, based in Walla Walla, WA, recommends a somewhat surprising sales tactic. "Try cross-merchandising sweet onions with caramel. Every year at the Walla Walla Sweet Onion Festival we have Caramel Sweet Onions and they are well received and delicious."

It's also important to cross-merchandise onions outside the produce department. Oso Sweet's Breimeister shares, "We are fans of moving sweet onions out of produce to the meat, deli or soup aisle."

Moreover, onion slices make a great addition to the all-American hamburger, offers Towell. "Another idea is to chop it over your favorite hot dog, or grill it along with your favorite cut of meat."

Market Fresh Produce has created a display-ready box that makes cross-merchandising of onions easy anywhere in the store. "A leading retailer asked us to create a display box with two sides, one for storage onions and one for sweet. It's easy to move anywhere you want, to the meat depart-

ment or the bakery," explains Phipps.

Consider the frozen food aisle as another cross-promotional destination. "Place a display of red onions next to the frozen pizza so that customers can customize the topping at home," suggests Antle.

Additionally, build a multi-department cross-promotion by displaying everything needed to make a complete recipe. "Retailers can occasionally pick an area of ethnic cuisine, such as Spanish, and merchandise all the produce items typically used within that cuisine and include recipe sheets for the promotion," proposes IEO's Jones.

Finally, cross-merchandise onions in the non-food departments of the supermarket. NOA's Reddin offers, "Try promoting a good, sharp knife and cutting board when you promote onions."

THE IMPORTANCE OF ADS AND PROMOTIONS

According to focus group research conducted recently by Keystone Fruit Marketing, "Consumers want quality first, price/value second and recipes third," says Kamer. "This desire for recipes is very powerful for marketers. In fact, we know of one retailer who's running a full-page, seasonal ad with our onions along with a recipe."

When onions are on ad at Metropolitan Markets, they are often tied in to a recipe the in-house chef is demonstrating in the store's kiosk. Laster explains, "Our chefs literally show customers how to prepare quick, easy recipes, let them sample and then give them the recipe."

OSO Sweet's Breimeister recommends using a seasonal theme to tie ad promotions and recipes together. "For example, a guacamole or salsa recipe with a Super Bowl ad for sweet onions works well."

From June 1 through July 4, the VOC partnered with A&W Root Beer and the National Watermelon Promotion Board on a promotion where 2.5 million 2-liter bottles of root beer were distributed with neck danglers that contained a recipe for Vidalia onion and watermelon salsa. "This promotion was a good way to show consumers something new and interesting to do with Vidalias," says Brannen.

The bottom line is customers who are cooking more at home and are provided with various suggestions for using onions will likely be inclined to buy more — especially if there's a price incentive. As Onion's Etc. Kelso explains, "Retailers who sell loose onions for 69-cents a pound and promote a 3-pound bag for \$1.29 will find consumers today doing the math and buying the bag. This ultimately increases the ring at retail and moves more tonnage."

pb

Making The Most Out Of Mushrooms

Opportunities abound for better sales, but the industry faces challenges, too.

BY KEN HODGE

Mushrooms are fancy — even exotic. They're also nutritional powerhouses, a source of B vitamins, essential minerals and the only source of vitamin D in the produce department. They dress up steaks and salads, add flavor and texture to omelets, enliven a stew, or make a casserole classy. They complement nearly any main or side dish and they're a winner in the produce department — especially when properly merchandised.

"Mushrooms are a reliable value generator for the produce department," according to Bart Minor, president and CEO of the Mushroom Council, San Jose, CA. "When merchandised correctly, they can produce a halo effect on the entire produce department, thus serving as a transaction builder. Retailers who properly merchandise mushrooms and implement Best Practices can see a lift in sales of at least 6.1 percent at their individual store — an extra \$44 million industry-wide."

These findings from Encore Associates, commissioned by the Mushroom Council, suggest that proper display, pricing and promotions, assortment and cold chain management can lead to increased store sales. Minor continues, "Mushroom shoppers represent a significant audience for retailers. According to ACNielsen Consumer Panel research, the average shopping basket with mushrooms is more than double the value of a shopping basket without mushrooms. In fact, the spend rate and average transaction size of mushrooms are among the highest of all vegetables."

Paul Frederic, senior vice president of sales and marketing for To-Jo Mushrooms Inc., of Avondale, PA, agrees, "High quality and a good selection create a positive image



Packaged mushroom displays reduce shrink and the risk of food-borne illnesses.

for both the mushrooms and the store. If consumers see a beautiful, fresh display, they will recognize the store as having a strong produce department.

GREAT POTENTIAL

"Most retailers are not maximizing their mushroom sales right now," Frederic adds. "There is a tremendous opportunity for mushroom sales and profits if you do everything correctly. Mushrooms are a top seller in terms of dollars-per-square-foot. They are highly complementary to other items. There's always somewhere mushrooms can be used."

Frederic notes one specific Northeast chain that typically enjoys mushroom sales six times higher than other local retailers, simply because of the emphasis they place

on produce and mushrooms. Effectively merchandising mushrooms can be rewarding, but there are both challenges and missed opportunities to consider. Making sure mushroom quality is always at its best is one of the many challenges that must be overcome if they are to rise to their full stature. "So much of it comes back to cold chain integrity," notes Frederic. "That starts with the grower and includes delivery to the warehouse and to the individual stores. Making sure the product gets put away quickly and properly into the store's cooler and ensuring proper refrigeration on the shelf is also important. The refrigerated case cannot be blocked and there must be adequate ventilation."

Scott Streeper, director of produce and floral for Scolari's Food & Drug Co., a 16-



Photo courtesy of Monterey Mushrooms

Bulk mushrooms allow shoppers to pick and choose exactly what they need, and bulk displays encourage them to try new varieties.

store chain headquartered in Sparks, NV, agrees, "Mushrooms are the most perishable item in the entire department. They can turn dark quickly. It's a tough commodity to deal with, so you must maintain that cold

chain." Streeper reveals Scolari's stores experience an average of 6 to 8 percent shrink in the mushroom category and points out there is more to minimizing spoilage than simply maintaining the cold chain.

CONTROLLING SHRINK

"You want to turn that product as fast as you can," Streeper explains. "This means ordering just enough to get you by until your next order. Our people will order to the shelf. The more linear feet of space available for mushrooms, the more product will be ordered. It's about ordering just what you'll sell."

Throughout the retail industry, shrink averages about 12 to 15 percent, according to Joe Caldwell, vice president for Watsonville, CA-based Monterey Mushrooms Inc. He says the best retailers have reduced that to 5 percent to 8 percent. "The obvious answer to controlling shrink is buying quality product and maintaining proper cold chain maintenance," Caldwell explains. "However, we have seen tremendous results in working with retailers to better align their ordering patterns to minimize their stock in the stores. In addition, proper assortment for the particular store's consumers is essential in obtaining these Best Practice results."

