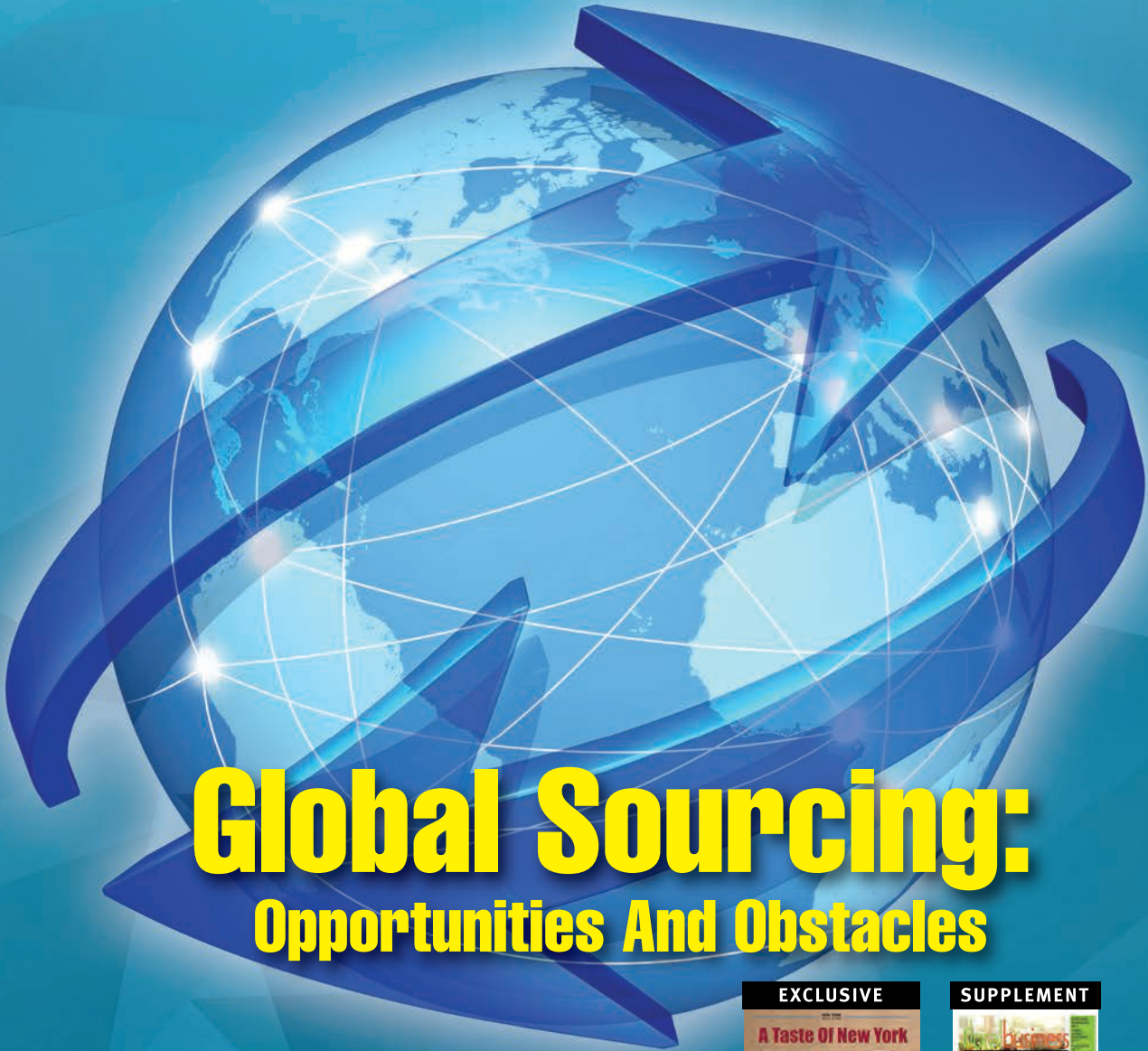


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Global Sourcing: Opportunities And Obstacles



NEW YORK FOOD SCENE



FLORAL BUSINESS

INSIDE:

THE PUNDIT EXAMINES WHOLE FOODS' 'RESPONSIBLY GROWN' PROGRAM
FESTIVAL FOODS ASCENDENT INDEPENDENT PROFILE • SUPER BOWL MARKETING
PEPPER MERCHANDISING • CHILEAN FRUIT • COSTCO • POTATOES & ONIONS
ALMONDS • TEXAS PRODUCE • REGIONAL PROFILE: BOSTON
HEALTH INITIATIVES • VEGGIE BLENDS • MEXICAN PRODUCE



Eating flavorful, fresh foods makes people feel great. Dole is the source for all the crisp, refreshing, delicious produce your customers and their families expect to fuel their happy, healthy lives.





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PRODUCE QUIZ

THIS MONTH'S WINNER



Bob Sickles
Owner
Sickles Market
Little Silver, NJ

The Sickles family has roots in farming as far back as 1665. "We're in the process of preserving the old homestead including a home and three barns — mostly from the 1700's," says third generation store owner, Bob Sickles, of Sickles Market in Little Silver, NJ.

The family's market was established in 1908 and became known for its specialty produce from all over the world. Bob leads a team of 180 employees from the single-store location.

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

The store's produce is derived from a variety of local farms and distributors, such as Philadelphia Wholesale Product Market, Capital Mushroom, Four Seasons Produce, Baldor Specialty Foods, Samaha's Country Farm Market and Twinbrook Farmers Market.

For many years, some produce came from the Sickles' family farm. "Last year was my Dad's final year farming," says Bob. "He farmed for more than 60 years on as much as 200 acres — some owned and some rented. He grew [commodities from] A to Z — apples and asparagus, corn, peaches, tomatoes and zucchini."

WIN A MULTI-PURPOSE TRAVEL BAG

The MAXPEDITION Multi-Purpose Bag professional briefcase has 22 independent carrying compartments. The ultra-durable nylon construction makes this the perfect bag for a produce executive, wholesale foreman, or any profession where durability is critical. Equipped with space for a laptop, documents, digital accessories, shooting /hunting /range gear and anything else that can be carried — even the most delicate photographic or filming equipment.



QUESTIONS FOR THE DECEMBER ISSUE

- 1) How many meal options are shown on the Green Giant ad? _____
- 2) What are the names of the three KiwiStar products shown on the Trucco ad? _____
- 3) What are the three types of coleslaw dressings shown on the Marie's ad? _____
- 4) What directory does the QR code lead you to in the ad for the New York Apple Association? _____
- 5) Which company represents Kiku, Ambrosia and Daisy Girl Organics apples? _____
- 6) What is the web address for the Chilean Fresh Fruit Association? _____

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 Phone: 561-994-1118 • Fax: 561-994-1610
 producebusiness@phoenixmedianet.com

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

PUBLISHER/EDITORIAL DIRECTOR
 Ken Whitacre
 KWhitacre@phoenixmedianet.com

VP EDITORIAL
 Ellen Koteff
 EKoteff@phoenixmedianet.com

SPECIAL PROJECTS EDITOR
 Mira Slott
 MSlott@phoenixmedianet.com

INTEGRATED CONTENT EDITOR
 Michele Sotallaro
 MSotallaro@phoenixmedianet.com

PRODUCTION DIRECTOR
 Diana Levine
 DLevine@phoenixmedianet.com

PRODUCTION LEADER
 Jackie Tucker

PRODUCTION DEPARTMENT
 Sunshine Gorman
 Freddy Pulido
 Christopher Sizemore

EVENT COORDINATOR
 Jackie LoMonte
 JLoMonte@phoenixmedianet.com

EDITORIAL INTERN
 Madeline Mesa
 Mmesa@phoenixmedianet.com

CONTRIBUTING WRITERS
 Carol Bareuther, Mark Hamstra, Mindy Hermann,
 Bob Johnson, Janel Leitner, Keith Loria, Gill
 McShane, Jodean Robbins, Anthony Stoeckert,
 Lisa White

ADVERTISING
 Eric Nieman, Associate Publisher
 Niemaneric@aol.com

Linda Bloomfield
 Linda.Bloomfield@LondonProduceShow.co.uk

Katrina Brown
 kbrown@phoenixmedianet.com

Sandy Lee
 Sandypnews@aol.com

Kelsee Loche
 KLoche@phoenixmedianet.com

Bill Martin
 Martinmedia45@peoplepc.com

Ellen Rosenthal
 ERosenthal@phoenixmedianet.com

Gino Valconi
 GValconi@phoenixmedianet.com

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

Send insertion orders, payments, press releases,
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CONGRESSIONAL ELECTIONS OFFERS INSIGHT INTO POLITICAL AGENDA FOR FRESH PRODUCE INDUSTRY



By Robert Guenther, Senior Vice President,
Public Policy United Fresh Produce Association

The November 4 elections brought us a wide range of observations and punditry from across many spectrums: the real impact this mid-term election meant to our country, how Washington, D.C. functions, and most importantly the current Obama Administration and U.S. Congress. It is safe to presume that this election cycle brought us voters who continue to be frustrated with Washington, D.C. and the current direction the government appears to be going. This frustration is usually cast at those in charge. In this case, President Obama and the Democratic Party felt the brunt of votes distaste for what they perceive is a legislative and regulatory agenda run amuck with no real solutions from our nation's leaders.

Lets look at some basic facts about this election. In the House, all 435 Members were up for re-election. At the time of this article being written, House Republicans added at least 15 seats with as many as six more still in the balance including two run-off seats in Louisiana and races still too close to call in Arizona and California. When the dust settles, the House GOP may hold as many as 245-248 seats. This means House Republican leadership could have a cushion of at least 25 to 30 votes on contentious legislation. These gains were also seen outside of traditional conservative areas in places like New Hampshire, New York and perhaps even in Maine. Bottomline, it will be the largest majority of House Republicans since 1946.

For the Senate, 36 seats were up for in 2014, with Democrats winning 12 of those seats and Republicans securing 22 seats. The Republican victories in North Carolina, West Virginia, Arkansas, South Dakota, Iowa, Colorado, and Montana delivered the outright majority for the GOP by a broader margin than many forecasted. With the lead in Alaska, and a run-off in Louisiana, the Republican Majority could rise to as many as 54 votes. Nonetheless, consensus building will be the order of the day

in a Senate that requires a 60-vote threshold to advance most legislation. Accomplishment in the Republican Senate and the lack of 60 votes means the moderate middle will be fertile for deal making. Also, factor in that come 2016, 10 Democrats and 24 Republicans will be up for re-election. This turnout is a complete contrast to the past three election cycles when Senate Democrats were forced to defend more incumbents than their Republican counterparts.

Some other interesting observations for November 4:

- For the first time, Congress will have more than 100 elected women for this congressional cycle. Some believe this will lead to potentially more compromise across party lines.
- President Obama has now suffered the largest combined mid-term defeats (77) since President Truman.
- Over 82 million people voted in this year's 2014 mid-term election, down from 124 million voters in the 2012 Presidential election.
- The 2014 mid-term elections were also dubbed the most expensive ever, with over \$4 billion spent — \$47.62 per vote was spent this year, enough to buy you a nice steak dinner in most cities.

In terms of what to expect this Congress, the window for any movement on policy initiatives will run out by November of 2015. However, before we get to 2015, congressional leadership will attempt to clear the decks in the remaining weeks of the current Lame Duck Congress (likely mid-December by passing a rest of the fiscal year government spending bill, Terrorism Risk Insurance and over 50 expired and expiring tax provisions known as extenders. Leadership has a strong incentive to take care of these outstanding items so that it can begin 2015 focused on its new agenda rather than clearing the leftovers of the last Congress. Three key areas the President and a Republican

Congress could work together: trade, highway bill, and tax reform. Most contentious: A Presidential move to use Executive Order to grant protected legal status to millions of illegals residing in the U.S. Two issues in the spotlight for the fresh produce industry include immigration reform and nutrition.

With control of both chambers in Congress, Republican leadership will now be in the spotlight to pass legislation that reform's our nation's immigration laws. Now it's time to see what reforms are put together and if the Senate and House Republicans can come up with a reasonable legislative agenda around immigration reform. Of course, what the President decides to do with his Executive Order privilege may very well decide if an Immigration Bill can be signed into law. Or if Republicans don't like the Executive Order, they can pass immigration reform legislation which would trump regulatory action by the President.

Current authorities governing the National School Lunch and School Breakfast Programs, WIC, and the Summer Food Service Program begin to expire on June 30, 2015. At stake are major gains for the fresh produce industry around key programs that helped increase access to produce in schools. During 2014, Republicans targeted key nutrition advances from the last time child nutrition programs were reauthorized in 2010. It will be incumbent on our industry to articulate why these important advances in the school-feeding environment are critical to the fresh produce industry.

With any new Congress, our industry needs to continue building strong relationships and develop new ones that are vital to successes. We need to enacting policy initiatives that promote our ability to deliver the most nutritious and abundant food supply to the American consumer — ensuring a fair and level playing field for all businesses, in which growth and success are limited only by a company's innovation, creativity, and hard work.

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WAKE UP CALL ON LABOR

By James Prevor
President & Editor-in-Chief



With the President extending protection from deportation to about 5 million illegal aliens, one wonders if the produce industry will face up to its real labor problem.

The sad truth is the fact that legalizing the status of illegal immigrants — even if it holds up in court — is not going to do very much for the produce industry. Indeed, it may actually hurt the produce industry, as some of the workers will feel free to compete for more desirable jobs.

Which brings us to the crux of the matter: What the produce industry has fought for are dedicated guest worker programs. Why? Because no reasonable increase in the number of immigrants allowed into the country would attract workers to the harvesting fields, so the industry needs a dedicated program by which people come into the country obligated to work in agriculture, or they go home. Staying and working in more pleasant jobs is not an option.

But why should this be so? Why should produce harvesting be so uniquely horrible a job that we can't get anyone to do the work if they have a choice? And why should this situation be acceptable to the industry?

