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MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

24th Annual MARKETING EXCELLENCE AWARDS



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INSIDE:

THE PUNDIT LOOKS AT THE COLLAPSE OF THE PMA/UNITED MERGER
ONIONS • WASHINGTON APPLES • FALL AVOCADOS
RAISINS • TAILGATING • TRANSPORT PACKAGING • JUICES
REGIONAL PROFILE: CHICAGO • MUSHROOMS • ETHNIC GUIDE
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p. 86

COVER STORY

- 22 MARKETING EXCELLENCE AWARDS**
 Twenty Well Rounded Companies
 Garner Industry Recognition

COMMENTARY

- 10 THE FRUITS OF THOUGHT**
 Is United/PMA Merger Dead?
- 94 RETAIL PERSPECTIVE**
 Sense Of Urgency
- 96 EUROPEAN MARKET**
 Transparency Needed To Uncover
 Potential Contamination Problems
- 97 VOICE OF THE INDUSTRY**
 Produce Roots Go Deep At The
 National Grocers Association

IN THIS ISSUE

- 4 THE QUIZ**
- 8 WASHINGTON GRAPEVINE**
- 12 TRADE SHOW CALENDAR**
- 14 PRODUCE WATCH**
- 18 RESEARCH PERSPECTIVES**
- 19 COMMENTS AND ANALYSIS**
- 98 INFORMATION SHOWCASE**
- 98 BLAST FROM THE PAST**

FEATURES

- 36 TRANSPORT PACKAGING: UPHOLDING QUALITY THROUGH THE SUPPLY CHAIN**
 Even before fruits and vegetables are put on display for the consumer, the choice of packaging used to bring produce to the warehouse or retail store impacts a wide range of bottom line issues.
- 44 ON STAGE AND IN THE SPOTLIGHT: TAILGATING SEASON BEGINS**
 Tailgating may be more a state of mind than a specific event. However you choose to define it, the idea offers great promotional opportunities and ways to capture customer loyalty.
- 50 WASHINGTON APPLE VARIETY REPORT: WHAT'S HOT, WHAT'S NEW, WHAT'S NEXT?**
 With new varieties popping up at breakneck speeds, Washington apples are proving their power at produce departments around the country.
- 59 FOUR WAYS TO SELL MORE AVOCADOS IN THE FALL**
 With a year-round supply and plenty of produce-centered holidays, avocados can bring ring to your produce department in the fall months.
- 66 ALL ABOUT FRESH JUICE IN PRODUCE**
 With a continuous focus on health and wellness, juices placed in produce departments are practically jumping into consumers' carts.

DEPARTMENTS

REGIONAL MARKET PROFILE

- 70 Chicago: A Town As Diverse As Its Produce**
 With a centralized location, plenty of local farms and thriving wholesale, retail and foodservice markets, Chicago plays an important role in the American produce market.

MERCHANDISING REVIEWS

- 79 Onion Opportunities**
 By educating consumers and properly merchandising onions, produce departments can capitalize on this lucrative segment.
- 86 Mushrooms: Five Top Challenges & Opportunities**
 As consumers focus on healthful eating, mushrooms are a natural choice to shine the light on in produce.

DRIED FRUIT & NUTS

- 91 Sell Raisins To Increase Produce Sales And More**
 This versatile dried fruit champion adds a unique presence in any produce section, providing opportunities for greater sales all year long.

SPECIAL FEATURES

- 20 FROM THE PAGES OF THE PERISHABLE PUNDIT**
 A Closer Look At The Dynamics That Led To The Collapse Of The United/PMA Merger
- 31 DOLE CONSUMER RESEARCH YIELDS SHOCKING INSIGHT**
 It may be time to rethink the produce department and how we're selling to consumers.
- 48 ETHNIC GUIDEBOOK**



p. 31

THIS MONTH'S WINNER



June Baldez
Inter-Valley Produce Inc.
President
Wapato, WA

Inter-Valley Produce opened in 1964 as a commission merchant buyer. June Baldez, the company's current president, joined the team in 1976 as a field produce buyer. "I was a farmer at the time, and my family was in the quality packing business, so it was quite a natural transition for me," says Baldez.

Baldez met her husband at Inter-Valley; it was his family's business, and the two ran the show side-by-side. "Since my husband passed in 2001, the business has evolved into a storage and warehouse facil-

ity. It's a good thing my late husband taught me how drive a forklift, because now I do it all," Baldez says with pride. "We mostly store fresh produce from farmers or distributors like CF Fresh, and then load their trucks. There's also one room reserved for Bonnie Plants, a national plant wholesaler that sells to Home Depot, Loews and the like."

Baldez has been getting PRODUCE BUSINESS for years. "I read it cover to cover to keep my finger on the pulse of the industry. We've been reading it for as long as I can remember," she says.

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) According to Avocados From Mexico, how much have avocado sales increased? _____
- 2) What social media site does Baero use? _____
- 3) Who is the executive director at UC Davis' Center for Produce Safety? _____
- 4) What year was Anthony Marano Company established? _____
- 5) Research shows that each of POM Wonderful's display bins generates how much money in sales? _____
- 6) What is the name of the children's promotion created by Yakima Fresh? _____

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

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

Photocopies of this form are acceptable. Please send answers to:
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HIGHWAY REAUTHORIZATION BILL FINALLY HITS THE OPEN ROAD

By Julie Manes, Director of Government Relations
United Fresh Produce Association



After years of extensions of current law and many fits and starts, a rare incident of bipartisanship brought Congress together to finally pass the Highway Reauthorization Bill earlier this summer. The bill outlines specific benefits for the produce industry, noting the perishability and other unique factors involved in transportation of product. There were attempts to include language that would allow an increase in truck weights, which would increase efficiencies along the produce supply chain, but a study on the safety of the increase was included instead. Hours of Service rules, licensing and logging provisions are also included in the bill, which allow much needed flexibility for the entire agriculture industry.

President Obama signed the bill into law on July 6, after Congress had previously passed nine extensions of the 2005 law, due to the inability to reach an agreement on transportation spending priorities or budget. The package, formally referred to as Moving Ahead for Progress in the 21st Century, or MAP-21, retains current funding for transportation programs at slightly more than \$100 billion and reauthorizes these programs through September of 2014. In addition to highway transportation programs, the legislation also reauthorizes a variety of other surface transportation programs. Given the highly partisan, volatile atmosphere on Capitol Hill, the passage of the Highway Reauthorization Bill is looked at as a rare bright spot in the 112th Congress.

The conditions of America's roadways and the regulations for commercial driving are critical to the produce industry, which makes a number of the legislation's provisions particularly relevant.

Truck Size And Weight

A provision regarding the ability of states to allow for increased truck weights, which

United Fresh supported, was the subject of intense debate. Unfortunately, no increase in size and weight limits was included in the bill, other than an increase in allowable weight for idling reduction devices from 400 pounds to 550 pounds. The bill requires the Department of Transportation to conduct a comprehensive size and weight study that is due in two years. United worked with industry partners to include language in the legislation for the study to be done as expeditiously as possible in hopes of gathering data that supports the argument for increased truck weights in the next reauthorization. While it is disappointing that Congress did not include language to give states the flexibility to allow increased truck weights, which has been proven to be safe many times, United will continue to work with like-minded coalition partners to ensure that the study is completed at the earliest possible date and that policymakers and their staff are as informed as possible about the safety of increased truck weights as well as the needs of the agriculture sector on this issue.

Transportation Of Agricultural Commodities And Farm Supplies

Of particular interest in the legislation is the provision regarding the agriculture exemption to the Hours of Service (HOS) rules. MAP-21 clarifies that the movement of farm supplies, as defined by the measure, include transporting supplies, from a terminal or distribution point to the retail site or farm.

The language also increases air mileage from 100 to 150 and eliminates "in the state" from the language. The inclusion of this phrase clarifies the intent for the exemption to both interstate and intrastate commerce. This clarification is much needed to ensure that agriculture has the flexibility to adapt to a variety of changing factors, such as weather and business conditions.

Commercial Drivers' Licenses

The law also contains language exempting farm vehicles from the requirements relating to commercial drivers' licenses.

Electronic Logging Devices

The bill requires the Department of Transportation to develop regulations mandating electronic logging devices (EOBRs) for motor carriers who must now complete paper logs. The regulations must be in place within one year; after which, carriers will have two years to adopt/install the devices.

Broker Bond

The bill increases the broker bond to \$75,000 and applies it to freight forwarders. It also tightens requirements on bonding companies to respond to carrier claims and includes amending language allowing authorized motor carriers the flexibility to subhaul during the busiest times of the year.

While the law is certainly not perfect and does not contain all the provisions that United Fresh would have liked to see included, it is important that Congress has finally passed a proposal that gives those who rely on the nation's highways to conduct business a level of certainty about the requirements they must meet and that will provide crucial funding for infrastructure needs. However, the work to ensure we have policies in place that will keep our nation's infrastructure safe and efficient is far from over, and United will continue to help ensure that agriculture's transportation needs are met.

Attending United's Washington Public Policy Conference, in Washington D.C., October 1-3, is a great way to engage with federal policymakers on transportation, food safety, labor and other industry priorities. Visit United-Fresh.org to learn more.

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IS UNITED/PMA MERGER DEAD?

By James Prevor
President & Editor-in-Chief



There are two ways of approaching the idea of combining the Produce Marketing Association (PMA) and the United Fresh Produce Association (United). One approach is to see each association as an individual entity “owned” by organizations that happen to be members today. In this view, the board of each association has a responsibility to its members similar to the fiduciary responsibilities that the board members of a

for-profit corporate board have to shareholders.

Another way of approaching the issue is to view both associations as “owned” by the broad-based produce industry, to see them both as creations of the trade developed to serve the various needs of the trade and subject to change or elimination when the needs change. Because the ownership of both associations in this view is identical, there are no fiduciary issues, and the sole question is how the industry wishes to arrange its affairs.

The notion that the associations have different ownerships is given credence by the fact that PMA has over 1,500 members that are not members of United. It seems a strong point, but, upon examination, may say less than one would think. A substantial portion of the membership of PMA comes from companies that exhibit and/or attend its many events, especially Fresh Summit. There are significant discounts offered to members for participating in these events and benefits given to members in terms of badge recognition, etc. These discounts and benefits certainly lead people to join, but whether they actually represent an emotional bond to a membership organization is not clear.

The focus with which one views this issue is crucial. If you view the associations as separate entities with separate agendas and ownership, it is hard to build a strategic case for why PMA would want to “own” United. It is almost impossible to build a case that PMA should change in any substantial way to make that happen. After all, from a financial perspective, at least, PMA is the more successful association, with substantial assets and a business model that produces continuing surpluses.

On the other hand, if one views the two associations as sharing a common ownership, one would be hard-pressed to claim that if the trade was starting with a blank sheet of paper, it would choose to organize its communal affairs in this way. After all, United’s primary function is essential: It advocates for the industry in the corridors of power in Washington, DC, yet its funding for that mission is thin and not fully reliable, as the communal resources of the industry flow through PMA’s Fresh Summit. It is this difference of visions that has thwarted merger attempts for decades, including, most recently, the collapse in July of the talks focused on merger which had begun 18 months previously.

Arranging a merger between two wholly owned subsidiaries of the same “produce corporation” is not very hard. Sure there are occasional issues, say the PACA Trust or NAFTA, on which different segments of the

industry have different perspectives, so the grower/shippers may need their own small and focused association — perhaps some kind of league of state and regional grower groups — to handle these issues. This is what the big terminal market wholesalers did in creating the National Association of Perishable Agricultural Receivers (NAPAR). The wholesalers recognized that any large vertical produce association would never give them representation on certain key issues where their interests diverge from those of the overall trade. Still, these issues are few and far between and, for the most part, it is one industry, and one association can easily be envisioned and arranged.

Yet every effort at combining the associations collapses. The recent talks fell apart, after 18 months of bridging every gap, nominally over the issue of who ought to be the CEO. PMA insisted its CEO lead what would have been a newly created single association. United was willing to pass that responsibility to the new board, aware that as the new board would be composed of 50 percent of members from each of the prior associations, United’s board would, if unified, maintain the ability to block any CEO choice.

This is, of course, silly. Executives retire, get new jobs, pass away... the notion that creating a whole new association and eliminating two existing associations is a great idea with lots of upside for the industry but can be allowed to collapse because of a personnel issue simply doesn’t make sense.

Except, in this case, it makes perfect sense. The merger talks produced an “agreement” that was acceptable to all parties because it avoided making any tough decisions. It never prioritized one association’s initiatives over another. It left staffing decisions – and in these arenas, staff and policy are often synonyms – to the new CEO. So both United and PMA partisans could envision this working. One could see the new association as PMA with a Washington, DC office and an increased focus on DC representation. Or one could see the new association as United with a more sophisticated governance structure, more networking activities and a lot more money.

So the key became the CEO. His actions and his staffing decisions would very quickly define the new association. Because the shape of the new association had not been defined by the negotiations, each side knew that choosing the CEO of the other association would cause them to lose the association they hoped to create. Thus the talks reached an impasse.

Are the efforts to merge dead? Is there a chance they will be revived quickly? The industry – with staff and travel and consultants – spent over a million dollars on this effort. Was it all for naught? Leadership on this issue won’t come from the association CEOs. It probably won’t come from the association boards. Both are too close to the situation and too wounded from the breakdown of the talks. The question is whether the leaders of large companies of the industry are willing to rouse themselves and assert that they own these entities and they want them consolidated. There is no question that these leaders care about the situation, but whether they care enough to make it happen is still an open question.

Are the leaders of large companies of the industry willing to rouse themselves and assert that they own these entities and want them consolidated?

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Conference Venue: Grand Hyatt Hotel, San Antonio, TX
Conference Management: Texas Produce Association
Phone: 956-581-8632 • Fax: 956-584-3307
Email: sparkslaura@hotmail.com
Website: www.texasproduceassociation.com

August 16-18, 2012
APPLE CROP OUTLOOK

Conference Venue: Ritz Carlton, Chicago, IL
Conference Management: U.S. Apple Association
Phone: 703-442-8850 • Fax: 703-790-0845
Email: lstephens@usapple.org
Website: www.usapple.org

August 22- 25, 2012
AMHPAC 2012

Conference Venue: Presidente Intercontinental Hotel, Jalisco, Mexico
Conference Management: Mexican Association of Protected Horticulture, Guadalajara, Jalisco, Mexico
Phone: (33) 38-23-36-52
Website: www.amhpac.org

SEPTEMBER 4 - 9, 2012
JOINT TOMATO CONFERENCE 2012

36th Annual Joint Tomato Conference
Conference Venue: Ritz Carlton, Naples, FL
Conference Management: Florida Tomato Committee, Maitland, FL
Phone: 407-660-1949 • Fax: 407-660-1656
Email: diana@floridatomatoes.org
Website: www.floridatomatoes.org

September 18 - 21, 2012
FFVA CONVENTION 2012

FFVA 69th Annual Convention 2011
Conference Venue: Ritz Carlton, Naples, FL
Conference Management: Florida Fruit & Vegetable Association, Maitland, FL
Phone: 321-214-5200 • Fax: 321-214-0210
Email: information@ffva.com
Website: www.ffva.com

September 20 - 22, 2012
SEPC FALL CONFERENCE 2012

2012 Annual Fall Conference
Conference Venue: Grove Park Inn, Asheville, NC
Conference Management: Southeast Produce Council Inc., East Ellijay, GA
Phone: 813-633-5556 • Fax: 813-653-4479
Email: info@seproduceecouncil.com
Website: www.seproduceecouncil.com

September 22-24, 2012
FLORIDA RESTAURANT & LODGING SHOW 2012

Conference Venue: Orange County Convention Center, Orlando, FL
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Phone: 203-840-5910 • Fax: 203-840-9910
Email: inquiry@fraexpo.com
Website: www.flrestaurantandlodgingshow.com

September 24 - 25, 2012
AMERICAS FOOD AND BEVERAGE SHOW 2012

16th Annual Americas Food and Beverage Show
Conference Venue: Miami Beach Convention Center, Miami, FL
Conference Management: World Trade Center Miami, Miami, FL
Phone: 305-871-7910 • Fax: 305-871-7904
Email: afb@naylor.com
Website: www.americasfoodandbeverage.com

OCTOBER 1 - 3, 2012

WASHINGTON PUBLIC POLICY 2012
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Conference Venue: Hyatt Regency Capitol Hill, Washington D.C.
Conference Management: United Fresh Produce Association, Washington D.C.
Phone: 202-303-3400 • Fax: 202-303-3433
Email: united@unitedfresh.org
Website: www.unitedfresh.org

October 14 - 17, 2012
SIAL PARIS 2012

The 25th global international food products exhibition
Conference Venue: Paris Nord Villepinte - Pac des Expositions, Paris, France
Conference Management: IMEX Management Inc., Charlotte, NC
Phone: 704-365-0041 • Fax: 704-365-8426
Email: EricH@imexmanagement.com
Website: www.imexgmt.com

October 26 - 28, 2012
PMA FRESH SUMMIT 2012

Conference Venue: Anaheim Convention Center, Anaheim, CA
Conference Management: Produce Marketing Association, Newark, DE
Phone: 302-738-7100 • Fax: 302-731-2409
Email: solutionctr@pma.com
Website: www.pma.com

NOVEMBER 8 - 10, 2012
44TH NOGALES PRODUCE CONVENTION AND GOLF TOURNAMENT

Conference Venue: Rio Rico Resort & Tubac Golf Resort, Rio Rico, AZ
Conference Management: Fresh Produce Association of the Americas, Nogales, AZ
Phone: (520) 287-2707 • Fax: (520) 287-2948
Email: freshfrommexico.com
Website: www.freshfrommexico.com

November 10 -13, 2012
INTERNATIONAL HOTEL, MOTEL AND RESTAURANT SHOW

Conference Venue: Javits Center, New York, NY
Conference Management: GLM, White Plains, NY
Phone: 914-421-3346 • Fax: 914-948-6197
Email: customerrelations@glmshows.com
Website: www.ihmrs.com

November 11 -14, 2012
WESTERN GROWERS ANNUAL MEETING 2012

Conference Venue: Fairmont Resort, Scottsdale, AZ
Conference Management: Western Growers Association, Newport Beach, CA
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Email: info@wga.com
Website: www.wga.com

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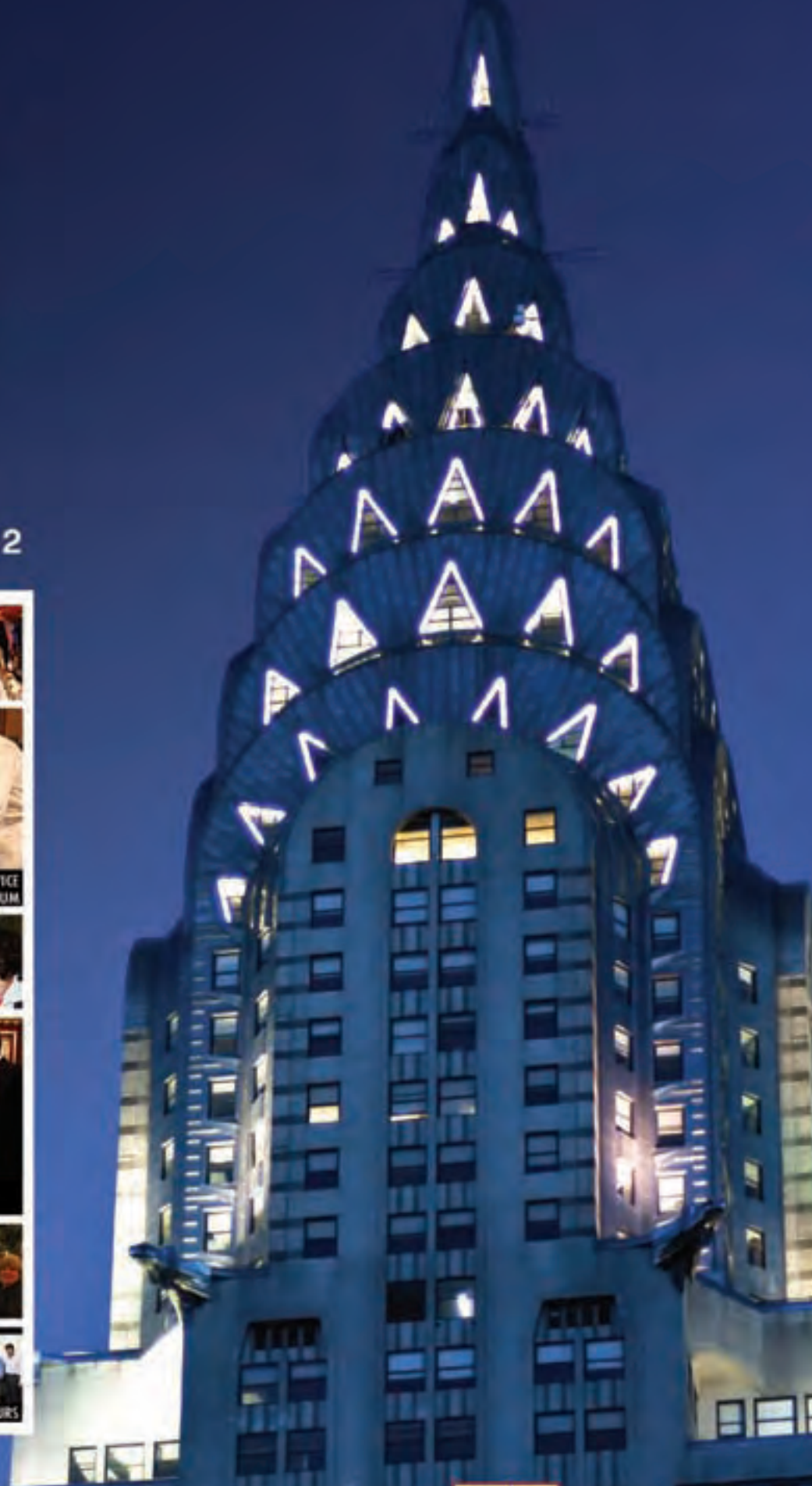
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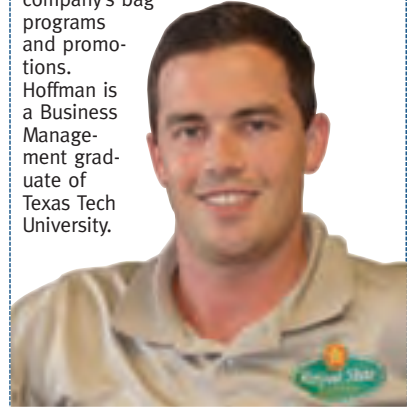
Julia Hashim recently joined the Oppenheimer team as the new business development representative in the company's Newark, DE, office. She will be focusing on executing impactful promotions for primary brands, providing solutions for retailers, and creating

interest in and excitement for each of Oppenheimer's key categories at retail. Before coming to Oppenheimer, Hashim worked as a business operations associate for TEKsystems in Hanover, MD, where she was responsible for customer service and financial forecasting and analysis.

**FRESH TEX
ALAMO, TX**

Chris Hoffman joins Fresh Tex after a two-year position handling outside sales for Glaziers. He will be tasked with keeping an account for the increased lime customers and focusing on growing the lime base with increased value offerings of the company's bag programs and promotions.

Hoffman is a Business Management graduate of Texas Tech University.



**DUDA FARM
FRESH FOODS
OVIEDO, FL**

Duda Farm Fresh Foods welcomes **Susan Noritake** to the team as the director of fresh-cut sales. Noritake will be responsible for leading the entire sales division and will be taking the lead on developing sales programs and promotions, maintaining strong relationships with key customers, building new accounts and enhancing the overall performance of the fresh-cut sales team through improved sales processes and professional development.



**COLUMBIA
MARKETING
INTERNATIONAL CORP.
WENATCHEE, WA**

Columbia Marketing International has hired **Katharine Grove** to the marketing team. Katharine brings more than seven years of professional marketing experience. She will be responsible for CMI's online content, including social media, collaboration on marketing materials and attending industry trade shows. She will also spearhead research that will benefit the company's customers moving forward.

Armando Palacios arrives at Fresh Tex following a sales position with Azteca Milling. Palacios brings a wide range of experience with ethnic products and how they work within a market. He will be focusing on building the company's chili pepper category and other ethnic items out of Mexico. Palacios is fully bilingual in English and Spanish, and thus has the ability to significantly expand Fresh Tex's customer base throughout the market.



ANNOUNCEMENT



L&M PARTNERS WITH HIGH COUNTRY

L&M Companies Inc., Raleigh, NC, announces its partnership with Idaho potato grower-shipper, High Country. Located in Rexburg, ID, High Country is one of Idaho's largest Russet potato packers, currently shipping about 1.5 million sacks annually. By teaming up with High Country, L&M becomes a solid industry player in Russet potatoes and completes its year-round program.



**COLORFUL HARVEST
SALINAS, CA**

Colorful Harvest welcomes **Jeremy Burris** as the new vice president for sales and sourcing for its Florida division. The addition of Burris is the latest in a series of moves to expand a very successful Florida produce operation. Burris brings to the position over 10 years of strawberry industry experience as the former vice president of sales for Wish Farms of Florida.



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ANNOUNCEMENTS

PURE HOT HOUSE FOODS DOES IT AGAIN

For the third time in a row, Pure Hot House Foods took home the "Specialty Pepper Award" with its Aurora Bites™ sweet mini peppers at the Perfect Pepper Competition, put on by REACH International in Leamington, Ontario, Canada, over the weekend of June 15-17. Pure Hot House Foods is a year-round grower, shipper and marketer of a full line of greenhouse-grown products and value-added fresh-cut Grillers and Roasters.



SOUTH AFRICAN SUMMER CITRUS ARRIVES IN U.S. MARKETS NATIONWIDE

South African summer citrus' Clementines and Navel oranges have arrived from South Africa. The fruit will be distributed to grocery and other retail stores across the United States. Consumer demand for South African summer citrus has been increasing, as the citrus is recognized as a sweet, delicious and nutritious staple to summer menus and meals. Growers expect consumers will be especially pleased with the taste, texture and overall eating quality of this season's crop, which continues to October.

PROGRESO PRODUCE EXPANDS PRODUCT MIX WITH PERUVIAN AVOCADOS

Progreso Produce, Boerne, TX, has expanded its product mix to include avocados from Peru. Progreso has been importing Mexican avocados for over a year and offers a year-round Mexican avocado program. The addition of Peruvian avocados fills a short 12-week market window and is a complement to the company's Mexican program. In addition to Peruvian avocados, Mexican avocados will also be available and ripening programs can be set up to customer specifications.



AMHPAC HOLDS FIFTH BUSINESS AND TECHNICAL CONVENTION

This year, the Mexican Association of Protected Horticulture (AMHPAC) will hold its fifth Business and Technical Convention in Guadalajara, Jalisco, Mexico, from August 22-25th. With the purpose of analyzing and discussing the challenges faced by the protected agriculture sector in North America, this event will bring more than 500 local and global industry leaders together.

NEW PRODUCTS



READY PAC FOODS OFFERS DISNEY-THEMED KIDS MEALS IN TIME FOR BACK-TO-SCHOOL

Ready Pac Foods Inc., Irwindale, CA, in conjunction with Disney Consumer Products, is announcing a new line of Disney-themed Mini Meal and Salads formulated for kids six to 12 under the Ready Pac Cool Cuts® brand. Ready Pac is thrilled to provide a selection of great tasting foods that meet the strict Disney nutrition guidelines and encourage kids to eat better by making nutritional foods fun and appealing. According to the company, the meals are also a great value when compared to lunches and snacks purchased at restaurants for kids.