If not properly managed, shrink can cost retailers, notes Gary Schroeder, president of Oakshire Mushroom Farm Inc., the exclusive marketer and distributor of fresh Dole mushrooms, headquartered in Kennett Square, PA. "Supermarkets will lose sales



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when consumers approach a display of mushrooms that look bad on the shelf and decide not to purchase. "You're not going to fool anybody," he says, and undesirable product has to be thrown away eventually. "Maybe it's a little counter-intuitive, but some stores are using a shorter sell-by date on their packaging," Schroeder adds. "They have very good discipline about ordering right, having a good looking display and using that short sell-by date so they only have fresh mushrooms on the shelf."

"Maybe it's a little counter-intuitive, but some stores are using a shorter sell-by date on their packaging so they only have fresh mushrooms on the shelf."

**— Gary Schroeder
Oakshire Mushroom
Farm Inc.**

Tony Russo, president of A. Russo and Sons Inc., a Watertown, MA, wholesaler with a small retail outlet, says ordering fresh product on a daily basis to meet anticipated demand is crucial to minimizing shrink. "It's an educated guess," Russo explains. "The industry has improved. They keep it cold. We have very few failures on arrival. We serve farm stands, small grocers and small restaurants, delivering merchandise as people order it from us. The mushrooms come in and go out the same day. We don't have much carryover."

BULK VS. PACKAGED

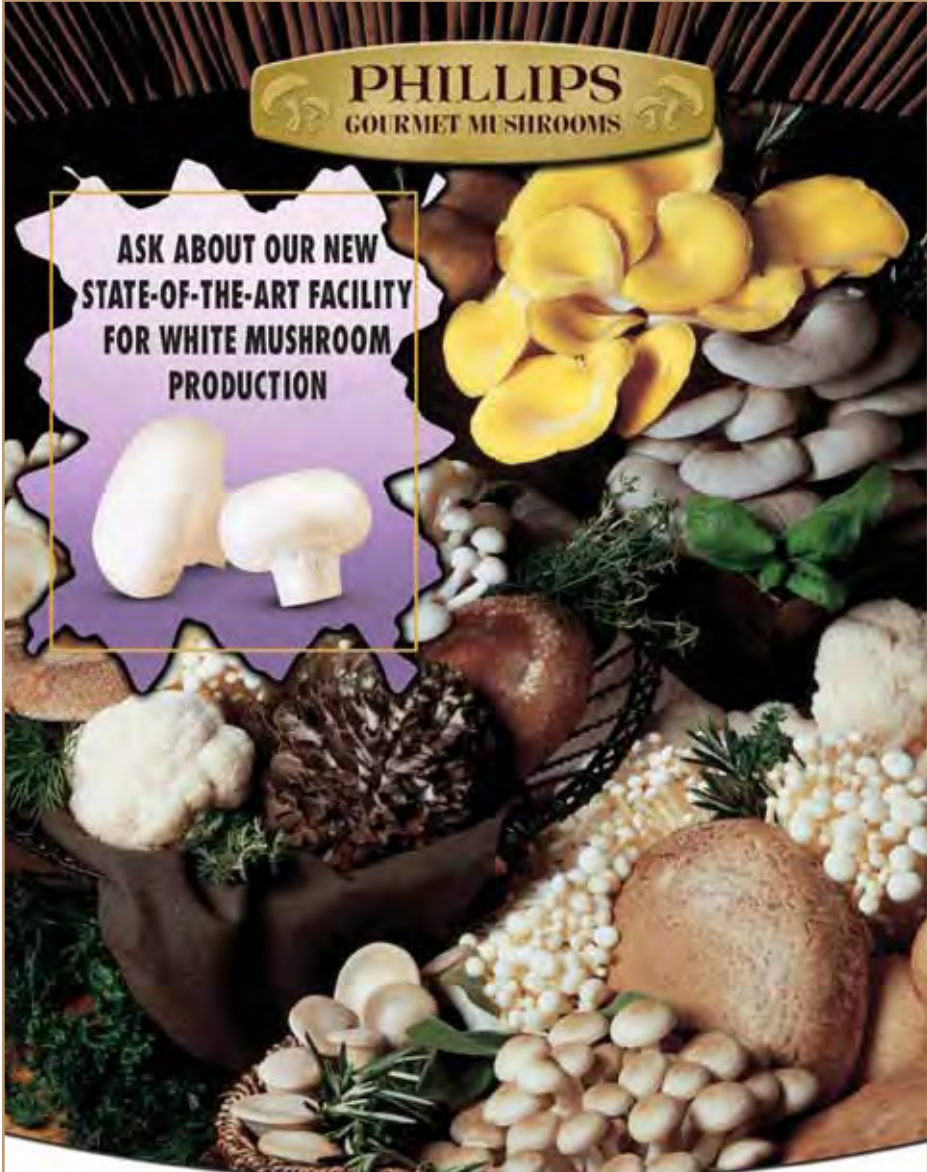
According to Fred Recchiuti, general manager of Basciani Mushroom Farms, Avondale, PA, there are two schools of thought with regard to merchandising mushrooms. One involves bulk displays that allow consumers to handpick their mushrooms, while the other postulates mushrooms should be packaged for safety, quality and eye appeal. "In both cases, rotation of the product is key," Recchiuti points out. "In

one chain, we're seeing more bulk product, but also looking at a lot of shrink. The supply chain is a just-in-time scenario. Retailers don't want to miss out on sales by running out of product, but they don't want to have product turn on the shelves either."

Russo observes his customers take different approaches to product displays. Some like bulk, while others prefer to package the bulk product they purchase from him, selling it under their own label. "That way, they have a little different look," he reasons. "It puts the accent on their products and how they do things. It helps set them apart

and adds to the uniqueness of going to a farm stand. It's a good marketing tool and that's what they should be doing."

Liz O'Neil, chairperson and director of marketing at Highline Mushrooms Ltd. of Leamington, Ontario, Canada, favors packaging mushrooms, not only for reduced shrink, but also for food safety. "This is a question for retailers, but bulk product can pose greater food safety risks than packaged product and can lead to unnecessary shrink. Packaging by varying weights would alleviate these issues and potentially deliver better on the volume consumers want."



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Bulk mushrooms allow home cooks to pick their own produce, but other consumers may prefer the convenience of sliced product and the assurance others haven't handled it.