The whole trend to “know your farmer” is not just a matter of liking to see Joe in overalls. It's about a change in public mindset in which consumers want produce to look good, taste good, and they want to feel good about eating it. That means knowing that the soil is protected and rejuvenated, and the labor force is treated with dignity.

It is astonishing to listen to devout capitalists say things like “no American will do this work.” Even if this statement is true, all that means is one has to change the work so one can attract the needed labor.

Years ago, this columnist worked in the family produce business importing, exporting and wholesaling. The import department was frenetically busy in the winter, bringing in Chilean fruit and tropically grown melons, but had almost no work during the summer. Yet we couldn't get enough people to just work seasonally; we had to hire full time, year-round employees in order to have who we needed during the busy winter season.

We don't know what would ultimately persuade people to want to work in the fields. Maybe it is more money, maybe it is a shorter work

week or more vacation; maybe the jobs need to offer benefits, such as medical, dental, pensions, etc. But labor is a market. It is a matter of supply and demand, and although we can sympathize with farmers who want a dedicated labor supply at a fixed cost, it would be better if the produce industry offered opportunities that were competitive with other industries.

This means higher costs, and one can predict that high costs for labor will make new levels of mechanization viable, which in the end will depress the amount of labor needed. It may also change the nature of the jobs. They may be less physically demanding and less uncomfortable as they transition to a

kind of an operator of robotic machinery and less manual harvesting. Ironically, the jobs created by increased mechanization may be more desirable, and thus easier to fill than the jobs they supplanted of manually harvesting produce.

The challenges are many and obvious. Higher labor costs will tilt the cost structure in a way that encourages more imports.

Higher costs will be passed on to consumers in the form of higher prices. One will expect demand for the kinds of import-tariff protection the steel industry and auto industry receive from time to time.

Still, this might be a better fight for the produce industry to push for duties that make higher labor costs sustainable than to push for laws that will enable the industry to continue to offer jobs that are so bad that the only way we can fill them is to make working in the industry a condition for being allowed in America as a guest worker.

In many ways, this transition to a higher-cost labor force, with more robotics and mechanization and less need for labor, is a shame. There are so many people around the world who need jobs that it would seem the most ethical path is to hire them and not invest in mechanization.

There are, however, externalities to hiring labor this way. Crime, use of free medical care, and — as the President has just shown — our country doesn't have the stomach to throw people out. There is also a kind of aesthetic revulsion to the living standards of many migrant farm workers.

So in an age of “know your farmer,” the produce industry should be prepared to be rigorously scrutinized. Part of surviving that scrutiny is offering jobs — wages and conditions — that are attractive to the market. It is a new thought direction for much of the trade, but the whole notion of being transparent is also new. It is, however, the only sustainable path.

In an age of “know your farmer,” the produce industry should be prepared to be rigorously scrutinized. Part of surviving that scrutiny is offering jobs — wages and conditions — that are attractive to the market.

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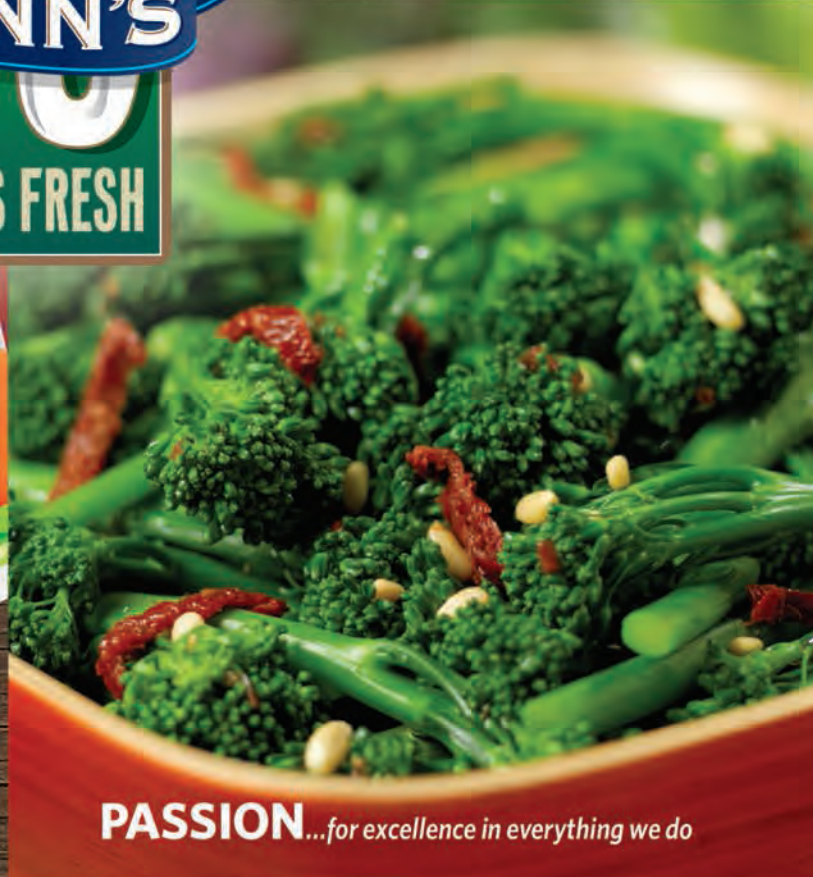
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TRANSITIONS

ALLEN LUND COMPANY LA CAÑADA, CA

Allen Lund Company, Corporate office announces the promotion of **Nick Mihalopoulos** to controller. Mihalopoulos began his career with the Allen Lund Company in 2011 after previously working at PepsiCo. Mihalopoulos is a graduate of the University of Illinois Urbana-Champaign where he earned degrees in Finance and Accountancy.



ALSUM FARMS & PRODUCE INC. FRIESLAND, WI

Alsum Farms & Produce Inc. announces the recent addition of **Gary Stevens** to the national sales team. Stevens will be responsible for procuring and servicing national retail, foodservice and wholesale grocer accounts. Stevens brings more than two decades of experience in the produce industry to Alsum Farms & Produce.



THE MUSHROOM COUNCIL SAN JOSE, CA

The Mushroom Council announces that **Kathleen Preis** is promoted to marketing manager. In this new role, Preis will be taking on additional management responsibilities for key Mushroom Council program areas while continuing to lead the school meals marketing initiative.



AWE SUM ORGANICS SANTA CRUZ, CA

Awe Sum Organics welcomes **Gabe Reyes**, formerly with Ontario, Canada-based SunOpta and Plantronics, to its team as financial controller. In this newly created role, Reyes will manage all accounting and financial activities as well as develop procedures to position Awe Sum for continued growth.



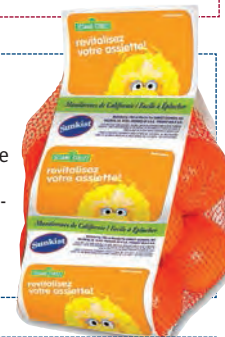
MONTEREY MUSHROOMS INC. WATSONVILLE, CA

Mike O'Brien joined Monterey Mushrooms Inc. as vice president of sales and marketing reporting to President & chief executive Shah Kazemi. At Monterey Mushrooms Inc. O'Brien will oversee the sales, marketing, and customer research aimed at further developing the Monterey brand.



SUNKIST GROWERS LAUNCHES SESAME STREET-THEMED PACKAGING

This season, Sunkist, Sherman Oaks, CA, will showcase its premium, fresh citrus in new Sesame Street-themed packaging as part of the cooperative's participation in the Produce Marketing Association and Sesame Workshop's "eat brighter!" initiative. Seedless and easy-to-peel, Sunkist mandarins are available now through April 2015.



ANNOUNCEMENTS



WAL-MART CANADA LAUNCHES PROGRAM

Wal-Mart Canada, Ottawa, ON, joins the new healthy eating campaign, "Half Your Plate." An initiative of the Canadian Produce Marketing Association, Half Your Plate empowers Canadians of all ages to eat more fruits and veggies to improve their health while providing simple and practical ways to add a variety of produce to every meal and snack.



CKF BRINGS EARTHCYCLE PRODUCTION TO NORTH AMERICA

CKF Inc. (a Canadian food packaging company) announces that the Earthcycle line of agricultural trays are now in production at its Hantsport, Nova Scotia facility, and first production runs are being delivered to long-term client, Gourmet Trading, LLC. The move is in line with the strategic intent of CKF's acquisition of Earthcycle Packaging in May 2013.



SUN-MAID AND CHIQUITA LAUNCH HOLIDAY CAMPAIGN

Sun-Maid Raisins, Kingsburg, CA, and Concord Foods, Brockton, MA, are partnering on an exciting promotion, "Sweetener Together." Until the end of December, a range of delicious recipes featuring Sun-Maid Raisins and Chiquita Banana Bread Mix will be available to consumers online at Sweetener-Together.com.



NEW YORK APPLE GROWERS PARTNER WITH WEGMANS

The New York Apple Growers LLC, Rochester, NY, launched a new apple called SnapDragon in all Wegmans' stores. SnapDragon is known for its crispy texture, sweet and juicy flavor and bright red dappled color. To help educate consumers, a website was developed to highlight the benefits of SnapDragon and provide consumers with recipes and pairing suggestions.



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ANNOUNCEMENTS

MACK FARMS EXPANDS OPERATIONS AND ACREAGE IN FLORIDA

Mack Farms Inc., Lake Wales, FL, is increasing its Florida potato and watermelon acreage and expanding into other fresh produce items with the purchase of a South Florida produce operation. Mack Farms recently acquired Eagle Island Farms of Okeechobee, FL.



SUNMART STORES REOPEN AS FAMILY FARE

SpartanNash, Grand Rapids, MI, invested \$5 million to remodel three of its SunMart stores and is reopening them under the Family Fare Supermarket banner. To celebrate, ribbon cutting ceremonies and store tours were held at each new Family Fare location.



RAINIER FRUIT DEBUTS AUTOMATED SHIPPING FACILITY

Yakima, WA-based Rainier Fruit Company's sister warehouse, Matson Fruit Company, Selah, WA, completed construction of a new storage and shipping facility just in time for the start of this year's crop. The facility was designed utilizing the latest Automated Storage Retrieval System (ASRS) technology.



NEW YORK APPLE INDUSTRY HELPS NYC HIGHLIGHT LOCAL HEALTH FOODS

The New York state apple industry helped promote local food and healthy eating by joining GrownNYC in the City's "Big Apple Crunch" events across the state, by donating apples and participating in some of the many events held statewide. This marked the third annual Big Apple Crunch, dubbed "the crunch heard 'round the world."

PBH AND A.J. TRUCCO, INC. PARTNER TO INCREASE PRODUCE CONSUMPTION

A.J. Trucco, Inc., Bronx, NY, announces its support of Produce for Better Health Foundation (PBH) Hockessin, DE, and the foundation's mission to increase the consumption of fruit and vegetables for better health outcomes. This synergistic partnership provides a great opportunity for Trucco to utilize and leverage PBH's consumer research, marketing toolkits, consumer-facing social media platforms, and the Fruits & Veggies.



NEW PRODUCTS

SAMBRAILO PACKAGING LAUNCHES GO GREENER! PACKAGING FOR ORGANIC PRODUCE

Sambrailo Packaging, Watsonville, CA, introduced its new Go Greener! clamshells, the latest packaging innovation for organic growers, at PMA Fresh Summit 2014. Made with 100 percent post-consumer recycled PET from clear and green beverage bottles, the green translucent color of Go Greener! clamshells will capture the attention of organic consumers on the retail shelf.



WP RAWL EXPANDS NATURE'S GREENS SET

WP Rawl & Sons, Pelion, SC, is expanding the Nature's Greens line of leafy greens. In the coming months, two new items will be unveiled: a Chard-kale blend and a Red kale under the name Burgundy Kale. Both items will come in 12-ounce bags in bright new colors under the existing Nature's Greens line of products.

INTRODUCING GINGERBREAD SPICE CARAMEL DIP

Concord Foods, Brockton, MA, is introducing a new addition to its line of fruit dips — Gingerbread Flavored Caramel Dip. This delicious, seasonal dip combines the taste of baked gingerbread with sweet, creamy caramel. It is perfect for dipping apples and other fresh fruit. Consumers can now purchase the product in the U.S.



STATE GARDEN EXPANDS SIMPLE BEGINNINGS TENDER LEAF SALADS LINE

State Garden Inc., Chelsea, MA, is expanding its conventional Simple Beginnings line by adding new size offerings for two of its popular tender leaf salad varieties. Simple Beginnings Baby Arugula and 50/50 Blend in 11-ounce clamshell containers are now available in stores.



COASTLINE FAMILY FARMS ANNOUNCES NEW HIGH ANTIOXIDANT LETTUCES

Coastline Family Farms, Salinas, CA, is launching a new line of deep burgundy-colored leaf and romaine lettuces, branded as Nutraleaf Burgundy Leaf Lettuce and Nutraleaf Burgundy Romaine. Coastline Family Farms is the only U.S. grower/shipper to market the new lettuces.