MARKET FRESH PRODUCE EXPANDS TOMATO LINE

Market Fresh Produce LLC, Nixa, MO, expands its packaged tomato line, with the addition of the two-pack clamshell. This design allows Market Fresh customers to offer consumers large slicing tomatoes, either hothouse or vine-ripened, at a very competitive price point. Retail feedback is claimed to be positive as well since retailers see a reduction in shrink with this new product.



NATURIBE FARMS LAUNCHES VERY BERRY SUMMER TRIVIA CONTEST

Naturipe Farms, Estero, FL, officially launched its first Very Berry Summer Trivia contest on its Facebook page with the intent of spreading awareness about the health benefits of fresh berries. Trivia questions will be based on nutritional and historic fun facts about strawberries, blueberries, raspberries and blackberries found on Naturipe's website. Every Monday, one prize of five coupons redeemable for free packages of fresh Naturipe berries and a \$50 American Express gift card will be awarded to a randomly selected user with the correct answer. The contest ends on August 20.



CORRECTION

On page 131 of the July issue of *PRODUCE BUSINESS*, Paul Auerbach of Maurice A. Auerbach Inc. was misquoted. Alan Napolitano works at Vision Import Group in River Edge, NJ. We regret the error.



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

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Convenience Driving Increase In Processed Fruit And Vegetable Expenditures

BY BRIAN TODD, PRESIDENT, THE FOOD INSTITUTE

The average U.S. family spends \$6,129 a year on food, accounting for 12.7 percent of average total expenditures of just over \$48,000, according to *Demographics of Food Spending* from The Food Institute, a research and trade association. The publication looked at expenditure data from the Bureau of Labor Statistics as it has done for the past 15 years — the latest from surveys conducted in 2010. Those food expenditures are down from prior-year levels, however, as the so-called “Great Recession” was in full swing at that time and frugality started to become a common term in the consumer vocabulary, and continues to be today.

But that should be put into perspective as The Food Institute reminds its members, compared with other nations across the globe, U.S. families still enjoy the lowest cost food. In a ranking of food expenditures as a percent of disposable income by nation, the U.S. consistently leads the pack with the smallest share, lately followed by Singapore and the United Kingdom. And if you are wondering, in Cameroon, nearly one-half of families’ disposable income goes to food.

Unfortunately for the food industry — from farm to fork — it has felt the impact of the Great Recession even more than the total expenditure line. While the total dropped 2 percent from the prior year, food expenditures during 2010 dropped nearly 4 percent — a pretty big hit for everyone from farmers to retailers.

Looking at it another way, food expenditure cutbacks accounted for 25 percent of the overall decline in average annual expenditures in 2010, even though only one-eighth of the total is spent on food.

Fortunately, expenditures for fruits and vegetables bucked the downward overall trend for food spending in 2010, rising 3.5 percent from the prior year to \$656, with fresh fruit and vegetable expenditures rising 3 percent to \$442, while processed rose 4 percent to \$237. And, while the average consumer spent \$1 more on fresh vegetables compared to the prior year, \$14 more was spent on processed vegetables — sug-

Average Annual Household Food Expenditures: 10-Year History
(Source: Food Institute analysis based on Bureau of Labor Statistics 2010 Consumer Expenditure Survey)

Year	Average Annual Expenditures	Total Food Expenditures	Food as Percent of Expenditures	Food At-Home Expenditures	All-Home Percent of Total Food Expenditures	All-Home Percent of Average Annual Expenditures	Food Away-From-Home Expenditures	Away-From-Home Percent of Total Food Expenditures	Away-From-Home Percent of Average Annual Expenditures
2001	\$39,218	\$5,321	13.3%	\$3,266	61.4%	7.8%	\$2,055	38.6%	5.2%
2002	\$40,677	\$5,373	13.2%	\$3,299	61.4%	7.8%	\$2,074	38.6%	5.2%
2003	\$43,817	\$5,540	12.6%	\$3,329	60.1%	7.6%	\$2,211	39.9%	5.0%
2004	\$43,293	\$5,781	13.3%	\$3,347	57.9%	7.7%	\$2,434	42.1%	5.6%
2005	\$46,429	\$5,931	12.8%	\$3,297	55.6%	7.1%	\$2,634	44.4%	5.7%
2006	\$48,398	\$6,111	12.6%	\$3,417	55.9%	7.1%	\$2,694	44.1%	5.6%
2007	\$49,638	\$6,133	12.4%	\$3,440	56.1%	7.0%	\$2,693	43.9%	5.6%
2008	\$53,486	\$6,443	12.0%	\$3,744	58.1%	7.0%	\$2,699	41.9%	5.2%
2009	\$49,267	\$6,372	12.9%	\$3,753	58.9%	7.6%	\$2,619	41.1%	5.3%
2010	\$48,108	\$6,128	12.7%	\$3,624	59.1%	7.5%	\$2,504	40.9%	5.2%

gesting that the frugal consumer will purchase the product with the longer shelf-life and greater convenience.

The Food Institute notes that ease of use likely played a large role in that increase in processed fruits and vegetables, due specifically to the popularity of frozen steam microwave vegetable packs that have become a staple in the freezer case for both brands and private labels, and now account for a large portion of frozen vegetable sales.

Another factor that may be aiding the trend toward greater processed vegetable sales is an expanding number of freezer cases beyond the traditional supermarket into alternative retailers such as chain drug stores and dollar stores, making those products more readily available to consumers. Just consider that the number of U.S. dollar stores has now surpassed 22,000 — even more than the number of chain drug stores. And, The Food Institute projects that number will top 33,000 by the end of the current decade — many with freezer cases, and major players looking to expand the number of freezer cases in their stores.

Looking back five years from 2010, The Food Institute found that processed vegetable expenditures in that period rose an impressive 30 percent, far outpacing the 5 percent growth in processed fruits, the 9 percent growth in fresh vegetables and even the substantial 19 percent gain in fresh fruits.

And while the data in the *Demographics* report may confirm some assumptions that consumers in the Western region of the U.S. spent 2.3 percent more of their food budget

on fresh fruit and 1.2 percent more on fresh vegetables than consumers in the Northeast, those Northeastern consumers aged 25 to 34 spent 0.5 percent more of their total budget on fruits and vegetables than their Western counterparts.

Looking at expenditures by household size, the convenience of processed fruits and vegetables is borne out by the data showing that single-parent households with at least one child under 18 years old spend 40 percent of their fruit and vegetable expenditures on processed fruits and vegetables — more than any other such demographic group. For “couples only” fully two-thirds of their expenditures for fruits and vegetables go to fresh fruits and vegetables, however.

Researchers at The Food Institute also point out the wide fluctuation in fresh fruit and vegetable pricing has contributed to the steady increase in consumer expenditures for processed foods. In the Institute’s *Retail and Wholesale Food Price Review 2012*, the association reported that processed fruit and vegetable prices increased 3.7 percent at the wholesale level in 2011, compared with a 2.3 percent increase in consumer prices. And on a month-to-month basis, processed vegetable prices change little. But that’s not the case for fresh fruit and vegetable prices, which fluctuate dramatically from month-to-month.



The Food Institute, in Upper Saddle River, NJ, strives to be the best “single source” for current, timely and relevant information about the food industry from “farm to fork.” The Food Institute delivers information through multiple media so that industry professionals worldwide can tap in when and how they choose. For more information, go to www.foodinstitute.com

Can Fresh Overcome Frozen And Canned Advantages?

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

One way research can help us do business better is by focusing our efforts on inflexion points or areas in which our efforts can make a difference. This piece of research by The Food Institute points to three such points:

1) By emphasizing the percentage of income spent on food in general and food at home in particular, this research leads to questions about the utility of focusing on price-reduction as a key component of increasing demand.

2) By focusing on the question of relative growth of fresh versus processed fruits and vegetables, this research leads to a broader assessment of competition and raises the question of whether fresh product development and fresh marketing are really hitting the nail on the head. It even raises into question whether industry institutions, such as the *Fruits & Veggies — More Matters* initiative, which promotes fresh, frozen, dried and 100% juice, help or hurt the fresh industry by building overall demand or by sharing the fresh halo of healthfulness with canned and frozen product.

3) In analyzing expenditures for produce overall and fresh produce particularly by geography, income and family size, we are moved to question our product development and marketing to see if we are effectively targeting all the available market opportunities.

If we leave foodservice aside for a moment and just look at expenditures for food consumed at home, we see the latest figures indicating that just 7.5% of family expenditures goes for food consumed at home. We don't have separate fresh produce numbers but, roughly speaking, about 10% of a supermarket's sales go to the produce department. So we are talking about around 0.75% of family expenditures going for fresh produce — and that number includes salad dressings and other ancillary items sold in the produce department.

Now, of course, these are broad-based statistics. Individual families are in all kinds of circumstances based on income and psychographics. There are probably some

impoverished vegans who only will eat organic produce but might spend more than half of their food budget on fresh produce, and there may be some carnivore-centric billionaires who spend heavily on lobster, filet mignon and fine wines — for whom produce is infinitesimal as a percentage of their food expenditures... let alone their total expenditures.

Still, on average, if something costs 0.75% of the family's total expenditures, it raises into question whether price reductions are a particularly effective way of boosting demand.

Perhaps the real drivers of relative sales is competition with frozen and canned. The competitive advantages these products have are easy to identify, but less spoilage usually bubbles to the top of the list.

In today's hectic world, few families are as predictable in their eating habits as in Ozzie and Harriett. That vision of life — where the man finishes work at 5:00 every day and comes home for dinner made by the wife who has been focused on making it, is no longer reality. Today families are torn in more ways; work schedules are less predictable, sports and activities pull children on unpredictable schedules, and working women have schedules of their own.

So perishable purchases increase in spoilage risk. Maybe that long-planned dinner gets postponed when Mom has to run off on a business trip, Junior's game goes into overtime and the family hits fast food for dinner, or Dad has a pizza delivered to the office as he has to work late. All this means that the fresh produce purchased with the intent to make dinner that night may go to waste.

Of course, the lack of risk of spoilage makes it easy to keep reserves, which just might boost consumption. So if the teenager brings six friends over and you want to whip up smoothies for all — a freezer full of frozen fruit is going to make that unscheduled event into an occasion for more produce consumption. Otherwise, you might break out Coke and Chips.

How R&D and marketing can effectively

This research suggests that another shift — in breeding, packaging, fresh-cut R&D and industry marketing — may be called for.

address this competitive environment is unclear. But fresh is generally perceived as the optimum product, so this raises the question: Is it really a "win" for fresh produce to allow for joint promotions with more processed product as the *Fruit & Veggies — More Matters* program does by promoting fresh, frozen, canned, dried and 100% juice products?

The commodity heritage of the fresh produce industry has led to a focus on commodity concerns. Common critiques of this condition include an excessive focus on yields and shipping abilities as opposed to flavor. The industry, though, is increasingly aware of these concerns and the breeding focus has shifted. This research suggests that another shift — in breeding, packaging, fresh-cut R&D and industry marketing — may be called for.

Instead of just focusing on flavor as an abstract, perhaps there would be a substantial upside to focusing in on characteristics that would appeal to specific segments of the population. This might involve different flavor profiles, packaging or marketing to appeal to different ethnicities, income groups, family sizes, geographies, etc.

These are complicated questions and have complicated answers. Good research can help provide both an impetus to asking the right questions and clues to what the right answers might be. This piece from The Food Institute can't help but provide fodder for such thoughts.



A Closer Look At The Dynamics That Led To The Collapse Of The United/PMA Merger

FROM JIM PREVOR'S PERISHABLE PUNDIT 08.02.2012

With all the *sturm and drang* over the issue of the merger between United and PMA, it is worth a moment to consider the role of buying organizations and the style of association board members in the industry discussions.

The thrust toward a merger has always been driven by vendors — by grower-shippers. Structurally, this is because it is United's advocacy work that they see as the most important job of a trade association, and they would like to find a way to use the proceeds from Fresh Summit to fund these efforts.

Buyers Versus Sellers

Retailers and foodservice distributors/operators have their own associations — namely the Food Marketing Institute (FMI), the National Restaurant Association (NRA) and the International Foodservice Distributors Association (IFDA) — to defend their interests in Washington, D.C., and so they rely on one or the other produce trade association more to promote supply chain efficiencies and provide networking opportunities. The buyer groups support advocacy for the grower supply base but don't worry so much about the advocacy portion.

Emotionally, the drive to merge comes from grower-shippers because they are the ones who write the checks. Whether paying higher dues rates, exhibiting, doing sponsorships or donating to one of the association's foundations, this is where the money typically comes from. Indeed, many times when representatives from buying organizations have made comments that differ from what some of the big grower-shipper advocates of merger believe, the grower-shippers will dismiss the comments, pointing out that "XX doesn't write any checks."

There are many people bitter over the preferential treatment that buyers get in a membership organization. If everyone is an equal member with an equal vote, it is hard to justify why one class of member should get into events free or at a reduced price or have a lower cost dues structure.

Of course, these ideas all make perfect sense, except they defy commercial reality.

In business, it can often be difficult to really ascertain the source of the profits. Let us take, for example, the PMA Foodservice Conference. This is a successful event, and if you look for the source of the profits in the checks received, you would clearly say that it is the grower-shippers who are the key ingredient in the profitability of the event.

All those booths and sponsorships bring in the big bucks and pay for the event with a surplus left over for PMA.

Of course, stopping the analysis at the checks begs the question of why people send in those checks. For that, you have to credit the buyers. Sysco, US Foods, Pro*Act and Markon all hold big meetings

before or after the show and bring hundreds of people to the event. Add in the individual operators and distributors who attend and you have an explanation for why the grower-shippers support the event.

So the checks come from the sellers but the value creation comes from the buyers.

Of course, the definition of "buyer" has become hazy. When Lisa McNeece, Vice President of Foodservice and Industrial Sales at Grimmway Farms, runs into Lorri Koster, Vice President of Marketing and Co-Chairman of the Board at Mann Packing, at the foodservice conference, Lisa smiles. This could be because they are old friends, women pioneers in the business, compatriots in production ag out in California, but it could also be because Mann Packing, conventionally seen as a seller, buys a lot of carrots from

Grimmway to put in its various vegetable mixes.

This is the dynamic John Pandol was referring to in the letter he wrote recently when he said that he found as an exhibitor at various trade shows that he was paying to be a captive buyer.

This whole dynamic adds to the frustration because shippers and processors get charged as

vendors whether or not they also buy. Indeed, because registration fees are typically set by business classification, not job classification, even the actual buyers from grower-shippers wind up paying the higher rate.

Of course, regardless of the frustration vendors may have with the dues and rate differentials for buyers given by the associations, sellers still need the buyers.

This makes for successful events and, also, complicates enormously the merger issue. If PMA and United were both horizontal trade associations serving just grower-shippers, the merger would have happened long ago. Five big guys in a room would have decided they didn't want to spend their money this way and that would be that.

All this elaborate process is really a kind of *Kabuki* dance in which the different sectors of the industry try and interact, expressing their preferences, without giving too much offense.

One reason the talks looked like they would succeed when they first began is because United's board had changed. Reggie Griffin, in particular, had changed the dynamic. Reggie, a former PMA board member, knew PMA well. As Corporate VP of Produce and Floral Merchandising and Procurement at The Kroger Co., he stood at the very pinnacle of produce procurement in America.

It is not unreasonable to think that the PMA board members would have had a little trouble delivering the ultimatum it ultimately did to United if Reggie had stayed in his Kroger position. If PMA had still delivered such a strong statement, explaining it would end the talks if United's board didn't agree with PMA's position on the CEO, then a few well-placed calls to the big grower-shippers on

If PMA and United were both horizontal trade associations serving just grower-shippers, the merger would have happened long ago.

Because no industry consensus for this plan was built as the plan developed, there was relatively little reaction when it collapsed. If consensus had been developed — at a grassroots level — the plan would have never collapsed because a thousand companies would have resigned membership if it had.

the PMA board and even to his retail peers on the PMA board would have made an extension of the talks much more likely.

When Reggie left his position back in October of 2011, a lot of heft left the United negotiating team. PMA shrewdly included in its task force both Mike Agostini, Senior Director of Produce/Floral at Wal-Mart, and Rich Dachman, Vice President of Produce at Sysco, representing the largest retail buyer of produce and the largest foodservice buyer of produce. Very little can happen in the industry with the active opposition of those two organizations.

Beyond that, it is also very hard for grower-shippers and importers to take strong stands in active opposition to these players. So, though there has been talk of doing petitions and sending letters to the boards demanding action — we were even asked to draft one — fear of alienating these important customers has stayed the hand.

There clearly is a disconnect between the broader produce industry, which seems to find the present state of affairs bizarre, disgusting and inexcusable, and the actions of the boards, which don't seem motivated to overcome their differences in the choice of CEO.

Consensus-builders Versus Nonconformists

Some of that difference is properly understood as this dance between buyers and sellers, but much of it is also explained as a matter of personal style — in this case, the kind of style that leads people to want to serve on boards or leads companies to want to assign particular employees to boards. Although there are exceptions, almost by definition, the ones who enjoy this type of work and would be good at it are those who have a kind of consensus-building, consultative style that is at odds with the temperament of many in the trade.

Many, probably most of the people who have spoken to us about this subject, respond with profanities and say fire both Bryan and Tom and hire a new guy. To them, it is obvious: You have two well paid guys who would like to keep their jobs and their friends who are more concerned with protecting their friends than with their responsibility to a more anonymous industry.

Even suggestions that we have made — such as that the rejected CEO should be treated generously with extra severance or a consulting agreement — have been generally greeted with hostility. "Why?" we were asked. "The guy has a contract; it has a severance clause negotiated in case the industry wants to get rid of the guy. Why should we give more? You only say that because the

cost will be divided between a thousand companies. None of these big shots would pay extra if it was their money."

There is a lot of truth in all this. But actually these types of things are common in large businesses. You pay money to smooth things over, to buy silence, friendship, avoid lawsuits, to keep employees from competitors and a myriad of other reasons.

We proposed it not only because we thought rewarding the longtime service of these executives was appropriate, but also because we thought that the board members who were close to these executives needed a consolation prize to give out if they had to pass on the bad news. Of course, if one is going to pass out money, you hope to do it in the most productive way possible, say really using someone as a consultant.

Yet the consensus-building model of leadership is problematic. It is, by far, the most effective technique. It builds support in an organization for what is coming next, and that very support makes possible what is coming next.

Sitting through meetings, hiring consultants, building a base of support for what you hope to accomplish — all this is crucial.

Indeed, part of the problem is that it was not carried out broadly enough. The consensus-building approach was not carried out through the industry. So there is no industry consensus on the "four cornerstones" or the priorities among those "cornerstones" or the right board composition or how a CEO should be selected.

Because no industry consensus for this plan was built as the plan developed, there was relatively little reaction when it collapsed. If consensus had been developed — at a grassroots level — the plan would have never collapsed because a thousand companies would have resigned membership if it had.

On the other hand, at the executive level, one has to say that this process also shows the limits of the consensus-building approach. You need to build the consensus that one association is optimal — and this process did that. Once that decision is reached, however, you need to act. You need to fire people, close departments, eliminate functions, slaughter the sacred cows, all actions that will offend many and cause cries of unfairness — all actions for which leadership will be vilified.

Think of our industry representatives on the boards as like Moses: they were the leaders perfectly suited to build the consensus that brought the trade to the brink of the Promised Land, but the same traits meant that they were fated not to lead the entrance to the land itself.

That is what Steve Scaroni, Owner of Valley Harvesting & Packing, Inc./Vegpacker de Mexico, was alluding to in his letter when he suggested putting Rick Antle in charge because Steve didn't think we needed a consensus-builder; we needed something totally different for the next stage of the journey.

The Jews were led into the Promised Land by Joshua. He was one of the 12 spies that Moses had ordered to check out the Promised Land. Although the spies reported back with a consensus that the land was fruitful, 10 of the 12 spies said the occupants of the land were too powerful and that the Jews should not enter. This so enraged God that His chosen people did not have faith in his promise that he sent the Jews back to wander for another 40 years. He said that all men over 40 had to die off before the Jews could once again approach the Promised Land. The only two spared were Joshua and Caleb, the two spies who had shown faith.

So now we stand with our two task forces. Like Moses, they have brought us to the brink. Will we also have a shortfall of faith and will we too be condemned to walk the wilderness for 40 years before we make it happen? And who shall be our Joshua?

Summer Sales Are In The Bag



Pretty Lady for the Summer Point-of-Sale Materials Are Here!

She's cool. She basks in the warm California sun. And with her new sizzling point-of-sale materials, she's going to help heat up summer sales. Shoppers looking for a healthy alternative perfect for lean summer meals are sure to pick up a bag of these Premium California Grapes for increased summer fun. So dive in and get Sunlight International's "Pretty Lady for the Summer" Merchandising Program started today, and ride the wave to higher sales.

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The Avocado Producers And Exporting Packers Association of Michoacan (APEAM)
Los Angeles, CA\

Avocados from Mexico Sweepstakes with DreamWorks Puss in Boots



OBJECTIVES: To generate buzz for Avocados from Mexico and increase brand awareness; to increase consumption of Avocados from Mexico; to support retail sales and promotion of Avocados from Mexico.

CAMPAIGN: Working with Integrated Marketing Works, Avocados From Mexico planned a consumer sweepstakes with DreamWorks' *Puss in Boots* over the course of eight months. The sweepstakes was hosted through the Avocados From Mexico Facebook page. Prizes included one grand prize of \$2,500 iCard Gift Card, two second-place prizes of \$500 iCard Gift Cards and 500 third-place prizes of a pair of movie tickets. The sweepstakes was promoted through an integrated marketing campaign including online advertising, trade e-newsletters and various in-store POS materials.

RESULTS: Over 20,000 site visits to the Avocados from Mexico website pages were achieved during the four-week promotion. More than 19 million consumers were reached via targeted e-blasts, display ads and in-store POS. Coming in at 73 percent ahead of its goal, 30,346 sweepstake entries were received. In addition, 4,115 total POS orders were received for the *Puss in Boots* materials leading into the promotional program in key sales markets for Avocados from Mexico.

The Avocado Producers And Exporting Packers Association of Michoacan (APEAM)
Los Angeles, CA

Avocados from Mexico "Wake Up a Winner!" Sweepstakes

OBJECTIVE: To increase usage of Avocados from Mexico for breakfast; to drive consumer engagement through a sweepstakes promotion on Facebook; to increase Facebook fan base.

CAMPAIGN: While avocado usage is typically thought of for appetizers and entrees, they are rarely used for breakfast. Avocados From Mexico wanted to educate consumers that avocados are a great way to "power up" breakfast through simple and quick recipes. To do so, a Facebook sweepstakes ran from April 2 to May 6, 2012. Daily prizes were awarded in the form of \$200 grocery gift cards plus one final grand prize of a trip for two to a bed & breakfast in Napa Valley, CA. To further reinforce the breakfast message at retail, Avocados from Mexico displayed shelf-talkers highlighting avocado spread on toast in over 1,000 stores. The promotion also used banner and mobile ads, blogger outreach, e-blasts and social media engagement.

RESULTS: The campaign's objective was met with 58 blog posts mentioning avocados for breakfast, reaching over 89,000 views. The Avocados from Mexico Facebook fan base increased with a total of 14,570 new fans, a 182 percent increase over goal.



California Avocado Commission
Irvine, CA

California Avocado In-Season Support



OBJECTIVE: To increase demand and loyalty for California avocados in season.

CAMPAIGN: From June 1, 2011 to June 1, 2012, the California Avocado Commission (CAC) entered its fourth season of the innovative California Avocado Grower campaign with a Hand Grown in California theme. The CAC's marketing program addresses consumer interest in who grows their food and exactly where it is coming from. National print ads in epicurean and lifestyle magazines as well as online advertising ran in-season and were complemented by regional radio spots. A number of different programs within the campaign created thorough and complete messaging to a variety of consumers. For example, the Avo Babies program promotes the nutritional benefits of feeding children California avocados. Combining social media, retail activity and public relations, the CAC created the California Avo Babies photo contest, which promoted avocados as a great first food and encouraged users – and moms alike – from the earliest possible age. The CAC also employed third-party nutrition experts to serve as spokespeople, including Dr. Connie Gutterson, R.D., PhD, an internationally renowned registered dietician and best-selling author. The CAC also used foodservice publicity programs and Artisan Chef programs to spread the word about California avocados.

RESULTS: These insights inspired consumer messaging communicating California avocados as meticulously and responsibly grown by nearly 5,000 multi-generational family farmers who still cultivate, nurture and harvest by hand. Radio and on-line ads achieved more than 1 billion impressions in 2011 alone and reinforced the premium quality of California avocados.

Columbia Marketing International
Wenatchee, WA

CMI's One-of-a-Kind Display "Dolly"

OBJECTIVE: To create a look of an old-fashioned wooden dolly/hand cart that would appeal to consumers and that also shipped with everything in one box; to create a display that was unique and eye-catching, but also very easy for produce managers to build.

CAMPAIGN: Inside the one box are two Euro cases of CMI apples, or pears, a folded display piece and header. In an instant, a box transforms into an old-fashioned wooden dolly/hand cart. A QR code explains to retailers exactly how to set it up.

RESULTS: Results have been outstanding. Retailers love the ease of the display and both retailers and customers are amazed at the likeness of an old-fashioned wooden dolly.



Concord Foods
Brockton, MA

Nuts for Banana Bread

OBJECTIVES: To increase awareness for the Chiquita Banana Bread Mix and California Walnuts – the promotion's partner; to drive consumers to website, and to increase sales of Chiquita Banana Bread Mix.

CAMPAIGN: This campaign, which ran from October 1, 2011 - December 1, 2011, featured the versatility of the banana bread mix and how well it tastes with walnuts. Concord Foods partnered with California Walnuts to provide consumers with a range of versatile recipes using banana bread mix and

walnuts such as Banana Walnut Whoopie Pies and Banana Walnut Streusel Coffee Cake. Recipes were heavily promoted in-store and online with the use of attention-getting graphics in the form of posters, on-pack stickers and recipe tear-pads. An online element included Nuts 4 Banana Bread Trivia Tuesdays on Chiquita's Facebook page. To support the campaign, Concord Foods also sponsored a store display contest.

RESULTS: The campaign created over 700,000 impressions for the Chiquita Banana Bread Mix and California Walnuts. The website was visited by almost 4,000 consumers. During the campaign period, there was a 32% increase in banana bread mix sales.

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We Are California Garlic Growers

Crunch Pak
Cashmere, WA

Crunch Pak Goes Backstage with the Stars



OBJECTIVE: To generate awareness for its product line and to reach third-party influencers (media, PR agencies, etc.) by providing its products as snacks backstage at entertainment award shows for music, television and the movies.

CAMPAIGN: Crunch Pak donated apples and other fresh fruit snacks for Hollywood elites, including the host, presenters, nominees, performers, as well the executive and production office staff at the recent Billboard Music Awards, Nickelodeon Kids Choice Awards and the 84th Annual Academy Awards ceremony, held in Los Angeles. Crunch Pak provided free grab-and-go snacks and custom trays of fresh-cut apples, grapes, carrots and other fresh produce at each the show.

RESULTS: Crunch Pak is excited by the response its products garnered at the award show. The company came away from the shows with new relationships with PR firms and other key influencers and plans to work with production companies on future award shows.