A QUESTION OF SPACE

As Scolari's Streeper indicated, shrink can be a function of devoting too much space to mushrooms. He says shelf space at his stores varies, depending on demograph-

ics and other factors. "We put mushrooms in our multi-deck salad case," he reports. "It holds temperature better and you don't have to worry about water hitting them. We probably allocate 12 to 16 linear feet, depending on the store. As a rule of thumb, we have three to four feet and four shelves."

Shrink can also be attributed to devoting too little space to displaying the mushroom category, according to Kevin Donovan, national sales manager for Phillips Mushroom Farms LP, of Kennett Square, PA. He believes the less attention retailers pay to their mushroom section in terms of keeping "a nice display of decent product," the greater will be the shrink. "I'm sure shrink is actually higher on smaller displays," he elaborates. "What comes first, the chicken or the egg? Are the customers there to buy products or are they missing the product because it's not properly displayed?"

Simply allocating sufficient space for mushrooms isn't necessarily enough to reach the full sales potential of this unique category. The impulse to buy mushrooms may strike nearly anywhere in the store. That's why having them on hand in all the right places is also important. "The real missed opportunity is not making the display bigger, but recognizing mushrooms are

always eaten with or on something," insists Gary Schroeder of Oakshire Mushroom Farm. "If you have a little more space, put mushrooms in the salad section. That's also very true in the meat department — put a facing of mushrooms with your steaks. Often people go to the produce department and get salads and vegetables. Then they go to the meat department. If the steak looks good, they might buy it, but they're probably not going to walk back to produce for mushrooms. These secondary locations would be huge for anybody and any retailer would sell significantly more mushrooms if they used them."

MORE VARIETY MEANS GREATER SALES

Another way to maximize mushroom sales is to offer consumers a variety of choices. Bulk mushrooms are fine for home cooks who enjoy selecting their own produce and spending time preparing meals, but other consumers may prefer the convenience of sliced product in packages and the assurance that others have not touched it.

Scolari's Streeper says white mushrooms and Portobellos are the "main sales drivers," but the stores also offer specialty mushrooms such as Oyster, Cremini and Shiitake.

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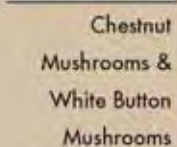
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The Education Equation

Educating consumers about the health and nutritional benefits of mushrooms — as well as ways to use them in literally every meal — should certainly be part of the mix in any successful merchandising plan. “Nutrition is a very big deal right now in mushrooms,” expresses Gary Schroeder, president of Kennett Square, PA-based Oakshire Mushroom Farm Inc., the exclusive marketer and distributor of fresh Dole mushrooms. “We have a full nutrition panel on our mushroom packaging to start communicating that to consumers. People think mushrooms simply add flavor to meals. In the past, they have been viewed as a lightweight, nutritionally, but they are absolutely a heavyweight. They are higher in potassium than bananas. We expose our mushrooms to sunshine and that’s enough to give them 100 percent of the RDA of vitamin D.”

Educational materials are “massively important” in merchandising mushrooms, agrees Liz O’Neil, chairperson and director of marketing at Highline Mushrooms Ltd. of Leamington, Ontario, Canada. “Consumers are looking for value in all of their purchases. There are a number of areas of untapped potential value in mushrooms that

consumers are largely unaware of and retailers are in a unique position to help tell the story.”

Fred Recchiuti, general manager of Basciani Mushroom Farms, Avondale, PA, agrees, and adds, “Nutritional materials are very helpful, especially now that the American medical community is recognizing that mushrooms are nutraceuticals.”

Bart Minor, president and CEO of the Mushroom Council, San Jose, CA, adds, “Mushrooms are low in calories, fat-free, cholesterol-free and very low in sodium, yet they provide several nutrients, including riboflavin, niacin and selenium, typically found in animal foods or grains. They also have ergothioneine, a naturally occurring antioxidant that may help protect the body’s cells. The Mushroom Council is proudly supporting the fight against cancer this fall and will provide \$50,000 to City of Hope’s research on breast cancer and mushrooms.” The Mushroom Council’s Web site points out that studies conducted mostly in Asia over the past 20 years have indicated mushrooms, or substances in them, may also aid the human immune system.

pb

“We also carry dried mushrooms. They are a shelf staple,” he adds. “Then we have different sizes in whites, as well as eight-ounce packages and slices — the same variety, but different SKUs.”

In addition to dried mushrooms, To-Jo’s Frederic also points to the importance of providing processed and value-added product for consumers who are looking for convenience and help with the prep.

“You’re seeing stuffed portabellas that can be popped in the oven or microwave,” he notes. “We’re also offering a fully prepared product in four different flavors called On-the-Spot Gourmet. It’s designed to be a sauce. It can be used to top a steak or baked potato, or it can be tossed with pasta. It can turn a burger into a gourmet affair.”

“For continued growth in the category, retailers can further sales by refreshing their mushroom assortment to enhance the success of top sellers,” the Mushroom Council’s Minor explains. “Consumer demand for fresh mushrooms is strong and this popularity is the primary reason why, in an economic climate that has negatively impacted consumer spending, mushroom sales have remained resilient.”

Minor reveals the most profitable displays feature about 70 percent white mushrooms, 20 percent brown, and five percent each of white specialty, value-added mushrooms and dry mushrooms.

“Some retailers can easily sell 30 SKUs in their mushroom category, while others do just fine with 10 or less,” asserts Caldwell of Monterey Mushrooms. “Proper assortment can reduce shrink from items that are not purchased and open up the consumer to more purchases by showing them some-

“Proper assortment can reduce shrink from items that are not purchased and open up the consumer to more purchases by showing them something unique. The average we see is 15 to 18 items in a typical grocery store.”

**— Joe Caldwell
Monterey Mushrooms**

thing unique. The average we see is 15 to 18 items in a typical grocery store. That number increases in higher volume stores and decreases in lower volume venues.”

RECIPES AND PROMOTION

As good as the health and nutrition news

about mushrooms is, it is also important to grocers to help educate consumers about how to use mushrooms in their meals, according to Frederic of To-Jo Mushrooms. “Many consumers are not comfortable in terms of how to handle, clean or prepare them,” he points out. “Recipes and information in the produce department or the mushroom case will certainly help alleviate the problem. Retailers also have their Web sites for addressing those areas.”

At Scolari’s, Streeper says his produce departments offer recipe cards with nutritional information and serving suggestions. He also relies on messages added to packages provided by mushroom suppliers. “Anything to assist the consumer,” he proposes. “There are all sorts of different methods. Tear sheets are another thing you can do. We also use POS material, not big placards or huge signs, but smaller materials.”