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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For Booth Sales, Sponsorships and Registrations in North America, South America and Oceania
Ellen Rosenthal, Felicia Schianodicola, Eric Nieman, Bill Martin, Sandy Lee, Shaunn Alderman, and Priscilla Lleras
T: +1 561-994-1118 • Email: register@LondonProduceShow.co.uk
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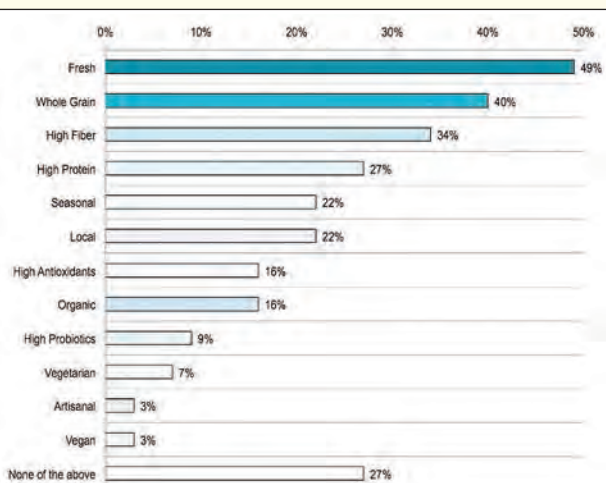
Bundle Of Consumer Benefits Drives Sales Growth For Packaged Salads

BY DAVID SPRINKLE, RESEARCH DIRECTOR AND PUBLISHER, PACKAGED FACTS

Packaged Facts estimates that U.S. sales of branded packaged salad greens/kits and fresh-cut vegetables or fruit through all retail channels reached \$5.6 billion in 2013. All retail channels were determined by IRI multi-outlet (MULO) data as a background source, and we factored in additional outlets including Costco, Sam's and BJ's, as well as convenience stores, major chains, independents, natural food stores, specialty, "ethnic" and neighborhood grocery stores.

The usage rate for packaged salads is at 70 percent, according to Simmons National Consumer Survey data from Experian Marketing Services, or 83 million households. Packaged Facts conservatively forecasts a compound annual growth rate (CAGR) of 4.6 percent through 2018 for this market.

Features Consumers Seek When Food Shopping, 2014 (percent of U.S. adults)



Note: Survey data are based on an online sample of 2,000 U.S. adults (Age: 18+) who are Census representative on the primary demographic measures of gender, age bracket, geographic region, race/ethnicity, presence of children in the household, and household income bracket.

Source: Packaged Facts January/February 2014 Survey

Today's consumers are increasingly striving to maintain or adopt healthful eating habits, and eating more fruits, vegetables, and salads is a favored means toward that end. In addition, consumers are acting on a growing preference for fresh

foods over processed, as well as for foods with fewer and simpler, natural ingredients. Packaged Facts' consumer survey data from January/February 2014 shows freshness as the single most desirable attribute for a food product, being selected by half (49 percent) of U.S. adults as an attribute they "especially seek out" when food shopping.

Correspondingly, three-fifths (59 percent) of consumers somewhat or strongly agree that they are buying more fresh produce than they did in the past, with conversely only 11 percent of consumers somewhat or strongly disagreeing that they are doing so.

Convenience, of course, is another key selling point for packaged salads and value-added fresh produce. Consumers can incorporate these healthy green vegetables into their diets without the washing, peeling, trimming, chopping, and other steps typically required when preparing fresh produce. Waste and spoilage can be

minimized in that the produce is easier to use and thus more likely to be consumed. Value-added products packaged with condiments or toppings that complement the salad mix remove any guesswork when using the product — an extra bonus for consumers who aren't savvy about meal preparation or planning.

In addition, packaged salad marketers are responding to the current consumer emphasis on protein, including new vegetarian and high-quality sources of protein, a demand fueled in part by the desire to promote satiety, and thus weight control or weight loss. High protein is another important product attribute consumers seek when buying food, according to Packaged Facts survey data. Packaged salad marketers responded by adding ingredients such as poultry, cheeses, beans, edamame, seeds, and quinoa. Packaged salads featuring quality proteins double their punch as healthy and weight-conscious meal options.

Salads with upscale, gourmet positioning

Level of Agreement with Statement: "I am buying more fresh produce these days," 2014 (percent of U.S. adults)

| "I am buying more fresh produce these days" | % of Consumers |
|---|----------------|
| All agree | 58.6% |
| Strongly agree | 25.1 |
| Somewhat agree | 33.5 |
| Neutral | 30.4% |
| All disagree | 10.9% |
| Somewhat disagree | 7.9 |
| Strongly disagree | 3.0 |
| Total | 100% |

Note: Survey data are based on an online sample of 2,000 U.S. adults (Age: 18+) who are Census representative on the primary demographic measures of gender, age bracket, geographic region, race/ethnicity, presence of children in the household, and household income bracket.

Source: Packaged Facts January/February 2014 Survey

are a simultaneous trend, as consumers of packaged salads are significantly more likely than average to be foodies. Thus, a number of recent product introductions contain foodie favorites and trendy ingredients such as bok choy, chicory, frisee, kale, lolla rosa, mâche, mizuna, tango, tatsoi, and wasabi arugula. Packaged salad kits also increasingly come in varieties inspired by ethnic cuisines, notably Southwestern and Asian. Innovative salad kits and meals-in-a-bowl give adventurous consumers a user-friendly and healthful format for international food and flavor adventure. Local and seasonal ingredients provide additional scope for new product innovation that will be in tune with the changing landscape of consumer food shopping priorities.



Packaged Facts, a division of MarketResearch.com, publishes market intelligence on a wide range of consumer market topics including the packaged food and foodservice industries, covering culinary as well as health and wellness trends. To learn more, please visit packagedfacts.com.

The Meaning Of Fresh

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

Sometimes the interesting data is on the flip side. Here, for example, we find that with all the hullabaloo about veganism — and ambassadors such as vegan-darling, President Clinton — only 3 percent of consumers claim they seek out vegan foods. Artisanal is oh so hot and trendy, but only 3 percent of consumers report they seek out artisanal foods.

The big winner shows up as “Fresh” — with 49 percent saying they seek fresh product when food shopping. The problem, though, is that the word has lots of meanings, and it is not at all clear what consumers are saying. In the produce trade, we like to believe it means consumers are seeking fresh product as opposed to canned or frozen, but that is kind of odd; after all, virtually every supermarket has a substantial fresh produce department. There is no problem in finding fresh produce.

Perhaps there are unspoken qualifiers, such as a desire for fresh produce priced competitively with canned or frozen? More likely, since the question is not what do you seek when you buy produce but what do you seek when you buy food, it expresses a generalized desire for product that is not old or soon-to-be unfit for consumption. The consumer wants fresh bread, not stale bread, fresh milk, not sour, fresh meat, not discolored or with an odor, and the consumer wants produce that appears to be alive and crisp, and, well, fresh. Not produce that looks like it is on its last legs or is attracting fruit flies.

David Sprinkle, research director and publisher for Packaged Facts, seems to lean toward the idea that in seeking fresh foods when shopping, consumers are seeking “real” foods, not processed. So “fresh” means “unprocessed” or “natural,” but even here there is a lack of clarity as to what consumers think of as “unprocessed.” Are frozen strawberries deemed processed? And why is it that fresh-cut produce sales will continue to

grow if consumers want “unprocessed” foods? Do they not see fresh-cut as processed?

Is the growth in fresh-cut not so much an outgrowth of consumer attitudes toward fresh convenience, but rather the growth a result of the font of innovation in the fresh-cut produce sector? While whole items change slowly as varieties evolve, fresh-cut can quickly innovate to meet consumer needs.

Yet there is some cause for concern here. Protein is more expensive than most produce. If the growth in produce comes from adding protein to items, this could cause retail produce-department sales to grow, while actual volume of fruits and vegetables sold declines.

When we read that consumers express they are “buying more fresh produce these days,” one wonders what the point of comparison is and how hazy are the memories. After all, there is little evidence that consumption is up. So how could this be true?

Perhaps it is just people responding in the way they think will win them approval, or perhaps they find themselves buying produce in more places. After all, they can get produce today from drug stores to dollar stores to CSAs. But the total volume hasn’t actually budged. Maybe it is a demographic fact that is always true — older people become more health conscious and buy more fresh produce. If so, then individuals will always truthfully report that they buy more produce than they used to, but as a whole, society’s consumption will not change absent population growth.

Perhaps it remains to be determined if salads with trendy ingredients — such as bok choy, chicory, frisée, kale, lolla rosa, mâche, mizuna, tango, tatsoi, and wasabi arugula — are a trend or a signal of a bifurcation in the market in which a foodie sub-culture goes off in a direction increasingly unattached to the swings of the mainstream market.

The real struggle is understanding what

The word has lots of meanings, and it is not at all clear what consumers are saying.

it means when a consumer says that he/she is “seeking” a particular food characteristic. In the case of organics, as an example, 16 percent of consumers claim to be seeking this, but organics are not hard to find. And with less than 1 percent of U.S. farm and ranch land certified organic, it doesn’t mean that 16 percent of consumers are solely eating certified organic food.

Since it is pretty easy (albeit pricey) to eat organic, with lots of options to buy organic food, the consumers who express these thoughts must mean something different, perhaps just that they are receptive to the idea of buying organic, and if it is available at a competitive price, they will buy it.

Walt Whitman told us, “Do I contradict myself? Very well, then I contradict myself. I am large, I contain multitudes,” so it seems with consumers: they seek fresh, but convenience is key; they want fruits and vegetables, but protein is a priority. The answer is that the industry must segment. What consumers — en masse — claim they want is never as important as what consumers want on specific shopping occasions. As the data collection improves, the opportunity for retailers and suppliers to focus improves as well. The opportunity is not to be broad, but to be specific; embrace research, but shrewdly.

pb

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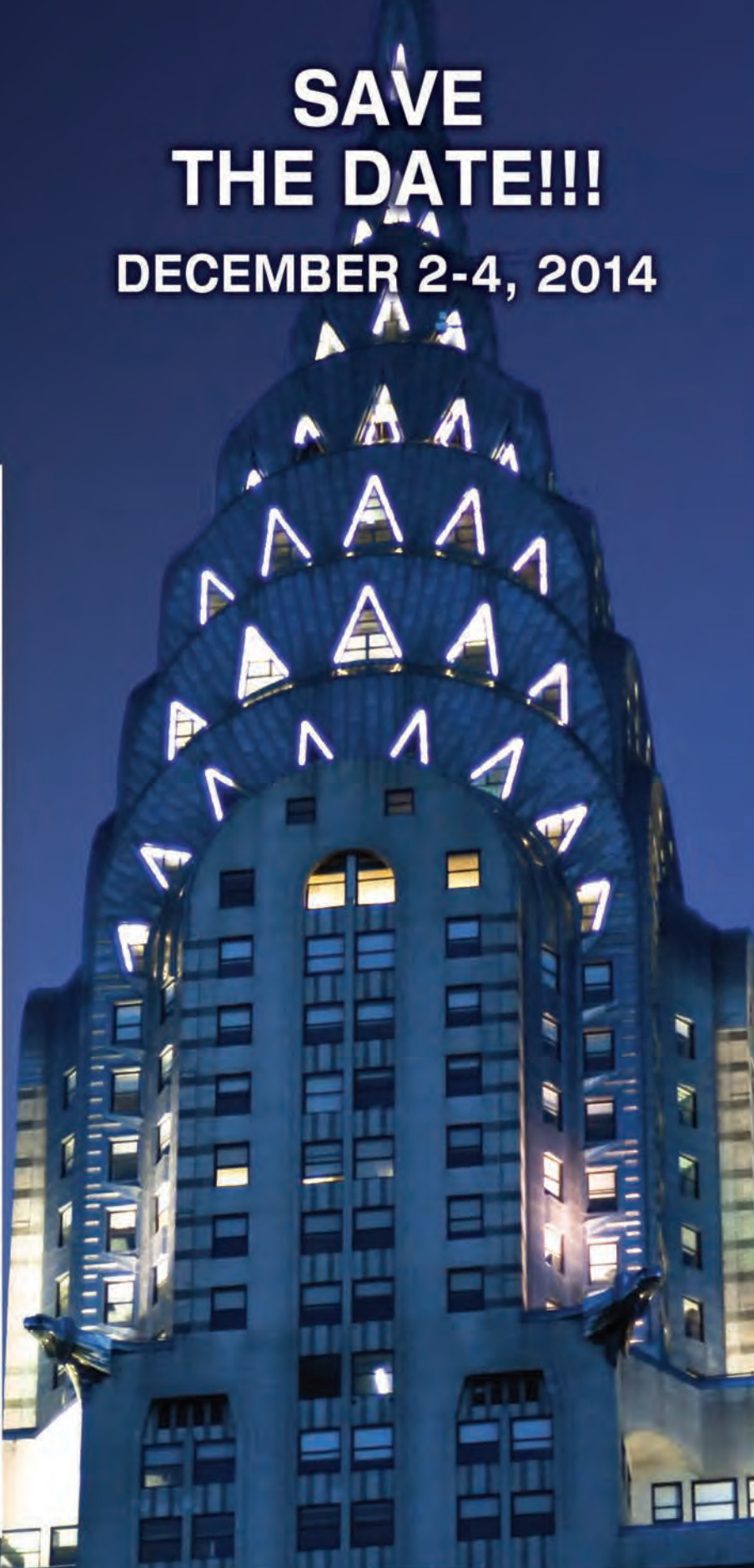
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Whole Foods' 'Responsibly Grown' Program Turns Out To Be Pretty Irresponsible And Implies Other Farmers Are Not 'Responsible Growers'

FROM JIM PREVOR'S PERISHABLE PUNDIT 11.13.2014

Whole Foods has come out with a new marketing program called "Responsibly Grown" — the only problem is that it is a really irresponsible thing to do.

The program consists of an Unrated, Good, Better, Best system — with the implication that produce deserving a non-existent "bad" rating must be the stuff sold at other retailers.

Part of the problem is that the standards are not very transparent, with cryptic descriptions such as "water and energy conservation" qualifying growers for Better and Best standards.

Part of the problem is that no third-party is auditing any of this, so who even knows if the claims are true.

Then there is this issue of the special Whole Foods Prohibited Pesticides. Some of it is just odd. For example, the first prohibited pesticide is expressed this way:

Adherence to U.S. EPA Registered Pesticides and Label Restrictions: For product Sold to Whole Foods Market, all suppliers may only use pesticides that are registered for use by U.S. EPA in a manner consistent with the U.S. EPA-approved label, regardless of where the product is grown.

This is a grand statement, but "adherence to US EPA Registered Pesticides and Label Restrictions" is, in fact, the law. The California Department of Pesticide Regulation explains it simply:

"All food sold in the U.S. must meet the same safety standards."