Idaho Potato Commission
Eagle, ID

Comic Book Heroes Campaign

OBJECTIVE: Reinforce and grow the reputation of Idaho potatoes as America's highest quality, No. 1 selling potato; to increase retailer support for Idaho potatoes, thus driving volume and growing the potato business throughout the country.



CAMPAIGN: Building upon the tremendous success of the "Comic Book" Campaign, which is in its fourth year, the latest iteration of the campaign depicts IPC's retail promotions directors Ken Tubman, Bill Savilonis, Larry Whiteside and Kent Beesley as modern-day superheroes who, in traditional comic book format and fashions – bright costumes included – bring to life everyday issues retailers face and offer practical, yet heroic solutions. The comic books, which are distributed at produce trade shows, along with the ads they are used in, builds camaraderie between produce executives and potato reps, and serve as a reminder that Idaho potato reps are always ready to help "save the day" by increasing sales and profits. Comic book ads ran in produce trade magazines, and actual Comic Books were distributed at produce trade shows. Additionally, animated webisodes were posted on idahopotato.com and youtube.com and direct-mailed on DVDs. Bobbleheads and pint glasses with scenes from the comic books were also mailed to grocery produce managers.

RESULTS: Based on the amount of retailer feedback and support "Comic Book" has dramatically improved Idaho's reach to the trade industry through a consistent, integrated approach and a touch of humor. The campaign has also won many awards for excellence and innovation in marketing communications.

Idaho Potato Commission
Eagle, ID

Idaho Potato Bowl Sponsorship

OBJECTIVE: To rally consumers – and college football fans – around the country to embrace the spirit of the inaugural Famous Idaho Potato, previously named the Humanitarian Bowl, and continue the tradition of bowl games named after the state's top agricultural export.

CAMPAIGN: The promotion ran on December 17, 2011, the day of the Famous Idaho Potato Bowl, which was televised on ESPN and attended by over 30,000 fans. For months prior, IPC worked with its advertising agency, Evans, Hardy & Young, to prepare for the sponsorship package of naming the bowl game. The IPC received extensive recognition during the televised game, as well as throughout the stadium, including but not limited to: year-long signage in multiple prominent locations; nine televised and radio ads that aired during the game; logos on the 25-yard lines; end zone sideline and fence signage; game tickets and passes; Boise airport videos; newspaper ads; and game-day program advertising with the IPC logo on the cover. Additionally, the IPC rallied consumers around the country throughout the fall with a special tailgating recipe page on its website, a vignette with culinary icon Mr. Food, and all-expense-paid trip sweepstakes.



RESULTS: The Idaho Potato Commission had more than 4.3 billion media impressions as a result of multiple marketing initiatives. This single event generated positive and consistent media coverage for the Idaho potato brand over a five-month period.

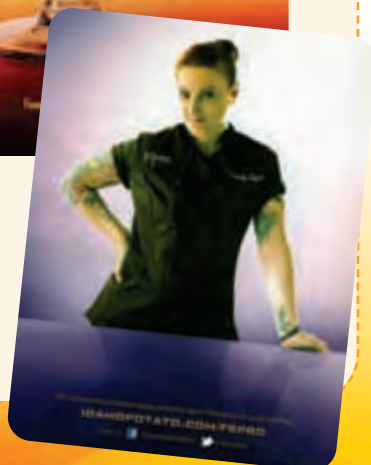
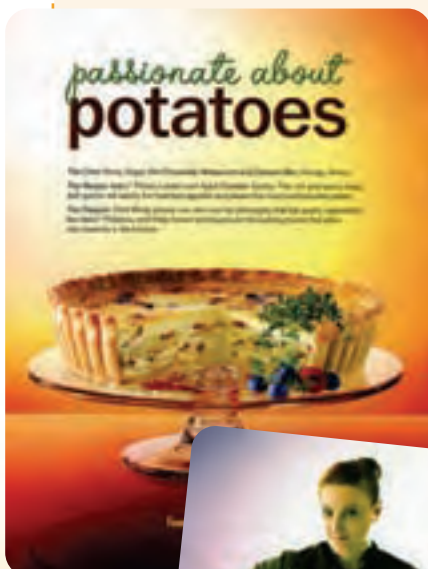
Idaho Potato Commission
Eagle, ID

Chef's Statements Campaign

OBJECTIVE: Evans, Hardy & Young Inc., helped the IPC target the foodservice industry with a campaign designed to demonstrate how Idaho potatoes could be used in exciting contemporary recipes.

CAMPAIGN: The campaign, which began in August, 2011, had renowned restaurant and institution chefs develop creative new Idaho potato dishes that "made a statement," which were photographed by award-winning photographers. The photographs were then used in the creation of ads that appeared in restaurant and institutional trade magazines. Recipes included Chef Rick Tramonto's Twice Baked Idaho Potato with Truffles and Cheddar, Chef Mindy Segal's Idaho Potato, Lardon and Aged Cheddar Quiche, Chef Kent Rathbun's Idaho Baked Potato Salad and many more. The ads, which were titled, "Passionate About Potatoes," also included each chef's personal passion, which ran the gamut from community service and charity work to feeding American soldiers overseas.

RESULTS: The visually arresting promotion has been a great success, inspiring restaurant and institution chefs to order Idaho Potatoes and add them to their menus.



National Mango Board
Orlando, FL

Mango Hometown Tour



OBJECTIVES: The campaign was created to reach out to multiple audiences, while working with local foodservice professionals and retailers; to connect with consumers in opportunistic markets across the United States to increase mango consumption; to teach consumers the versatility of using mangos in a variety of healthful recipes.

CAMPAIGN: The National Mango Board visited six cities across the United States during the tour from May through August 2011, including St. Louis, MO; Charlotte, NC; Portland, OR; Tampa, FL; and Cleveland, OH. Cities were chosen based on mango consumption, media market potential, presence of a strong mom community and several other factors. In each market, two top local chefs were enlisted to create unique mango recipes inspired by their hometown cuisine. The chefs participated in a taste-off event with local media, food bloggers and mango fans to see whose mango dish truly reflected the essence of the mango and captured the flavor of the region. The NMB also worked with a retailer in each market to showcase mangos for consumers before, during and after the event. A mango gift bag was given to each attendee to help them bring home the magic of mangos. In conjunction with the taste-off event, the NMB also hosted a luncheon for local chapters of popular online mom communities, where moms learned more about mangos in kid-friendly mango cooking demo and mango cutting lesson. The program also included media outreach in both local and national markets to consumer media outlets.

RESULTS: The tour had approximately 400 attendees. With an investment of \$215,000, Mango Hometown Tour reached consumers more than 115 million times for a return investment of 536 impressions per dollar invested.

Network for a Healthy California/Harvest of the Month
Sacramento, CA

Fruit and Veggie Fest - Santa Ana

OBJECTIVE: Over the month of May, the Network for a Healthy California's Fruit and Veggie Fest partnered with retailers to take advantage of retail promotions of fresh produce, in-store events and displays to promote the health and taste value of fruits and vegetables. The program catered to the area's predominantly Latino population, illustrating how fresh produce can be incorporated into everyday meals.

CAMPAIGN: The Santa Ana Unified School District and Orange County Regional Network hosted the Fruit and Veggie Fest at the Northgate Markets, setting up a collection of in-store booths and displays allowing shoppers to sample and learn about nutritious food options. On hand to help the nutrition experts were Harvest of the Month Moms, a group of moms from Santa Ana School District who are all



veterans of the district's Harvest of the Month Parent Cooking Class. From the collections of displays and volunteers, shoppers at the market were given tips and ideas on how to gain access to healthy and affordable food options. Harvest of the Month Moms prepared a Banana Berry Split for shoppers, who were also given a copy of *Flavors of my Kitchen*, the new cookbook from Network for a Healthy California.

RESULTS: About 250 shoppers took part in the campaign, most reflecting the target Latino population of the event. Mothers who attended said they learned helpful ways to serve more fruits and vegetables to their children.

Network for a Healthy California/Harvest of the Month
Sacramento, CA

Cilantro to Stores



OBJECTIVES: The goal of the program was to bring more healthy food alternatives for residents and visitors to under-served areas of Western Chula Vista; to increase access to healthy food by giving these stores the support and resources to begin selling fresh produce; to create a distribution system with local, certified farmers, providing easier access to their freshly grown produce.

CAMPAIGN: The campaign, which started in December, 2011, and is still ongoing, began with education and preparation for four chosen corner stores, where local San Diego County residents often shop. Each storeowner received training from the Network for a Healthy California Retail Fruit and Vegetable Marketing Guide, learning about the details of produce retail, from marketing to display techniques. Since the kickoff, corner stores have continued to host Harvest of the Month taste tests, focusing on quick tips and nutritional information for healthy food choices. Some of the most exciting events include Farmer Steve, a local produce provider who personally delivers truckloads of fresh produce from his nearby farm to the participating stores. Unique "Meet the Farmer" posters were created to complement the Farmer of the Month newsletter.

RESULTS: Cilantro to Stores has resonated not only with customers, but also with local media and the community as a whole. Preliminary surveys showed that more than 90% of the residents said they would purchase fresh produce offered at the stores. All four original participating corner stores have agreed to continue carrying fresh produce at least through the end of the year, with some of them even adding more variety. An additional four stores have joined the program.

Ocean Mist Farms
Castroville, CA

Artichoke Aficionado Club Sweepstakes: Take Your Pic

OBJECTIVES: To generate consumer awareness for Ocean Mist Farms artichokes; engage shoppers, artichoke club members and retailers nationwide, prompt purchases in-store, increase membership in the Artichoke Aficionados club and drive consumers to the Ocean Mist Farms website.

CAMPAIGN: The company's consumer sweepstakes ran for four weeks during the peak spring season from April 2-30, 2012. During that time, artichoke shoppers were encouraged to take pictures of fresh artichokes wherever they saw them on sale, or in print ads, and upload them to the Ocean Mist Farms mobile site. One winning picture was selected each week in April and received a \$2,000. Entrants had to become members of the Artichoke Aficionados Club to be eligible to win, and were rewarded for being Ocean Mist Farms' eyes and ears in the retail market and for helping other customers find artichokes on sale. Ocean Mist Farms promoted the sweepstakes with email blasts to its more than 34,000 artichoke club members, in-store signage, petal inserts, and its Facebook, Twitter and Pinterest accounts. In Northern California, Save Mart, Lucky and Food Maxx participated in artichoke display contests during the sweepstakes period.

RESULTS: Ocean Mist Farms had 5,255 visitors to the sweepstakes web page, 2,388 photo entries overall and 422 new members enrolled in the Artichokes Aficionados Club. The combination of media outreach, in-store point-of sale, online and social media outreach delivered more than 65 million consumer impressions during the sweepstakes period.



Sunkist Growers
Sherman Oaks, CA

Sunkist Valencia Oranges "Green is Good" Campaign



OBJECTIVE:

To educate consumers about green color that shows up on Valencia oranges (known as re-greening) during the summer months; to drive consumers to the Sunkist Valencia YouTube video featuring Chef Robert Danhi that explains the process of re-greening; to build new relationships with bloggers who can help spread the message that "Green is Good" and drive consumers to the Sunkist website for more information on Valencia oranges and other citrus fruits.

CAMPAIGN: Working with its agency, Integrated Marketing Works, Sunkist used strategically targeted IZEA bloggers to help educate consumers about Sunkist Valencia oranges and the re-greening process. Bloggers were provided with a link to the Robert Danhi "Sunkist Valencia Oranges Re-greening Video" where consumers could view a short two-minute video about why the oranges re-green, along with brief educational information on re-greening, a Sunkist Caprese recipe and Sunkist Valencia Orange Tips. Bloggers were then charged with disseminating the information to consumers worldwide.

RESULTS: Seventy blogs were posted about Valencia Oranges, resulting in 191,236 consumer views. The YouTube video featuring Chef Robert Danhi received 1,524 views to date. Sunkist also built new relationships with 70 bloggers with over 10,000 unique monthly visitors for a total blog reach of 2,365,949.

Stemilt Growers LLC
Wenatchee, WA

Lil Snappers

OBJECTIVE: To sell snappy, juicy, kid-sized apples and pears available in convenient grab-n-go 3-lb. bags.

CAMPAIGN: Stemilt created a thorough campaign to promote its brand Lil Snappers. The company introduced new resealable packaging with a quilted tear-resistant handle and an

enhanced slider zip. The gusseted bag easily stands up in the fridge. Packaging also included eye-catching graphics for kids and moms on shipping and display cartons. The colorful one-touch display bin held 12 3-lb. bags and was easily assembled by retailers and encouraged cross-merchandising through various department and other satellite displays. A QR Code educated and engaged moms and

kids alike providing nutritional information, fun apple facts and a number of different children's games. Many conventional and organic varieties were included, ranging from Galas and Granny Smith to Pinata and Pink Lady.

RESULTS: The program was a success, attracting the attention of both retailers and consumers.



Sage Fruit Co.
Yakima, WA

Sonya Apple Sale & DeCA Produce Managers Display Contest



OBJECTIVES: To reward commissary produce managers for creative displays while promoting Sage's premium specialty Sonya apple; to increase Los Angeles-based wholesaler Coast Produce's and each commissary's overall apple category sales and distribution; to increase customer awareness of a new apple variety in Sonya apples.

CAMPAIGN: Working with Coast Produce Co. and DeCA, Sage Fruit promoted its Sonya apple for two weeks between February 20 and March 4. Sage Fruit and Sonya POS material was prominently featured in all ads and in the displays. Displays were then judged on size, originality, theme, signage, and usage of Sage and Sonya products and point of sale material. Prizes were awarded to the top four displays out of 18 participating commissaries supplied by Coast Produce in the Los Angeles area. Supporting material included Sonya apple pop-up bins, header cards, Sage Fruit tote bags and Sonya apple posters.

RESULTS: The promotion was a hit with 36,000 pounds of Sonya apples sold. The total apple category showed a double-digit increase over the same time period last year.



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Sunlight International Sales
Delano, CA

Harvest Hobgoblin

OBJECTIVE: To highlight Sunlight's autumn grapes and increase sales during the Halloween season, with a fun seasonal brand, labeling and graphics that appeal to kids and adults alike.

CAMPAIGN: Between June 1, 2011, and June 1, 2012, Sunlight used a Halloween-themed graphic design for the Hobgoblin brand featured on grab-n-go bags. The tagline, "No trick, all treat," brought home all the Halloween message of grapes as a fun and healthful snack, and maybe even one to serve at a Halloween party. POS materials, such as store bins and shelf-danglers were made available to retailers. A QR code was also included on the display bin, which takes readers to a mobile site where they can learn about the Dulcich family behind the Sunlight brand. Sunlight's booth at the PMA tradeshow featured costumed characters and themed decorations to go along with the Halloween promotion.

RESULTS: The promotion was very successful. The company received industry media coverage, increased sales, visibility and retailer interest. Customer feedback has encouraged Sunlight to continue the promotion on an annual basis. The success of the Hobgoblin promotion has also inspired other options for seasonal promotions.



University of Massachusetts, Amherst
Amherst, MA

Mango Mania



OBJECTIVE: To promote simple food and healthy eating, educate students on the health aspects of mangos, and create excitement.

CAMPAIGN: UMass Dining conducted a massive marketing campaign to promote the week-long event from April 30-May 4. Outreach began with information on the school's website and a campus-wide promotion. Students attending the event received pamphlets about cutting and scooping mangos and cases of mango lip balm as a kick-off promotion. Throughout the week, students were introduced to a variety of mango dishes, including Cinco de Mango Quesadillas, Thai Green Mango Salad, Shrimp and Mango Tacos, Mango and Pine Nut Salad and more. These dishes not only delighted student diners but also showed them new and interesting ways to incorporate mangos into healthy dishes.

RESULTS: UMass dining spent over \$10,240 on mangos for the event this year compared with only \$6,370 for the same week in 2011. Average traffic count was up 15 percent for the week and customer satisfaction went up to 8.8 out of 10. A total of 15 new recipes were used during the event that incorporated mangos in a number of menu items. The school plans to host a many day once a year as part of its produce awareness series.

For information about entering the 2013 MARKETING EXCELLENCE AWARD competition, please visit our Web site at www.producebusiness.com

Vidalia Onion Committee
Vidalia, GA

Vidalia Onion Museum National Media Relations Campaign

OBJECTIVE: To introduce and celebrate the Vidalia Onion brand to more people nationwide via the new Vidalia Onion Museum in Vidalia, GA. Studies from the Georgia Department of Economic Development showed that travelers looking for information and tourist destinations pertaining to Vidalia onions brought in \$26 million annually. Thus, the impetus was born for visitors to learn what makes Vidalias so unique, the crop's basic history and the field-to-fork fundamentals.



CAMPAIGN: A five-year collaboration between a volunteer board, the city of Vidalia and the Vidalia Onion Committee (VOC) finally led to the grand opening of the Vidalia Onion Museum on April 29, 2011, which correlated to the annual Vidalia Onion Festival and the kickoff of the 2011 onion harvest. Media were invited to cover the grand opening, where a strong line-up of speakers included the GA Commissioner of Agriculture and well-known chefs, who created original Vidalia recipes for attendees. The entire event was planned around an elegant country theme, showing off the state pride. Even floral centerpieces included Vidalia onions! Plenty of coverage via the VOC was executed before, during and after the opening, which highlighted the event and the new facility's attributes.

RESULTS: The event was a successful start to the national campaign, which will continue until December 2012. Two-hundred guests RSVP'd with a whopping 250-plus attending, including more than 30 media outlets. National coverage of the event included *USA Today*, CBS News, ABC, Yahoo! and more. In the first nine months, tourists came from 36 states and six foreign countries, with those figures continuing to increase.



Dole Consumer Research Yields Shocking Insight

It may be time to rethink the produce department and how we're selling to consumers.

BY JODEAN ROBBINS

Surprising results from recent research by Dole challenges the produce industry to reinvent the way it perceives promotion and merchandising in the produce department. "Produce is the biggest draw in the store, and yet it hasn't changed much over the years," says CarrieAnn Arias, director of shopper marketing for Monterey, CA-based Dole Fresh Vegetables. "We undertook this research to look at how produce affects

the entire store and shopper behavior, and to discover if our standard practices are optimizing produce department sales. The results revealed areas where retailers and our industry can make substantial progress."

Implemented by London, UK-based TNS Retail & Shopper, a world leader in market research and global market information with offices throughout the world, the unique study "triangulated" the shopper using multiple methodologies to

yield richer results. The study was performed in six stores of differing formats throughout five geographic regions. Its goal was to determine what shoppers are doing in real time.

"Multiple research methods are required to provide robust learning and insight," says Arias. "Observational techniques must be used to understand shopper behavior properly since shoppers post-rationalize when surveyed. Integration of secondary data and industry knowledge is also a powerful addition."

Multi-Method Study

The study, performed during August and September, 2011, and released in July, 2012, utilized four primary methods of investigation: PathTracker, Eye-Tracking, Exit Interviews and Qualitative Interviews. PathTracker shoppers were selected at random as they entered the store and were unobtrusively followed. Video cameras tracked shoppers' paths and captured behaviors. Eye-Tracking respondents were recruited and outfitted with high-tech camera glasses that recorded exact points where shoppers were looking. Exit Interviews were conducted



The study was performed in six stores of differing formats throughout five geographic regions.

“The PathTracker information illustrates the importance of locating the produce department first for highest sales. For stores that do not have produce first in flow, research shows traffic flowing into the department was negatively impacted and sales of produce were lower.”

— CarrieAnn Arias, Dole Fresh Vegetables

role price plays in the shopper's decision-making process.

Finally, we watched how the shopper navigates the section and which products serve as signposts.”

The interviews helped reveal the shoppers' attitudes and motivations. "Through the Exit Interviews, we discussed other areas of the store shopped, store selection factors and the role of produce in store selection, produce shopping satisfaction and produce purchase drivers and barriers," says Arias. "The Qualitative Interviews helped obtain a deeper understanding of the why to some of the tracking and behavior we observed."

Startling Results

The study exposed some surprising and likely controversial results with respect to how produce is merchandised and promoted. "Because of the methodology, we were able to identify many things we have considered the 'gospel' of produce shopping that in reality might not be so true," says Arias. "We also saw some distinct results that may contradict some of the more recent innovation in the retail world today. There are a lot of nuggets that came out of this study."

The first notable result of the study is the confirmation that the produce department should be first in flow. "The PathTracker information illustrates the importance of locating the produce department first for highest sales," says Arias. "For stores that do not have

REVOLUTIONARY IDEAS

The Dole Produce Reinvention study revealed the following potentially mutinous results:

- The produce department should be first in flow.
- The faster shoppers buy, the more they will buy.
- Shoppers won't spend time puzzling out products outside their usual routine.
- Placing produce in service deli and prepared foods is not the optimum location.
- Dairy is a better adjacency than the service deli.
- Current POS is not engaging the shopper.
- Non-produce items in produce must be directly relevant to shoppers.

produce first in flow, research shows traffic flowing into the department was negatively impacted and sales of produce were lower."

The study also indicated the trend of placing produce in service deli and prepared foods is not the optimum location. "The research showed how produce shoppers frequently bypass significant sections of these areas," explains Arias. "Displays around and between the two departments became dead zones. We learned that dairy is a better adjacency than the service deli."

TNS research also showed that the faster shoppers buy, the more items they will purchase. "Contrary to popular belief, slowing down the shopper by adding obstacles doesn't increase sales as much as speeding them up does," reports Arias. "For every one second we slowed a shopper down we got about 2 cents, yet for every one second we sped a shopper up we got about 21 cents (of total basket ring). Decreasing purchase time at the shelf results in larger baskets more effectively than encouraging longer trips."

average of 25 percent of space in a produce department, but only account for four percent of sales."

The study pointed to a corresponding decrease in sales with an increase in non-produce items. "Shoppers expressed that there was too much paraphernalia in the department and didn't get the connection to produce for many of the items," explains Arias. "Retailers must look for the right combinations of products that make sense and build sales. This is a tremendous opportunity for retailers to make some quick changes that would impact their sales. If you're going to devote one-quarter of the space, you want to get one-quarter of the sales."

The study also illustrated how current POS is not engaging the shopper. "The EyeTracker data showed that the store's 'barker' or price sign is the only POS the shopper views," reports Arias. "And, even pricing POS is largely overlooked. Shopper attention is on the product."

Effective POS must concentrate on quicker communication methods. "Text-heavy POS doesn't work," adds Arias. "The amount of time a sign is looked at is .3 seconds on average. Communication must link to usage through images and icons."

The Qualitative Interviews revealed time constraints hinder new product purchases as well. "Most shoppers expressed they won't spend time puzzling out products that are outside their usual routine," says Arias.

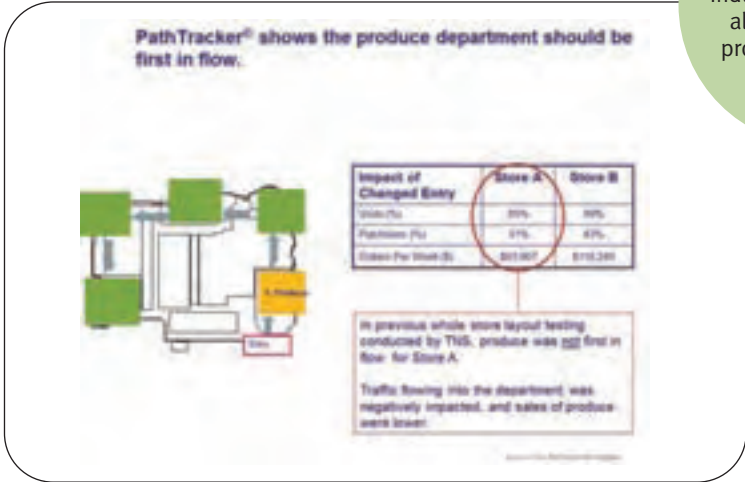
A Call To Reinvent

The study results indicate the produce department is ripe for reinvention. "The research points to the opportunity to apply some of the things that happen in center-store to produce and experience great success," advises Arias. "Traditional CPG (Consumer Packaged Goods) practices in produce can be effective and lead to big wins."

Reinvention starts with partnering. "One of the main drivers of this study was to ensure we're being the best partners we can be with our retailers," states Arias. "No one has ever done research like this, and we undertook it because it makes us a better partner. In addition to our retail partners, we also partnered with all parts of Dole — fruit, vegetables, and packaged salads. We wanted to ensure a comprehensive approach."

Moving forward, Dole looks to utilize the information to help lead transformation. "As the biggest brand, Dole is well positioned to partner with retailers to

Results from the study confirm what industry insiders have always said about produce being "first in flow."



More Nuggets

Additional revelations revolved around two produce powerhouse techniques — the addition of SKUs and use of POS. The inclusion of non-produce items in the produce department was raised as a potential stumbling block. "It is important to have non-produce items, but the research showed that relevancy is very important," says Arias. "Research shows that non-produce items currently occupy an

Shoppers thought there was too much paraphernalia in the department and didn't see the connection with many of the items.



“It may be unreasonable to think all the results can be implemented. But we’d like to see companies at least undertake some of the top things and implement them. We just want more produce in the basket — if there is more produce in the basket, everyone wins.”

— CarrieAnn Arias,
Dole Fresh Vegetables

lead a reinvention,” says Arias. “Part of our commitment to the partnering retailers was to present the results of the research and help them find the potential advantages. We’re exploring with them the things they want to focus on with us in the future.”

In the end, it comes down to understanding shopper expectations. Arias explains, “We’re being progressive and shopper-centric. A whole new set of questions came out of this research, but that’s the nature of research. We must stay focused on the shopper.”

Dole hopes for the industry, in general, to glean and apply helpful nuggets of information from the research. “It may be unreasonable to think all the results can be implemented,” says Arias. “But we’d like to see companies at least undertake some of the top things and implement them. We just want more produce in the basket — if there is more produce in the basket, everybody wins.”

As the retail landscape changes, so must produce. “Consumers are becoming more demanding,” states Arias. “They are becoming increasingly more connected and requiring more customization. Competition for the grocer retailer’s produce business is fierce, and shoppers want more from their grocery stores. As an industry, we must continually look at how we can work together to ensure we’re maximizing our opportunity and meeting shopper needs.”

pb

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- Quality and quantity assured
- Versatile preparations
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Whether in corrugated cardboard or RPCs, transport packaging options run the gamut.

Transport Packaging: Upholding Quality Through The Supply Chain

Even before fruits and vegetables are put on display for the consumer, the choice of packaging used to bring produce to the warehouse or retail store impacts a wide range of bottom line issues. **BY BOB JOHNSON**

Retail stores in the United States threw out more than 9 billion pounds of fresh fruits and vegetables in 2008, according to a study published in the *Journal of Consumer Affairs*. The right trade packaging can go a long way toward reducing that scandalous and expensive waste. Food safety is front-and-center in the minds of consumers and retailers, alike, and here, too, packaging can play a vital role. The packaging used to bring produce from the field to the store is a first step in answering the environmental and economic challenges of sustainability. With many trade-packaging options available, the choice begins with a question long familiar in the retail produce business.

Paper Or Plastic?

Or, to be more precise, corrugated cardboard or reusable plastic containers (RPCs)? Safeway weighed in on this question in a big

way with the announcement this June that it has transitioned to RPCs for the transport of many produce items from field to store. According to the Arlington, VA-based Reusable Packaging Association, the Safeway initiative has eliminated the use of more than 17 million pounds of corrugated boxes, avoided the harvesting of approximately 114,000 trees, and reduced emissions of 37,518 metric tons of greenhouse gas emissions from the environment, equivalent to taking 6,872 passenger cars off the road.