Finally, once a retail merchandising program is firmly in place, Caldwell of Monterey Mushrooms urges retailers to promote mushrooms on a regular basis. “There is no magic bullet that works for all retailers; however there are some basics that are consistent across the nation for proper retail promotions,” he explains. “Mushrooms are a year-round item, yet they tend to be forgotten when other seasonal produce items are being promoted. They should be promoted twice monthly and promotions should rotate between whites, browns and specialty mushrooms. Deep discounting is not necessary. Fifteen to 25 percent will drive just as many units. Strategic discussions with each retailer have been the most important step in the process that consistently outperforms other retailers in the same market.”

pb

Stretch Raisin Sales Beyond Baking

Entice health-conscious consumers to purchase raisins by creating attractive displays in the produce department among complementary items.

BY AMY SHANNON

While some consumers tend to look for raisins in the general grocery aisles of the supermarket, experts say retailers can get more bang for their buck by effectively merchandising the popular snack among other fruits and vegetables.

"Raisins tend to enjoy a higher profit margin in keeping with the produce practice versus grocery," states Dennis Housepian, senior vice president of Caruthers Raisin Packing Co., headquartered in Caruthers, CA. Caruthers offers a full line of canisters, cartons and bags. The bag and canister products are more popular in produce departments, he adds. The shelf-life for Caruthers' products is typically nine to 12 months. "Raisins have greater visibility in the produce department rather than being lost in the grocery section, where they are rarely located in the same area from store to store," adds Housepian.

While raisins may not always be on a shopping list, consumers are more likely to add them to their cart if they're in the produce section. "They make for a great impulse buy — even among consumers who aren't huge raisin consumers," reports Lisa Goshgarian, marketing manager for Mariani Packing Co., headquartered in Vacaville, CA. She adds raisins are the No. 1-selling segment of the dried fruit category.

Raisin units sold per-store, per-week are more than 30 percent higher in accounts that merchandise raisins in produce, according to a 2009 survey conducted by Information Resources Inc. (IRI), located in Chicago, IL., during the 52 weeks ending June 14.

"Consumers are most definitely more likely to purchase raisins in the produce department compared to the grocery sec-



Displaying raisins in the produce department can create higher profit margins.

tion," stresses Tom Archer, East-Central region business director, who is based out of Mooresville, NC, for Sun-Maid Growers of California, located in Kingsburg, CA. "We have a major retailer in the Northeast that recently switched its raisin and dried fruit section from grocery to produce and subsequently improved its annual sales velocity by over 30 percent," he reports. "This is a function of higher margins and improvements in unit movement due to the superior location."

Goshgarian points to the high traffic in the produce department due to the perishable nature of the products. "The produce department is where everyone ends up. It's nice to see raisins included there.

Archer agrees, adding, "Raisins and other dried fruits have inherent characteristics that lend themselves to be better merchandised in the produce department, where most of their fresh fruit counterparts reside.

Since Sun-Maid raisins are a packaged product, they help to offset shrink and spoil issues that are inherent to most other items merchandised in produce."

PROMOTE YEAR-ROUND

Raisins sell well throughout the year, but spring and fall show stronger lifts in sales, according to industry experts. "Ads should be focused on Easter, Earth Day, back-to-school season, Halloween, Thanksgiving and through New Year's," reports Tonya Antle, vice president of organic sales for San Juan Bautista, CA-based Earthbound Farm. "These are always great times to promote."

As fresh fruit begins to go out of season, raisins come into season, adds Caruthers' Housepian. He suggests retailers begin promoting raisins around back-to-school season and run them through the winter holidays and into Easter.

Sun-Maid's 6-pack raisin products are

Trends In Organic Raisin Sales

While the entire raisin category is holding its own despite an uneasy economic setting, organic raisins grew a notable 17 percent during the past 52 weeks, according to an April 2009 ACNielsen report. "The excitement in this category is happening in organic," says Tonya Antle, vice president of organic sales for San Juan Bautista, CA-based Earthbound Farm. "Organic raisins are a perfect, complementary product offering for the produce department."

Earthbound's most popular raisin products merchandised in the produce department include gourmet jumbo Thompson seedless and gourmet jumbo Flame seedless raisin varieties — both with a shelf-life of 18 months. "These raisins are extraordinarily large and deliciously sweet," Antle explains.

Displaying its organic raisins in the produce department is an "easy choice" for Earthbound. "Organic raisins do not go through any post-harvest chemical treatments," discloses Antle. "Instead, they're kept under refrigeration for optimum quality, condition and shelf-life. "It's a natural choice for us to supply and sell them through our retail produce partners."

Antle suggests retailers allocate enough space to organic dried fruit. "Don't forget to promote. Organic consumers love to be rewarded with coupons and hot deals, too."

Many sectors of the organic produce industry have experienced packaging trends in recent years and raisins are no different. "Packaging continues to evolve to meet the needs of an on-the-go consumer," explains Antle. "Earthbound launched a full line of dried fruit, including raisins, in convenient, resealable gusseted bags in January, 2007." These can be easily cross-merchandised with our salads, sold in shippers during peak promotional times and displayed in the dried fruit area of the produce aisle, adds Antle. **pb**

during other times of the year, such as early summer, January and early fall, particularly soccer season, explains Archer. "Since raisins serve a variety of consumer uses and come in a wide selection of package types, they are an ideal item to promote year-round," he explains.

Seventy-two percent of raisin purchases account for snacking, while 39 percent are used as ingredients in baking, salads or other dishes, Archer adds. "Because the snacking usage of raisins has increased dramatically during the past few years, raisins are great to promote any time of the year."

Retailers should take advantage of the opportunity to cross-merchandise and promote raisins with other items in the produce section, advises Archer. "Capitalizing on natural consumer preferences can help maximize produce sales and the overall market basket."

"Display raisins, walnuts, apples, lettuce and a salad dressing for a Waldorf salad," suggests Housepian. "You can also pair raisins and carrots with a salad dressing for a raisin-carrot salad."

Retailers can visit Earthbound Farm's trade Web site to learn more about POP materials and promotional assistance geared toward boosting raisin sales throughout the year. "We also offer pre-loaded shippers and coupon programs throughout the year," notes Antle.

Mariani works with retailers to provide display shippers and other promotional assistance during the holidays, remarks Goshgarian. "I'm a big proponent of solution selling. Think about how you're using raisins, and remind people just how versatile they are."

Sun-Maid offers a wide collection of POS materials, including trays and stickers that highlight the product on the shelf, header cards to draw attention to displays and wooden racks for maintaining secondary locations for raisins and dried fruit.