Beyond this kind of basic problem, this is an odd list because it treats individual pesticides as some kind of silver bullet killing sustainability. But that is not the way it works. Let's agree, for the sake of argument, that the pesticides Whole Foods is banning are bad. But eliminating them doesn't make the produce or the environment better. Perhaps to compensate for the loss of the single most effective pesticide, growers will have to use twice



as much of a less effective pesticide. Is that better for the environment? Worse? What is the impact on worker health? None of these questions are easily answered; they require extensive case-by-case studies, yet Whole Foods is grabbing headlines by announcing bans.

They are certainly getting press. An AP story was headlined, "Whole Foods to Roll Out 'Responsibly Grown' Rankings for Produce," but the market doesn't seem to be oblivious to what might be behind this effort:

Whole Foods is trying to draw a sharper distinction between itself and its competitors, in part by making shoppers feel more empowered about their purchasing decisions. The grocery chain already has ranking systems for meat and seafood, which takes into account animal welfare and sustainability standards, respectively.

Whole Foods, based in Austin, Texas, has nevertheless seen its sales growth slow as traditional supermarket chains and big-box retailers have muscled in on the market for organic and natural products. To hold onto customers, executives have said they plan to more clearly state what makes Whole Foods

stores different.

Emphasizing the unique characteristics of a store is a great idea, but in praising one's own procurement standards, it is not right to imply that all the other produce in the world is not responsibly grown, especially when the evidence to support such a proposition is basically zero.

Whole Foods' stock price is down over 30 percent this year, mostly because same-store sales haven't met analysts' estimates, and the chain has informed Wall Street that it expects lower full year sales and profits. The response has been the announcement of Whole Foods' first-ever national media campaign — a \$20 million investment that includes TV, magazines, newspapers and other media. What is not clear is how this campaign will actually help Whole Foods.

Whole Foods, of course, has lots of customers. However, those people who do not shop or do not shop much at Whole Foods behave this way for one or more of five basic reasons:

1) There are more convenient options.

The Pundit happens to enjoy shopping at Whole Foods, where the prepared foods section is really top notch and there are in-

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teresting brands to explore. But most cities do not have a Whole Foods store at all. Even those cities that do — for example, Pundit headquarters in Boca Raton, Florida — have just one. There are a half a dozen Publix stores, so we only wind up at Whole Foods when we have leisure time — not often — or have to be in that part of town. There are people very motivated to shop at Whole Foods but it seems unlikely that these ads will convince many people who aren't as motivated into becoming such loyal shoppers.

2) Whole Foods is too expensive.

Monikers such as "Whole Paycheck" stick because there is a lot of truth to them. Although the chain has promoted that consumers can find less expensive options by shopping carefully, that is a bit beside the point. The way most people shop Whole Foods is expensive. Nothing about this advertising program changes that perception. Indeed, the high production values and the emphasis on values — as opposed to value — will probably reconfirm the notion to many that Whole Foods is very expensive.

3) Whole Foods doesn't carry a lot of brands that people want, making it very inconvenient. If a consumer goes "all in" to the Whole Foods ethos, then a restricted offering is fine, but if someone wants some Diet Coke, then Whole Foods is a pain in the neck as that consumer now has to make two stops.

4) There are plenty of other stores selling items that, previously, only Whole Foods sold. Most supermarkets and many other stores have lots of organic, local, and natural products. So even if one believes in these "values" that Whole Foods espouses, they have little to do with the retailer and much to do with the producer. Maybe ten years ago, this campaign would have been powerful, but it doesn't really answer the contemporary question approaching consumers: Should I go out of my way to buy Organic Girl or Earthbound Farms salad at Whole Foods or pick up identical or similar products at many more convenient and less expensive venues.

5) Some consumers are turned off by the ideology. They may want "whole food" but they hate the culture that

Just as we used to warn people to be careful about how they promoted their food safety programs, lest they imply that other retailers were selling unsafe produce, so Whole Foods' emphasis on the idea that it has unique values that drive its procurement is a sticky wicket.

Whole Foods celebrates — they don't like places that urge them to "share your values, shape community," etc. They would just as soon get their organic milk from Wal-Mart.

Whatever the impact on Whole Foods, the overall impact on the produce industry is not going to be good.

Just as we used to warn people to be careful about how they promoted their food safety programs, lest they imply that other retailers were selling unsafe produce, so Whole Foods' emphasis on the idea that it has unique values that drive its procurement is a sticky wicket.

We went to our local Whole Foods the other day specifically to see if Whole Foods was suddenly expressing some unique values through its procurement system. It is not.

On the conventional side, Whole Foods was selling items such as:

- Chiquita bananas
- Driscoll's raspberries
- Driscoll's strawberries
- Dole blueberries
- Superfresh pears
- Christopher Ranch white pearl onions
- Columbine Vineyards holiday grapes
- Love Beets brand beets
- Pero Family Farms green beans
- Sunset Kumato tomatoes
- Sunset Gourmet medley tomatoes
- Sunsweet fresh plums
- Hudson River Fruit New York state apples
- Heller Brothers grapefruit
- Bee Sweet Citrus Preferred
- Chef Meyer lemons
- Majesty (Five Crowns Marketing)
- California cantaloupes
- Superfresh apples

- Southern Specialties French beans
- Ocean Spray lemons
- Chilean mandarins packed by Lucca
- Freezer & Cold Storage
- Pandol mixed variety grapes
- Monterey Mushrooms
- Bolthouse Farms drinks of various types

- On the organic side:
- Earthbound Farms salads and greens
 - Organic Girl salads and greens
 - Earthbound Farms carrot juice
 - Phillips Mushrooms
 - Deardorff Farms celery
 - Lots of Cal-Organic vegetables

Now there is nothing wrong with any of these brands. But they are indistinguishable from what one can find in countless thousands of supermarkets across the United States. To claim that Whole Food's procurement is uniquely promoting good values is just not true. The company buys from the same supply chain as everyone else.

Whole Foods has benefited over the years from ill-informed consumers who assume that everything at Whole Foods is organic. That is not true either.

Now Whole Foods is claiming a distinction where there is no difference. Doesn't that contravene a value in and of itself?

Farmers have to sell their products in many venues, and if Whole Foods is going to cast doubt on the procurement practices of other retailers, it will cause some consumers to hesitate and buy less. That is bad for farmers and for public health. It is also very unfair. Whole Foods ought to rethink its approach.

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Festival Foods

The 'Boomerang Theory' is more than a philosophy for this independent retailer — working hard to bring customers back is the key to success. **BY OSCAR KATOV**

When Paul Skogen established a small IGA store in Onalaska, WI, in 1946, he perceived the opportunity for growth wasn't far beyond the opening of just one store. He also recognized the new positive mood in the country — with the end of the war-time economy — as a positive boost for business.

Using Onalaska as a model, Skogen began to develop plans for expansion that would carry into the family's next generations with Skogen's Festival Foods.

Today, as the centerpiece of family enterprise, Onalaska flourishes as a huge 90,000-square-foot complex on the east side of the Mississippi River, attracting more than 1 million visitors annually. As Skogen originally hoped, his dream of growth embraces more than



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the single Onalaska store. Troy Vosburgh, vice president of perishables, recently talked to PRODUCE BUSINESS about the current operations and how Festival Foods succeeds.

PB: How many stores are operating now?

FF: Currently, we have 16 stores in Wisconsin. Our 17th will open in south eastern Wisconsin this month. Another new store — this one of 50,000 square feet — will open next year in Madison. It's the first supermarket in the city's business district. It is an exciting opportunity for us to be involved with a project in the heart of state affairs. The store will be housed at the base of a 14-story apartment building and will attract lawmakers, government workers, tourists and residents from nearby homes.

PB: Why is the size of any new Festival Foods store limited to 70,000 square feet?

FF: We found that 70,000-square-foot stores work best for the size of our offerings and the communities we serve. That size gives us the ability to have wide aisles, which contribute to our guests having an enjoyable shopping experience.

PB: When you look at a store, its size obviously is a very critical factor. But, in terms of produce every retailer, every operator, can offer the same range of products in the same quantity. How does Festival Foods differentiate from its competitors?

FF: I think one of the key ways to separate from competitors is with emphasis on freshness. We believe our produce is days fresher than the competition, because we cross-dock many of our items. We don't believe that our produce should be sitting in a warehouse. It should go from the field, to the truck, and into our customers' homes as quickly as possible for better tasting.

Another key factor is in the "Fests" and "Blowouts" that we organize. Our Fests are week-long events; Blowouts are one-day events. Our customers are notified about these events through email. For example, the Pumpkin Blowout is a key event about three weeks before Halloween, and we sell truckloads of pumpkins in a single day. We do Citrus Fest, Apple Fest and Melon Fest to keep customers engaged year-round in the special things we can offer in produce.

For example, the recent Pumpkin Blowout was a one-day event, and we hosted it from about 8 a.m. until 5 p.m. in all stores. We ran an ad in the paper that day, and we were very aggressive about price. Our customers kept track of the event through email.

Each store usually has between 3,000 to 7,000 pumpkins on hand — depending on how they performed in past years. Some stores also have petting zoos, clowns, DJs, and all of this is staged in the stores' parking lots, so it's a separate event, not interfering



with business inside the store. All events use local pumpkin supply, with most coming from Wisconsin farms and some from Minnesota. This year, we sold about 70,000 pumpkins through all the stores — all in a one-day sale.

PB: With freshness such a significant factor in terms of competition, how do

you meet your daily responsibility in supplying all of your stores? Do you have a distribution center?

FF: We have two main suppliers, La Crosse, WI-based Potato King and Wadena, MN-based Russ Davis. We rely on them to service our daily store requirements.

PB: Do you have your own people in the



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





Global Sourcing: Opportunities And Obstacles

With so many risks and challenges, importing directly from the source may not provide the cost savings originally sought by retailers — presenting plenty of opportunities for importers to remain in the game.

BY GILL McSHANE

Historically, imported fresh produce found its way onto North American supermarket shelves through strategically located importers, distributors and wholesalers in hubs such as Philadelphia, Miami, Montreal, Texas, California, Seattle and Vancouver.

Over the past 25 years, imports also increasingly entered the market via grower-shippers, primarily based in California, Washington State and Florida, who sought to offer retailers a consistent, year-round supply thanks to the support of affiliated growers worldwide.

Retailers, meanwhile, began to look at importing produce themselves direct from the source in order to gain a greater control over

costs, supply, quality, and food safety. Already, Wal-Mart, Kroger and other large chains procure some produce directly through buying offices in areas such as Mexico, Chile, Brazil, South Africa and Asia, while Costco, H-E-B and Loblaws Supermarkets, among others, operate individual direct procurement offices.

But does the model work, and will it take precedence in the future? If so, where does that leave traditional importer-distributors and wholesalers who may compete directly with their customers?

Despite the initial attractions, industry representatives claim direct sourcing is fraught with risks and challenges for retailers — issues usually dealt with by experienced importers and distributors, without whom additional costs will likely arise.

As such, it does not make sense for every retailer, nor does it work for all products and sources. So far, the trend has been slow to develop, and there have been varying levels of success; leading trade pundits to believe the role of the importer-distributor is here to stay.

How It Works

“There are different models set up for direct sourcing,” explains Nancy Tucker, vice-president of global business development at the

Produce Marketing Association (PMA) in Newark, DE. “The very large retailers, such as Wal-Mart or Tesco, have buying offices in different countries, while the medium to large retailers have their own global sourcing departments in the U.S., such as Kroger, which has a dedicated team.

“There is also another model whereby the retailer still uses the importers, but it works more directly with the supplier, so they work together with the importers on a half-and-half basis. Other retailers may do periodic direct sourcing too, but they remain dependent on importers.”

In addition to those models, some retailers use their international store network to bring produce directly from global sources, according to Dr. Roberta Cook, a cooperative extension marketing economist at the University of California-Davis.

“H-E-B from Texas has stores in Mexico, so it has been able to directly source from Mexico because of its unique geographical position,” she notes. “Costco also has warehouse club stores in many countries; so in seasons when Costco needs products, it can bring those in through its international stores. But these are special cases.”

Of course, the concept of direct sourcing is not a particularly new phenomenon, points out Bruce Peterson, president of Bentonville, AR-based Peterson Insights and former senior vice-president and general merchandise manager of perishables for Wal-Mart.

“Retailers tried it in the 1980s and early '90s when I believe SuperValu set up an office in Santiago, Chile,” he explains. “More recently, Wal-Mart set up its Global Food Sourcing Initiative to cut out the middlemen both domestically and internationally. Wal-Mart has been very vocal about its efforts, while SuperValu and Kroger have not been as public.”



Nancy Tucker
VP Global Business Development, PMA



Mayda Sotomayor
CEO, Seald Sweet

Cook agrees the hype has quieted since the push in 1990s, because it has not been easy. “Either retailers are doing it behind the scenes and not going public until they get it right or they’re not pushing it much,” she states. “It’s challenging to get it right, and it needs expertise to manage it. Wal-Mart is very successful, and eventually they’ll get it right, but it’s been too soon to tell.”

Challenges And Risks

Simply put, not every retailer is ready to source directly, because it requires a change in culture, claims Mayda Sotomayor-Kirk, chief executive of Seald Sweet in Vero Beach, FL. “Retailers are used to buying on a day-to-day basis and finding the best price on that day,” she explains. “Larger retailers looked at it and found challenges — they may overbuy or underbuy.”