Safeway's transition to RPCs for transporting produce through the chain from the field to the store continues a trend among the largest retailers that began more than a decade ago. Jerry Welcome, president of the Reusable Packaging Association, contends, "Most of the major retailers want their produce in reusable plastic containers. In the mid-1990s, Bruce Peterson at Wal-Mart wanted the company's produce delivered in

RPCs, and Phil Davis at Kroger played a major role, too. A big part of the reusable packaging is in plastic bins and RPCs. It's a pretty high percentage of produce."

RPCs are expensive to produce, but they can provide efficiency in storage and transport from the field, to the warehouse, and on to the store. "They are more efficient, and involve less waste," Welcome says. "It's easier to move product without damaging it, and you can stack cases on top of each other, which is a more efficient use of space in trucks and warehouses. When companies see the value of RPCs in terms of protecting their product, they make the switch."

The cardboard industry has not gone away. In fact, it has stepped up its game to try to match the competition. "When compared with reusable plastic containers, the key benefits of corrugated packaging add up to make it the complete packaging solution," says Don Wallace, director of produce for International



PHOTO ABOVE COURTESY OF IFCO

Paper Co., in Memphis, TN. “International Paper’s corrugated packaging can be used in the field by retailers and by consumers. It helps lower grower-shippers’ supply chain costs, while also driving sales by being consistently available, ensuring product protection, providing vibrant, eye-catching graphics to convey brand and product messaging, optimizing cube utilization, and reducing shrink.”

There can even be practical advantages for the retailer in handling the corrugated cardboard packaging after it has been used, points out Kurt Zuhlke Jr., president and CEO of Kurt Zuhlke & Associates Inc., headquartered in Bangor, PA. “You don’t have to recover the containers, wash them, sell them back to the supplier and wait for them to be collected,” he details. “The retailer can collect the corrugated cardboard, bundle it and sell it to the recyclers.”

Zuhlke believes this ease of disposing of boxes has fueled a trend back to corrugated that began about a year ago. “The major trend is that packaging has returned mainly to corrugated cardboard. Retailers are more and more asking for corrugated cardboard,” he says. “Retailers got tired of holding on to the returnables; it requires too much space. Corrugated prices have also been steady or going down, because the consolidation of the plants has taken care of earlier problems.”

But most observers believe the trend is in the direction of RPCs, and the largest retailers are leading the charge. “The use of reusable plastic containers for produce continues to grow both in the USA and Canada,” says Fred Heptinstall, president and general manager of IFCO’s RPC Management Services, located in Tampa, FL. “Seven of the 10 largest retailers in North America are in some stage of conversion to RPCs for produce.”

How Green Can You Get?

Monte Packaging of Riverside, MI, has been supplying agricultural producers with packaging for three generations, spanning nearly nine decades. Its specialty is matching

the particular needs of growers with the particular needs of retailers it supplies. “We’ve been in the packaging business for over 87 years, and we only supply the agricultural industry,” says president Tony Monte. “We supply wood, corrugated cardboard and plastic. We have no allegiances to one commodity over another.”

Among all the options Monte makes available to his customers, he sees a definite trend in their choices. “Every year, the volume of

RPCs is becoming more prevalent,” he says. Monte dates the trend toward RPCs to around 10 years ago, and attributes the shift to a straightforward advantage of the plastic containers: “They never hit a landfill, and the product is in a continuous loop.”

However, there is a limiting factor to the continued growth of RPCs, according to Monte, and that’s the up-front cost of producing the package. “These things are expensive to build,” he says.



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All packaging producers and suppliers are working to respond to the growing demand for sustainability. The corrugated cardboard industry jumped on board in the early years of the recycling movement, and now suppliers are responding with more earth-friendly ink options. "Since sustainability continues to grow in importance to both grower-shippers and retailers, International Paper developed EarthSaver Ink which is a new, environmentally friendly ink made from the bi-product

of potato food processing," says Wallace. "While the composition of this product is green, it can still provide a remarkable spectrum and vibrancy of color."

But the RPCs have the distinct environmental advantage of being used over and over again. "By definition, RPCs are more environmentally friendly than traditional packaging, and thus meet the organic produce shopper's expectations," says IFCO's Heptinstall. "IFCO RPCs are OMRI-certified

In my view, the organic producers omit the final step in their value proposition to the customer, which is that the packaging is part of a healthier lifestyle.

— Roy Ferguson, Chantler Packaging

and CCOF-listed for organic produce."

The Organic Materials Review Institute (OMRI) has approved seven materials in the Processing Packaging and Containers category. According to Roy Ferguson, CEO of Chantler Packaging, in Mississauga, ON, Canada, "OMRI has the following organic packaging listing program: 'It may be used in certified organic production or food processing and handling according to the USDA National Organic Program Rule.' With this in hand, organic producers would now be able to show a complete differentiation between the organic movement and conventional growers."

Although there are organically accepted methods of packaging, few, if any, producers or retailers attempt to gain a merchandising edge from their use of OMRI-approved packaging. "Organic produce differentiates itself from conventionally grown by touting its health benefits, and the lack of conventional pesticide use in the growing process," says Ferguson. "The vast majority of the organic produce, if not all I see in the stores today, is packed in conventional packaging. In my view, the organic producers omit the final step in their value proposition to the customer, which is that the packaging is part of a healthier lifestyle. This, coupled with the perception that the shelf-life of organic produce is not as long as conventional produce, can discourage potential customers," Ferguson contends.

Keep It Fresh

Chantler Packaging produces an OMRI-approved film that delays ripening in transport by absorbing ethylene. "Prime Pro Film is modified atmospheric packaging film that extends shelf-life of fresh fruit and vegetables in a natural way," describes Ferguson. "Now the organic movement has a film that is OMRI-listed, and naturally extends the shelf-life of their organic products."

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“Clamshell-packed berries in corrugated trays have been the standard. That said, there has recently been some improvements and developments with RPCs to make that a more acceptable shipping vessel for berries.”

— Jim Scattini, Sambrailo Packaging

Shrink caused by spoilage in transport or on the retail shelf is of such staggering economic impact that management of the problem benefits conventional as well as organic produce. A study by the George Morris Center at the University of Guelph, in Guelph, ON, Canada, found that nearly one-third of all fresh food waste in Canada takes place between the farm and the consumer.

And the *Journal of Consumer Affairs* study showed that more than \$6 billion in fresh fruits and vegetables is lost at the retail level to spoilage in the United States annually, which is more than 10 percent of all the produce supplied to retailers.

Most of this damage is to products that are particularly sensitive to ethylene. Losses at store level, for example, were \$4.5 billion for

just tomatoes, lettuce, cabbage, broccoli, pears, avocados and apples.

Chantler offers an investment in plastic film packaging for the more sensitive produce items that reduces spoilage by absorbing ethylene, and should pay off in reduced shrink both in transport and on the retail shelf. “Obviously, a film that extends the shelf-life on produce must have a higher

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“With the passage of the Food Safety Modernization Act this past year, the entire food industry will need to raise the bar on quality throughout the supply chain. As the new regulations are issued, we believe RPCs are well positioned to help meet any packaging requirements for growers, shippers and retailers.”

— Fred Heptinstall, IFCO



price than a film that does nothing,” says Ferguson. “Having said that, let’s look at the cost. When you factor in less waste, lower claim rates, happier customers and increased market share, the cost is lower. The savings for one of our chain stores in Canada is estimated at \$95 million,” he reports. “This, coupled with Prime Pro’s recyclable factor, provides a lower than expected carbon footprint to its value proposition.”

Walk On The Safe Side

According to Jim Scattini, vice president

of sales and marketing at Watsonville, CA-based Sambrailo Packaging, in the berry category, among others, more and more product is shipped in packages rather than bulk. Much of this shift has to do with the demand for vigilance in protecting food safety. Packages like clamshells reduce exposure of produce to contamination from handling. And if there is a problem with food-borne pathogens, the packages lend themselves to being able to trace produce from the retail store all the way back to a particular field. “It gives you traceability,

labeling and food safety advantages,” he details. “It began 25 years ago and it continues to grow.”

Extrapolating one step further, Scattini asserts that while many retailers prefer RPCs, many grower/shippers would rather pack their berry clamshells in corrugated trays, as they are more forgiving and allow a more complete air flow. “Clamshell-packed berries in corrugated trays have been the standard. That said, there has recently been some improvement and developments with RPCs to make that a more acceptable shipping

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Display-ready boxes continue to grow in popularity among both grower-shippers and retailers, as they provide many advantages, such as opportunities to share brand and product merchandising or country-of-origin information..."

— Don Wallace, International Paper Co.

vessel for berries.”

The ability to label produce in the field brings enormous advantages in traceability. “If you have packaged product, you can put a sticker on it with a number,” Scattini details.

Food safety in general, and traceability in

particular, have become even higher priorities sanctioned by federal law. “With the passage of the Food Safety Modernization Act this past year, the entire food industry will need to raise the bar on quality throughout the supply chain,” says IFCO’s Heptinstall. “As the new regulations are issued, we believe RPCs are well positioned to help meet any packaging requirements for growers, shippers and retailers.”

Strut Your Stuff

Many suppliers are offering packaging that serves as a retail display after it is used to transport produce from the field. “Display-ready boxes continue to grow in popularity among both grower-shippers and retailers, as they provide many advantages, such as opportunities to share brand and product merchandising or country-of-origin information, quick and easy in-store setup, which reduces labor requirements, and the ability to function as either primary or secondary packaging,” explains International Paper’s Wallace. “Smaller, consumer-sized boxes are also being requested more frequently by retailers. Several of our customers use baskets during the

holiday season to display as gifts. However, once full of produce, the baskets are transported in corrugated boxes.”

One of the goals of dual-purpose packaging is to maintain temperature control from the field to the consumer, and to design transport packaging with eye-catching appeal. “We are successfully using POS material with RPCs to have a positive impact on sales,” reports Heptinstall. “Consumers buy produce by sight, smell and taste experience, so much of the branding effort is focused on the item. Still, RPCs provide superior product protection and temperature control from harvest to consumer. When handled properly, this presents consumers with produce that not only has a better appearance, but also a longer shelf-life.”

The use of transport packaging to display produce at retail can have the added benefit of reducing spoilage by reducing handling of the product. “We have observed a marked increase in the use of RPCs to display produce at retail to reduce handling and labor during the last few years. The side impact has been improved quality and less unsaleables,” says Hepinstall. **pb**

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- As of 1992, the focused attention of Mexican berry producers resulted in crop production increases of close to 390% in a five year period.
- Since the year 2000 planted area for berries in Mexico has almost doubled — from 9000 hectares (22239 acres) to 16000 hectares (39536 acres) in 2010.
- In 2010 the total value of berry production in Mexico approached approximately US\$420.0 million.
- In 2010, blueberries in Mexico reached production of 1,039,000 tons with a production value of US\$1.9 million.
- Raspberries in 2010 reached production levels of 14,000 tons with a production value of US\$66.2 million.
- Strawberries in 2010 saw a production level of 233,000 tons with a production value of US\$210.3 million.
- Blackberries in 2010 had a production level of 62,000 tons at a production value of US\$142.9 millions.



IMPORTANT BERRY STATISTICS

When berries are in the shopper's cart, the shopper spends 77% above average. The berry category is a crucial profit center as evidenced by the following facts:



STRAWBERRIES

- Strawberries, the Queen of berry sales, account for 4.6% of total fruit and vegetable sales.
- In the berry category, strawberries represent 74% of total volume and 58% of total berry income.
- Strawberries hold the 35th position among ALL products in the supermarket, including liquor and medicine categories.



BLUEBERRIES:

- Blueberries account for 1.9% of total fruit and vegetable sales.
- Blueberries represent 16% of total berry volume and 24% of total berry income.
- In blueberries, demand exceeds supply.



RASPBERRIES:

- Raspberries account for .9% of total fruit and vegetable sales.
- Raspberries represent 5% of total berry volume and 11% of total berry income.
- The Mexican blackberry has differentiated itself on flavor and contributes 0.6% to total fruit and vegetable sales.



BLACKBERRIES:

- Blackberries represent 4% of total berry volume and 7% of total berry income.
- Blackberries hold important market potential, despite having the lowest market contribution currently.

Source: ANEBERRIES



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More information on berries from Mexico can be obtained from the Mexican Berry Association, Aneberries A.C., (Asociación Nacional de Exportadores de Berries). The Association's objective is to promote and facilitate the export of berries from Mexico. It works to further the establishment of internal and external regulations with the purpose of guaranteeing the consolidation of a common front for producers and exporters and to establish a comprehensive operation for continuous improvement in various issues including food safety, quality control, promotion, and development of berry production.

Some of Aneberries accomplishments include:

- Developing a Good Agricultural Practices Guide for the industry and a Food Safety Commission integrated by Aneberries members.
- Unified list of pesticides with official registration for Berries in our country and countries of destination.
- Established and executed a "Clean Fields" program in Michoacán and Jalisco.
- Initiated an ongoing risk study about potential for contamination in strawberries, raspberries and blackberries with the University of Guadalajara.
- Implemented a single industry-wide minimum quality standard for blackberries.
- Carrying out projects of social and environmental impact

- Generation of plans of working with agencies, national and international, of interference in the sector.
- Participation in key international events like PMA's Fresh Summit, ANTAD, Fruit Logistica, Sial, and CPMA.
- Develop relationships with national and foreign authorities, getting support on issues of infrastructure and equipment, technical assistance, training, commercial certification; as well as being a support manager with authorities on issues such as intellectual property, specifications, plant health and food safety.
- Successful implementation of the first Aneberries International Congress in September 2011, and now developing the Second Aneberries International Congress to be held on October 3-5, 2012.

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PHOTO AT RIGHT COURTESY OF DEL MONTE FRESH PRODUCE N.A. INC.



Retailers are helping consumers find new ways to incorporate old favorites, such as avocados, corn on the cob and pineapples, into their tailgating menus.

On Stage And In The Spotlight: Tailgating Season Begins

Tailgating may be more a state of mind than a specific event. However you choose to define it, the idea offers great promotional opportunities and ways to capture customer loyalty. **BY MEREDITH AUERBACH**

Watch a few episodes of The Food Network's Guy Fieri or Bobby Flay and you begin to recognize the size and importance of the trend of grilling and its show-business arena called tailgating. Consider it the culinary equivalent of the weekend sports challenge going on in stadiums across the country.

Tailgating should also be viewed as an outstanding opportunity for produce retailers to ride the wave and appeal to customers with flavorful and healthy ideas using produce for grilling and for appetizers, sides and desserts.

The practice has moved far beyond hot dogs and burgers. Consumers are ready to plunge into grilled radicchio, asparagus, jalapeno poppers, avocados, peaches and nectarines. At this time of year, football from college to pro is simply the venue most in the spotlight, drawing consumer interest and attention. What has far greater implications, however, is the focus on portable foods, ready to take along, not just to stadium parking lots, but also to the beach or ski slope, park or playfield, even your own backyard to create a

special experience and a stage to show your entertaining chops.

Catch Consumer Attention

It is really up to retailers to pull together ideas and suggestions to help shoppers connect what they see in the produce department with recipes and food ideas ideal for the requirements of tailgating and other outdoor events. Robert Schueller, director of public relations for Vernon, CA-based Melissa's/World Variety Produce Inc., puts together an annual list for retailers of the company's Top 20 list of essential foods for tailgating, ranging from salsa and guacamole kits to Dutch yellow and Ruby Gold potatoes, baby vegetables for veggie trays, jalapenos for grilled poppers, edamame and sugar cane swizzle sticks. "We don't specifically package for tailgating, but our packaging is good for grilling," he states. "The kitchen has moved outside, and retailers can take advantage of that. People are constantly seeking new flavor experiences and more exotic combinations. Great displays will sell ideas and drive additional revenue. It's definitely worth the effort."

"We started a big picnic promotion in July

and it will run through September," reports Greg Calistro, director and category manager of produce and floral for Save Mart Supermarkets, headquartered in Modesto, CA. "We bring in barbeques and coolers to display at the front of the department. Other departments tie in as well. We put out fresh corn and watermelon, summer squash and mushrooms. In produce, specifically, we've been working with Garden Highway [Ranch Cordova, CA-based Renaissance Foods] with pre-cut vegetables; some are seasoned and some just pre-cut. They're in the value-added salad section, so it extends the message throughout the department. A big display is key."

Get Ready To Cook

There are two approaches for tailgating and other less competitive grilling and outdoor entertaining occasions. Most love to be the star of the show, but only a select group qualify as extreme grillers for whom no new technique is too difficult, and no special ingredient is too much trouble to find. Tailgating.com, a website developed and hosted by an extreme griller who sold his business, his house and his old



PHOTO COURTESY OF MELISSA'S/WORLD VARIETY PRODUCE INC.

THE OTHER SIDE OF THE STADIUM

Equally subject to evolving trends in consumer tastes are the foodservice venues and concession

recipes for pan-frying and baking on the package; how to prepare them on the grill is on the website. The rich flavor is perfect for any venue.”

Hernandez continues, “For an easy, non-cook angle, Mann has combined cheese cubes and sausage beef bits with washed and prepped vegetables and ranch dressing in a

selections available at stadiums across the country. While there is no dearth of traditional high-fat, salty snacks, especially in the bleachers, suites and restaurants, fans are now demanding restaurant-quality choices and flavors. For produce suppliers ready and willing to meet the needs of these part-time purchasers, the opportunity to expand produce business is waiting.

Robert Scheuller, director of public relations for Vernon, CA-based Melissa’s/World Variety Produce Inc., reports, “We’ve experienced growing sales in the range of 10 to 20 percent a year over the past three seasons with farmer’s market displays at Yankee Stadium,” he shares. They are set up along the first and third baselines and display washed,

sectioned tray called the Tailgater, just right for a game, a backyard party or even as a meeting snack.”

“All of our products could be described as flavor intensifiers,” maintains Fesherized Foods’ Alley, “In addition to our signature Wholly Guacamole, we’ve developed fresh, refrigerated salsas like red pepper mango, pineapple,

ready-to-eat items such as tangerines, apples, pears, bananas and clamshells of grapes. It’s a far cry from the old approach to snacks at games. “At the New York Mets stadium, there’s an actual store called World’s Fare Market. We service restaurants, box clubs and suites at stadiums including Staples Center for the Kings, Dodger Stadium, Angels Stadium, Dallas Cowboys and the San Diego Chargers stadiums. People are looking for restaurant quality foodservice in pleasant environments to watch the games or to entertain.”

Sports organizations also see advantage in fresh produce and send merchandisers and agents out to set up joint promotions in stadium and at ball fields. **pb**

roasted red tomato and a tomatillo blend called Avo Verde. Even if you’re not an actual star cook, you can serve star-quality burgers, sandwiches, dips and wraps using these as condiments. The packages are refrigerated — not shelf stable — and sold in sections with refrigerated dressings, cut fruit and bagged salad.”

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Save Mart's Calistro reveals, "We've started using grilling photos in our ads during the summer. A picture of peaches on a grill communicates how simple it is to do something easy, intensely flavorful and quite new."

Convenience Is King

"Del Monte fresh-cut fruits and vegetables are cleaned, cut and ready-to-eat. All the consumer needs to do is pick it up at the store and throw it in the cooler on the way to the game," says Christou. "We have kabob kits and mixed vegetable trays. In some form or another, most whole fruits and vegetables can be cooked or flavored on a grill. Shoppers can look for our 'Grill Me' secondary stickers on several fresh-cut products, such as Extra Sweet Pineapple Spears for anyone interested in trying something new. It makes it so easy."

The industry's surge of development and innovation helps drive convenience. "The special trays Pure Hot House Foods use are the result of technology," says the company's Pau. The same aluminum pan can be used in a microwave, an oven or on the grill. The wrapping changes for individual blends of vegetables to control the oxygen transfer rate (OTR) of the blend. These steps are in the background, but they are essential for product quality, flavor and shelf life — all very important to consumers."

The "Ah-Ha" Moments

Beyond a focus on flavor, concept counts too. Promotions are more about the theme — like tailgating — than a specific product. Because tailgating conjures up such great visions of old memories from years ago, the experience viewed on TV, tweets from friends, photos on Facebook, entertainment cooking is about selling a lifestyle. For the produce industry, getting your product or store involved and attached to the theme is an effective way to drive sales. Plenty of producers are finding ways to introduce and package novel ways of preparing fresh produce to ensure retailers have a steady stream of ideas to encourage their consumers to increase purchases of fruits and vegetable, and feel satisfied about doing so.

Second, selling more forcefully the lifestyle and flavor experience than the health message makes sense. Are there consumers anywhere who don't know fruits and vegetables are good for them? Jan Delyser, vice president of marketing for the Irvine-based California Avocado Commission (CAC), shares, "We provide people with ideas, often taking traditional items and making them different with ingredients people can feel good about eating.

You can grill firm avocados, for example. Avocados work great in potato salad, and folks love our firecracker salsa made from watermelon with guacamole served in the cleaned out, well-chilled melon shell." You can call it a health message, but one perhaps made softer and more appetizing.

Mishalin Modena, senior marketing manager at Growers Express LLC, located in Salinas, CA, makes another valuable point, "Interest in events like tailgating offers marketers — both production and retail — the opportunity to engage with consumers and

listen to them talk about their lives. Green Giant's new website combines product information, recipes, consumer trends and conversation in one place through social media. It tells us about their lives and interests. We do track trends through social media to build a closer community. Visitors to our site can find flavorful, healthy and interesting ideas and recipes to use at their events, such as grilled hearts of romaine, marinated Brussels sprouts grilled on skewers, great dips and marinades for artichokes and corn and, always, assorted vegetable trays. **pb**

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Eye-catching displays and plenty of POS materials will make apples stand out from the crowd in an often overflowing produce department.

Washington Apple Variety Report: What's Hot, What's New, What's Next?

With new varieties popping up at breakneck speeds, Washington apples are proving their power at produce departments around the country. **BY CAROL M. BAREUTHER, RD**

In a field already full of variety, it's consumers' never-ending desire for "something new" that is driving development of innovative apple varieties. For retailers, it's the opportunity to differentiate themselves from the competition and gain incremental sales that makes a new apple variety especially sweet.

Duane Wentz, director of produce for Yokes Fresh Markets, an 11-store chain based in Spokane Valley, WA, says, "New apple varieties are fun. It's exciting to see our customers and associates get enthused about something that is new, interesting and appealing. It boosts sales for us, too."

Perfect Climate

It's no wonder that future trends for new U.S. apple varieties happen out West. Washington is the No. 1 apple-growing state in the nation, with its apple industry valued at \$1.44 billion in 2010, according to USDA National Agricultural Statistics Service data.

Fred Wescott, president of Wescott Orchards and Agricultural Products in Elgin, MN, and grower of Honeycrisp apples, under Wenatchee, WA-based Honey Bear Tree Fruit Co. LLC, acknowledges, "Washington is a powerhouse in apple production. Any variety that wants to be more than a regional or niche favorite and have serious production needs to be able to perform in Washington."

Climate is one reason why Washington is a perfect place to grow apples. Chuck Sinks, president of sales and marketing for Sage Fruit Co. LLC, in Yakima, WA, says, "Our warm sunny days and cool nights are ideal for growing flavorful apples. We also have a very arid climate, and thus have minimal pests and bugs to deal with in the orchards."

Washington has been a leader in cultivating some of the most successful varieties to be marketed. Honeycrisp, for example, has received rave reviews from retailers and consumers alike, and Washington growers are putting a lot of stock in this variety. Wentz

confirms, "Honeycrisp has been the most exciting variety for everyone. It has a great flavor profile and crunchy texture. It's also broken the glass window on pricing, retailing for as much as \$2.98 or \$3.98 per pound, and customers still can't get enough."

According to Loren Queen, marketing and communications manager for Domex Super-fresh Growers LLC, in Yakima, WA, Honeycrisp is one of the fastest growing varieties in Washington. He reports, "Acreage of Honeycrisp went from 4,300 in 2006 to 9,100 acres in 2011."

Todd Fryhover, president of the Wenatchee-based Washington Apple Commission, reveals, "Washington produced 3.7 million bushels of Honeycrisps this season, with projections of 13-plus million in the state by 2021."

"In addition to Honeycrisp," says Sinks, "the fastest growing apple varieties in Washington are Gala and Fuji. We have increased our planting of all three of these varieties and anticipate increases next year and for the next

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“In addition to Honeycrisp, the fastest growing apple varieties in Washington are Gala and Fuji. We have increased our planting of all three of these varieties and anticipate increases next year and for the next several years.”

— Chuck Sinks, Sage Fruit Co.



PHOTO COURTESY OF SAGE FRUIT

Sampling and plenty of eye-catching POS help consumers learn about Heirloom varieties such as the Lady Alice.

several years.”

“Gala has overtaken Red Delicious in dollars and volume sold in the United States,” adds Queen, “although Red Delicious is still the biggest hitter grown in the state because much is shipped to export markets.”

Suzanne Wolter, director of marketing for Rainier Fruit Co., in Selah, WA, says, “Pink Lady and Jazz have all seen double-digit sales

dollar increases at retail this past season. These two varieties, along with Honeycrisp, boost sales dollars due to their higher retail pricing and have all seen strong increases in household penetration. Additionally, Honeycrisp and Pink Lady showed increased trips per buyer and both volume and dollars per transaction.”

Some established Washington apple varieties, as well as newer ones, are either

stagnating in

sales or have fallen by the wayside. For example, there will be no focused marketing programs this year for 1997-introduced Washington-grown Cameo apple. Kevin Precht, marketing program director for the Cameo Apple Marketing Association, in Wenatchee, WA, explains, “Production has decreased due to supply and demand. There-

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fore, we've decided to leave it to the individual shippers to market it."

Another example is the Rubin. "We put four years into marketing it, but it's not different enough from a Gala," says Mac Riggan, vice president of marketing for Chelan Fresh Marketing, in Chelan, WA.

The Next Best Apple

Another reason why Washington is such a hot bed for apple varietal development is a progressive grower base willing to take the

risk of cultivating new varieties. WAC's Fryhoyer states, "The old 'grow-it-and-they-will-buy' mentality is unprofitable and unsustainable. Our industry is very dynamic and responsive to consumer needs and preferences with a focus toward profitability."

Rainier's Wolter says, "We specifically have the acreage and flexibility to respond quickly to changing consumer demands. For example, we replant or graft over 10 percent of our existing acreage annually to new varietal strains or different varieties altogether."

So what exactly are retailers looking for to 'wow' their customers? Yokes' Wentz explains, "No. 1 is flavor, texture and eating experience. Secondly, it doesn't have to be pretty, but it helps. Customers buy with their eyes. Third, the name is important. Honeycrisp, for example, perfectly describes the apple to consumers. We've successfully introduced Honeycrisp, Pink Lady, Jazz, Kiku and Junami over the past several years."

It's not a quick or inexpensive task to bring a new apple variety to market. Andy Tudor,

Side Note TOP 12 NEW WASHINGTON VARIETIES

There are a number of new apple varieties now being grown in Washington.

Suzanne Wolter, director of marketing for Rainier Fruit Co., in Selah, WA, says, "Six to eight years ago we began planting in response to consumer and retailer requests. We are now seeing increasing volumes as this new acreage comes into production."