In August, Sun-Maid will partner with the release of Disney's *Hannah Montana: The Movie* with a national free-standing insert on August 16 that will feature a \$4 mail-in rebate with the purchase of the film and one Sun-Maid item. "Sun-Maid will continue to provide on-pack offers on 6-pack, mini-snack and 24-ounce canister raisins through September," reports Archer. The company has also recently completed similar programs with Disney's *Pinocchio* and participates in extensive television advertising with programs such as *Curious George* on PBS, and other advertising on TBS, Nickelodeon, USA Network, Lifetime, ABC Family, CMT, TV Land, Food Network, TNT, SciFi, FX and E!

SHOWCASE HEALTH BENEFITS

Economically convenient and versatile, raisins contain fiber and antioxidants, and have served as the focus of many health studies demonstrating their cholesterol-lowering and heart health benefits.

"With the push for more healthful eating, raisins are quickly becoming a year-round nutritious snack and a great addition to summer salads," explains Caruthers' Housepian. "More consumers are turning to adding raisins into their diet, and being merchandised in the produce department supports the idea of healthful eating."

High in antioxidants, raisins are cholesterol-, fat- and sodium-free. "Organic raisins are attractive to health-conscious consumers looking to make fresh, convenient, organic choices across the perishable area," explains Earthbound's Antle. "Plus, they're a great addition to salads."

In January 2009, the University of Connecticut released a study published in the *Metabolism: Clinical and Experimental Journal*, which revealed raisin consumption, combined with leisurely walking, may reduce the risk for cardiovascular disease in 50- to 70-year-old men and postmenopausal women. Moreover, consuming just one cup of raisins daily decreased low-density lipoprotein (LD) cholesterol in the blood stream. "Our research indicates that easily implemented lifestyle changes, such as increasing raisin consumption or walking additional steps each day, may help decrease the risk for heart disease by increasing the clearance of LDL cholesterol from the blood stream," explains Maria Luz Fernandez, Ph.D., professor in the department of nutritional sciences at the Storrs-based University of Connecticut, and researcher for this study. The research was funded by Fresno, CA-based California Raisin Marketing Board.

"The general population has certainly become more health conscious," states Sun-Maid's Archer. "Raisins, like other fruits, are devoid of fat, saturated fat and cholesterol. They have inherent antioxidant qualities and provide an appealing source of other nutrients, such as minerals and fiber." Sun-Maid offers 23 items that carry the Fitness Healthy Food Award logo. "Consumers have become more health-conscious than ever before and the visibly noticeable fitness logo promotes the healthful characteristics of Sun-Maid raisins and dried fruit," he explains. Sun-Maid also uses "100 Healthy Calories Or Less Per Ounce" over-wraps on 6-pack raisins, 6-pack cranberries and 6-pack golden raisins to further accentuate the nutritious aspects of dried fruit. **pb**

known to be heavily promoted during the back-to-school time period, but lift on this package type can also be as high or higher

MIAMI WELCOMES PRO INSTITUTE

Perishables Research Organization, Pioneer, CA, will host PRO Institute Miami, October 18-20, 2009 at Hyatt Place Hotel, located in the heart of the flower import center of the United States. The Floral Postharvest and Marketing Program is designed to ensure attendees are ahead of the curve with practical, cutting edge and commercially viable solutions to many postharvest and marketing-related problems. Expect lectures, demonstrations, tours and networking. PRO Institute is an educational event affiliated with ChainofLifeNetwork.org



Reader Service No. 318

GARDEN SHOW SET FOR SEPTEMBER

California Association of Nurseries and Garden Centers, Sacramento, CA, announces the 2009 Garden Market Expo will be held September 23-24 at the Las Vegas Convention Center, Las Vegas, NV. The trade show for the green and landscape industries will feature a garden center on the show floor to showcase new products and serve as the site for educational offerings.



Reader Service No. 319

NEW PRODUCTS

VASE-OVER MAKE-OVER

DuneCraft Inc., Chagrin Falls, OH, introduces Vase-Over to turn ordinary vases into multi-dimensional containers. Simply fill vase 3/4-full with water, add Vase-Over powder and stir. After 30 seconds, add the fun, themed foam and glitter accents. Insert flowers and your Vase-Over is complete! There is no need to change the solution. Available in birthday, celebration or wedding themes.



Reader Service No. 320

WILD THINGS

A-ROO Company LLC, Strongsville, OH, introduces its Serengeti Collection line of flower sleeves and wraps. The Mod series is inspired by bold, new-wave style florescent colors, graffiti art and the wild animal prints used in fashion couture in the late 1970s. Flip Serengeti Mod DLS Flip Sheets over to make yet another new look. Available in zebra, giraffe and leopard prints.



Reader Service No. 321

TABLETOP TOMATO PLANTS

Fresh Tulips USA LLC, Stevensburg, VA, debuts its Lil' Toms tabletop tomato plants grown under the Virginia sun. Delivered at picking stage, each plant produces around 40 cherry tomatoes in three to four weeks. They are shipped six per box, 20 boxes per pallet. Ideal to merchandise with indoor plants, Lil' Toms make fun gifts for children and adults.



Reader Service No. 322

HANG THIS WREATH

Hiawatha Corp., Shelton, WA, now offers a 28-inch Tree Wreath made of fresh Noble Fir and Port Orford Cedar harvested from the Pacific Northwest mountains. Accented with three clusters of Ponderosa Pine Cones, the tree trunk is constructed with a wooden branch bundle. Consumers may custom-decorate the Tree Wreath with holiday picks, bows and ornaments.



Reader Service No. 323

GRAB-AND-GO FLORAL TOTE

Wald Imports, Kirkland, WA, launches Bag Wraps, a collection of waterproof floral gift bags. The expandable drawstrings enable shoppers to easily carry the filled gift tote. The lightweight bags arrive flat and are available in a wide variety of colors. Seasonal and everyday patterns with suggestions for upgrades are offered. The two sizes of square Bag Wraps fit either 4- or 6-inch pots.



Reader Service No. 324

LET THEM HAVE CAKE

Syndicate Sales, Kokomo, IN, now offers an Aquafoam Floral Cake Kit ideal for encouraging repeat bunch and single stem floral sales. The kit consists of Aquafoam, a cake plate, a pedestal and six candles. Encourage creativity among your do-it-yourself customers and watch them come back for more cake supplies!



Reader Service No. 325

TIME FOR TEA

Northland Floral Inc., St. Catharines, ON, Canada, is promoting personal tea gardens in its Organic Herb Tea Kettle. Merchandise the handmade decorative tea kettle filled with organic, common tea herbs and encourage your customers to snip, steep and enjoy!