Juan Alarcon, CEO of banana distributor Turbana in Coral Gables, FL, agrees forecasting demand is a challenge retailers are not familiar with. “When a retailer buys direct from the grower, the order has to be placed

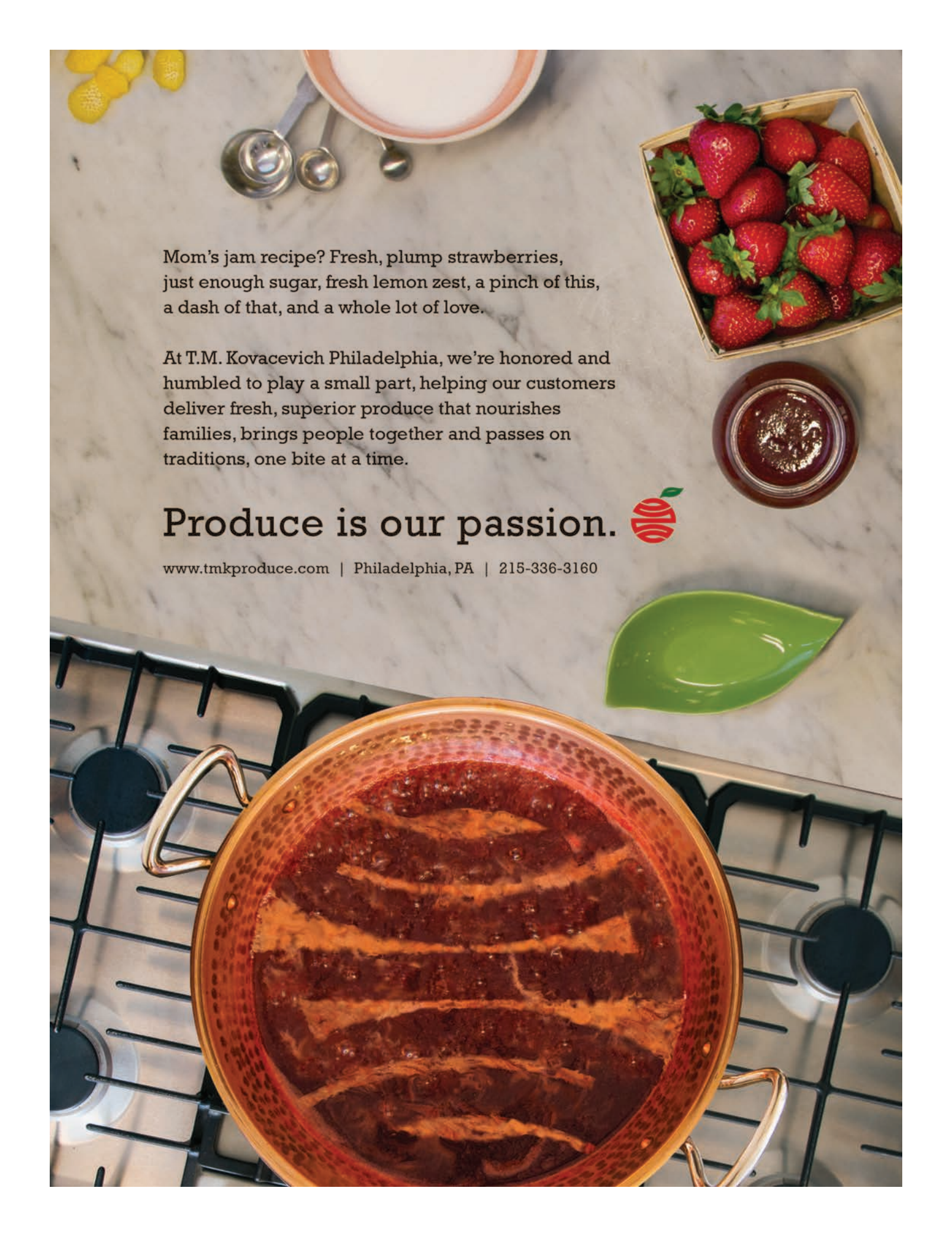
three or four weeks in advance depending on origin and destination,” he says.

“This does not happen when you buy from an importer. Retailers place their orders one week before, but during the loading week changes can be made according to their sales. In the end, it is a balance between reliability, flexibility and accuracy versus cost.”

With that in mind, Julio Ortúzar, president of Vero Beach, FL-based berry importer-distributor Nexus Produce, suggests retailers will never be able to handle 100 percent of their sourcing directly. “There are always shortages due to vessels being delayed,” he says. “There is always that rise in demand where the retailer is short and needs to cover gaps quickly. So, the retailer will need to keep a hybrid system in place.”

Over the past decade Cook says there have been failed attempts by retailers to source directly on an international scale, partly because they are not accustomed to these types of risks and responsibilities that are usually handled by dedicated importers or grower-shippers.





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Juan Alarcon
CEO, Turbana



Julio Ortúzar
President, Nexus Produce

“It’s easier from Mexico, but by sea, from places like Chile, it’s more tricky,” she explains. “When you import by boat, you make a deal with the grower-exporter for a certain price. But once the boat gets on the water, things can happen that affect demand and prices. You might not need that product anymore or there may not be enough product on the water.”

But those risks are business as usual for importers who know the ins and outs of the process and can ensure retailers still receive the volume and quality they need. “Retailers always underestimate — they don’t appreciate the value of all the services provided,” Dr. Cook points out.

Even so, Cook claims retailers still view direct sourcing from Mexico as risky, despite the advantage of trucking overland rather than by sea. “Trucks can be delayed: opened for quality, food safety or drugs checks, so trucks can sit for a few days,” she states.

Regardless of the source, Turbana’s Alarcon says there is always a lack of certainty regarding when products will be

cleared by customs and agriculture officials, which poses a huge challenge when importing fruits in to North America.

“The main importers who manage their own vessels call at ports where both customs and agricultural personnel are on-site, which streamlines the process and improves the reliability of when the product is available,” he points out.

“In addition, Turbana has refrigerated warehouses that allow retailers to pick up fruit every day at the ports without the need for them to store the fruit. With bananas it’s extremely important to be certain when the product is available; otherwise it can mess up the ripening schedule.”

If retailers are going to source directly, they also have to be confident that the grower is packing to specification, according to Cook. “There’s a risk of what the produce will look like when it arrives,” she says. “So, from Mexico, the retailers still tend to buy from the distributors in Nogales just across the border where they can check the product, buy on an FOB basis and repack.”

What’s Required

With the stakes high, Peterson says retailers must think strategically about the source and the product in order to make direct sourcing work. “It’s not a unilateral approach to buying, it has to be more targeted,” he explains.

“A great deal of produce is brought in from places like Mexico, Chile and Central America, so these are logical and practical places from which to source directly. Whereas from other sources, there isn’t a whole lot of product coming into the U.S. and Canada.”

Ortúzar at Nexus Produce agrees retailers must focus their direct sourcing efforts on key areas of supply. “Take blueberries for example,” he says. “A retailer will place special emphasis on Chile since that is the largest producing area and where the bulk of imports comes from. In Argentina, Peru and Uruguay, they will look to solve the problem of supply in a difficult sourcing period. They will look to make their operation more efficient out of Chile by selecting better, fresher and economical product.”

Furthermore, for imported produce, direct sourcing only works for certain high-volume and counter-seasonal commodities with adequate shelf-life — such as table grapes, citrus, avocados and blueberries. The importers, meanwhile, are better suited to handling medium to low volumes.

“It has to be the right crop — crops that make sense and where there’s a competitive advantage,” points out Cook. “The U.S. has a lot of crops that don’t have an international trade component. It also has to be crops that can withstand long distances, because they’re on the water for two to three weeks. You have to understand trade patterns in commodities, as that tells you where to focus your direct sourcing.”

Although Sotomayor at Seald Sweet is not yet ready to make a prediction about which





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products will work, she admits some products lend themselves better to direct sourcing than others. “I only see certain retailers capable of doing direct sourcing, and only with certain products,” she says. “I don’t see them doing it with 100 percent of their SKUs for instance.”

Is It Cheaper?

A combination of factors is driving direct sourcing among retailers today, including garnering more knowledge about where produce is coming from and developing more

direct control over supply in terms of freshness, quality, food safety and social considerations. “Some retailers are also keen to build a partnership and create trust with their growers, or they simply wish to minimize the steps in the supply chain,” adds PMA’s Tucker.

Ultimately, Peterson of Peterson Insights claims the logic is to save money by cutting out the middlemen. But does it work? “There is a degree of truth to it, but there are other things that the middlemen do that goes beyond just procurement, logistics and marketing support,”

he states. “So, if you eliminate that group entirely, what’s the cost?”

Of course, Peterson points out that buying direct has not yet been demonstrated academically as being better. “For the purchase cost of goods, there could be a case to do it cheaper,” he muses. “But I’m not convinced that it’s been demonstrated that the total supply cost is cheaper and more effective. I don’t think the whole issue is one necessarily of dollars and cents, but it depends on how you measure it.”

Cook agrees that retailers think they will

ORGANIC IMPORTS MUST CLOSE SUPPLY GAPS

Demand in the U.S. and Canada is at such a level for organic produce that suppliers and importers must work to close supply gaps in order to ensure a consistent availability of quality fruits and vegetables year-round, and thereby tap into the category’s ongoing rise in popularity among health- and earth-conscious consumers.

“Closing supply gaps is crucially important to sustaining the growth of the organic market,” explains Addie Pobst of Sedro-Woolley, WA-based importer Viva Tierra Organic. “Retailers are perennially hesitant to expand their organic offerings if they are uncertain about availability and quality. Consumers become more comfortable purchasing organic items when they are consistently available too.”

Although the organic market is expanding, the main concern for retailers is still sustainable supply, according to Ricardo Crisantes, general manager at Wholesum Family Farms in Nogales, AZ, which grows and sources Mexican organic and Fairtrade greenhouse vegetables and mangos.

“Retailers don’t want to start programs that will not be consistent, because it breaks the synergy of the deal,” he says. “They need the supply to be set up so it’s the responsibility of suppliers to put that in place.”

Matt Mandel, vice-president of sales and marketing at SunFed, based in Rio Rico, AZ, says during the past five years, his company sought to grow its domestic and imported organic programs by developing a consistency of quality and supply across seven tomato, pepper, squash and eggplant production sites in Mexico.

“It’s difficult to keep consumers coming



Matt Mandel and Denise Quiroga
SunFed

back if there’s no consistency,” he notes. “Crossover organic consumers in particular need to see consistency. You still may not convert them, but it helps. By offering quality and consistency, those consumers that were once wary become more comfortable buying organic. So, to build and grow the category you have to have quality of supply.”

Sydney Fairchild, who handles marketing and sustainability at Bridge’s Organic Produce in Portland, OR, agrees there is growth and further potential for the industry. “There are still some organics that you can’t get year-round,” she explains. “We’re extending the season by looking for counter-seasonal suppliers, such as the Southern Hemisphere rather than relying on cold storage for items like organic apples.”

Bridge’s Organic brings in organic produce from Argentina, New Zealand, Mexico and Canada. The company recently started a line of organic cranberries from Canada and sees opportunities to import more organic products.

“We are definitely seeing growth — every year more customers are looking for organic produce,” Fairchild states. “Wal-Mart also



Sydney Fairchild and Francisco Tapia
Bridge’s Organic Produce

recently announced that it will be doing more organics in the future.”

Mandel at SunFed concurs that there is still room to grow on the North American organic import market. “There are still some items that are not readily available as organic. Some items are harder to grow, so they may have more demand. In general, there’s a desire for organic produce, and demand is growing across the board. The market, sales and quality are constantly improving.”

Both Fairchild and Wholesum’s Crisantes agree the health movement is largely driving organic produce sales in the U.S. and Canada. “People are more conscious about pesticides and GMOs — they want the cleanest product,” claims Fairchild.

Indeed, Crisantes says consumer outreach interviews show the real reason consumers are buying organic is not because they are young or more educated. “Surprisingly, what we found is people have an event in their lives — either they meet someone who is on a different diet, being very healthy, or they have an illness, or someone in the family gets sick, and they

save money, but without the produce-buying staff in place and the support of importers, it does not always work that way. “Basically, it’s very challenging to import directly — I don’t see a big new wave,” she notes.

Although further retailers are getting involved in direct sourcing, Ortúzar at Nexus Produce claims more are starting to question why they are doing it. “In theory, you eliminate a middleman, and you have a fresher product,” he states. “In reality, it poses a lot of complications that not all retailers are willing to deal

with. For example, the retailer needs to be concerned with how to deal with rejections as grower-shippers will usually not have the capability to deal with rejections — and in perishables, problems occur all the time.”

With retailers or their grower-shippers having to cover aspects and costs of the distribution chain that are currently handled by importers or wholesalers, Ortúzar is unconvinced about the cost efficiency of direct sourcing. “It could be more profitable for whoever is doing the middleman’s job, but I

wouldn’t stretch to say it is cheaper,” he says.

Seald Sweet’s Sotomayor does not believe the benefit of direct sourcing is to reduce costs either. “It’s about getting safe and sustainable food from a reputable grower rather than just the cheapest price,” she proposes.

From a marketing standpoint, however, Peterson considers direct sourcing to be attractive. “Direct sourcing can be used as a marketing tool for those not particularly learned in how produce transactions take place,” he explains. “If a consumer is buying



Ricardo Crisantes
Wholesum Family Farms

seek answers and alternatives,” he explains.

“We’re all looking at our diets, and eating well is a big part of being healthy. We’re starting to question previous health messages and that led to the realization that we need to eat less processed foods and more fresh produce. That’s when organics come to the forefront.”

With more suppliers and stores offering organics, Wholesum’s sales manager Steve Lefevre says consumers started to branch out from organic bananas, apples and tomatoes to other organic products such as squash. “Pricing is coming down as competition grows, and more people come into the sector,” Lefevre explains. “Consumers want everything in organic form now.”

In response to demand, Pobst says Viva Tierra is now sourcing organic Italian kiwifruit following successful trials last season. “We have green kiwis sourced from Italian organic producers arriving in the U.S., and in November, we expect to also have organic gold kiwi available in bulk, as well as green kiwi.”