1. Ambrosia: Discovered as a chance seedling in British Columbia, Canada, this year's production will break the 600,000 carton mark with widespread distribution, says Bob Mast, vice president of marketing at Wenatchee, WA-based Columbia Marketing International Corp. "It's available from October to November, has a sweet honey flavor, and orange-red blush over a yellow background that helps it stand out on the shelf."

2. Autumn Glory: Bred from a Golden Delicious and Fuji cross, this firm-fleshed, spicy-sweet, red apple with hints of yellow harvests in mid- to late-October with good storage potential. Loren Queen, marketing and communications manager for Domex Superfresh Growers LLC, in Yakima, WA, says, "We had around 5,000 cartons last year and anticipate growing to 100,000 boxes in four to five years." The majority of volume is currently organic.

3. Junami: "The tangy, fruity, juicy flavor has been well received by consumers and sold out in just three weeks this past January," says Rainier's Wolter. Approximately 100,000 cases of this September-harvested (then stored until January) variety will be available this year, with production tripling over the next three to five years. It's a cross between an Ideared and Maigold with Elstar.

4. Kanzi: This Gala and Braeburn cross is the second largest variety

planted in Europe after Pink Lady. "The Kanzi has an intense flavor, like a sweet tart," says CMI's Mast. Harvest begins in October, but the well-storing apple isn't released until January or February, when starches turn to sugars.

5. Kiku: Discovered in Japan in a Fuji orchard, this chance seedling is super sweet, bringing 10 percent higher than Fuji. "We expect 85,000 to 90,000 cartons from Washington this fall," says CMI's Mast, of this late October apple that will be released in January.

6. Lady Alice: Some 160,000 cases are expected of this chance seedling discovered in a Washington orchard, with volume doubling in 2013 and showing a big increase again in 2014. "Lady Alice harvests in late September, but stores exceptionally well, so we market it from February through mid-April," says Rainier's Wolter. Heirloom characteristics include a firm, dense, sweet flesh with a hint of tartness and pink stripes over a creamy yellow background.

7. Opal: A cross between a Golden Delicious and Topaz, Andy Tudor, director of marketing for Yakima-based FirstFruits Marketing of Washington LLC, the marketing arm for Broetje Orchards, says, "Consumers love it for the complex flavor, exceptional firmness and resistance to oxidation, while retailers love it for shelf-life and a brilliant yellow color that stands out on the shelf."

8. Piñata: Some 250,000 million cartons of this Golden Delicious, Cox's Orange Pippin and the Duchess of Oldenburg cross will harvest in November and market from January to May, with this total nearly doubling over the next five years, says Roger Pepperl, director of marketing at Stemilt Growers LLC, based in Wenatchee, WA. "Piñata is a stripy

bright red apple that's crisp and juicy with a hint of a tropical taste."

9. Pink Lady's Sibling: A sister of the Pink Lady apple will be in volume in the next four to five years, says Alan Taylor, the Yakima, WA-based marketing director for Pink Lady USA. "Marketed only under the Pink Lady Trademark, this apple brings the same color and quality of the 'original' apple, but picks in early October. It can also be consumed right off the tree with a pleasant sugar/acid balance, compared to the original, which is tarter when harvested."

10. Rosalynn: This chance seedling is more tart than sweet, with exceptional crunch and a dark red color over a light green background, says Sage Fruit's Sinks. "It's harvested in late September/early October, and volume is approximately 20,000 boxes. We anticipate volume being similar for the next three to five years."

11. Sonya: Developed in New Zealand, this sweet apple brixes higher than Fuji, is crunchy and juicy, and has a red blush over a yellow background. "The marketing niche is a gourmet-type apple excellent for fresh eating, salads, paired with cheese and baking into pastries," says Sage Fruit's Sinks. Sonya harvests in mid-late September, with 150,000-200,000 boxes projected for 2012-2013 season.

12. Sweetango: A cross between Honeycrisp and Zestar, this deep red apple with a yellow blush is sweet and crisp and harvests in September, approximately 10 days before Honeycrisp. "It's a great in-and-out apple; we sold out in five weeks last fall," says Stemilt's Pepperl. Volume is expected at 80,000 cartons this season and expected to double in three to five years. **pb**

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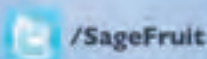
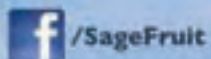
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director of marketing for Yakima-based First-Fruits Marketing of Washington LLC, the marketing arm for Broetje Orchards, says, “The first big challenge is literally the years it takes after the decision to develop a new variety. Nurseries grow a finite amount of tree root stock each year. The cost-per-acre for irrigation, trellis and land is astronomical. If accepted, a new variety must get to 400 or 500 acres just to sustain a domestic retail program in a limited fashion. As an example, since the late 1990s, Broetje Orchards invested a tremendous amount of money to grow both a club and exclusive new variety. From the grower standpoint, both failed due to convoluted marketing programs and/or lackluster consumer response. The ROI was never recaptured, and those orchards have been replaced.”

This timeline to bring a new variety to market can be up to eight years or longer, says Chelan’s Riggan. “That’s why we have nine to 10 apples in our breeding program at any one time.”

“What growers are really hoping to either find in a chance seedling or breed,” says First-Fruit’s Tudor, “is the next Honeycrisp in the consumers’ eyes, but that is more grower-friendly than Honeycrisp.”

“The real secret to selling a new apple variety is sampling. Our produce staff walks around the store for one to two hours at a time on Saturdays, Sundays and Mondays — our busiest days — and samples the apple to customers, in addition to telling them about the variety. We also set up self-sampling locations for the other days of the week.”

— Fabrizio Casini, Hiller’s Markets

How To Introduce A New Variety

The bringing of a new variety to the market provides an opportunity to offer something unique to a specific retailer. Sage Fruit’s Sinks shares, “Typically, the new apple varieties command a higher price per pound, so it is an opportunity for retailers to capture a higher dollar ring and provide a unique experience to consumers. Some of the challenges include conveying the varietal characteristics to the consumer.”

Riggan agrees and adds, “You can’t take what customers don’t know, give it a higher price and

not demo it and expect it to sell. Instead, it needs good space, good pricing and a way to entice customers with a treasure hunt experience.”

This is just what Fabrizio Casini, director of produce and floral operations at Hiller’s Markets, a 7-store chain based in Southfield, MI, did last season with the Kiku. “First, it’s important to tell the story, where the apple came from and what makes it special,” he explains. “Then, we display it in one of the best spots: in the front of the produce department, which is also in the front of our stores. The real secret to selling a new apple variety is

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sampling. Our produce staff walks around the store for one to two hours at a time on Saturdays, Sundays and Mondays — our busiest days — and samples the apple to customers, as well as tells them about the variety. We also set up self-sampling locations for the other days of the week. We were very successful in doing this with the Kiku.”

Successful new apple introductions also require the development of supplier-retail partnerships. An excellent example of this is Yokes Fresh Market’s introduction of Junami last year. Wentz explains, “We featured the Junami apples for six weeks in January and February. It’s a great time of year, when the apple market is less crowded. Prior to this, we asked our supplier, Rainier, for as much information as we could get about the variety. This enabled our marketing department to create informational signage for the displays. Then, we wanted to get the chain behind it, so we sent out a case to every store and asked produce staff to put it in the break room so everyone could sample.

“Sampling is big for us; it’s especially important to get something new into customers’ mouths for the first time. We also

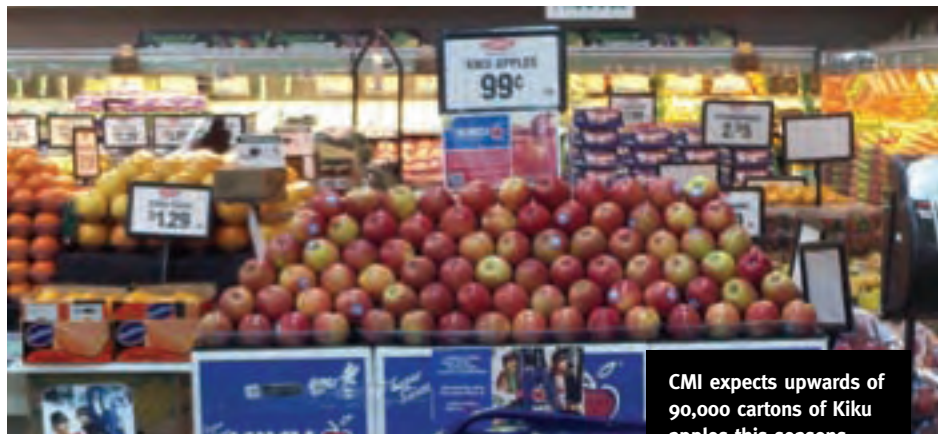


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CMI expects upwards of 90,000 cartons of Kiku apples this seasons, which will be released to retailers in January.

built aggressive 8-ft. wide displays and ran the apple on a price promotion at slightly above cost for two weeks. Then, we lifted the retail some, but not enough to prevent the momentum of trial-and-repeat sales. The promotion wasn’t as much about making money as it was always offering something new to keep customers coming back. We’ve also implemented this strategy with the Lady Alice, Sonya and SweeTango,” says Wentz.

Many apple grower/marketers offer extensive assistance to retailers in the merchandising of new varieties, especially in creating selling

displays. For example, Rainier’s

Wolter states, “Displays are critical to the success of a new variety. This season, we’ve developed high-graphic, litho-print boxes for our new varieties, which can be used to create impactful retail displays. We also provide retailers with secondary display bins. These have been used to create the space needed for a new variety or to use as a secondary display. Our bins, as well as posters and shelf cards, all contain a QR code, which link to a video discussing the origin, growing region

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and characteristics of the variety. We noticed consumers scanned the QR codes more frequently on the new varieties compared to the QR codes off our bags.”

An effective display to introduce the Sonya apple to its military customers won a Grand Prize for the North Island Commissary in San Diego, CA, in the Sage Fruit-sponsored Sonya Apple display contest with Los Angeles, CA-based Coast Produce. The store built a massive display of Sonya apples, incorporating colorful POS materials and ads to promote the displays. Drew Peach, commissary director, explains, “Our display was 20-by-8-feet, built at the entrance to the stores. Products such as apple juice and caramel dip were cross-merchandised within the display. We also included signage with suggestive usages, such as eating the apples fresh, pairing with wine and cheese, and baking into pastries. We sold through 24 cases — nearly a whole pallet — during the March 20 to April 4 contest.”

Finally, thinking outside the apple box is what many companies also do to get their new apple on the retail shelf and selling. Roger Pepperl, director of marketing at



PHOTO COURTESY OF SAGE FRUIT

Sonya apples are known to be sweeter than Fujis and attract gourmet foodie consumers.

Stemilt Growers LLC, headquartered in Wenatchee, WA, says, “We have a Facebook page for both Piñata and Sweetango; use Twitter and Mom bloggers to push information out; send product and information to food editors at consumer magazines; get the

apple on food shows; send to chefs at culinary institutes; and even advertise on billboards that generate 1 to 5 million impressions a month. You’ve got to keep chipping away in every avenue available with new apples.” **pb**

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Large eye-catching displays with plenty of POS remind consumers avocados are a year-round option.

Four Ways To Sell More Avocados In The Fall

With a year-round supply and plenty of produce-centered holidays, avocados can bring ring to your produce department in the fall months. **BY CAROL BAREUTHER, RD**

No longer is the prime avocado promotion time from Super Bowl through Cinco de Mayo. The fall is now a ripe time thanks to overlapping supply from four major growing areas: California, Mexico, Chile and Peru. This has boosted October through December availability of avocados in the U.S. market from 159.9 million pounds in 2003 to 281.8 million pounds in 2011, or a 76 percent increase, according to the Irvine, CA-based Hass Avocado Board's AvoHQ. It's also increased avocado contribution to produce department dollar sales 1.9 percent in Q4 2011, not far away from the peak 2.3 percent contribution in Q1 2012, according to the Nielsen Perishables Group, a West Dundee, IL-based fresh food consulting firm.

David Merjimekyan, part owner and director of produce operations for Jons Markets Inc., a 14-store chain based in Los Angeles, CA, states, "The advantage to selling avocados in the fall is the available supply, plus there are so many food holidays and sporting events this time of year."

1. Capitalize On Supply

According to Giovanni Cavaletto, vice pres-

ident of operations for Index Fresh Inc., headquartered in Bloomington, CA, there once was a gap from October until February when virtually no avocados were available in the U.S. market. That is no longer the case.

"Early September, California and Mexico will equally share most of the volume," says Rob Wedin, vice president of fresh sales and marketing for Calavo Growers Inc., in Santa Paula, CA. "California's decline in volume will accelerate in late October, but there will be supplies well into November. In October, Mexico will start at 55 percent share of market (SOM). By November, Mexico will be over 75 percent SOM."

This fall, Mexican avocado growers anticipate that volume will continue to increase with projections to once again be the category leader for the 2012/2013 season, reports Eduardo Serena, marketing director for the Avocado Producers and Exporting Packers Association of Michoacán (APEAM). At the close of the 2011/2012 season in June, APEAM shipped more than 750 million pounds of avocados into the United States, exceeding the amount exported in the previous year by more than 20 percent. The continued rise in volume shipped from Mexico is the result of an increase in local

avocado production in Mexico."

Peruvian avocados are enjoying their first full season of import into the United States. Bill Tarleton, director of marketing and communication for Oxnard, CA-based Mission Produce Inc., comments, "This should be a nice addition to have come in as California starts to wind down."

Cavaletto expects, "four million pounds a week of Peruvian avocados through September."

Chile will hit its peak around October, making it excellent for fall promotions. Chris Henry, director of sales and marketing for Giumarra Agricom International LLC, in Escondido, CA, shares, "We expect that supplies will be similar to last year, with Chilean arrivals slightly delayed to account for late season California and Peruvian product."

Maggie Bezart, marketing director for the Chilean Avocado Importers Association (CAIA), adds, "The drought in Chile continues to have a strong effect on the growing and production of our avocados. However, promotable volume will be available from October through February, with an estimated volume projected at 135 million pounds for the upcoming season."

Some shippers, such as Mission Produce,

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send out weekly e-newsletters to update retailers. “This enables the buyers to key their buying to specific characteristics, know when to switch countries or when there are two size opportunities,” explains Tarleton.

2. Don't Fall Behind In Merchandising Basics

One way to keep avocado sales rising in the fall is to offer customers more choices. APEAM's Serena recommends, “Display different ripeness levels, bagged fruit, large and small sizes and different price points. Research shows that many top-tier markets, like California and Texas, offer an assortment of three avocado items per store per week: small, large and 4-count bags.”

At United Supermarkets LLC, a 51-store chain based in Lubbock, TX, director of produce procurement, Tom Wilkins, reports, “We only sell 100 percent pre-conditioned or pre-ripened fruit.”

According to Serena, ripe avocados typically sell twice as fast as unripe. “To maximize this ripe opportunity, identify fruit with stickers or signage and display firm avocados separately,” he recommends. “Doing so will increase sales and prevent customers from squeezing and bruising the fruit and shortening its shelf-life.”

Calavo's Wedin adds, “Avocados from California and Mexico are ideal for ripening because the ‘time-off-tree’ is short and controllable.”

Bagged fruit is experiencing increased demand, adds Index Fresh's Cavaletto, “due to it being convenient.”

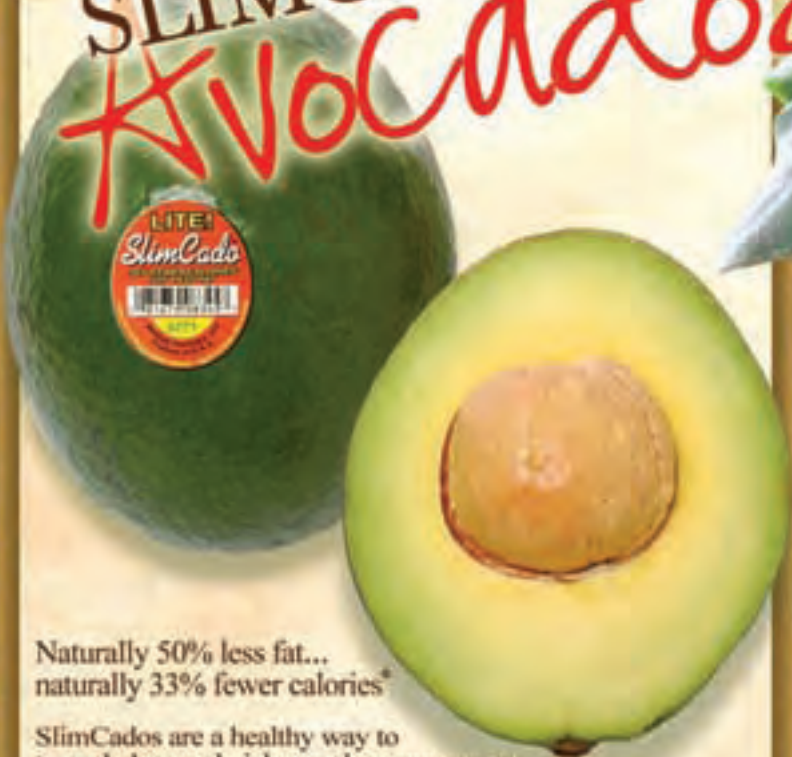
CAIA's Bezart adds, “Bagged avocados allow for easy display and reduce the front checker error.”

Avocado shoppers are looking for different size and price options.

Mission Produce's Tarleton says, “Peru tends to have larger size fruit, which is an excellent

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“The advantage to selling avocados in the fall is the available supply, plus there are so many food holidays and sporting events this time of year.”

— David Merjimekyan, Jons Market Inc.

complement to the smaller fruit from California and Mexico this time of year.”

Lamb Hass is a Hass-like avocado variety that is available and gaining traction in the fall due to its larger size. Jan DeLyser, vice president of marketing for the Irvine-based California Avocado Commission (CAC), details, “The best eating quality for the Lamb Hass runs from the end of July or beginning of August to November. Growers have started planting more with a special emphasis on August, September

and October.”

Doug Meyer, vice president of sales and marketing for West Pak Avocado Inc., in Temecula, CA, explains, “The size of the avocados appeals to many of the heavy users as it is believed the taste profile is enhanced with the larger fruit, while the price-conscious consumers are more price-point focused and less concerned with the yield that the fruit provides. Therefore, if you are in a well-developed market, having a two-size program may

prove beneficial.”

A two-size program is in place at United Supermarkets, and Wilkins specifies, “We carry a large size 40 and small size 84. We’ll sell the large at \$1.79 or 2-for-\$4 in our higher-end markets, while we’ll sell the smaller fruit 2- to 5-for-\$1 in our Hispanic formats where it’s well received.”

3. Make Room With Themed Displays

Supermarkets change their summer displays throughout the store to those that are football-oriented in September [see related article on Tailgating, pg. 44]. CAIA’s Bezzart notes, “Sporting tailgating and homegating events — football being the No. 1 — are the largest consumer usages for avocados.




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Increase shelf space by displaying avocados in multiple locations. At Jon's International Marketplace, Merjimekyan takes advantage of shipper display units provided by the Chilean Avocado Importers Association. "These help to provide extra display space and allow us to sell

avocados in secondary locations like the chip aisle, and even a third location like next to the beer," he details. "We've seen sales increases of 40 to 42 percent in the fall by using these shipper units."

Bezart shares, "Last year, we had retailers place secondary display bins with their towering Frito Lay Chip displays throughout the store. Many of our retail partners offer display racks for bagged avocados that are utilized in complementary sections of the supermarkets. The key is that a good maintenance program is set up for the produce personnel to keep the displays rotated and filled."

This fall, APEAM has introduced a new compact secondary display. "The new, hexagon-shaped Avocados from Mexico display

can hold up to two cases of bulk avocados and is available in addition to the traditional display," says Serena. "We recommend placing it in the bread aisle, deli aisle or near the cash registers to encourage impulse sales."

"The idea of capitalizing on football and other fall sports themes," says Index Fresh's Cavaletto, "is to move merchandising avocados beyond a one-day holiday like Super Bowl and expand it to a whole season or seasons."

4. Holidays Sell

Holidays represented 26.3 percent of total avocado dollar sales in 2011. While the Super Bowl in February was the biggest contributor, accounting for 2.6 percent of dollars, three fall holidays — Labor Day (2.1 percent), Halloween



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“The size of the avocados appeals to many of the heavy users as it is believed the taste profile is enhanced with the larger fruit, while the price-conscious consumers are more price-point focused and less concerned with the yield that the fruit provides. Therefore, if you are in a well-developed market, having a two-size program may prove beneficial.”

— Doug Meyer, West Pak Avocado Inc.

(1.7 percent) and Thanksgiving (1.5 percent) — added up to a significant 5.6 percent of sales. Mission Produce’s Tarleton reminds, “There are plenty of holiday-related promotional opportunities in the fall, and now we have the availability of fruit to take advantage of these.”

Labor Day: Avocados are on ad for Labor Day at Jon’s International Marketplace. Merjimekyan says, “It’s a time of picnics and barbecues and avocados fit right in.”

At United Supermarkets, Wilkins says, “Avocados are a big deal whenever you have hamburger situations. We’ll run them on ad and cross-merchandise at the same time. For example, we’ll display avocados with Italian red onions, lettuce and slicing tomatoes along with hamburgers. Or, we’ll build a big display of tomatoes-on-the-vine, jalapenos and avocados for guacamole, or TOVs with avocados, mozzarella, basil and olive oils for salads.”

The CAC’s DeLyster acknowledges, “Any opportunity to bring people together is a

good time to promote avocados. Therefore, retailers shouldn’t rely on last year’s order sheets when planning ahead for holiday promotions. In addition to Labor Day, there are harvest festivals, chili cook-offs and a variety of opportunities to explore to build demand in the fall.”

This year, the CAC is focusing on ways to put the green in the red, white and blue for holidays such as Fourth of July and Labor Day. Radio in ad markets, point-of-sale materials and themed recipes will all be part of the CAC’s Labor Day retail-oriented promotions. Recipes include Firecracker Guacamole that has multiple produce ingredients and even uses a mini watermelon as a bowl, and Picnic Potato Salad and California Avocado Coleslaw, where avocado substitutes for some of the mayonnaise, thus providing healthier fats per bite.

Halloween: “Promote Green for Halloween” is the theme of a month-long October promotion by Avocados from Mexico. “As Halloween continues to grow as a major holiday with



PHOTO COURTESY OF MISSION PRODUCE

increased spending, we plan to build on the ‘Spookamole’ campaign that was launched last year to position avocados as a must-have Halloween party food,” reveals APEAM’s Serena. “We’re also extending efforts to the Hispanic market in celebration of *Dia de los Muertos*, the Hispanic equivalent to Halloween.” This promotion will include a consumer sweepstakes, full-page FSI delivered to more than 13 million households on October 7, Facebook ads and a microsite with special guacamole recipes, party drinks and Halloween-themed dishes.

Thanksgiving: Turkey and avocado sandwiches have soared in popularity ever since Subway ran its nationwide “Grab the Green” marketing campaign last summer. “Ride this wave of fame by promoting avocados for use on turkey leftovers after Thanksgiving,” suggests Index Fresh’s Cavaletto.

Mary Ostlund, director of marketing for Brooks Tropicals Inc., in Homestead, FL, points out, “It’s the time of year that one worries about eating too much and eating the right stuff. Lighter SlimCados reduce worries. Our ‘Hold the Mayo’ promotion is where SlimCados star as a healthier sandwich spread, just in time for Thanksgiving turkey leftovers. This promotion uses signage to convey that SlimCados are a lower-fat way to add a condiment to sandwiches. Retailers can capitalize on this by cross-merchandising. For example, at in-store cooking stations or at demos, put all the ingredients for a SlimCado turkey sandwich. Or, merchandise loaves of bread next to the avocado display. Display signage that connects the two as fixings for a great turkey sandwich.”

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There's a juice out there to match every consumer's taste.

All About Fresh Juice In Produce

With a continuous focus on health and wellness, juices placed in produce departments are practically jumping into consumers' carts. **BY JOHN AIELLO**

It used to be that the supermarket produce section was reserved for fare from the garden and orchard, while juices were stocked strictly in dairy or deli, usually at the rear of the store. But that was yesterday.

A cursory tour through grocery store produce departments these days often reveals more than just tomatoes, apples, lettuce and pears. There, on a cooled shelf above the endless bins of fruits and vegetables, often sits an array of different juices all battling for the dollars of health-savvy consumers. Over the past decade, this vast line of vegetable and fruit-based "juices" has evolved, with product lines now extending from coast to coast. These drinks offer a substantial variety of nutritional choices, with many markets featuring as many as 10 or 12 juice products in their fresh produce sections — manufacturers artfully pointing consumers toward these processed forms of fruits and vegetables via a tacit mantra: If it's in the produce section, it must be good for you.

Good for you or not, the cold reality is that grocers won't stock anything that the public doesn't want and that doesn't adequately cover their margin. Obviously, this juice market has grown profitable enough to support a variety of different niche manufacturers that are waging war for a place within the same narrow

market. "As with any item in the produce department, juices must be profitable for us or they will not be carried," says Don Sutton, vice president of produce for Albertson's LLC, headquartered in Boise, ID. "Category reviews in each division ensure that any particular juice item deserves to be carried."

Location! Location! Location!

Deeper exploration into the ever-expanding world of fresh juice shows that placement within the produce section is the key to long-term success. "There are a lot of companies out there that want to be in produce," states Greg Holzman, CEO of San Francisco, CA-based Purity Organic Holdings, a company that is owned/partnered with First Beverage, which presently sells a line of organic fruit juices in various supermarkets. "The reason for this is simple: Juice makers see this as an easier entry into the market. Things are so much tighter in deli, and grocery is usually held for shelf-stable items. Also, in grocery, there is often a slotting fee required. That means companies are required to pay a fee for space on the shelf if they want to break into the market."

"We've never experienced a slotting fee," says Allyn Brown, owner of Preston, CT-based Connecticut Currant and Maple Lane Farms, one of the largest growers of black currants in

North America that also produces three varieties of juice marketed under the Currant Affair brand. "But many manufacturers have traditionally been required to pay a stocking fee to a market, providing one or two free cases of product per store as a one-time start up fee. It's the cost charged by a store for starting up with a new vendor."

"I've not encountered slotting fees in produce," says Michael D'Amato, national sales director for Fort Pierce, FL-based Natalie's Orchid Island Juice Company, concurring with Brown's assessment. "Produce is the best department in the store for business. In other departments, slotting fees are integral to the way they operate. With traditional slotting fees, manufacturers pay to have their product occupy a 'slot' on the shelf. It's like real estate, almost."

In the world of the retailer, these juice products often carry themselves, with shopper demand great enough to allow for suspension of slotting fees. "Some retailers charge slotting fees, but K-VA-T doesn't," notes Keith Cox, produce category manager for K-VA-T Foods, an Abingdon, VA-based supermarket chain that serves the states of Kentucky, Virginia and Tennessee. "We work off an every-day-low-price-program in order to get products on the shelf at the best possible retail price for the consumer."

In reality, only the juices that are in raw form



“Juice manufacturers certainly prefer the items to be carried in the produce department because it benefits their products’ image to be displayed with other ‘fresh’ products.”

— Don Sutton, Albertson’s LLC

and not shelf-stable (shelf-stable equates to products that have undergone a process known as “ultra-pasteurization” or “sterile pasteurization”) need to be docked on the cold shelf in the produce section. Even though many juices do not technically require refrigeration, manufacturers nonetheless fight to feature their wares in this department because the produce section is strategically located in most modern-day supermarkets — at the front of the store, the initial threshold shoppers cross as they grab their baskets and unfold their lists.