Reader Service No. 326

HAPPY 18TH BIRTHDAY

Blossom Bucket Inc., North Lawrence, OH, introduces "18 - What Now?" as part of its Birthday Celebrations collection. The hand-painted resin piece measures 4"H x 4"L and is a Barbara Lloyd design.



Reader Service No. 327

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

See More Green In Holiday Sales

Plan ahead. Think value, price and color and your holiday floral sales will jingle this year.

BY KEN HODGE

Today's economy may be uncertain, but suppliers are expecting sales of holiday greenery, floral items and gifts to be better in December, 2009, than they were the previous year, especially if retailers prepare now for that busy season.

"In spite of a challenging economy, flowers are still selling," reports John Buys, a partner in Northland Floral Inc. of St. Catharines, Ontario, Canada. "But consumers are looking for value and favoring lower price points."

Depending on the products, some floral sales seemed almost recession-proof last year and could do even better in 2009, according to Bill Byland, vice president of Micky's Minis Flora Express, a grower of miniature plants in Millstadt, IL. "Last year we were up a little at Christmas time," he recalls. "This year, we expect to be sold out before Labor Day and expect to see some strong response this Christmas season."

In Houston, Mark Luchak, vice president of produce and floral for the 5-store chain, Rice Epicurean Markets, recalls, "Last year we found to be a softer holiday."

PLACE ORDERS EARLY

Ordering early is one suggestion nearly all suppliers offer to help retailers get ready to capitalize on holiday floral and gift sales. Byland says some retailers order the next year's holiday items almost immediately after the holidays, but not everyone is that farsighted. "We get some orders after the holidays for the upcoming season, but this year, we're getting more pre-booking orders earlier than ever before," he adds.

Advance notice for holiday orders can be a win-win scenario for both retailers and suppliers, according to Rick Vaughan, presi-

dent of Vaughan Inc. of Sanford, FL. He says Vaughan grows plants and then buys containers, picks and other components early to create their dish gardens and holiday foliage items. Accurately forecasting buyers' needs helps them prepare sufficient holiday supplies and avoid overages in their own inventory. "Getting orders with enough advance notice has been critical," Vaughan notes. "We're stuck in the middle and hate to leave money on the table, but we don't want to have inventory we can't sell."

Rob Borden, director of produce and floral at Festival Food Stores, a chain of 24 stores in Vadnais Heights, MN, says he anticipated last year's slowdown because "the economy was already getting pretty rough. We rethought our numbers. I think we're all looking at them this year, too. The industry will be driven more by price."

OFFER THE STAPLE ITEMS

Priced right, holiday staples, such as potted poinsettias and Christmas cactus, have always made up a large percentage of holiday sales. Buys doesn't expect that trend to change. "Christmas evergreens, garlands, wreaths and branches will make up the majority of early-season holiday sales, while traditional fresh-cut bouquets and arrangements tend to move the last two weeks of the season," he explains. "Most floral items are purchased for home décor. Gifting occurs later in the season."

Frank Kauffmann, wholesale sales manager for Teufel Holly Farms, headquartered in Portland, OR, a grower and supplier of fresh-cut Christmas greens, wreaths, swags, garlands, centerpieces and plants, agrees it's important to have enough of the right products throughout the entire holiday season. "We only have a six-week window," he advis-



Traditional bouquets, centerpieces and arrangements tend to move the last two weeks of the holiday season.

es. "In that period, there are certain primary weekends for making sure the customer has the materials. Normally everybody wants their merchandise for Thanksgiving weekend. If we miss Thanksgiving, they might lose 40 percent of their holiday sales. Timing is critical."

Due to the state of the economy in 2008, Kauffmann says Teufel's overall Christmas greenery sales were down quite a bit. He reports retailers were extra cautious and continue to be cautious this year.

Cindy Lowry, president of Blossom Bucket Inc. of North Lawrence, OH, says holiday gifts seem to be doing fairly well through

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this economy. "Supermarkets are a growing niche for us," she explains. "We offer small, impulse items. Most everything retails under \$10. That's our niche. People are still buying gifts. They're just not buying such elaborate gifts as they did in the past."

SHARPEN YOUR PRICE POINTS

Offering floral items and other merchandise at prices that won't make consumers balk is one step suppliers are taking to help retailers realize buoyant holiday sales this year, despite of current economic realities. They're also creating new products, new ordering concepts and new quantities, helping them offer more for less.

"Our products are good because of our price points," asserts Byland of Micky's Minis, who recommends different sizes of floral items and different price points to reinforce the notion of affordability. "We have a slightly lower price than larger poinsettias," he says. "We also have roses, azaleas, mums and Kalanchoes for the holidays. The best way to merchandise our poinsettias is in addition to the larger ones — not next to them, but in high traffic areas near greeting cards, or ideally by checkout counters. They're an impulse item. They add incremental sales."

Demographics always help determine the items and price points consumers will find attractive, according to Vaughan of Vaughan Inc. "Traditionally, what we move the most volume of are the lower price points," he reports. "If we can keep it under \$10 or \$20, those seem to be break points. If prices rise above \$20, people take a little longer to make a decision."

OFFER NOVELTY, COLOR AND VALUE

Seemingly now more than ever, holiday shoppers are looking for value, while still looking for novelty and color. "We are now designing all of our dish gardens so containers have a secondary use when the plant is disposed of," Vaughan says. "In our summer line, we have pails kids can use on the beach and an actual ice bucket with a scoop. We've also tried designing products more generically. We pick items that fit for a holiday, but could also be used for a later one. We can use a red glass cube as a container for Christmas and market it for Valentine's Day if it doesn't sell," he elaborates.

New products are an important part of Blossom Bucket's sales strategy, according to Lowry. "We remake 75 percent of our line every year," she says. "We always have new products. One of our items, Reindeer in Training, is a grouping of Santa and his rein-

deer learning to fly. People want whimsical, fun items with flare."

Kauffmann says Teufel has designed assortment packages with two each of five different wreaths because some smaller supermarkets can't handle 20 of each item. This way, retailers have a variety."

Novelty and flare are the driving force behind unique items from Northland for 2009, according to Buys. The Music Box Photo Chest Indoor Garden is one item consumers can customize with their own photos and wind up to play Jingle Bells. The Living Urn can be decorative on its own or as a drop-in pot for an existing urn. It features a living dogwood for replanting in the spring and is shipped in a display pallet rack wrapped with a promotional banner that helps the urns sell themselves.

DON'T FORGET NEW YEAR'S

Many greenery items are selected to last into the New Year, according to Teufel's Kauffmann, whose products are created with a base of Noble fir, which does not drop needles if kept chilled. The products must also be separated from ethylene-producers during shipping.