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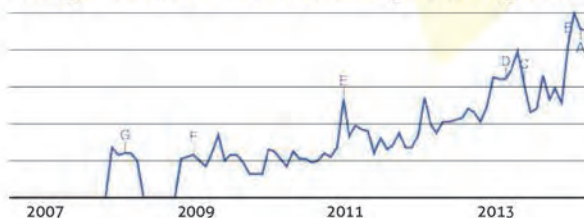
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The Triangle Model

Going forward, importers suggest a triangle model could represent the future of global sourcing in which all three key players: retailer, importer and grower work closely in partnership to facilitate direct procurement.

Turbana already operates a hybrid approach; being owned 50 percent by Uniban — the largest banana cooperative in the world — and 50 percent by Fyffes — the biggest importer and distributor of bananas in Europe.

“When retailers buy from Turbana, they are buying direct from the source, but we also take care of logistics, providing them transparency through the whole supply chain,” says Juan Alarcon, CEO of banana

distributor Turbana in Coral Gables, FL. “In other words, we take care of shipping, importing and warehousing, and we give them the flexibility to either pick up the fruit or have it delivered on the day they need it.”

Nexus Produce also operates as both the source and the distributor since the company is vertically integrated. “We offer retailers the best of both worlds; we can provide either direct sourcing or supply through our own importing/distributing company in the U.S.,” notes Julio Ortúzar, president of Vero Beach, FL-based berry importer-distributor Nexus Produce.

As part of the Belgium-based Univeg Group, meanwhile, Seald Sweet has the

knowledge, capacity and infrastructure to add value to its service by assisting retailers looking to set up direct programs with its global network of growers and partners.

“We believe connecting ourselves directly with the customer by providing a value-added service is the future of the market,” says Mayda Sotomayor-Kirk, chief executive of Seald Sweet in Vero Beach, FL. “We can introduce suppliers to retailers and vice versa. That’s where Seald Sweet can play a major role. We encourage retailers to go to their supply countries, and suppliers to know their market better.”

According to Sotomayor, a triangle model represents a win-win for all. “Many retailers might want to do direct sourcing them-

his/her groceries, and the retailer’s sign says ‘we went direct to source’ consumers may think that product is fresher and better — although it might not be.”

For a public company like Wal-Mart, Peterson says the retailer will also get ‘political equity’ from direct sourcing. “As Wal-Mart

expands its network around the world and wants to have operations in other countries, they can talk about directly bringing agricultural products grown in those countries to the U.S. to create a market, and that’s a good thing.”

There are five or six retailers in North

America that have the scale to do direct sourcing, according to Peterson. But, at the end of the day, he says it depends on how a company wants to focus its efforts, because direct sourcing requires internal infrastructure.

“Each company has to determine the value of doing it and whether the investment is better

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selves, but I still believe the intermediate responsibility should stay with those that are able to do it best," she affirms. "It has to be a happy medium. There also has to be a strategy behind it and good partnerships — it's not enough to say I'm going to go direct."

Nancy Tucker, vice-president of global business development at the Produce Marketing Association in Newark, DE, says she always believed the best long-term sourcing model is to develop solid partnerships. "It allows for good communication and information sharing — if companies work together they will create long-term sustainability and growth," she concludes. **pb**

spent in other areas," he says. "The gain from a marketing and capital standpoint easily justifies it. But some retailers might not feel the investment is worthwhile. However, if a large retailer, or its shareholders, see others (such as Wal-Mart) gaining a competitive advantage from direct sourcing, then they might be more encouraged to do it."

Up Next For Importers & Wholesalers

Despite certain advantages for retailers, Tucker, Cook and Peterson still believe importer-distributors have a key role to play in global sourcing. "I don't see the importer going away because some retailers don't want to take on the risk of sourcing directly themselves," Tucker notes.

For major import sources like Chile, Cook does not see traditional routes of supply changing in the near future either. "Chile still ships most of its volume to specialized importers on the East Coast of the U.S. — it's been the main port of entry for decades," she points out.

"Grower-shippers in California gained a greater share of the Chilean volume over the years, and some specialized importers evolved in areas such as the Port of Long Beach in California; but I think the East Coast still handles over half of Chile's import volume."

Overall, Alarcon at Turbana claims more than 90 percent of the fruit purchased by North American retailers is handled by importers. "The main reason is that the leading importers such as Turbana control the whole supply chain — from purchasing the fruit and ocean transportation to importing,

warehousing and distribution," he notes.

Looking forward, Tucker says importers and wholesalers will remain in the game by simply adding more value to their service. "All segments up and down the supply chain have a role to play," she suggests. "Many wholesalers in the U.S. will focus on additional channels of distribution too."

Ortúzar of Nexus concurs that wholesalers will be less affected because they are closer to foodservice providers, but he warns that importers need to be concerned about the

value they add to the distribution chain.

"It will be more difficult to compete if someone is not providing added value and retailers are very conscious of this," he explains. "Importers need to focus on problem solving, price efficiency, multiregional and continuous supply and repacking capabilities. If there is added value in a supplier, whether they are an importer, wholesaler, grower, shipper, then retailers should consider them. Buying direct just because it is a trend is not necessarily a good idea." **pb**

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Considered the second most popular day for food consumption after Thanksgiving, Super Bowl Sunday is one of the best times of the year for retailers to score a “touchdown” with sales.

Selling For The Big Game

How to be a champion of produce sales for Super Bowl Sunday. **BY KEITH LORIA**

On Sunday, Feb. 1, Super Bowl XLIX will be played in Arizona with the two top NFL teams fighting it out for championship glory. When the Super Bowl rolls around, produce departments need to gear up for some action as well, and retailers can be every bit the winners as those hoisting the trophy at the end of the game.

“The Super Bowl is the food holiday of the football season,” says Jay Alley, vice president of sales and marketing for Fresherized Foods, the Saginaw, TX-based company responsible for the Wholly Guacamole brand. “In fact, for many non-football fans, it will be the only football game they ‘watch,’ and the only football-viewing party they will attend. Like the commercials, the food is just as important — if not more important than the teams that play and the ultimate victor.”

Considered the second most popular day for food consumption after Thanksgiving, Super Bowl Sunday is one of the best times of the year for retailers to score a “touchdown” with sales — not taking advantage would be as costly as a goal-line fumble.

Some of the most popular produce items for “the big game” include: salsa, guacamole, refrigerated dips and dip mixes, refrigerated dressing for wings/pizza, snap peas, baby



PHOTO COURTESY OF NASOYA

carrots, celery, cabbage and pre-packaged coleslaw, jalapenos, cilantro, mushroom caps, veggie and fruit trays and party trays. Popular commodity items include avocados (for guacamole), tomatoes and onions (for fresh salsa), value-added veggie kabobs (for grilling) and dried fruit and nuts.

John Dunne, senior vice president, client development fresh foods, Acosta Sales & Marketing, based in Jacksonville, FL, says retailers should also be thinking about tie-ins to increase sales come Super Bowl time.

“Veggie trays with dips, dressings, or guacamole; salsa with tortilla chips, pita chips and beverages; as well as chicken wings with

dips [are tie-in examples],” he says. “Meatless hot dogs and black bean burgers are popular among vegetarian and vegan shoppers. Chili is also a crowd pleaser; tying in a coupon for ground beef or ground turkey will capture more sales for the store.”

Atypical Fare

Super Bowl food needs to be crowd-pleasing, easy to make and easy to eat. Yet, that doesn’t mean it needs to just be chips, wings and pizza. Many companies are beefing up their efforts to make more unique offerings in front of consumers come Super Bowl time.

Jake Oliver, assistant brand manager for

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Litehouse Foods, doing business in Sandpoint, ID, says the company has two health-hearty options that make great Super Bowl fare.

“Opadipity is a premium dip made with Greek yogurt meeting the needs of the health-conscious consumer looking for a low calorie and great tasting dip. This dip is a quick and easy snacking solution for every Super Bowl party,” he says. “Litehouse is also a premium dip made with fresh ingredients, which comes in many different flavors. These dips play well with veggies, chips and wings — all Super Bowl favorites.”

Tanja Owen, senior brand manager for Vitasoy-USA, headquartered in Ayer, MA, says Nasoya TofuBaked and Nasoya Won Ton Wraps are both great for the Super Bowl as

“Incentivizing produce managers to build large, creative displays has proven to be a real hit with shoppers and the retailer. The shopper enjoys the fun and excitement these displays can bring to the store, which in turn has resulted in greater retail sales, so everybody wins.”

— Jan DeLyser, California Avocado Commission

they are pre-marinated and ready to eat. “TofuBaked is a protein packed, easy alternative to traditional meaty football fare. The Wonton and Egg Roll Wraps also help save time allowing you to create delicious finger foods in minutes,” says Owen. “Simply fill, seal

and bake or fry. The Buffalo Chicken Wraps are especially fitting for the big game.”

They’re also great options for the increasing amount of people who want to watch their waistline and feel like they’re indulging without totally breaking the calorie bank.

CREATIVE THINKING

The month preceding the Super Bowl is a great time for retailers and the companies behind the food to offer contests, promotions and out-of-the-box thinking tied into the championship game.

This year Vitasoy-USA is working with entertaining expert Kris Schoels of The Chic Wife blog to provide its consumers with easy recipes and tips using its Wonton and Egg Roll Wraps.

“Kris created four great recipes for us and also filmed a series of how-to videos to showcase how simple and delicious our wraps can be,” says Tanja Owen, senior brand manager for Vitasoy-USA, headquartered in Ayer, MA. “One of the recipes was especially created with the Super Bowl in mind — Buffalo Chicken Wraps — a twist on the classic chicken wing. In addition to posting these on our website, we’ll also be sharing extensively on social media to inspire consumers around the big game.”

An interesting concept that Sandpoint, ID-based Litehouse Foods promotes in the month leading up to the Super Bowl involves engaging consumers through its social media platforms by setting up a tournament between its different dip offerings.

“This allows the consumers to vote on their favorite dips/flavors to advance on to a championship or ‘Super Bowl’ if you may,” says Jake Oliver, assistant brand manager for Litehouse Foods. “Giveaways will be awarded to select consumers

throughout the road to the Super Bowl. There will also be POS materials/signage supporting this promotion in the stores.”

Display contests at retail performed very well, according to Jan DeLyser, vice president of marketing for the California Avocado Commission, headquartered in Irvine, CA. “Incentivizing produce managers to build large, creative displays has proven to be a real hit with shoppers and the retailer,” she says. “The shopper enjoys the fun and excitement these displays can bring to the store, which in turn has resulted in greater retail sales, so everybody wins.”

In 2010, Wholly Guacamole created a football-watch theme called “home-gating” and trademarked that word. The idea was to create home-based football watch parties that were economical and fun. The homegating theme hits many different outlets including all of Wholly’s social media pages, digital display ads, printed FSIs, product packaging and in-store POP.

“We created HomegatingHQ.com as a resource full of recipes, party decoration ideas and downloadables, fun trivia and coupons,” says Jay Alley, vice president of sales and marketing for Fresherized Foods, the Saginaw, TX-based company responsible for the Wholly Guacamole brand. “Each year the website is tweaked to bring in new ideas, new recipes and a variety of brand partners.”

John Dunne, senior vice president,

client development fresh foods, Acosta Sales and Marketing, headquartered in Jacksonville, FL, believes there is no better word than “free” when wanting to grab someone’s attention. “Buy guacamole mix, get avocados free. Buy chicken wings, get free refrigerated ranch or blue cheese dressing. Buy charcoal, get free veggie kabobs, etc. Discounts on complementary products also work well,” he says. “Hosting contests for the best store displays also helps generate enthusiasm around Super Bowl sales at individual retail locations.”

In advance of the Super Bowl, the National Watermelon Board reaches out to consumer media to inspire and share crowd-pleasing carvings and cravings, such as: the Watermelon Helmet, which is a centerpiece that doubles as a fruit bowl, or the Fire and Ice Salsa recipe, which adds a twist to the classic salsa by combining watermelon, green peppers, lime juice, cilantro, green onions and jalapeño peppers.

“Watermelon stands out because it is so universally loved, and there is so much you can do creatively with it,” says Stephanie Barlow, director of public relations and social media for the Winter Springs, FL-based National Watermelon Promotion Board. “You really get a great value by using the fruit of the watermelon in recipes as well as carving up a creative centerpiece or serving bowl to further entice the healthy options.”

pb

Recent trends have seen tofu, peppers, avocados and grilled nuts become part of popular Super Bowl dishes.

“Just about anything you can grill can be a viable tie-in as long as you call out its use,” says Dunne. “In addition, promoting a produce item such as pistachios or almonds as a healthy snack is a big opportunity. The Super Bowl is a big chili day as well, and offering fresh onions, jalapeño and chili peppers as part of a recipe can inspire purchases.”

For the past three Super Bowl seasons, fresh salsa has been included in most produce sections. Today, there are a variety of versions available, including fruit salsas, corn salsas, tomato salsas and bean salsas.

“The best way to capitalize on fresh salsa sales is to offer the specific varieties preferred by the store’s customer base. Then, venture outside of the norm, and introduce new flavors and offerings through demos and promotions,” says Dunne. “Additionally, retailers can capitalize on usage beyond dipping by teaching customers how to use salsa as a recipe ingredient.”

Think Fruit

Roger Pepperl president of Stemilt Growers LLC, based in Wenatchee, WA, has seen a rise of apple and pear sales over the years thanks to the Super Bowl.

“We are the ingredient in many fresh salads now, which are starting to appear more at Super Bowl parties as the health trend continues,” he says. “Pear desserts are also a big hit and tie-ins with wine and cheese with pears are becoming more popular.”

Stephanie Barlow, director of public relations and social media for the National Watermelon Promotion Board, headquartered in Winter Springs, FL, says it has a Super Bowl watermelon outreach program in place for consumers to get people thinking about the fruit for the Super Bowl, as it does for the summer months.