And this is absolutely crucial, since the 21st-century generation tends to be impulse-driven, grabbing what they see, yielding to that ‘whim purchase.’ Retailers have surely analyzed this fact closely and are targeting these kinds of shoppers for quick sales.

“Juice manufacturers certainly prefer the items to be carried in the produce department because it benefits their products’ image to be displayed with other ‘fresh’ products,” notes Sutton of Albertson’s, “while the temperature requirements limit the display possibilities in most other areas of the store.”

“The produce section is a place in the grocery store where consumers know they are buying the purest, freshest products,” says Mark Orsi, vice president of beverage sales for POM Wonderful’s North America division, located in Los Angeles, CA. “POM has a ‘tree to-bottle’ philosophy, and the produce section is where consumers expect to find these unadulterated products. They expect they are buying premium, high quality products when shopping in produce,” Orsi continues. “Unlike other sections of the store, the juice category in produce is pure juice from all-natural ingredients. Consumers shop here because they are looking for the healthiest options without having to check the label.”

Still, other juice producers don’t see the picture the same as Orsi, believing that the produce shelves are being clogged with too

many versions of the same thing all out to capitalize on a worldwide obsession to ‘eat organic.’ “I think produce executives are only confusing consumers with so many options,” contends D’Amato of Natalie’s Orchid Island. “I think they’re doing it because it’s profitable, but also because it’s a misguided attempt to satisfy a more health-conscious consumer.”

Just as technology has evolved over the past 25 years, so too has the structure of the grocery store, with individual departments now competing against each other for the chance to claim shopper-dollars. “In the old days, juices went to the dairy case,” recalls Connecticut Carrant’s Brown. “Now they are put in produce, and referred to as ‘functional’ or ‘nutrient-rich’ juices. But I think something else is happening, too. In large chains, produce and dairy stand on their own and are always looking for a way to add revenue to their departments. In the case of juices, I think produce saw an opportunity to expand their revenue by keeping them there.”

“Refrigeration is an absolute requirement for us,” asserts Dan Petry, vice president of foodservice sales for Lambeth Groves Juice Co., in Vero Beach, FL. “The main reason we’re in the produce section is that our product is basically liquid produce. The orange juice we make has a short shelf-life — it’s limited to only 17 days by the Florida Department of Citrus. But this is how it should be. Any fresh product not pasteurized belongs in the fresh section with produce.”

Careful inspection of how produce sections are aligned and how little space these juice displays actually use, and one realizes it’s really a can’t-lose proposition for the retail end of the train.

“Juice is seen as a grab-and-go item,” notes Purity’s Holzman, who entered the fresh beverage market in 1993. “Even though refrigeration is not mandatory for a lot of these products that are actually shelf-stable, refrigerating the items helps because a lot of people go

in a store wanting to buy something cold that can be consumed immediately.”

“But the produce section is not exclusively where you will find Odwalla’s beverages,” stresses Susan Stribling, a spokesman for the Half Moon Bay, CA-based company. “Their placement within a store depends on the individual retail arrangement. In some cases, you may even find the brand in more than one location, including the produce section and in stand-alone coolers.”

K-VA-T’s Cox points out the fact that many of these juices require refrigeration helps manufactures attain maximum visibility. “Consumers consider these juices to be fresher products because they’re refrigerated and in produce. Thus, big companies go after placement in produce for this reason. Secondly, manufactures don’t want their products to get lost in other departments where they won’t be seen as easily as they are in produce.”

Holzman agrees. In his eyes, location is the key to catching shoppers’ attention. Moreover, he notes produce are not only capitalizing on the quality of the products, but are also artfully making use of swatches of space that would otherwise go fallow. “Stores are getting a sale in a part of the store that was not going to generate any dollars with produce anyway,” he reasons. “Beyond that, they also get to use juice as a banner to promote the ‘organic island.’”

Health Sells

Business arguments aside, most of these current juice lines nonetheless loom head-and-shoulders above those old-style canned drinks that were the staple of every mother’s pantry from the 1950s through the 1990s. In retrospect, many of yesteryear’s juices were full of sugar and other preservatives — additives that blunted the vitamin content of the fruit, rendering them little more than soda with a soft-sounding name.

“Naked Juice smoothies do need to be refrigerated, but we made the strategic decision to

“The main reason we’re in the produce section is that our product is basically liquid produce... Any fresh product not pasteurized belongs in the fresh section with produce.”

— Dan Petry, Lambeth Groves Juice Co.

place them in the produce section versus the dairy or chilled juice aisles,” says Victoria Nuevo-Celeste, director of brand marketing for the Monrovia, CA-headquartered company. “Naked Juice carries three servings of fruit or vegetables in every 15.2-oz. bottle, with absolutely no preservatives or added sugar, so we feel it fits in best in the fresh produce section.”

Today, many manufacturers stress these

organic ingredients and refined processing techniques collectively meant to preserve the nutritional value of the beverage. D’Amato asserts, “At Orchid Island, we don’t use flavor-packs. We don’t fool around with our juice. What comes out of the fruit goes into the jug.”

“I think that the popularity of juices is driven by their close association with Superfoods,” adds Sutton of Albertson’s. “Many

nutrients are located in — or just under — the skin of the fruit; including that pulp in the juice, which provides maximum nutrient density. Since a bottle of juice may contain the equivalent of several pieces of fruit or vegetables, it is a quick and convenient way to get the recommended daily servings.”

These are all sentiments that Odwalla’s Stribling echoes in her observations. “There’s a positive association with merchandising the product in proximity to many of the ingredients — fruits and vegetables — that are used in Odwalla beverages. It’s a good fit because juices made from fruits and vegetables are an appropriate complement to the fresh produce section. It reminds consumers of the connection and also gives them a one-stop-shopping option.”

Side Note

MISLEADING THE SHOPPER

Understandably, with so many quick sales at stake in a market that shows no signs of regression, companies continually vie for position, often irritating the competition along the way. “There are some companies out there that try and get into produce with shelf-stable products, that don’t need refrigeration,” laments Allyn Brown, owner of Preston, CT-based Connecticut Currant and Maple Lane Farms. “They shouldn’t take space in produce if they don’t need to be there.”

If human nature guarantees one thing, it’s that if money is to be made, everyone will want their piece of the proverbial pie. In this case, with so little shelf-space available in produce to house a product for which the public has developed an unquenchable thirst, are some juice-makers now stretching the definition of “fresh” to land a piece of the store’s premium real estate?

“The produce executives of America need to understand that consumers are very concerned with healthy products,” says Michael D’Amato, national sales director for Fort Pierce, FL-based Natalie’s Orchid Island Juice Company. “The perception is that the juices in the produce aisles are healthy alternatives. That’s why the produce aisle business is booming. Consumers are shopping this aisle looking for something that’s healthy and not full of preservatives. But I think the reason a lot of these juices sell is that consumers are being fooled a little bit. In reality, a lot of these products are made from concentrates and contain flavorings and preservatives. Why would you enrich a pure fruit drink?”

pb



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A Broader Message

Aside from the profitability of selling fresh juice, there is also a socially conscious element to the process. Even though most consumers don't ruminate on it, everything that comes to the produce department is not everything the farmer harvested from his crop.

Out of every ton of produce, there is often 300 to 400 pounds of 'process-grade' fruit — items that still taste good and are still safe to eat, but that can't be sold as show-quality pieces in the grocery bins. In essence, many of these juice companies brew pieces of food that might otherwise go to waste into a valuable commodity. "We come from a fruit background," says Purity's Holzman. "My business is moving fruit. And there's a lot of loss in this

business. Fruit goes bad. So we started to think about ways to deal with this and serve another market, creating a pasteurized product that was shelf-stable that would be good for a year. It made sense to take these process-grade pieces and use them as juice."

Here To Stay

The journey of fresh juice from the dairy aisle to the produce section took decades, as store managers and consumers slowly reeducated their attitudes in order to accept the new ways farmers and manufacturers were bringing fresh drinks to market. It was a long time coming, but the juice bottles that now frame those wire-mesh bins in produce sections throughout the country are destined to stay

right where they are.

"I think the fresh juice market has grown and will continue to grow," says Lambeth's Petry. "Food is trending toward fresh, natural healthy products. The organic section is growing by the day. Lifestyles are changing and people want to eat and drink healthier. They are looking for alternatives."

Cox of K-VA-T agrees. "It's the same reason the organic category has taken off and the reason the gluten-free category has taken off," he says, pointing to the core of why these juice items are now so popular. "The more information the consumer receives prompts them to eat more nutritiously. I think this is one of the greatest driving forces behind the expansion of the juice line in produce." **pb**



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CHICAGO: A Town As Diverse As Its Produce



With a centralized location, plenty of local farms and a thriving wholesale, retail and foodservice market, Chicago plays an important role in the American produce market. **BY LISA WHITE**

Chicago is known for its tall skyscrapers, Lake Michigan beaches, restaurants, nightlife and world class museums. But it is the melting pot of ethnicities and nationalities that make the country's third largest city of close to three million people the most unique.

The diversity of Chicago's 77 neighborhoods is evident and celebrated. In terms of demographics, the city is 32.4 percent African-American, 31.7 percent Caucasian, 28.9 percent Hispanic and 5.4 percent Asian, according to city-data.com. In terms of ancestries, the city's population is 7.3 percent Polish, 6.6 percent Irish, 6.5 percent German, 3.5 percent Italian and 2 percent English. Approximately 628,900 of its residents are foreign-born, with 12.2 percent from Latin America, 5 percent from Europe and 3.9 percent from Asia. It's this mixture of cultures and centralized location that keeps Chicago's produce industry thriving.

"Chicago is a logistically invaluable city for the entire produce industry," says Damon Marano, vice president of business development for wholesaler Anthony Marano Co. "We're the last stop before the East Coast, we have a large population and this is a produce city. Everyone benefits when trucks come into Chicago. We have the ability to move a lot of produce through this town, and vendors all over the country realize that."

To provide a better perspective of this town's girth, the city, which was incorporated in 1875, covers an area of more than 227 square miles, and sits

578 feet above sea level on the southwestern shores of Lake Michigan, the fifth largest body of water in the world.

Most of its residents — more than 70 percent — live and work in the city, even though the cost of living index is 107.7, more than the U.S. average of 100, according to city-data.com.

Despite the economic challenges, the area remains a hotbed for independent markets hawking local and organic produce, as well as a bevy of world-class restaurants that highlight unique fruits and vegetables.

A Retailer's Paradise

There are close to 1,500 grocery stores in the city, or almost three for every 10,000 people, according to city-data.com.

An upscale family-owned neighborhood supermarket with locations in five Chicagoland suburbs, Sunset Foods, headquartered in Highland Park, IL, was founded in 1937 and is known for its wide selection of organic produce. "Our customers are looking for variety," says Vince Mastromauro, Sunset Foods' director of produce operations. "Right now, stone fruits like white peaches and nectarines are in season." He says it's important for retailers to align themselves with the right growers because it pays off at the store level. "Chicagoans are basically looking for the right fruit at the right time, and retailers need to offer it," Mastromauro says.

It helps to be loyal to growers and brands that offer quality and consis-

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tency. "We have increased our sales by building a brand," Mastromauro says. Sunset Foods has recently begun offering private label produce, including mixed melons, cantaloupe and honeydew in one-pound containers. "These are in our value-added section, which we have just added," he says. "We have our own fresh fruit branding within our departments."

In the summer months, it can be difficult for stores like Sunset Foods to go up against the area's many farmer's markets. In the city alone, there are close to 50 in the various neighborhoods. One

would be hard-pressed to find a Chicago suburb that does not have a farmer's market in the summer. "We have developed a strong rapport with customers, which helps us go up against the farmers markets," Mastromauro says.

The store also has created a marketing program centered around its local and organic produce that it calls its "Farmer's Market." This incorporates signs and POP materials. The company also is relying more on social media, including e-mail and Facebook, to increase the buzz for its offerings. "We promote the fact that we buy local, which, for

"Chicago is a logistically invaluable city for the entire produce industry. We're the last stop before the East Coast, we have a large population and this is a produce city. Everyone benefits when trucks come into Chicago. We have the ability to move a lot of produce through this town, and vendors all over the country realize that."

— Damon Marano,
Anthony Marano Co.

us, means purchasing from Midwestern states," shares Mastromauro.

Sunset Foods also recently aligned itself with a local grower, Didier Farms, of Praireview/Lincolnshire, IL, which is well known in the area. "We're not the least expensive," Mastromauro admits, "but our produce offers quality, flavor and a great shelf-life."

Another long-standing independent retailer, Chicago-based Pete's Fresh Market on the city's South Side, has been in business since 1974. The store purchases the majority of its produce from local suppliers and breaks down, hand-cleans and re-bands products on site to remove dirt and ensure there is no decay or spoilage.

Independently owned and operated on the city's north side for the last decade, Newleaf Natural Grocery Inc., based in Chicago, is a different type of concept. "We began as a buying co-op for the Chicago Waldorf School, which embraces the philosophy of utilizing whole and organic foods," says co-owner Karen Keane. The operation morphed into a neighborhood grocery that services customers in Chicago's north Rogers Park area.

The store is well known for its produce box subscription program, which Keane describes as a modified CSA (Community Supported Agriculture). Traditional CSAs charge between \$300 and \$600 for a share of a farmer's harvest. At Newleaf, because patrons purchase organic produce by the box, its fruits and vegetables are more affordable. Boxes include a variety of in-season fruit, such as Lady peaches, Sunburst squash and spinach for \$15.

The store is a strong advocate of local family-owned farms and strives to fill its boxes and

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shelves with locally grown produce. During Illinois' growing season, most produce is from local farms. In the winter, items are pulled from California, Texas, Florida and Mexico. "In terms of trends, non-GMOs are huge," Keane says. "We expect the popularity to continue spreading to big cities."

A Thriving Wholesale Market

Chicago has been a vital transportation and distribution point since the city was founded, and in the past, was an important link between the Great Lakes and Mississippi River waterways. Due to its centralized location, the city remains one of the world's busiest shipping hubs. In 1959, Chicago became the port it is today when the St. Lawrence Seaway, which provides a direct link from the Great Lakes to the Atlantic Ocean, was created. Marine, rail and overland freight are all handled through the Port of Chicago.

The area around Chicago is well traveled. The state of Illinois maintains the third-highest combined mileage of railroads and paved highways in the country, according to city-data.com. Approximately 750 motor freight carriers serve the metropolitan area, and trucking companies ship more than 50 million tons of freight each year; railroads average more than 40 million tons. Chicago's airports handle more than one million metric tons of cargo annually.

The city's location near the center of the country; accessibility to water, air and rail transportation; and extensive roadways all add up to a thriving wholesale scene in terms of produce.

Wholesale fruits and vegetables are centered on the Chicago International Produce Market (CIPM), which provides a one-stop-shop for Midwest produce buyers that include those representing area supermarkets, independent markets, chain restaurants and mom-and-pop eateries. Comprised of 22 independent produce merchants,

the market is one of the few of its kind left in the country. Its services include ripening, custom repacking and packaging, full truckload services, forward distribution and daily delivery. Cartage companies on site offer product delivery to area stores and restaurants.

The CIPM is a competitive marketplace and, as a result, the number of merchants who are based here has been shrinking. "When we came in, the rumor was that there would be attrition, and there definitely was, but when a competitor goes out of business, we don't feel good about it," says Mark

Pappas, president of Coosemans Chicago Inc., a wholesaler located in the CIPM. "Competition makes you sharper, and it's what made us thrive and be better. In this business, we will always see a certain percentage of wholesalers that are forced out after a certain amount of time. It doesn't matter how much you do, how great a buyer or salesman you are, or if you have the highest quality fruits and vegetables. It's not a sale until you get paid."

The struggling economy has been a big factor impacting business at the CIPM. "People are buying conservatively, watching pennies and



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dollars and looking for value," acknowledges Nick Gaglione, president and owner of Dietz & Kolodenco Co., a produce wholesaler located in the CIPM. "People are now focused on not overextending themselves." Dietz & Kolodenco's hottest sellers are soft fruit likes peaches, nectarines and plums out of California, Mexican grapes and imported apples from New Zealand and Chile.

Still, the market is known as the place for buyers who want to cut out the middle-man. "CIPM is still a very competitive market, but it doesn't offer as much value-added items as in the past," says Anton Marano, the third-generation president and CEO of Anthony Marano Co. "Wholesalers who are not good at what they do and can't service customers won't stay in business.

Staying Salient

Diversification has been one way wholesalers in the terminal market have attempted to set themselves apart. In addition to fresh fruits and vegetables, some CIPM merchants have expanded their offerings to include nuts, dried fruits, herbs, spices and specialty dry goods.

Service also has been expanded to provide added convenience for buyers in the area and internationally. For example, delivery can be arranged from the market to anywhere in the world via

ground or air. "Wholesalers are the link between the farms and the customers and help to advance the growth and availability of the local movement in the Midwest region," says Angie Bader, marketing coordinator at Chicago wholesaler Testa Produce Inc., a CIPM merchant. "Since most farms are many miles and sometimes states away, wholesalers make it easier for foodservice entities to get the product they need, with the highest quality and best food safety practices available."

Another advantage to buying wholesale is convenience to customers. "Buyers don't have to work with multiple vendors for their ordering needs, when they can work directly with a wholesaler. It saves them time, money and overall carbon footprint by consolidating their vendor options," Bader says.

Demand For Local

With the spotlight on food safety and sustainability in recent years, local produce is a growing segment in the Chicago area. "In the case of local produce, wholesale is likely the easiest and safest option for customers," Bader says. "Having a company facilitate the connection between the farm and the customer is the most effective way to get what fruits and vegetables are needed and ensure that the proper food safety procedures have

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Campaign for Research



The Past

CPS was founded to set supply chain research priorities, fund research projects as quickly as possible, and communicate best practices back to the industry. Established in 2007 by public and private partnership at the University of California, Davis, initial funding was provided by the California Department of Food and Agriculture, the University of California, Produce Marketing Association and Taylor Farms.

The Present

Today, CPS has grown into a collaborative partnership that leverages the combined expertise of industry, government and the scientific and academic communities to focus on providing research needed to continually enhance food safety. To date, CPS has compiled an impressive four-year body of work, awarding \$10.6 million and funding 70 one and two-year research projects at 22 universities and organizations.

Campaign for Research Contributors (as of July 6, 2012)

The ability to work together to safeguard public health and increase consumer confidence gives testimony to the commitment of the fresh produce industry and its partners.

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The Future

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- Broaden the scope of the research both geographically and throughout the supply chain
- Continue educational offerings to further translate research into immediate application

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been put in place.”

The biggest effect in terms of proximity to local growing regions is the difficulty in defining ‘local.’ Some farms are 200 miles away in the same state and others are 150 but across state borders. In addition, people have different ideas and expectations of what they want local to be, so it’s difficult to always fit the criteria that various people have that meet their local needs and wants.

“We are able to work around the distance of the farms, as there are several great farms that we work with that are not located too far from us in Illinois, Michigan and Wisconsin, but we make sure to feature a wide array of farms and products to

meet various demands,” Bader says. “We make sure that we represent several different farms from various growing locations to support as many local farms as possible and meet volume expectations had by our customers.”

In terms of locally grown produce, there is much room for improvement. A study by the Illinois Department of Commerce and Economic Opportunity showed that of the \$14 billion Illinois spent on fruits and vegetables in 2009, only 6 percent of it was grown in the state. Illinois has the ability to grow 85 percent of that volume, according to the department.

Summertime is obviously the easiest season to

source produce locally. “Sourcing produce from neighboring states is easier for me in terms of procurement,” says Tim Fleming, Jr., executive vice president and general manager of vegetables at Strube Celery & Vegetable Co., a Chicago-based wholesaler. “I can plan ahead a day or two, rather than four to five days. Our location is beneficial, with Midwest farms all around us.”

Strube’s location in the city also is beneficial in terms of logistics and transportation. “It’s a good hub. It can be difficult for people to send trucks to different places around the Midwest, but we can be innovative with cross-docking,” Fleming says. “We can consolidate shipments here and have

Innovative Foodservice Solutions

The foodservice industry in Illinois produces \$19.2 billion in annual sales and is the largest private sector employer in the state, with 501,000 jobs projected in 2011, reports the Illinois Restaurant Association. There are 3,516 full-service restaurants in the city alone, according to city-data.com.

Produce is a hallmark of Chicago’s foodservice segment, and there is one innovative partnership in particular capitalizing on the popularity of buying local. Chef Marc Barnard of Chicago’s renowned Lettuce Entertain You Enterprises (LEYE) always had an interest in the produce industry. He studied horticulture in college and worked in a greenhouse while in high school. It’s always been a dream of his to own a farm. He oversees LEYE’s Big Bowl chain, which sources its produce from Heritage Prairie Farm in LaFox, IL.

After a fundraising dinner that included five LEYE chefs cooking at the farm, Barnard looked into the restaurants’ produce needs to see if they would warrant leasing some acreage for planting. “We found that most of the produce we utilized on the menu was basic, including 400 pounds of lettuce a week, in addition to a good amount of carrots and onions,” Barnard says. “There were some specialty items, too, and everything we use is organic, which created a challenge, in terms of sourcing produce.”

Barnard set up a program where up to 30 of

LEYE’s staff, including chefs, servers, managers and cooks, went out to the farm at one time to see the progress of the crops. Throughout the growing season, Big Bowl employees assist on the farm — hoeing, weeding and transplanting crops. “This way, people outside of the leadership roles knew about the program and were able to get some exposure to become farm-fresh food experts and ambassadors,” Barnard says.

LEYE even held its annual chef’s conference at the farm. On the final day of the event, 130 guests were in the field eating farm-fresh food. Due to the program’s success, LEYE created an RSA (Restaurant Supported Agriculture) program, which is a variation of retailers’ CSAs. With this arrangement, the restaurant group would deposit \$15,000 — or 10 percent of the \$150,000 worth of produce it purchases annually — to assist the farm with its expenses. “We would get money credited back every time we purchased our fruits and vegetables,” Barnard says.

In addition to Heritage Prairie Farms, LEYE also instituted the program with Kinnikinnick Farm in Caledonia, IL; Hazzard Free Farm in Pecatonica, outside of Rockford, IL; and Growing Home, a Chicago-based farming program that reclaims land and helps put unemployed people back to work. “We’ve always worked with farmer’s markets and then we had people deliver the produce to us,

before getting Heritage Prairie to grow our food. Now we have four farms with the commitment that, if they grow food, we will buy it,” Barnard says. “We pay a premium, so we expect quality product.”

When Barnard was informed by Heritage Prairie that a nearby 5½-acre farm was for sale, he began the journey of fulfilling his lifelong dream. Although Barnard purchased the farm as a personal investment, the chef is growing produce that is used in LEYE’s restaurants. This includes sugar snap peas, squash and beans. Big Bowl recipes require a lot of greens, as well. “Black kale is a hot item right now; it has a wonderful Tuscan taste,” he says. “Also, garlic scapes have become popular. These have a mild garlic flavor and the texture of green beans. Winter spinach is popular, too, as is organic food, in general.”

In their quest to include more local produce on the menu, a number of Chicago restaurants are planning urban rooftop gardens to grow fruits and vegetables for their dishes. At press time, Local Root Cafe, in the Streeterville neighborhood of Chicago, was on the verge of opening its doors. This eatery is planning to create a 20,000-square-foot rooftop garden that would be the largest of its kind in the Midwest. In addition, Fifty/50 Restaurant Group is partnering with the Bleeding Heart Bakery and Café to open a rooftop garden and restaurant in the city.

pb

“Wholesalers are the link between the farms and the customers and help to advance the growth and availability of the local movement in the Midwest region. Since most farms are many miles and sometimes states away, wholesalers make it easier for food-service entities to get the product they need, with the highest quality and best food safety practices available.”

— Angie Bader
Testa Produce



people pick items up from our warehouse, rather than go to five different locations around the Midwest.” Last year, Strube expanded its business to include herbs. The company partnered with a local greenhouse that supplies basil and rosemary.

Chicago wholesalers also are seeing more consumers looking to support local farmers and communities through farmer’s markets. In the summer, these temporary selling stations come into play and thrive on locally grown, seasonal produce.

The Growth Of Independent Retailers

Along with an increased focus on local produce, the Chicago region has experienced the continued growth of independent retailers that focus on hard-to-find, ethnically diverse produce. “We attribute this to retailers being able to build stores that are better representatives of what they can offer,” says Damon Marano. “Independents are investing more in their stores, so an \$8 million operation can compete with any national chain. These markets are forces to be reckoned with.”

Independent retailers also are expanding their reach. Those that once had two to three stores now have four or five locations, for example. “We have found that there are a few independents that are getting more powerful,” says Gaglione of Dietz & Kolodenco. “These operators have gone from two to 10 stores, which makes them a volume buyer. Those buyers are down at the market between four and five days a week. These stores don’t keep a large inventory, so produce on site is rotated to keep it fresh. Independents in the area are filling holes quicker than larger chains.”

In addition, chain stores from other regions in the Midwest are moving to Chicago due to the opportunities in this market. Case in point is Mariano’s Fresh Market, a high-end chain owned by Roundy’s that now has two locations in the city with another three in Chicago’s suburbs. Its expansive produce department was recently recognized by the Produce for Better Health Foundation. Its department includes more than 10 varieties of mushrooms, peppers and tomatoes, in addition to imported specialty fruits and vegetables; organic produce; fresh-cut items; and fresh-squeezed juice.

Independent markets are successful in this area due to the variety of produce offered. “Other parts

of the country don’t have the number of independent chains we have in Chicago. This is because there is opportunity for these operations here,” Anton Marano says. “The unique offerings in these stores allow independents to compete with big box and chain stores. These retailers are better at what they do and willing to make bigger investments to compete.”

Flexibility Is Key

Still, to adapt to changing and challenging market conditions, area wholesalers and distributors have had to be flexible. “We now need to take on any produce-related business, including food-service, value-added, retail and wholesale,” Damon

Transportation Challenges

Produce transportation continues to be challenging, reflecting the rest of the country. “In business, generally it seems like things were after the 2008 housing market and financial market crash. We’re still trying to come out from underneath it,” says Fred Plotzky, president of Cool Runnings, a produce transportation company in nearby Kenosha, WI. “In 2010, things were coming around and were picking up. We felt momentum in the business. By the middle of last year in May or June, it seemed like the brakes were put on again. It will seem like there’s a good start, but then there is no steam behind it.”

There are fewer businesses in Chicago due to the economic downturn, and, as a result, trucking companies are significantly downsizing. “Companies that used to have 20 trucks now have only eight, and smaller guys with six to eight trucks are down to three. This has made produce transportation even more expensive,” Plotzky explains.

Freight rates also have increased. The average price for a load out of California is now \$5,800 versus \$1,500 in years past. “Even though everything is more

expensive, there is still not enough money to cover fuel and repair costs,” Plotzky says. “Every year, companies are required to spend money to update their trucks to comply with California’s truck regulations.” The regulation requires diesel trucks and buses that operate in California to be upgraded to reduce emissions, according to the California Environmental Protection Agency.

“Trucking is a huge issue, even in the beginning of summer,” says Strube’s Fleming. “Trucks out of California are very expensive. This is a trickle-down effect, and everyone has to fight with it. Everyone is paying the same for trucks, so there is not a wide variance.”