At Micky's Minis, Byland says miniature plants make excellent favors for New Year's Eve parties and many Blossom Bucket items can make fun New Year's gifts as well.

"The red, white and green season lasts so long, we find anything nontraditional will work for New Year's week, including blue, silver, white and various shades of mauve and purple in cut flowers and bouquets," Buys adds. "Cut tulips start up in earnest that week, as well as potted bulb plants."

No matter what the holiday, quality and perceived value are essential to compete with big box stores, according to Borden of Festival Food Stores. "They sell lower quality at a cheaper price," he reasons. "We have to keep our prices low, too, but also maintain quality. We have to have a value price on a value product. Last year, we looked for the highest quality wreaths or swags and they sold fairly strong for us."

Rice's Luchak agrees, "We always seem to do well with traditional poinsettias, cornucopias, table arrangements and centerpieces and we are really right in the ballpark with the help of some of our suppliers letting us order close to the time and delivering as needed. We plan the same thing this year — not going overboard, playing close to the vest on what we order. People still had parties last year, but just toned it down. I think we'll see some of that this year, but also some people will say, 'We've been saving all year and doing our best to conserve. The holidays are here, so let's celebrate.'" **pb**



Getting Consumers Involved In Generic Promotion

At the time I entered the workforce and became a consumer, decision-making was relatively simple, due to the limited number of available choices. My medical insurance had a lifetime cap of \$20,000, compared to today's million or more. Most medical decisions ranged among aspirin, several antibiotics and penicillin. Diet was rarely mentioned, and at any one time the number of fresh fruit and vegetables available was generally under 100, with seasonality being a primary customer sales motivator. Now, 50 years later, consumers are bombarded with hundreds — if not thousands — of messages regarding the expanded choice in these and other categories. For the decision-making process, the next great idea often has become tomorrow's contradiction. How is a consumer to know what to believe and then act accordingly?

As a result of the constant — and often conflicting — information bombardment, it often becomes easier to just turn off the input and resort to the easy solution of doing what feels good. For example, my genetic makeup has given me relatively high cholesterol throughout my adult life. Finally, several years ago, the doctor recommended using a low dosage drug and that I pay attention to my diet and consume a substantial amount of fresh fruit and vegetables. Now, the generic version works so well I'm back to chips and ice cream, rationalizing ice cream with fruit counts as a serving of fresh fruit, naturally. Enjoyment easily wins out, with one commercial stating, "Real food for real people."

As the discussion intensifies over a produce industry promotion program, perhaps a good starting point might be to define a strategy, which addresses the potential consumer impact and how to define an objective goal. Just what is going to be the vehicle to break through the buzz from all the competing clutter? What is the message going to be? Will it support United States producers at a time when international supply utilization is growing at an unprecedented rate? This at a time when U.S. entities are heavily involved in importing produce into this country, and often having an equity interest in the success or failure of the business. But the important issue is how consumers have reacted to the media programs of other food industries and how those groups have been able to focus their programs.

To consumers, broad, general programs are just nice messages of clutter, which really don't require much action, despite the fact that the originator believes they have an action message. What we've

seen with food industry product groups is defined product messages. Examples include "Got Milk?," "The Beef People" and "The Other White Meat." All are targeting a relatively narrow offering.

Which sells more milk: A recent two-page ad in *USA Today* announcing the 20 outstanding high school national winners pictured with a milk mustache or a supermarket front-page ad for \$1.99 gallon of milk? Sell potatoes or strawberries or head lettuce or any of the Top 100 produce movers with a store-level promotion. The industry challenge is the fragmentation and competition within the broad fresh fruit and vegetable group with an inability to control production levels.

The hundredth smallest corporate ad spending during 2008 in the United States was over 350 million dollars, ranging upwards to

the Number One advertiser, which spent over \$4.5 billion. McDonalds spent \$1.2 billion, nearly as much as Wendy's/Arby's Group and Yum brands combined. Like it or not, these are just three of the industry's immediate competitors bombarding consumers' minds. Add in Coca-Cola and Pepsi, which combined spent approximately \$2 billion for advertising messages. These five organizations spend over 130 times as much as the produce industry is proposing to implement a new program attempting to change an overall consumption pattern.

For over 15 years — with a much smaller budget — the industry has found itself unable to change consumption habits in terms of servings-per-capita. At the same time, a number of commodity organizations have found they are unable to offer retailer promotion programs due to objections by individual producers. The latest example of this limit is the Washington apple producers with excess inventory lacking the ability to generate sufficient consumer interest at a time, when their focus is tuned to berries, melons and fresh tree fruit.

To estimate the potential of a broad-based produce industry promotional initiative, perhaps consumer groups should be involved to

provide a determination of what elements are needed to alter consumer purchasing decisions, as well as the manner in which consumers would respond to various promotional methodology.

Consumer decisions are the driving force validating the results of any promotional program, not the opinions of the program originators. Decades earlier, Ford decided the Edsel would be a great success. The only problem was they never did advance consumer market research.

pb

To estimate the potential of a broad-based produce industry promotional initiative, perhaps consumer groups should be involved.



Philippe Binard, Secretary General
Freshfel Europe, Brussels, Belgium



Frederic Rosseneu, Secretariat
Freshfel Europe, Brussels, Belgium

EU Commission Relaxes Quality Standards

Back in November, Sainsbury's, the UK supermarket chain, pulled its planned line of misshapen fruit and vegetables, branded as "Halloween produce," because EU standards prevented the sale of such items to consumers. The chain launched a campaign to change the regulations, which include restrictions such as selling cauliflower if it measures less than 11cm in diameter, forked carrots — those with more than one root — or onions that are less than two-thirds covered with skin.

These, along with other defects, means that up to 20 percent of British farmers' onion production goes to waste as soon as it comes out of the ground. Sainsbury's efforts, as well as those of other supermarkets, including the organic community, have paid off. Effective July 1, 2009, the old rules have been abolished, as *The Times of London* put it: "Long live knobbly carrots: Ban on ugly fruit and vegetables is scrapped." Not only will the fruit be back on the shelves, but also it could be up to 40 percent cheaper than other, more attractive fruit.

We recently spoke with Philippe Binard and Frederic Rosseneu, two representatives of the pan-European produce trade association, Freshfel Europe:

Q: What is the significance of the European Commission's new policy on quality standards for fruits and vegetables? With rules effective as of July 1, what does the industry need to know?

A: Binard: Before the change in the EU rules, 36 products were subjected to detailed specification marketing standards. Most were very similar to those of the UNEC (United Nations Economic Commission for Europe). The new EU rules eliminate obligatory detailed standards for most products.