“Keep guests light-on-their-feet with creative uses of fresh watermelon. From helmet carvings to cravings of sauces and salsas, adding watermelon to the menu scores a touchdown every time,” she says. “Watermelon is a terrific choice to celebrate any and every occasion, as it is now available year-round thanks to the export markets of Mexico and Central America. Not only is watermelon always a crowd pleaser, but in February, it’s a great addition to the snack table for the big game.”

With February being American Heart Month, Barlow says watermelon is the perfect ingredient for football fare.

Aside from being an excellent source of hydration and nutrients, red watermelon also adds a healthy dose of lycopene — the pigment that gives watermelon its distinctive color, and the antioxidant responsible for defending against cardiovascular disease and some cancers,” she says. “Additionally, while the focus is on the big game and its entertaining commercials, Americans don’t have to sacrifice their waistline. Watermelon, which is more than 92 percent water, refreshes, rehydrates and offers a healthy balance to the typically heavy

tailgating treats.”

Guac Rules

Avocados continue to rise in popularity, and industry pundits declare it as one of the most important foods come Super Bowl season.

“It was estimated that 100 million pounds of avocados were consumed during Super Bowl weekend in 2014, which was a 30 percent increase over 2013,” says Samantha McCaul, marketing manager for Concord Foods, Inc.,

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based in Brockton, MA. “Most of these avocados are used for making guacamole.”

Fresherized Foods’ Alley asserts guacamole is still the No. 1 choice for people hosting Super Bowl parties — and the company’s sales have been testament to that. “By providing ‘build-your-own’ options at parties, consumers are able to feed a large group of people in a way where all tastes and diet requirements can be met,” he says. “From gluten free, to vegan, to meat-lovers — there can still be one meal that meets many tastes.”

In partnership with Durham, NC-based marketing agency, W5, the makers of Wholly Guacamole products fielded a quantitative online survey between February 12 and 24, 2014 (the week after the last Super Bowl), comprised of 1,214 refrigerated dip consumers, between 25 and 50 years old. According to the study, 34 percent of consumers like eating guacamole on hamburgers; 37 percent on a salad; 68 percent with Mexican food; 47 percent with fresh veggies; and 45 percent on a sandwich.

“When the economy dips, the first things to go are the extras. Seeing live football games may not be economically feasible for many families. That being said, they love the tail-



PHOTO COURTESY OF CALIFORNIA AVOCADO COMMISSION

gating memories they have with friends and families in support of their teams and that is why homegating parties are important,” says Alley. “Convenience is important to the food served, but flavor is a must. By creating a delicious dip that’s versatile and easy to serve, Wholly Guacamole products are a homegating party must-have.”

Jan DeLyser, vice president of marketing for the California Avocado Commission, headquartered in Irvine, CA, notes that when the organization first began marketing the Big Game as a promotional vehicle it was much different.

“Consumers did not associate avocados and guacamole with the Big Game. Now, after



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many years of marketing, consumers think of holidays and events such as the Super Bowl and the Fourth of July as perfect opportunities to celebrate with avocados," she says. "In 2014 the Fourth of July was the top volume event for avocados followed closely by the Super Bowl."

Since California avocados are generally available for retail promotion from spring through fall, some early season harvesting is necessary for the Super Bowl, so supplies are limited.

"Retailers should coordinate early with their avocado handlers if they want to merchandise California avocados for the Super Bowl," says DeLyser. "Promote avocados at least a week prior to the game, and continue the promotion through the day of the game."

Marketing Matters

When someone is hosting a Super Bowl party and planning the food choices, they typically seek crowd-pleasing items. Since tofu typically isn't the first word that springs to mind when you think big game fun, Vitasoy-USA offers special promotions to alter people's perception about the food.

"To encourage trial during this time period, we distribute trade promotions so

"To encourage trial during this time period, we distribute trade promotions so consumers can find the product on sale, making them more likely to try or purchase several packages to feed party guests at their homes."

— Tanja Owen, Vitasoy-USA

consumers can find the product on sale, making them more likely to try or purchase several packages to feed party guests at their homes," says Owen. "We utilize in-store racks and point of purchase displays to call attention to what the brand offers — ensuring consumers are aware that Nasoya can provide delicious solutions for game day entertaining."

According to Acosta's Dunne, effective produce marketing requires a combination of in-store signage (which is supremely important), displays, cross-merchandising, hot prices and advertising, both in-store and print ads.

"Using these vehicles; the goal should be to get consumers to think about healthy snack alternatives for the Super Bowl and recognize the value behind promotional pricing and large displays," he says. "It's all about the perception of value and the excitement associated with a significant display. One tactic that works particularly well is to provide and promote recipe ideas that incorporate the sale items, making it a 'no-brainer' for consumers to figure out how to put the products together for their gathering."

For example, a layered Mexican bean dip recipe incorporates ingredients from produce (guacamole, fresh salsa and tomatoes), dairy (shredded cheese and sour cream) and grocery (refried beans and tortilla chips).

Alley says the Super Bowl party is not the time consumers are trying recipes for the first time. Because the food is such a big part of the success of the party, folks want to serve the best recipes they know their friends and family will love.

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“The Wholly Guacamole marketing for homegating parties begins in early November. This allows the consumer time to try our products throughout the football season and then be ready to add us to their lineup for the Bowl games leading up to the big game,” he says. “From November to December, our packaging will display the Homegatinghq.com logo and verbiage. In addition, matching channel strips will be available to further drive home the message.”

In Alley’s opinion, destination stations can help draw in consumers and allow cross-department participation in the store.

“For instance, earlier this year, several Target Super-centers provided Walking Taco destinations that included Jennie-O ground turkey, Wholly Guacamole and Doritos,” he says. “By sharing these easy-to-create meals and allowing the consumer to conveniently find the ingredients together, many departments benefit.”

Attracting Attention

While the focus will be on the larger commodity displays, Dunne advises offering a loss leader, as some margin can be made up with complementary product tie-ins, such as a

high-margin guacamole mix next to a large display of avocados.

“Displaying all kinds of value-added produce items in other departments also works well,” he says. “For example, positioning refrigerated salad dressing with wings in the meat case or veggie kabobs merchandised alongside grilling meats. Consumer preferences vary, so to maximize sales display both make-your-own and pre-packaged options.”

Pepperl believes big displays are warranted during football playoff time, and Stemilt offers Pearology signs showcasing cheese and wine pairings in an eye-catching way.

“The Super Bowl is all about being large, and the produce department needs to compete with the snack food and beverages with unique, colorful displays,” he says.

DeLyser advises retailers to place recipes online and in their best-food day ad, to increase basket ring.

“Build some super attention-getting displays in store — the bigger the display, the more attention you’ll get,” she says. “Consumers want attractive displays with lots of fruit to choose from. They also want the ability to select different levels of ripeness.”

McCaul notes guacamole and salsa are

staples at Super Bowl parties, which is why Concord Foods’ guacamole mixes and salsa seasoning mixes are perfect for Super Bowl-themed displays in produce departments.

“Stores should create displays of avocados, tomatoes, guacamole and salsa seasoning mixes and other complementary tie-ins, such as tortilla chips,” she says. “Placement is key — these displays should be up front and center.”

To help, Concord Foods offers a football-themed shipper display, which is perfect for the Super Bowl.

According to Litehouse Foods’ Oliver, starting around January, stores should start engaging the consumers by providing a way to express their passion surrounding the Super Bowl — especially with signs and promotions about the teams and foods that will be part of the Super Bowl experience.

“Studies show that three to four snacking occasions per day increased by 12 percent amongst all consumers. Snacking continues to replace traditional meal times and when consumers snack they are looking for fresh alternatives,” he says. “Getting consumers to think about this during the football playoff season can lead to increased sales throughout the year.” **pb**

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According to U.S. Department of Agriculture statistics, top produce items from Mexico include: tomatoes, watermelon, cucumbers, squash, peppers, grapes, mangos, melons, avocados, limes and bananas.

Merchandising Mexican Produce

A little TLC on key items sourced from Mexico can yield big rewards during winter months. **BY JODEAN ROBBINS**

Mexican produce is a significant contributor to produce departments during the U.S. and Canadian winter months. “Without products from Mexico, any produce department would be totally unrecognizable compared to what it is today,” claims Alejandro Canelos, director for Apache Produce Imports in Nogales, AZ.

“Mexico provides us with crops we would otherwise transition away from,” says Maroka Kawamura, produce director for New Leaf Community Markets in Santa Cruz, CA. “While we do always carry local in season, off season, Mexico is invaluable to our organic program.”

According to U.S. Department of Agriculture statistics, top produce items from Mexico include: tomatoes, watermelon, cucumbers, squash, peppers, grapes, mangos, melons, avocados, limes and bananas.

Customers continue to seek items from Mexico throughout the winter, and a little focus on merchandising yields rewards. “Customers expect availability of most all produce items throughout the year without interruption,” says Darvel Kirby, business director of produce for United Family of Supermarkets, Lubbock, TX, which operates 66 stores under five unique banners: United

Supermarkets, Market Street, Albertsons Market, Amigos and United Express.

Tomatoes – All About Variety

Mexico offers a wide variety of tomatoes, a key advantage to driving sales. United’s Kirby says, “Offering variety is important. Customers want the same variety they buy in the summer months.”

“Mexico has all varieties available all the time,” says Alfonso Cano, produce director at Northgate Markets, a 38-store chain in Anaheim, CA. Cano says it’s easy to sell Roma tomatoes and arrange them on a two-layer display, but salesmen and growers have to offer variety.

Providing the right tomato for the job results in repeat and increased sales. Michael Joergensen, director of marketing for NatureSweet, LTD in San Antonio, TX, explains, “Consumers desire certain tomatoes for certain usage occasions. When they don’t purchase the right tomato for the right occasion, they tend to be disappointed and are not as likely to repurchase.”

“Variety is important because consumers have different needs when they’re looking to buy tomatoes,” agrees Canelos. “Each subset of the overall category has its own advantages and uses.”

Size and color also play an important role in moving tomatoes. “Consumers prefer small tomatoes 75 percent of the time,” reports Joergensen. “Small tomatoes are now 33 percent of the category — almost double 10 years ago.”

The No. 1 influencer is to sell tomatoes with color advises Cano. “Some retailers buy a greener color to limit shrink. We always buy to sell, not to lose. We carry all available varieties regardless of retail, because there is a customer for each. If we have one variety on ad we maintain the same display area on all the others.”

Consistency and price stability are benefits of Mexican-sourced tomatoes. “There are many foodservice companies relying on the availability of Mexican tomatoes to make their whole programs for the year,” says Jaime Chamberlain, president of J-C Distributing in Nogales, AZ.

Chamberlain says with the suspension agreement [established by the USDA’s Agricultural Marketing Service] that was amended again in March of 2013, “it’s much easier for retailers to know their bottomline price. Changing the price of tomatoes on a weekly basis isn’t conducive to sales. We’d sell more if we stayed at relatively the same pricing year-round and customers would feel

a lot more confident that way.”

Watermelon – Promotion Driven

Mexico provides watermelon year-round helping bump the category out of a summer-only perception. According to the National Watermelon Promotion Board (NWPB) in Orlando, FL, watermelons from Mexico make up roughly 88 percent of imports in the U.S. “They are important, because they aid us in the ability to provide year-round availability of watermelon,” says Juliemar Rosado, marketing communications manager for the NWPB.

Watermelon sales are very responsive to ads and promotion. “This category is 100 percent ad-driven, and the retail price is the driver,” says Northgate’s Cano. “We sell watermelons by the pound, and if you retail at \$.99 then you could have a \$15 melon. Therefore, you have to promote.”

Promote watermelon as delicious and nutritious. “Seventy-four percent of consumers say they are more likely to buy watermelon if they knew it was healthy,” says Rosado. “So be sure to include health and nutrition information wherever you can, such as on displays, signs, newsletters, ads.”

Differences in shipping also affect winter merchandising. “Watermelons are delivered in cases instead of bins from Mexico,” says Cano. “This changes the dynamic of merchandising. In the summer, most displays are in the lobby or outside areas in bins. When delivered in boxes, stores can order less quantity and merchandise on table displays.”

Fresh-cut provides additional opportunity. “Another key to maintaining sales is fresh-cut and value-added,” says Cano. “This is a different type of customer who is willing to pay more for the convenience of a ready-to-go bowl or cut fruit.”

“If you display whole and cut watermelon side by side it creates great eye appeal and increases sales of both an average of 67 percent,” adds Rosado.

United’s Kirby concurs, “We offer a fresh-cut program in our stores, and we need good quality melons throughout the year to cut in-store. Retailers should offer cut melons and control margins so retail pricing is acceptable to customers.”

Avocados – Ripeness Options

Mexico is a crucial supplier for avocados, helping to build demand. “Mexican avocados provide year-round availability for retailers — contributing to the year-over-year increase in demand since becoming available in the U.S.,” reports Kellen Newhouse, vice president

MEXICO MAKING STRIDES

PRODUCE BUSINESS EXPLORED MEXICO’S COMMITMENT TO FOOD SAFETY AND STRATEGIES TO INCREASE AG EXPORTS IN A RECENT INTERVIEW WITH ENRIQUE MARTÍNEZ Y MARTÍNEZ, SECRETARY OF AGRICULTURE, LIVESTOCK, RURAL DEVELOPMENT, FISHERIES AND FOOD OF MEXICO. **BY JODEAN ROBBINS**

PB: What is Mexico’s current agricultural trade picture with the U.S., especially in produce?

Martinez: Bilateral trade in agricultural products has been thriving. From January to June 2014, the total value of agricultural exports from Mexico to the U.S. surpassed \$11.7 billion. During the second quarter of 2014, the value of Mexican fruits and vegetables exported to the U.S. reached \$5.8 billion (\$2.7 and \$3.1 billion respectively), representing 50 percent of the total value of ag exports to this market.

PB: What are Mexico’s top ag export products to the U.S.?