Despite the challenges, Chicago is the hub of the Midwest. With its access to the East and West Coasts, in addition to the southern and northern states, this area is logistically suited for produce buying and selling. With independent markets and restaurants expanding in the area, there will be increased opportunities for those in the fruits and vegetables industry. **pb**

Marano says. "We're designed to be agile. If we see the industry going one way, we can adapt to service our customers."

With more foodservice chains focused on produce due to the media attention on healthier eating, there are more opportunities for wholesalers. "Restaurants are trying to incorporate more produce on their menus and will highlight or emphasize what they are using," Damon Marano says. "This puts more of a value on the ingredients. For example, McDonald's using blueberries in its parfaits and oatmeal helps drive this commodity."

Despite everyone's best efforts, the economy has taken its toll on all businesses, including Chicago wholesalers. "It's been a struggle more and more during the past three to four years, but those wholesalers who continue working hard for customers, pay attention to details and communicate are doing well," says Coosemans' Pappas. "Companies like ours may have to work harder, but the business is still out there."

Formerly a specialty house, Coosemans has diversified to keep pace with the market and also focuses on conventional produce. "We have a great Michigan shipper and are looking forward to getting more local produce in," Pappas says. "With a good quality shipper, we can really make it cost-effective by making a fair markup and passing the



Thanks to its central location, the CIPM is a hub for buying and selling produce that will make its way around the country.

savings on to customers."

This can be challenging, especially with the rising cost of fuel and transportation. "With regulations and fuel costs, anything you can get local is something you can pass on to customers," Pappas says. "Also, being central is an advantage for us. Anything we can do to eliminate freight from California and air shipments is an advantage."

In addition to being centrally located, Chicago offers demographic diversity, which wholesalers say equals greater opportunities in selling produce. "We have a large cross-section of

everyone here, which is the city's biggest advantage," Gaglione of Dietz & Kolodenco says. "There are a variety of people who eat many different types of fruits and vegetables."

The area has large Hispanic, eastern European and Asian populations, which are known for their cuisines that include a variety of produce. "Whether it's simple pizza and basil to high-end steak houses using specialty potatoes, lettuces and mini vegetables, it's a big city with big opportunities," Pappas says. "Chicago is a great city that offers opportunities to reach different customers." **pb**

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Onion Opportunities

By educating consumers and properly merchandising onions, produce departments can capitalize on this lucrative segment. **BY LISA WHITE**



PHOTO COURTESY OF VIDALIA ONION COMMITTEE

Onion commodity boards such as the Vidalia Onion Committee provide retailers with plenty of eye-catching POS and display materials to promote.

Onions may be one of the most versatile vegetables available in terms of usage, which equals much opportunity from a retail perspective. Yet, the ubiquitous commodity is typically taken for granted, and consequently, easily overlooked in supermarket produce departments when it comes to marketing and merchandising. This is a big mistake, as the result may be the loss of potential revenue.

This is one produce category where education at point of sale is key. “Today’s research illustrates that usage is one of the key decision drivers at the point of sale,” says Marty Kamer, vice president of Keystone Fruit Marketing Inc., based in Greencastle, PA. “Consumers want to know how to utilize the products they are buying. Recipes, educational videos and demos are all ways retailers can capitalize on the onion category.”

Onions are the third largest vegetable commodity — at around 20 pounds per year — in terms of per-capita consumption in the United States, according to the U.S. Department of Agriculture. Onion consumption has increased more than 63 percent in the past two decades — from 12.2 pounds per person in 1983, to an estimated 20 pounds per person in 2008.

Much of the increase can be attributed to

growth in the prepared food segment. “Approximately 15 to 18 percent of onions are processed for use in prepared food items, such as salsa, soups and appetizers,” Kamer shares.

The increase in onion consumption also may be due to the vegetable’s health benefits. Onions provide a number of nutrients that many are not aware of, such as high levels of vitamin C. They are also low in sodium and fat-free, and a good source of dietary fiber and folic acid. They contain calcium and iron, and have a high protein quality. Onions also contain quercetin, a flavonoid in the category of antioxidant compounds, which has been shown to eliminate free radicals in the body, inhibit atherosclerosis and coronary heart disease, protect and regenerate vitamin E and inactivate the harmful effects of chelate metal ions.

There is no disputing that onions are a staple in most consumers’ kitchens. While seasonality can affect sales, the average onion sales per store per week are reportedly steady. Still, a key challenge for retailers is educating consumers about the flavor profile of each type of onion to help garner more attention for this versatile vegetable.

Attracting Attention

Suppliers say there are a number of ways to increase the onion category’s profile in the produce department. “They are one of the best

categories to cross-merchandise SKUs throughout the produce aisle,” says Derrell Kelso Jr., president and co-owner of Onions Etc. Inc., based in Stockton, CA.

Because consumers commonly store these vegetables on the kitchen counter, Onions Etc. has developed “Kitchen Counter Merchandising” programs for retailers. “The days of set-it-and-forget-it are done,” Kelso says. “The more people eat at home, the more onions they buy in the store.”

To make an impact in this segment, produce department offerings can include up to 10 onion varieties, including yellow, red, white, sweet yellow, pearls, boilers, Cipollinis, as well as organic yellow, red and white onions. The key is to educate consumers on the use of the different onion types at point of purchase, which will help increase sales. In addition, the more points of purchase for these products in the department, the better to draw attention to these items.

“One of the easiest ways to bring more attention to the onion category is to place secondary smaller displays throughout the store,” says Greg Smith, marketing and communications manager at Glennville, GA-based Bland Farms LLC. “For example, retailers might place secondary onion displays in the meat department. Displaying onions with meal ideas and recipes that include these

vegetables has been successful.”

Onions are a vegetable category commonly taken for granted, so focusing on seasonality can provide a sense of urgency that will not only draw more attention to these items, but also encourage impulse sales. “Most consumers don’t pay attention to the seasonality of onions or where they are from, but if this information is presented to them, it can add value to the product, especially if the onion is locally grown,” Smith says. “Additionally, providing a description of the flavor helps consumers see

the onion’s value and usage possibilities.”

Co-promoting onions with other fresh produce items that are typically used together is another way for retailers to market and merchandise this vegetable. This is one method where the sale of one produce item may attract attention and lead to the sale of another. According to Rick Antle, president and CEO of Tanimura & Antle Inc., located in Salinas, CA, “Onions are already a destination in the produce department. A second display with grilling vegetables helps stimulate creative



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menu ideas.”

It’s also important for retailers to stay in touch with resources like commodity groups, which can provide marketing and merchandising tips for onions. “We provide back-of-house storage and handling posters with kits for individuals working on the produce floors daily,” says Wendy Brannen, executive director and marketing director of the Vidalia, GA-based Vidalia Onion Committee. “It’s also essential to remember the merchandising basics, such as keeping a clean, neat display.”

Proper handling, especially for softer sweet onions like Vidalias, is key. This variety does not tolerate being dumped in a display bin or stacked more than five feet high.

Unclear labeling also is a common complaint with onions. Customers should not have to dig through a bin and locate a PLU sticker to find the variety they are seeking. Displays should be clearly marked and signage must be visible.

“Although the onion category is often underappreciated, it has a nearly unlimited potential when you stop to look at how many meals include onions in one form or another,” says Ralph Schwartz, director of value-added marketing and category management for Idaho Falls, ID-based Potandon Produce LLC.

Retailers can capitalize on this potential by highlighting the onions’ origins, flavors and uses. This is one category where educating consumers at the retail level is essential. “The biggest thing retailers can do to bring more attention to the onion category is not take it for granted,” says Matt Curry, president of Curry & Co. Inc., headquartered in Brooks, OR. “By understanding the customer base and consumer demographics, you can really

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“One of the easiest ways to bring more attention to the onion category is to place secondary smaller displays throughout the store. For example, retailers might place secondary onion displays in the meat department. Displaying onions with meal ideas and recipes that include these vegetables has been successful.”

— Greg Smith, Bland Farms

capture more of the consumers' dollars.”

Attracting attention starts with a properly rotated display free of loose onion skins. “I’m always surprised when I see an onion display where you see more loose onion skins than you do actual onions. I look at all the missed opportunities,” Curry says.

He recommends offering a mix of bulk and bagged yellow onions displayed with roots down and loose skins removed. “White onions can be a destination in many regions of the country, while red onions offer niche products and provide a pop of color,” Curry says. “Retailers can also celebrate local and regional onions, if they are within a growing region, with photos of the growers and a brief story.”

Suppliers recommend that sweet onions be placed in a central location in the produce department, with a secondary display during the weeks leading up to late summer and fall holidays. “As summer grilling season gives way to tailgating season, this is the perfect time to promote onions, as they are a staple at cook-outs,” says John Shuman, president and director of sales at Shuman Produce in Reidsville, GA.

Shuman Produce has created packaging for its bagged onions that provides consumers with nutritional information, storage tips and seasonal recipes to enhance sales at the point of purchase. “We also recommend retailers supplement merchandising efforts through attractive, educational point-of-purchase materials to communicate type, use options and nutrition information about sweet onions,” Shuman says.

Category Trends

There are a number of ways retailers can capitalize on current onion trends to provide added sales opportunities for these products. “Training store merchandisers is key,” says Kelso of Onions Etc. “I tell retailers constantly that they should merchandise like a chef.”

Because more people are cooking at home to save money, retailers can educate consumers on what onions to buy and how to prepare

them. There’s an onion for every purpose, but consumers won’t know this unless retailers inform them. “Consumers continue to spend more time in their kitchens versus their favorite restaurants in the wake of the economic downturn,” points out Shuman. “This trend toward dining in has allowed the onion category to grow, as these vegetables are a staple item in most consumers’ kitchens. In fact, research shows that consumers purchase onions on a regular basis and consistently include them on their shopping lists.”

This provides opportunities for retailers that focus on the onion category and properly position these products in their produce department. “Stores can increase sales of these products by carrying a wide assortment and providing menu ideas that communicate which onion is best suited for each application,” says Antle of Tanimura & Antle.

There are rarely hot merchandising trends when it comes to onions. However, some creative applications have been popping up around sweet onions, thanks to the Vidalia Onion Committee, which has created additional value over the past few years by utilizing seasonal selling tools. Also, some state onion groups promote their locality of onions using high graphic boxes.

Potandon’s Schwartz recognizes, “With onions being such a large part of existing culture, it is difficult to create new usage events. The blooming onion did well, but not on a game-changing level. The trends that are emerging that might have an impact tend to be slow and not overwhelmingly well received. Examples of these would be peeled onions, or processed onions sold in the produce department.”

Curry of Curry & Co. states, “Onions are often seen as a maintenance item, and a lot of stores we work with see spikes in onion sales the first two weeks of the month and then a decline after that. Perhaps a promotion in the third or fourth week would provide an unexpected lift,” he suggests. “Some of our partners focus on bagged sales at the start of the month for customers who purchase a lot of their items

for the month in that first week.”

The trend in healthier eating can provide another marketing opportunity for onions. In recent years, the Food Network and celebrity chefs have increased the awareness of fresh fruit and vegetable use, including onions. “Onions are a big part of this awareness as a staple ingredient, which naturally resonates through to increased consumption and higher sales numbers at the store,” Keystone’s Kamer says.

Bulk and consumer bag displays, along with value-added product offerings, should be prominently merchandised in end-caps and stand-alone displays for enhanced visibility. Signage with produce information, nutrition facts and recipe suggestions provide added attention. The basics still apply, including full and fresh displays, attractive signage and quality products. “In general, retailers are employing much more sophisticated merchandising techniques than four or five years ago,” Kamer adds. “They now have messages, POS materials, educational brochures, demonstrations and product education boards.”

One of the biggest challenges for the industry, growers, marketers and retailers is to meet consumer expectations. The fact is, consumers respond to brand recognition in the onion category. Sweet onions, for example, are a fast-growing segment and a category driver due to this type’s versatility. “Even if the year-round sweet onions have become a mainstay in the department, there continues to be a lot of imposters — or onions that are labeled sweet but fail to meet consumer expectations and destroy consumer confidence — ultimately slowing the sales and profits for everyone,” Kamer says.

Tools Of The Trade

Suppliers and associations offer a number of merchandising tools that can increase the visibility of onion displays on the store floor. “We have retailers that do what we call Recipe Merchandising,” Onions Etc.’s Kelso says. “These are recipes that utilize four to seven SKUs in the produce aisle.” A shopping list on the back of Onions Etc. bags helps provide retailers with ideas to build unique displays that cross-merchandise complementary items. “This increases what is known as incremental sales, or the sale of a product that was not originally on a consumer’s shopping list when he/she walked into the store,” he explains.

There are endless cross-merchandising opportunities with onions, including alongside meat, pasta ingredients and bagged salads. Retailers can provide recipes for kabobs near the onions, mushrooms, bell peppers, cherry

tomatoes, squash and meat. Burger toppings are another option, with onions displayed amidst iceberg lettuce, ground beef, buns, condiments, tomatoes, cheese and pickles. Stores can promote grilled vegetable dishes that include onions, bell peppers, mushrooms, asparagus, squash, potatoes and eggplant.

Ready-to-display shippers are another great option available to retailers. Onions Etc. products are shipped to retailers in high-graphic boxes and bins, in addition to a variety of bags. During September, the company will partner

with the Breast Cancer Research Foundation and provide retailers with materials to bring attention to in-store promotions that include POS material as well as secondary smaller displays.

More retailers are seeking point-of-purchase feedback, since many are utilizing in-house signage for onion displays. The National Onion Association (NOA), located in Greeley, CO, provides POS information about when and where to use different onion types and what flavors are available from one season to the next. “Seasonal cross-merchandising

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“We have retailers that do what we call Recipe Merchandising. These are recipes that utilize four to seven SKUs in the produce aisle. This increases what is known as incremental sales...”

— Derrell Kelso Jr., Onions Etc.

ideas are always great, but this can be more difficult in the growing season, since produce and meat items tend to stick to their respective departments,” says Kim Reddin, director of public and industry relations for the NOA. “Anything retailers can do to pull these items together for roasts, stews and soups is beneficial. Stores can even offer slow cookers with recipes to help drive sales.” The NOA is currently working on a joint project with the U.S. Potato Board to develop onion and potato POP merchandising tools for produce departments. Consumers are looking for guidance, especially with onion use. Any recipes that offer value and save time will be appealing to a majority of consumers.

“The only challenge in selling onions is not stocking what the consumer wants, thus losing a sales opportunity,” says Antle of Tanimura & Antle. “Sourcing quality onions with a long

shelf-life eliminates shrinkage issues.”

Merchandising tools can also be geared around seasonal onion varieties, like Vidalias, which are popular around the Fourth of July. This is a good opportunity to incorporate family-friendly displays that catch kids’ attention. For example, incorporating swim toys, like inner tubes and noodles, is a creative way to highlight the limited availability of these products.

Brannen of the VOC shares, “We’re developing POP materials that assist retailers with displays.” In fact, she attributes a big jump in the VOC’s Facebook traffic to these marketing tools.

It’s important to think outside of the box when merchandising onions. Potatoes are the traditional item onions are merchandised near, but there are many more ideas that can be employed. For example, Potandon’s Schwartz points out, “Onions near displays in the meat department invoke cooking reminders to

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shoppers, but also near lunch meat counters, as these products remain a key sandwich ingredient. Onions with salad vegetables would be another great impulse placement area, as would a mixed display with onion soup fare, such as cheese and breads.”

Building a complete display with a wide range of products that can be used interchangeably is even more effective. “We believe that pairing our product with other items included in these recipes is a great way to increase sales of sweet onions,” Shuman says. “For example, we recommend stocking RealSweet onions near displays of tomatoes, avocados and packaged salads. We also believe including related products, such as salad toppings, crumbled bacon bits and onion ring batter next to sweet onion displays is a functional way to build a successful cross-merchandising campaign.”

Growers, shippers and retailers continuously strive to develop state-of-the-art packaging and displays to catch consumers’ attention, while at the same time providing information on nutrition and utilizing products to boost retailer sales. Keystone’s Kamer notes, “Thirty percent of consumers said they would buy and eat more fruits and vegetables if they knew how to use them.” This is why it’s important for retailers to include effective POP materials and signage that help showcase the nutritional benefits and flavor of the wide variety of onions available.

Shuman Produce provides retailers with colorful bins designed to enhance the visibility of the retail display. The company also offers retailers a number of merchandising programs and tools, including a new consumer-focused website, a mobile website and presence on social media networks, where the company communicates directly with consumers.

The packaging Shuman Produce is known for was redesigned last year to include new recipes and a QR Code connected to a new mobile-friendly website. With one click from a Smartphone or handheld device equipped with a code reader, consumers can access online content such as video, storage tips and additional recipes. “This year, we’ve also used our partnership with Atlanta chefs and radio hosts Chef and the Fat Man to share how-to videos of some of our favorite recipes through our websites and Facebook page,” Shuman says.

Some of Shuman Produce’s retailer partners also use grower profiles to share information about the company and RealSweet Vidalias with their customers. “We enjoy using these opportunities to bring the story of the product to life through photography from our farms and information about the growing

and harvesting process,” Shuman says. “A consistent, year-round promotional plan including all onion category segments will go a long way in the pursuit of achieving optimal promotional impact.”

Although the onion category offers many opportunities for growth, it is not one that is highly visible in the produce department. By educating consumers on the use of these items, utilizing merchandising tools available from suppliers and trade groups and providing complete and neat displays of

these products, produce departments can take advantage of the revenue-building opportunity that onions provide. “Onions don’t have the sizzle of fresh fruits or the seasonality of asparagus,” says Curry. “But what they do have is consistent shelf-space for the entire year. As marketers, we need to show our retail partners what they can do to not take their onions for granted. They have the real estate already, but the question is how can retailers make that real estate shine and drive more onion sales?” **pb**

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Mushrooms: Five Top Challenges & Opportunities

As consumers focus on healthful eating, mushrooms are a natural choice to shine the light on produce. **BY CAROL M. BAREUTHER, RD**



White mushrooms continue to lead the category in sales while brown mushrooms are continuing to show strong growth.

Meatless Mondays, flexitarian eating-styles and the recommendation to fill half our plates with produce are all hot diet trends helping drive sales opportunities for mushrooms. Just look at the numbers. The mushroom category represented nearly 2 percent of produce department dollar sales for the 52 weeks ending April 28, 2012, according to the Nielsen Perishables Group, a West Dundee, IL-based fresh food-consulting firm. In addition, mushrooms represented 4.8 percent of total produce department vegetable dollars and 1.7 percent of vegetable volume, according to Fresh Look Marketing Group data for the 52 weeks ending April 22, 2012.

Yet, there are challenges in mushroom paradise. Offering the right variety, enough display space, minimizing shrink, educating customers in order to increase consumption and moving beyond just price promotions are potential pitfalls that, once solved, offer the opportunity for increased sales.

1. Get It Right: Variety

White button mushrooms lead the category in sales, representing 64 percent of dollars and 68.1 percent of volume for the 52 weeks ending April 28, 2012, according to the Nielsen Perishables Group.

However, Jane Rhyno, director of sales and marketing for Highline Produce Ltd. Co., in Leamington, ON, Canada, notes, “We continue to see strong growth of brown mushrooms, especially the Cremini. This past year, Cremini growth in the U.S. marketplace has been around 6 percent, with double this in the Canadian marketplace. Creminis have a heartier flavor and denser texture than whites, which is a key reason we see a lot of consumers converting.”

Brown mushrooms, which include Creminis or baby Bellas and Portabellas, represented 29.6 percent of category dollars and 27.4 percent of volume for the 52 weeks ending April 28, 2012, according to the Nielsen Perishables Group.

Demand for Creminis is outpacing that of Portabellas at Bristol Farms, a 13-store chain based in Carson, CA, according to Raul Gallegos, senior director of produce and floral. “The reasons include versatility. Due to their smaller size, consumers can use them in a variety of recipes.”

Another reason for the current growth of Creminis is the ‘something new’ factor, adds Dennis Chrisman, director of produce and floral for Dorothy Lane Markets, a three-store chain based in Dayton, OH. “Portabellas are a more mature mushroom.”

Fred Recchiuti, general manager for

Basciani Foods, in Avondale, PA, points out, “We’ve seen demand increase for Portabellas during the summer for grilling applications, and this is more so than usual this year.”

“The merchandising opportunity is to give a bigger slice of facings to brown mushrooms, both Creminis and Portabellas,” specifies Gary Schroeder, managing member and CEO of Oakshire Mushroom Sales LLC, in Kennett Square, PA.

Joe Caldwell, vice president of Watsonville, CA-headquartered Monterey Mushrooms Inc., agrees and adds, “To be most profitable, the amount of room allotted to browns needs to change seasonally. For example, home panel surveys show us more that brown mushrooms are bought during the summer. This means that during the summer, there needs to be a shift toward upwards of 50 percent of the display as browns. The opportunity here is that you can get a higher ring of 10 to 15 percent more on brown mushrooms over white.”

Consumer interest is picking up for specialty mushrooms, as well. According to Kevin Donovan, national sales manager for Phillips Mushroom Farms LP, based in Kennett Square, PA. “Shiitakes are gaining ground due to their flavor. We offer a gourmet blend with baby Bellas, Shiitakes and yellow Oysters to

MERCHANDISING REVIEW

introduce customers to these mushrooms without them having to buy a big portion of each. This has proven to be successful product.”

Oyster mushrooms are not growing in sales as fast due to their short shelf-life, contends Schroeder. “Many times in a display the oysters are the ones that have sat too long, and it detracts from the overall display,” he reasons.

Specialty mushrooms, which include varieties such as Shiitake, Oyster and Enoki, represented 2.6 percent of category dollars and 1.6 percent of volume for the 52 weeks ending April 28, 2012, according to the Nielsen Perishables Group. Combos or blends contributed 0.9 percent of sales and 0.6 percent of volume during the same time period.

“At Bristol Farms,” says Gallegos, “white and browns, as well as Shiitakes, Oysters and Enokis are all part of our offerings.”

In addition to seasonal influences, space allocation for each variety is influenced by the type of store and clientele serviced. Highline’s Rhyno comments, “Allocation for a large, variety-focused store would be 50 percent white, 35 percent brown and 15 percent specialty, whereas a smaller or low-assortment-focused store would be 65 percent white, 25 to 30 percent brown and 5 percent specialty.”

Seasonally available specialties such as King Trumpets, Golden Chanterelles and fresh Porcini mushrooms are sold at Dorothy Lane Markets, adds Chrisman. “These varieties attract a different type of customer — a foodie who is willing to pay \$20 to \$60 or more per pound.”

According to Paul Frederic, senior vice president of sales and marketing for To-Jo Mushrooms Inc., in Avondale, PA, “Sliced mushrooms are commanding a bigger portion of sales, and this is true across varieties. This is being driven by consumers’ need for convenience.” Sliced mushrooms represented 43.5 percent of dollars and 41.2 percent of category volume, for the 52 weeks ending April 22, 2012, according to Fresh Look Marketing Group.

Pre-washed sliced white mushrooms are the No. 1 selling SKU at retail, reports Monterey Mushroom’s Caldwell. “Now, we’re seeing retailers carry both 8- and 16-oz. packages of white and brown sliced mushrooms.”

Bart Minor, president and CEO of the Mushroom Council, in San Jose, CA, says, “In addition to whole and sliced mushrooms, value-added mushroom sales are on the rise. Consumers want ready-to-eat items that are convenient, easy to cook and serve.”

2. Make Space For Mushrooms

Mushrooms provide good margin and sales and are a key item that influences consumers’

perception of total store quality and freshness, “so give them their due space,” says Rhyno.

Mushrooms are displayed in a 4-ft. wide refrigerated multi-deck case at Bristol Farms, with additional space devoted during promotions.

Fletcher Street, director of marketing and sales for Ostrom Mushroom Farms, located in Olympia, WA, says, “The optimal amount of display space depends on store size and generally varies from four to eight to as much as 12 feet.”

“Characteristics of good displays are a designated destination so that consumers will know

where to find product; significant amount of product on the shelf so as to not run short at the busiest times of the day — between 5 to 7 p.m. on weekdays and weekends — good lighting to display mushrooms attractively; and high value items placed at eye-level,” details Caldwell.

Harvey Mitchler, director of sales and marketing for Champ’s Mushrooms Inc., in Aldergrove, BC, Canada, recommends, “Increase displays by 25 to 50 percent for ads. In addition, definitely display mushrooms in more than one place.”

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The Mushroom Council encourages secondary displays of fresh mushrooms adjacent to complementary food items in order to stimulate impulse purchases. Bill Litvin, national account manager for Giorgio Foods Inc., in Temple, PA, details, "For instance, retailers could place Portabella mushrooms in the soy/veggie burger section, or sliced white mushrooms alongside bagged salads."

3. Shrink Shrink

Shrink of five percent or less is excellent in a

highly perishable item like mushrooms. Monterey's Mushroom's Caldwell points out, "The average is typically over 10 percent, although 15 percent is too high."

Mitchler acknowledges, "Shrink can happen in many ways. Some of the most common issues I see at retail are too much product on display, i.e., stacking packages two or three layers deep. Displays need to be replenished every few hours to keep fresh and looking full. Secondly, poor rotation of slow-moving items can be problematic. Once product starts to look

'weak,' discount it or remove it from the display and replace it with fresh items. Third, bulk mushrooms still sell well in certain markets. Keep displays refrigerated and compact. Display them in the original case. Do not dump or handle the product to display."

Bulk mushrooms generally experience higher shrink than packaged product. Highline's Rhyno reports, "Bulk mushrooms average closer to 25 to 30 percent shrink, while packaged mushrooms typically have about 7 to 9 percent."

Inventory control is crucial to minimizing shrink, adds the Mushroom Council's Minor. "With data analysis, supply chain management and store procedures, retailers can begin to optimize shrink levels in their produce departments," he says. "Of course, shipping, handling and proper storage will improve shrinkage."

Litvin adds, "It is extremely important for retailers to display mushrooms at the proper cooler temperature. Cool the product to 34 degrees Fahrenheit for maximum shelf-life."

However, unrefrigerated mushroom displays are something that Bristol Farm's Gallegos says he may explore. "I've traveled and seen fresh mushrooms merchandised on end-caps off refrigeration," he shares. "The exposure, in a highly visible location, and the quick turns that result shouldn't increase shrink, and could perhaps lead to even greater sales due to visibility. This would be something that would need to be done at a perfect storm time of demand. For example, right before a holiday, while on promotion, and on a high-traffic day of the week."

4. Educate Customers On Usage Ideas

"Education is important," says Ostrom's Street. "Mushrooms are still a bit of a mystery to many consumers."

One way to teach usage ideas is by cross-merchandising. Dorothy Lane's Chrisman shares, "We'll put packages of Morels or King Trumpets on the service counter in meat and seafood departments. The meat guys are usually outdoorsy and can easily relate to mushrooms and answer customers' questions. It's something that differentiates us from the big box stores and something that encourages two or more high-margin purchases at once."

Historically, POS have been another method of educating consumers. Champ's Mitchler laments, "Retailers seem reluctant to display POS these days. I think they rely on consumers doing their own research on the Internet to get recipe ideas. I think the i-Phone has made more people look to this as a free source of information."

Recipes are the key to educating consumers about mushrooms and one of the main drivers



of new purchases. Bristol Farm's Gallegos, shares, "We use our website and store-level QR codes to provide customers with recipes."