The EU, in an administrative simplification, pushed to get rid of marketing standards. It made the proposal last December to withdraw 26 products from the detailed specification. The only 10 remaining are the larger commodities — apples, pears, bananas, citrus, tomatoes, peaches, nectarines, etc. For the other ones, the EU is repealing the compulsory rules and basically leaving it to the trade or sector to decide what could be put on the market.

A: Rosseneu: Today, with the new EU rules, you just have a little sentence that product should be ripe, a very subjective matter. The new ruling creates uncertainty and gives no assurance of quality. The ruling might compromise the quality of fruit for sale in the market. From a compliance standpoint, the new standard is so basic that as long as the product is not rotten, it passes!

Q: How do governmental proceedings work when implementing a rule such as this? Wouldn't strong opposition from the fruit and vegetable sector and member states carry weight in the final legislation?

A: Rosseneu: The majority of the sector was against the EC pro-

posal and expressed its disapproval in a string of press releases. A vote also was taken by the 27 member states of the EU, represented by agricultural commissions. Ministries of agriculture from the various member states participated. The votes were 107 in favor, 216 against and 22 abstentions. The majority was against it, but it was not a qualified majority.

Q: How does this impact U.S. exporters?

A: Rosseneu: U.S. suppliers to the EU would have to comply with the new rules. From a quality standpoint, not much changes because most U.S. products have higher quality standards already exceeding the older, more stringent EU standards.

For import procedures, it might become more burdensome for U.S. exporters, depending on the country. While all countries need to comply with the new EU rules, each member state is free to determine how to implement those rules. We would have liked to see the rules carried out in a uniform way, with the same procedures for imports across member states.

Q: From a trading/logistics standpoint, are there financial or other issues?

A: Binard: On a compensation basis, it means all imported goods will have to be certified or demonstrate compliance with these minimum standards, and therefore a document issued by an authority will have to be provided. First, a number of countries indicate that to issue a document, there will be a cost of up to 20 Euros per document.

Another problem we've identified: some of the countries could decide according to their experience, a product can enter the country without a certificate. In the new rules, it's been foreseen that on the basis of risk-analysis, a country could make exceptions for particular products.

Overall, we see problems of cost, lack of harmonization, inconsistent reasoning for the list of products subject to marketing standards and other complex issues regarding labeling. What should traders put on the box? What information is necessary? These standards are not compulsory. It could create uncertainty in the provisions of the EU standard being selectively implemented.

Q: How did the EU hone the list of fruits and vegetables that would remain subject to the detailed marketing standards and those that would be repealed?

A: Binard: It seems arbitrary. The Commission says the 10 commodities account for 75 percent of the trade of countries, which will be safeguarded with detailed standards. It's a little strange. It demonstrates the illogical handling of the issue. The Commission has been purely political and not practical or listening to the sector. All organizations of the sector have been unanimous that the move taken is wrong.



Making More Effective HACCP Plans

Doug Pingel, operations manager at Bosma Industries, a company that processes and packages powder mixes, was having trouble with the company's HACCP (Hazard Analysis Critical Control Points) plan. After brainstorming all the possible problem points, the list of items to be addressed included over 30 potential hazard areas. How can a company prioritize and assign resources to the most critical areas?

HACCP AND THE FDA

The FDA recommends the use of HACCP plans to more effectively identify and attack potential problems in the growing, manufacturing, processing and transportation of food products. The essence of HACCP is the identification of all the areas that could possibly contaminate the product in each step of the process and to then take some definitive action to prevent the problems. While there are numerous risk analysis techniques to assess the severity of the problem, this doesn't necessarily paint a complete picture. For example, molding product and contaminated product at first glance may appear to have the same severity risk factor. Which area should be addressed first? The answer is simple. The company needs to combine a simple automotive technique known as FMEA (Failure Modes Effects Analysis) to objectively determine priorities.

WHAT IS FMEA?

FMEA is an automotive, mandated risk assessment technique. The concept is to analyze all the potential matters that can go wrong with the use of the product (Design FMEA) and/or with the manufacture of the product (Process FMEA). An FMEA has the same basic components of HACCP in that one identifies hazards and assesses the severity of the situation. However, the FMEA differs in one important aspect: It forces a review of the company's current systems to detect the problem and the likelihood of occurrence. A subjective numbering system is assigned to each of these factors, including severity, occurrence and detection, and a cumulative risk priority number (RPN) is determined, which permits a company to quickly identify priorities.

FMEA's require the user to create a priority scale based on the impact of the problem to the use. High RPN numbers would require a more substantive control point. For example, perhaps there is a company that makes products that fit into an airplane. That product requires stress relief to ensure it doesn't break in flight. The company would weigh the severity of failure very high, so a nine may be assigned. The chances that this type of defect occurring may not be

frequent, based on historical company data, so a six would be assigned. The company believes this is the responsibility of the suppliers and thus, do not have an internal mechanism to inspect for this defect. So their ability to detect the problem may be very low so it is weighted an eight (the numbering system is reversed for detection). When the numbers are multiplied, a risk priority number of 432 is derived. Apply that same logic to something like a package breaking in transit where the severity factor is very low and you will see that a much smaller RPN is attained.

COMBINING TECHNIQUES

By combining the same logic to the food industry, you allow yourself a chance to more effectively prioritize risks. Look at a normal produce processing plant. The company had determined that one potential hazard is cleaning chemical residue left on machines, which could cause product contamination. Another possible hazard is potential moisture in the processing environment, which could cause mold. Both issues are potential problems, but it can be difficult to determine which one should receive the greatest priority.

Let's take a look using the FMEA concept. From a severity perspective, the cleaning solution is less severe to the consumer than moisture in the product, so that receives a rating of a seven, on a scale of 1-10 with ten being the highest. Environmental moisture would receive a nine. The company determines that

leftover chemical residue has a greater chance of happening than mold because the machines are cleaned two times a day, so the occurrence rating for cleaning is at an eight and the occurrence for moisture in the air is rated a six. The current ability to detect the problem is rated a seven for the cleaning solution, but a lower number, four, is assigned for moisture detection. To determine a risk priority number for the cleaning solution you multiply the three numbers (seven, eight and seven) and get a risk priority number of 392. By that same process, multiply nine, six and four to reach the risk priority number for moisture, which is a 216. By creating a more objective numbering system that takes into account occurrence and the company's ability to detect the problem, it becomes clear that creating new control points for the cleaning solution would be a bigger priority than potential moisture problems.

In Bosma's case, by simply combining some of the techniques of FMEA with the company's existing HACCP plan, it was able to objectively determine which areas require the greatest attention and resource.

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FMEA forces a review of the company's current systems to detect the problem and the likelihood of occurrence.

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