Mushroom growers such as Highline have added QR codes to their packaged mushrooms. "This allows us to inspire and educate the consumer at the point of purchase," says Rhyno. "Our codes provide recipes, nutritional information, videos and much more. The content is dynamic and varies by variety, which helps to keep the consumers interested as they come back for their next purchase."

The Mushroom Council's social media efforts are geared toward educating consumers on the versatile and nutritional benefits of

mushrooms. Minor reports, "Our consumer research indicates that mushroom usage is increasing during breakfast and lunch meals. Recipes for breakfast, lunch and dinner meals can be found on the Council's website and social media sites."

On the nutrition front, retailers can partner with the Mushroom Council to actively encourage consumers to substitute a portion of meat in dishes with mushrooms. The "Mushroom Swapability" campaign aims to draw on mushrooms' reputation as a more healthful, less expensive option to meat. The Council offers recipe suggestions, such as making hamburgers with a mix of 50 percent meat and 50 percent

mushrooms. By replacing a portion of the meat in a recipe with mushrooms, which have a similar taste and texture to meat, consumers can use mushrooms to cut calories and lose weight. Like other produce items that are high in water content and dietary fiber, mushrooms can help an eater feel full.

5. Variety Is The Spice Of Promotions

Price is a prime method to promote mushrooms, but not the only way. "The most effective ways retailers can merchandise and increase the sales of mushrooms is through promotions and Best Food Day ads," states Minor.

Don't give away margin with a too heavily discounted price, warns Monterey Mushroom's Caldwell. "Mushroom consumers aren't as price-driven. Therefore, a 15 percent discount can be just as or more effective than 50 percent. What is more important is to point out a special opportunity that is driving the promotion. For example, mushrooms and bagged salads, or mushrooms, onions and peppers for kabobs, or mushrooms, cheese and tortillas."

An advertised price and recipe ideas are both part of the "Passport to Saving" promotion held for an 8-week period twice annually at Bristol Farms. Cremini mushrooms were

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“The beauty of mushrooms is that they are available in a consistent supply. Plan at least three promotions each month...Planning ahead assures that you are moving product, turning the whole category and maximizing sales.”

— Paul Frederic, To-Jo Fresh Mushrooms LLC

included in the spring promotion. Gallegos explains, “It’s a store-wide clipless coupon promotion where we work with participating suppliers to highlight specific items with a variety of delivery vehicles such as recipe tear-pads and shelf-talkers. We let customers know which items are included by way of a brochure that is available in store, as well as mailed.”

The effectiveness of a promotion really depends on your goal. Highline’s Rhyno says, “Packaged white mushrooms are still the key items for driving volume on an ad. If the goal is to increase variety sales and margin, use less aggressive features on brown mushrooms or brown/white combo to help grow incremental sales. We have seen that customers who purchase brown mushrooms buy mushrooms more frequently and buy more varieties than others. Focusing features and education to help grow this brown consumer base will help grow the total category.”

“Smaller volume items such as Shiitake or Oyster mushrooms are never going to make it in a circular ad because they won’t generate the return,” says Ostrom’s Fletcher. “Therefore, put specialty mushrooms on in-store ads every two to four weeks. It’s important to mix it up.”

To assure all mushrooms in the category are promoted, set up a promotional calendar that spans the year, recommends To-Jo’s Frederic. “The beauty of mushrooms is that they are available in a consistent supply. Plan at least three promotions each month. For example, grilling promotions for brown mushrooms on the Fourth of July, and advertising large white mushrooms for stuffing during the winter holidays. Planning ahead assures that you are moving product, turning the whole category and maximizing sales.”

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Sell Raisins To Increase Produce Sales And More

This versatile dried fruit champion adds a unique presence in any produce section, providing opportunities for greater sales all year long. **BY STATHI AFENDOULIS**



Raisins come in all shapes and sizes, perfect for healthful year-round snacking.

If you had a nutritious, profitable, highly versatile product with a substantial shelf life and good value in the eyes of consumers, where in a supermarket would you sell it? The answer, when it comes to raisins, is elusive. And yet, in speaking to growers, distributors, marketers and retailers, one thing appears to be true: they would all like to see them sold in produce. However, according to the Fowler, CA-based National Raisin Company, only one-third of retailers sell raisins in the produce department. Are they lacking the proper imagination and marketing tools? Is the product difficult to merchandise? Are produce managers restricted by store policies and delivery practices? The answers seem to be a mix of both yes and no.

Food is life, and nowhere is food more alive than in the produce section. Jane Asmar, vice-president of sales and marketing for National Raisin Company, states, "People spend more time in the produce department than in any other part of the grocery store." In other words, they take their time. Produce is the mainstay of the modern day grocery store, where people stop and evaluate what they are going to purchase for themselves and their families.

Miranda Ackerman, marketing director at Vacaville, CA-based Mariani Packing Co. Inc., agrees, adding, "Since a majority of dried fruit is purchased for snacking, as opposed to baking uses, placement in produce helps to drive impulse purchases and cater to consumers looking for healthier snacks. Plus," she continues, "dried fruit products, like raisins, are a natural fit for the produce department as they provide consumers with convenient, shelf-stable fruit snacks, while providing retailers with high-margin items, with virtually no shrink, which help combat the challenges with high shrink in the produce department."

Out Of Sight, Out Of Mind

"It makes sense to merchandise raisins where shoppers do not have to search for them," recommends Joe Tamble, vice president of sales at Sun-Maid Growers of California, in Kingsburg, CA. Visibility is key and display is king when it comes to selling dried fruits and raisins. Companies like Sun-Maid, Sunsweet and Earthbound Farms want their products sold in produce, and for this reason, they create display materials retailers can use to immediately create a footprint that

is versatile and easy to merchandise.

Shipper displays are a vital tool in selling raisins year-round. Industry professionals sight this as the No. 1 factor in creating sales. Raisins are an impulse buy, and their placement in produce can stimulate sales. Ed Kellenbenz, produce category manager for Patterson, NJ-based A & P, strategically places displays throughout produce and creates individual sales areas dedicated to dried fruits in produce. When asked why, he explains, "We like the umbrella effect produce has for selling raisins. Large aisles, close proximity to fresh produce and the ability to merchandise with attractive displays helps us drive our dried fruit sales. We pride ourselves on making it attractive to consumers."

According to sales data from IRI, dried fruit sales increase by nearly 60 percent due to displays, and raisins make up 31.4 percent of dried fruit sales. But more importantly, parents — who spend more time in produce than anywhere else — are seeing these items nicely packaged next to the lettuce for salads, or the nuts for trail mix and school snacks.

Mariani makes it easy for retailers to cross-merchandise its products with display-ready shippers. "Secondary placement and POP

“We like the umbrella effect produce has for selling raisins. Large aisles, close proximity to fresh produce and the ability to merchandise with attractive displays, helps us drive our dried fruit sales. We pride ourselves on making it attractive to consumers.”

— Ed Kellenbenz, A & P

displays are an important way to drive incremental sales and extra volume during key promotional periods,” says Ackerman. “While many store departments are looking to ‘clean-floor’ policies, display-ready shippers are a great way to drive impulse purchases, communicate key promotional messages, as well as cross-promote in other sections of the stores.”

Stephanie Harralson, product manager for Yuba City, CA-based Del Monte Dried Fruit, contends, “Retailers are missing an important opportunity to increase sales, drive impulse purchases and create more profits by not creating highly visible displays in produce.” And if it’s out of sight, it’s not in your market basket.

Today And Everyday

Because of their versatility and 18-month shelf-life, raisins can be sold throughout the year, at lower cost and higher profit. Traditionally, raisins sell well between the months of

September and December, when back-to-school days create the need for healthful and nutritious snacks. The merchandising of mini packs for school lunches and adult snacks in produce is a smart move, given that perishable fruit sales are lower in the fourth quarter, and parents are looking for a nutritious alternative.

Halloween and the holiday season offer retailers additional opportunities to display raisins in produce. Customarily, the baking aisle has been home to raisins for those who are creating their special holiday recipes, but placing raisins in produce, next to the fresh vegetables, nuts and dried fruits offer an opportunity for greater sales.

After the holiday season has ended, the seasonality of raisins continues to exert its influence if the retailer is imaginative and willing to see beyond the fourth-quarter box. Sun-Maid’s Tamble offers excellent suggestions to stimulate sales between the holidays, such as offering recipe suggestions in ads and other store literature, including websites, and by providing ongoing nutritional education to consumers with on-shelf nutrition ratings. “Raisins and many other dried fruits have excellent nutritional scores in these rating systems, typically equivalent to their fresh fruit counterparts,” he says. Displays, cross-merchandising, highlighting year-round uses and ongoing education are four simple ways retailers can increase sales between the holidays.

Growing Organics

One thing is for sure: organic raisins and dried fruits are the fastest growing segments of the dried fruit category. Since 2008, there has been steady growth in organics, as consumer interest grows, even in times of economic downturn. While 2009 was a tough year, 2010 saw a rebound in organic sales. Sun-Maid Growers has responded to this rebound by offering multiple organic raisin items that are perfect for produce sections to appeal to shoppers looking to increase their purchase of organic food items. Based on IRI data, the Sun-Maid 6-pack Organic Raisin item is the top-selling single-serve organic dried fruit item in the United States.

Jeff VandenBerge, owner and chief operating officer of independently owned Forest

Hill Foods, of Grand Rapids, MI, sells his organic raisins in produce. Merchandised in a multi-deck produce case, Forest Hill Foods features all of its organic dried fruit products there and in grocery. VandenBerge notes, “We’d like to see all our raisins in produce,” but shipping practices from wholesale distributors makes it difficult for him to split this category and move conventional raisins out of grocery and into produce. So organics has a dual footprint in his store.

Samantha Cabaluna, director of communications for Earthbound Farm, based in San Juan Bautista, CA, relates the power of organics. According to Cabaluna and the Organic Trade Association, 4.2 percent of all food sales are organic, translating into 29 billion dollars in sales a year. Sun-Maid and Forest Hills Foods are definitely on trend. Marketing organic raisins in a special section of produce is highly recommended by Earthbound Farms, and Jeff VandenBerge buys that philosophy. “Getting these items in front of the consumer is our first priority,” he says. “Visibility is a key to better sales.”

The Power Of The Dried Fruit Category

According to IRI, dried fruit represents \$682 million dollars in sales as of April 15, 2012. Raisins represent \$214 million dollars of that amount, or a 31.4 percent share. Cranberries, prunes and apricots make up the rest, along with organics. But more importantly, raisins and dried fruits are highly profitable in produce for a number of reasons. Putting aside the fact they last for up to 18 months on shelves and require little or no care whatsoever, raisins and dried fruits are valued by the consumer for their versatility and nutritional value — and there’s no shrink.

Given the efforts of growers and distributors to help retailers market raisins in their produce department, with attractive shipper displays and promotional pricing, the number of retailers selling raisins in produce should be a lot higher than 31.4 percent. Tamble of Sun-Maid points out, “A bag of raisins is rarely rolling on the floor with the grapes or being eaten by toddlers in the store. It’s pretty simple — sell more raisins, make more money.”

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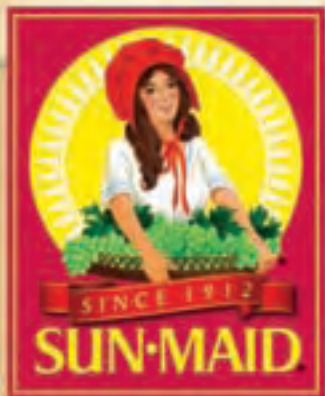


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SENSE OF URGENCY



In all my years of produce experience there have been many meetings dealing with subjects that require action on the part of management and employees. These meetings have included strategic visions, new programs, changes in direction, and other such subjects within the retail world. My experience, as well as that of other retailers, has inevitably come to the point in the execution of these new programs that

management shows his frustration by saying, “They just don’t get it!” This frustration is borne of the feeling that the employees don’t share the same sense of urgency as management. I have experienced this feeling before, and for a time, wondered how to overcome the challenge represented in getting employees to have the same excitement or sense of urgency about the execution of new programs. The solution presented itself by simply placing oneself in the position of the employee being presented this new challenge or change in direction.

As I place myself in the shoes of the employee, it became clear as the presentation of the new direction was being made, one question was unanswered in the employee’s mind. That one question was a simple one; “What’s in it for me?” I was amazed at how simple it was to obtain the key element in executing any new program: employee buy-in. Most presentations by management of and these types of new programs and new direction often overlook the need to convey the reasoning for these new programs beyond corporate goals. Adding the benefits to the employees of the new program in terms of advancing their own skills and career would help to ensure higher levels of execution of these new programs. Other benefits that can be used to obtain this type of buy-in would include job security, improved esteem (self-worth), and additional hours gained from driving additional sales results.

I recall when a modified corporate presentation of a new program included the benefits to the employee, as well as the benefits to the company, was presented to employees. It was astonishing to see the increase in not only interest but also the excitement among the employees to execute this program to its fullest extent. A key element of this presentation was the ability to show the benefits of executing this program to each employee and the impact they can have on

making it a success. It didn’t matter what the benefits were, the key aspect of the presentation was how these benefits to the employee would help execute the plan, and ultimately benefit the company. The pitfall in this is over describing the benefits to the employees and not allowing them the tools to accomplish these goals. This type of approach may take additional training of the employees to go along with their new responsibilities under the new direction. In an overall sense, showing the employees what the benefits would be for this new program instills in them the value and interest the company has in their career advancement, as well as provides the motivation for the employee to get the new job done.

Time after time, the simple inclusion of the benefits to the employee of the new program or direction being presented has resulted in better execution of the program. The more times this is repeated, the more that the employees feel the proposal is to better their own careers as well as the company’s goals. This provides for continuing successful results. This also boosts the morale of the people who are being asked to execute this new change in their operation.

It also fosters a sense of being a part of the changes and allows complete buy-in by the employee as to the importance and urgency of the execution.

If anyone doubts the success of this type of approach all one needs to do is to prepare such a presentation and observe the results. In my experience, the success of this type of approach becomes obvious as results in the departments reflect the successful adoption of the new program or direction. If you never tried this approach, it would behoove you to do so and see if this is successful within

your operation.

While this may seem to be a very simple fix, it requires a great deal of thought to be sure that the proper message is being conveyed to the employees as to the benefits as well as the requirements of the new program and how it applies to them. These must be realistic and attainable or the entire exercise will prove to be futile. Many efforts to do this have met with failure by not being realistic in not only the expectations, but also the benefits to the employees. When prepared correctly with foresight and thought, these types of presentations will become the cornerstone of a successful, ever changing, and cutting edge produce operation with dedicated employees willing and eager to move forward with the true sense of urgency.

pb

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By Don Harris

Don Harris is a 38-year veteran of the produce industry, with most of that time spent in retail. He has worked in every aspect of the industry, from “field-to-fork” in both the conventional and organic arenas. Harris is presently consulting on all subjects of retail, category development and sales strategies, among others. Comments can be directed to editor@producebusiness.com

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TRANSPARENCY NEEDED TO UNCOVER POTENTIAL CONTAMINATION PROBLEMS



Just as the EU Commission was about to communicate the lessons learned of last year's E. coli outbreak, which caused more than 50 casualties, a seemingly unrelated event highlights the need for industry not to lose sight of chemical contaminants.

The communication of the EU Commission did not put into question industry practices; instead the most important lessons cover the review and improvement of crisis

management procedures and communication activities by authorities. However, specific rules on the production of sprouts and seeds for sprouting have been adopted, given the vulnerability of this product category and its implication in last year's outbreak.

Traditionally, the EU fresh produce industry approach with regard to microbiological contamination has always focused on prevention, particularly in primary production. The EU regulatory approach also favors prevention over decontamination practices; just think of the EU-US chlorine chicken trade dispute.

Whether producers and shippers wanted to take additional precautionary measures in the aftermath of last year's crisis remains hard to assess. Yet the use of sanitizers has come under the spotlight in recent weeks due to the presence of Quaternary Ammonium Compounds (QAC) on fruit and vegetables, which led to considerable disruptions in the trade. These compounds are mainly used as disinfectants, but in some countries also as pesticides. In certain cases, they are also used as co-formulants in pesticides and biostimulants. Whereas the strict regulatory status regarding QAC residues was clear (0.01 ppm), the extensive presence of unintentional residues on a variety of foodstuffs required an urgent temporary solution.

The swift and responsible attitude from the fresh produce supply chain, investigating all possible contamination routes and providing analysis results, has contributed to a fast response from the EU Commission and Member States. A temporary safety level of 0.5 ppm was introduced, pending further investigations by authorities. The adopted guidelines provide the industry with enough time to further investigate the exact causes of cross-contamination and discontinue any non-essential uses throughout the supply chain.

The story is very similar to the morpholine-incident in 2010, when the discovery of the unauthorized carrier morpholine in fruit coatings led to a chain of events which, given the magnitude of the use, could have led to major trade disruptions. At that time, the EU Commission and Member States exceptionally granted the industry a transition period to clear the supply chain of any fruit treated with coatings

containing morpholine.

While these measures prevented a potential crisis for the fruit sector, the search for alternative products and coatings fully complying with EU food law raised considerable challenges for various operators.

Whereas these two incidents were contained to manageable proportions by being granted temporary solutions, the legal uncertainty still led to considerable volumes being lost and operators losing millions. What can the industry learn from these events?

As the industry continues to look for innovative solutions to contain microbiological contamination, improve the quality and extend the shelf life of fresh produce, while trying to minimize pesticide residues, it starts to hit the boundaries of legislation and sometimes even ends up in unregulated areas.

In reality, the regulatory approach with regard to food contaminants has barely changed and remains largely fragmented in separate vertical chapters covering biocides, fertilizers, food additives, plant protection products, etc., creating gray areas and potential loopholes in which operators can get easily lost. Meanwhile registering new solutions remains burdensome and time-consuming, and in many cases prohibitive for the 'small' volumes fruit and vegetables represent. Whilst industry associations try to address these issues, legislative procedures take ever more time, and public money to support specialty crop solutions remains scarce.

In the absence of regulatory solutions, industry will need to be even more cautious and transparent with regard to the choice and use of protective solutions. Despite last year's deadly E. coli outbreak, EU customers and consumers remain very much focused on the issue of chemical residues. Manufacturers, whether distributing biocides, fertilizers, food additives or plant protection products, will have to become more transparent with their customers with regard to the formulations of their products. In order to comply with specifications of export markets, producers and shippers should be able to verify whether any product ingredients may cause problems.

Such caution should not be limited to new solutions. Indeed, morpholine and QACs have been used for years without anyone noticing. As the scope of residue detection methods continues to expand, similar incidents are likely to occur in the near future unless the industry adopts a pro-active approach in which all chemical products are scrutinized and potential problems are reported and dealt with, rather than hoping no one will notice.

As an industry association, we clear the regulatory jungle and even can support registrations. Whilst our incident management has an excellent track record, better yet would be to anticipate the next incident. It is all about transparency!

pb

In order to comply with specifications of export markets, producers and shippers should be able to verify whether any product ingredients may cause problems.

By Frédéric Rosseneu

Frédéric Rosseneu is the director of food quality and sustainability at Freshfel Europe, Brussels, Belgium

PRODUCE ROOTS GO DEEP AT THE NATIONAL GROCERS ASSOCIATION



When we peel away 130 years of American history, and look back to learn how raw frontiers gave way to new communities, attracting families with the promise of schools, new roads and neighbors, we see that the vitality of the community was centered on the “general store.” Not only did it offer necessities — from rifles and saddles to flour and canned goods — but the store also was the place to meet for

exchanging gossip and hearing news about happenings elsewhere.

Gradually, the family-owned “general store” became the new center of community activity, vigorously competing in the early 1900s against the A&P “chain stores,” which, by 1930, grew to an extraordinary 15,000 stores across the country. Independent grocers not only remained involved with local interests and family life in their communities, but also were becoming aware of important issues that lay beyond the horizon of their own communities, eager to become involved in public policy activity.



Rodgers Bros. grocery in Topeka, KS, before the turn of the 20th century.

The beginning of a formal national structure of independent grocers from different parts of the country, working together to address national issues, occurred in 1893 at the Chicago World’s Fair, when a small group formed the National Association of Retail Grocers of the United States (NARGUS). Over the next

several years, NARGUS joined with other organizations to voice its support of congressional action for enacting strict measures to assure consumers of safe food. This collective action resulted in the Pure Food Act of 1906, which included creation of the Food and Drug Administration (FDA), the watchdog for food safety, which continues to function today.

When NARGUS and the Association of Cooperative Food Distributors of America (CFDA), representing wholesalers of food products, merged in 1982 to create the National Grocers Association (NGA), the interest in consumer issues not only remained strong, but also expanded.

As NGA marks its 30th anniversary in October this year, we are committed to our original mission of promoting the common interest and relationships of independent food retailers, retailer-owned cooperatives and voluntary wholesale distributors with two key objectives: providing consumers with a diverse, competitive and safe food supply with choices in price, variety and value, while also fostering productive trade relations among all sectors of the food industry.

A key to the success of independent retail grocers and wholesalers



Fisher's general store in Oakley, KS, before the turn of the 20th century.

has been the strong working relationship that has existed with their trading business partners, like those in the produce industry. Produce always has been an important category that independents have utilized to respond to consumer demand for fresh and nutritious food. Over the years, independents have reached out to local farmers as well as distant suppliers to feature fresh fruits and vegetables. More recently, local, independent merchants have joined with local farmers to market locally grown tomatoes, corn, apples and hundreds of other products.

Produce always has been an important category that independents have utilized to respond to consumer demand for fresh and nutritious food.

Each year, NGA recognizes independent retailers for innovations in merchandising and advertising through the “Creative Choice Awards Contest.” In recent years, fresh produce has been the focus in winning entries submitted by Macey’s, Harp’s Food Stores and Big Y Foods. While contest winners are the “best of the best,” creativity and imagination by store associates are evident every day in a store’s produce promotion, designed to attract shoppers.

The importance of produce to the independent retailer was further demonstrated last year when NGA partnered with Produce Marketing Association (PMA) to create a produce pavilion in the 2012 NGA Show. We are excited to look ahead to our 2013 show where PMA will repeat the pavilion, in a larger space, as a testimonial to the success enjoyed by the PMA exhibitors in their face-to-face contacts with independent retailers.

It’s fascinating to consider that although 100 years have elapsed from when NARGUS members supported the Pure Food Act of 1906, the same sense of responsibility for food safety is evident today in NGA’s collaboration with the Food and Drug Administration and other trade associations to develop workable and cost effective produce traceability standards for the benefit of consumers.

As we begin our fourth decade of service in the food industry, NGA recognizes the significant value for independent retailers and wholesalers in strengthening their relationship with the produce industry for our mutual benefits.

pb

By Peter Larkin

Peter Larkin is the president & CEO of the National Grocers Association (N.G.A.), the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry, representing over \$225 billion in annual domestic sales.

ALL PHOTOS COURTESY OF NATIONAL GROCERS ASSOCIATION

KIWIS CELEBRATE GOLDEN ANNIVERSARY

One of Alameda, CA-based Frieda's most memorable historic events was the introduction of kiwis and their inaugural shipments to the United States from Auckland, New Zealand, which occurred in October, 1962. The photo at right was taken a few years after the first shipment of 200 10-lb. flats of kiwifruit were received.

Welcoming the shipment on the back dock of Frieda's produce stall on 7th Street of the Los Angeles Produce Wholesale Market was Graham Turner, president of Turners and Growers, one of New Zealand's oldest distributors, marketers and exporters of fresh produce; Frieda Caplan, founder and chairman of the board of Frieda's Inc; Bill Bennett, produce broker with C. H. Robinson Worldwide Inc.; and Norm Sondag, customs broker from Ziel & Co., of San Francisco, CA.

Although Caplan often gets credit for naming the fruit, she notes it was in fact Sondag who suggested the name. "He thought it would be very difficult to sell something called Chinese Gooseberries to the American public," she recalls. "He told me the fruit resembled the national bird of New Zealand, the Kiwi, which I then suggested to the growers back in New Zealand."

Indeed, kiwis are a beloved fruit today, according to Caplan, "It took nearly 18 years for them to really catch on in this country, and we can't forget the boost the fruit received from restaurateurs like Wolfgang Puck and magazines like *Bon Appétit* and *Gourmet* for featuring the unusual green fruit on their covers and in recipes."

While Frieda Caplan will always have a fond place in her heart for the little green fruit that could, her stomach heartily disagrees, as she is actually allergic to them!



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Pacific Organic Produce	63	415-673-5555	www.purityorganic.com
Pacific Tomato Growers	69	209-835-7500	www.sunripeproduce.com
Peri & Sons Farms	84	775-463-4444	www.periandsons.com
The Perishable Specialist, Inc.	35	305-477-9906	www.theperishablespecialist.com
Peruvian Asparagus Importers Association	35	817-793-3133	
Phillips Mushroom Farms	87	800-722-8818	www.phillipsmushroomfarms.com
Pom Wonderful	9	800-380-4656	www.pomwonderful.com
Produce for Better Health Foundation	95	302-235-2329	www.pbhfoundation.org
Progressive Marketing Group	35	800-900-0757	www.pmgstrategic.net
Rosemont Farms Corporation	35	561-922-7201	www.rosemontfarms.com
SAGARPA - Embassy of Mexico	42-43	202-728-1727	www.sagarpa.gob.mx
Sage Fruit Company	55	913-239-0060	www.sagefruit.com
Sambraio Packaging	39	800-563-4467	www.sambraio.com
Sandri Sales, Inc.	90	805-792-3192	www.sandri.com
Southern Specialties	35	54-784-6500	www.southernspecialties.com
Spice World, Inc.	25	800-433-4979	www.spiceworldinc.com
Strube Celery & Vegetable Company	73	773-446-4000	www.strube.com
Sun-Maid Growers of California	93	800-786-6243	www.sun-maid.com
Sunlight International Sales, Inc.	23	661-792-6360	www.dulcich.com
SunView Marketing International	90	661-792-3145	www.sunviewmarketing.com
Team Produce International, Inc.	35	305-592-5562	www.teamproduce.com
Torrey Farms, Inc.	82	585-757-9941	
United Fresh Produce Association	58	202-303-3400	www.unitedfresh.org
United Fresh Produce Association	46	202-303-3400	www.unitedfresh.org
The USA Bouquet Co.	14	800-306-1071	www.usabq.com
Village Farms	69	877-177-7718	www.villagefarms.com
Vision Produce Company	5	201-968-1190	www.visionproduceco.com
J.C. Watson Company	83	208-722-5161	
Wonderful Pistachios	6-7	800-528-NUTS	www.getcrackin.com
Yakima Fresh LLC	51	800-541-0394	www.yakimafresh.com
Kurt Zuhke & Association	38	800-644-8729	www.producepackaging.com

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The screenshot shows the PerishableNews.com website. At the top, there is a search bar and a navigation menu. Below the navigation menu, there is a 'Produce Highlights' section. The main content area features a 'Top Story' titled 'Natural Delights Introduces Country's First Pitted Medjool Dates'. To the right of the article is a product image of a bowl of dates. Below the article is a navigation bar with categories: Bakery, Dairy, Deli, Floral, Meat & Poultry, Produce, Seafood, and Retail & Foodservice. Below the navigation bar are several featured articles and advertisements, including 'Global Food Safety Services', 'Colder Cooler', 'Del.Heart', 'World Famous Picking', 'The New York Produce Show and Conference', 'The Year to Watch For Fresh BC', and 'Reader Survey'.

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