Martinez: During the same period, Mexico’s main fresh exports to the U.S. were tomatoes and avocados, whose export values reached \$1.2 billion (\$990 million respectively). Other top exports of fresh produce include peppers, berries, table grapes, strawberries and cucumbers. These 7 products represent 30 percent of the total value of Mexican ag exports to our northern neighbor.

PB: What is Mexico doing to promote its produce industry?

Martinez: For the federal government, it is important to continue to develop the agricultural sector and transform it into a competitive engine of social and economic growth. We continue to work in developing new markets and further expanding existing ones to increase opportunities for Mexican agricultural products. An example of this commitment is the Mexican Pavilion at PMA Fresh Summit 2014, where 150 producers exhibited more than 50 different products — ranging from traditional produce such as avocados, mangos and papayas to novelty products such as heirloom mini-tomatoes, baby cucumbers and a variety of mushrooms — proving that Mexico remains a reliable supplier of high quality fresh produce for a sophisticated, well-informed consumer. We are also working to implement new sustainable

of sourcing for West Pak Avocado Inc. in Murrieta, CA.

“In 2014, we currently represent more than 70 percent of the total market share,” says Maggie Bezart Hall, vice president of trade and promotion for Avocados from Mexico (AFM) in Irving, TX. “We are the only avocados available year-round. In 2014, the U.S. market will consume more than 1.8 billion pounds of avocados compared to 500 million in 2000, and 1.3 billion will be fresh Avocados from Mexico.”

Retailers are encouraged to merchandise multiple stages of ripeness. “Our best technique is to offer ripe avocados in two sizes, large and small, and promote often,” says Kirby.

“Get on a ripened avocado program for bulk avocados, if you are not already on one,”

agricultural techniques that will not only help to increase productivity but also to protect Mexico’s biodiversity and natural resources.

PB: What is Mexico doing to further trade?

Martinez: Initiatives such as the High Level Economic Dialogue furthered our conversation and negotiations with the U.S. Government to increase international trade by improving areas such as logistics and transportation, which improve and expedite export processes that will help increase export volumes. Mexican exporters are also using cutting-edge technology to remain competitive and provide the U.S. market with safe and high quality products year round.

PB: How has the FDA and Mexico been working together?

Martinez: With me is Dr. Enrique Sanchez Cruz, director in chief of the National Service of Animal and Plant Health, Food Safety and Quality, who oversees SENASICA’s efforts to guarantee food safety and has worked closely with Deputy Commissioner Michael Taylor and other FDA officials to implement strategies to ensure a regional supply of food that is safe and healthy.

The Mexican and U.S. governments are working to find new and better ways to benefit growers in Mexico and consumers in the U.S. through the establishment of mechanisms for the recognition of equivalencies in organic production programs, harmonizing, grading and quality criteria. SAGARPA (through SENASICA) and FDA are collaborating closely to guarantee food safety on both sides of the border and, together with COFEPRIS, recently signed a statement of intent to establish a new produce safety partnership to ensure high compliance of produce standards throughout the entire production chain in each country (growing, harvesting, packing, holding and transportation). **pb**

advises Newhouse. “Have multiple SKU’s and explore the possibility of carrying conventional and organic as well as bulk and bagged SKU’s.”

“Don’t forget signage to educate the consumers on usage of each stage,” adds Bezart. “Ripe for tonight, ripe for later, or how to speed up the ripening process. This will increase sales through multiple purchases in one basket.”

Other merchandising tips for avocados involve improving velocity and margin. “Increase space and allocation of avocados to include a multi-tiered conventional bulk and bag program, plus organic,” says Bezart. “This will increase sales and volume lift to the avocado category, increase produce department ticket ring by trading up in size and play into multiple consumer needs.”




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Secondary displays and cross-promotions with produce and other departments also affect profit. “Avocados provide the perfect opportunity to co-promote and cross promote with other fresh produce items,” says Bezart. “Cross-promoting with carrier products, such as Old El Paso taco shells and kits or Mission Tortillas, as well as meat and seafood, can really drive the basket ring up!”

“Take advantage of the many secondary merchandising options available, such as display bins, RPC wraps and bag racks,” adds Newhouse.

“AFM offers seasonal programming throughout the year to promote sales and product usage by encouraging consumers to increase purchases of avocados through a bold and assertive integrated, multi-channel media and co-promotions in-store educational campaign,” says Bezart. “The promotions support retail efforts through in-store display materials such as POS and unique secondary display bins, national coupons, text, online and IRC coupons, and consumer and display contests.”

“Avocados from Mexico always supports with POS and in-store contests,” reports Northgate’s Cano. “We run sales and merchandising contests for selective holidays when the Mexican avocado is peaking. With a little added motivation we sell more.”

Mangos – Get Out Of Specialty

Mangos represent another profitable item from Mexico. “Mexico is the largest supplier of mangos to the U.S. and features five of the six main varieties between March and August,” says Angela Serna, communications manager for the National Mango Board in Orlando, FL.

“The mango category always gives us a competitive advantage,” says Cano. “Our customers want mango every day, and we sell them ripe with high color.”

Wendy McManus, retail program manager for the National Mango Board advises, “Move mangos out of the tropical or exotics section. Mango sales comprise 39 percent of tropical fruit sales, which is by far the largest share. Mangos are moving to the mainstream, and their placement in Tropicals is no longer consistent with how shoppers think of mangos.”

“Treat mangos like a banana,” says Bill Vogel, president of The Vision Companies in Los Angeles, CA. “Get them out of the specialty fruit area.”

Concentrating on variety and quality increases sales. “Offer two sizes, large and small, or two varieties when possible,” suggests

“Mangos are moving to the mainstream, and their placement in Tropicals is no longer consistent with how shoppers think of mangos.”

— Wendy McManus,
National Mango Board

United’s Kirby. “Also offer ripe fruit and promote with ads.”

“Color sells,” says Cano. “Green mangos are only good to avoid shrink. We take the risk and maximize the probability of sale by selling colored mangos.”

Handling to preserve quality also affects sales. “Keep mangos out of refrigeration at the store,” cautions McManus. “Don’t put them in the back room cooler or on a refrigerated display rack. Refrigeration at the store can cause chill damage negatively affecting the texture, flavor and appearance of the mango. Use the NMB’s ‘Treat Me Like A Banana’ back room sign to teach employees not to refrigerate mangos at the store.”

Employee education on mangos is only a click away with NMB programs. “Send your store employees to mango.org/university [a short online training program] to learn best practices for mango handling and merchandising,” suggests McManus.

Mango POS materials are available at no charge to help educate shoppers about mango selection, cutting, nutrition and usage. “The POS materials range from smaller pieces like traditional header cards and tearpads to bigger pieces like posters, banners and balloons,” says McManus. “Our site is absolutely packed with great tools to help retailers move more mangos, including Consumer Research and Category Development reports, POS and training materials, crop report and custom historical reports, recipes, photography and marketing messages and mango nutrition information.”

Bananas – Organic Alternatives

Organic bananas from Mexico are making inroads into the U.S. market due to quality and availability. “Since our organic bananas come from Mexico, they travel a shorter distance and don’t need to come by ocean freight,” says Mayra Velazquez de Leon, president of Organics Unlimited in San Diego, CA. “We can deliver them to the U.S. in four days versus two

to four weeks.”

Even though bananas are well-known, promotion can help stimulate extra sales. “While bananas are the top seller in most produce departments, cross-merchandising them and promoting health and nutritional benefits is important to increasing those sales even more,” says Velazquez de Leon.

“Often because they’re not seasonal, bananas don’t get promoted along with other Mexican produce,” continues Velazquez de Leon. “We believe cross-merchandising bananas in a variety of places throughout the store, not only in the produce section, helps increase the impulse buy.”

Considering other banana-family options adds sales. “In the case of plantains, red bananas and coconuts, consumers are less aware of how to use these products, so providing recipe or preparation instructions can be extremely useful,” says Velazquez de Leon. “We have merchandising tips and promotional materials on our website.”

Chili Peppers – Educating The Consumer

Chili peppers from Mexico supports a new focus in the category. “The Mexican chili pepper program is essential to fill the growing needs of our customers,” says John Caldwell, vice president Arizona sales for The Vision Companies in Phoenix, AZ. “Supermarkets want a constant supply, so consumers can rely on weekly availability. Mexico’s role in this cycle is critical since it fills those needs with chilies seven to eight months out of the year when other growing areas are restricted due to weather.”

A successful chili pepper program must have variety, consistency and new products. “A consistent supply of staple chili peppers, such as jalapeño, pasilla, habaero, serrano and others, is a crucial component,” says Caldwell.

“Building customer loyalty and exposing them to new products is always beneficial,” continues Caldwell. “Promoting chili peppers not only increases the average dollar per cart but exposes the consumer to additional cuisines. Today’s consumers are looking for new items and recipes.”

Promotion and cross-merchandising increase sales. “We promote peppers frequently in our ads,” says United’s Kirby. “Always be fresh and expand displays of peppers when on ad.”

“Cross-merchandising is key with chili peppers,” advises Caldwell. “Tying in related products such as tomatoes and avocados help complement ideas and items for recipes, cooking and hosting meals.”

pb



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Chile Maintains Leadership As Source Of Winter Fruit (Part I)

Chile seeks to uphold its status as a leading Southern Hemisphere exporter via new varieties, packaging options and production methods. **BY JODEAN ROBBINS**

Chile's produce industry built a strong foundation as a leading source of winter produce. "For many categories, Chilean product helps us sustain sales we normally enjoy during the summer throughout the winter with top-quality product," says Paul Kneeland, vice president of produce, floral, seafood and meat for Kings Food Markets in Parsippany, NJ.

"For many years, North American retailers have been buying Chilean products to satisfy consumer demand when domestic products are not available due to seasonality," says Dionysios Christou, vice president marketing with Del Monte Fresh Produce in Coral Gables, FL. "Chile produces a wide variety of high-quality products, and they have best-in-class food safety systems in place."

"According to the Office of the United States Trade Representative, U.S. imports of agricultural products from Chile totaled \$2.9 billion in 2013," says Gina Garven, category insights manager at Robinson Fresh in Eden Prairie, MN. "This makes Chile the eighth largest supplier of agriculture imports. Leading cate-

gories include fresh fruit at \$1.6 billion and processed fruit and vegetables at \$254 million."

Chile's variety of products aids retailers in providing year-round supply in many crucial categories. "Chile has a wealth of produce items to choose from, including deciduous fruit items, one of the biggest components of the produce department," says Steve Monson, senior sales representative at Robinson Fresh. "Chile exports some of the traditional fruit items to the U.S. — include grapes, stone fruit, citrus, cherries, blueberries, and avocados."

"Chile offers an excellent array of items during the U.S. counter season allowing year-round availability of many key items including berries, stone fruits, and tree fruits," agrees Michela Calabrese, director at Interrupcion* Fair Trade in Brooklyn, NY.

Despite challenging years, Chilean exports to the U.S. continued to grow during the past decade. "Statistics show how Chilean fruits to the U.S. evolved during the past five years," says Karen Brux, managing director of the Chilean Fresh Fruit Association (CFFA), North America, based in Santiago, Chile. "The 2013/14 year was very off kilter. Chile suffered

the worst drought in 80 years and also had a three-week port strike. It is more accurate to compare 2008/09 to 2012/13. This shows export volume to the U.S. has been quite stable."

"During the past 10 years, the annual growth rate of fruit and vegetable imports to the U.S. from Chile is 7.2 percent," states Garven. "However the recent growth rate is higher at 12.1 percent annually within the past five years. Grapes account for nearly half of the total fresh import volume; apples, avocados, berries, and stone fruit account for the bulk of the remaining share, according to FAOStat [the statistics division of the Food and Agriculture Organization of The United Nations]."

Production Trends

While Chile continues to invest in key commodities, weather-related factors may affect production. "This winter, retailers should look to focus on grapes, cherries, blueberries, apples, pears, citrus, kiwi, and avocados," advises Christou. "Stone fruit was affected badly from the freeze and quantities might be tight."

However, marketers remain bullish on stone fruit. "Stone fruit volumes will return to histor-

ical levels as the industry recovers from the 2013 frost,” says Evan Myers, executive director, South American imports for the Oppenheimer Group in Coquitlam, British Columbia. “Good

volumes of peaches, plums, nectarines, apricots and more will be available for promotion throughout the season.”

New acreage in berries and cherries offer

retail opportunity. “Cherry and blueberry acreage is increasing, and new grape and citrus varieties are emerging and being tested in the U.S. market,” reports Myers. “Cherries

CHILE PLEDGES COMMITMENT TO NORTH AMERICA

Ronald Bown, Chairman of the Chilean Fruit Exporters' Association (ASOEX) speaks with *PRODUCE BUSINESS* regarding the promise. **BY GILL MCSHANE**

Q: How significant was last season's frost, the port strike and the moth outbreak in blueberries?

A: Last year, Chile suffered the worst freeze in 80 years, plus a three-week port strike, which occurred mid-season and therefore posed numerous challenges. It resulted in a significant overall decrease in Chile's exports to the world. In 2013/14 exports fell by 11.4 percent to 2,350,543 tons, compared with 2,654,255 tons during 2012/13. For blueberries, global exports declined by 14.5 percent. While the moth outbreak had an impact, the situation was controlled and manageable once the information was gathered and the export protocols were established.

Q: What impact did the problems last season have on trade with North America?

A: We estimate that the decrease in exports resulted in a loss of \$540m in revenues. Specifically for the U.S., this meant a reduction of 12.5 percent in the volume of fruit exported, which is equivalent to 107,140 tons in comparison to the previous season. The most impacted categories for the U.S. were: plums (whose volume fell by 56.3 percent), nectarines (-51.9 percent), peaches (-38.2 percent), kiwifruit (-31 percent), blueberries (-27.7 percent), table grapes (-19.1 percent) and apples (-13.2 percent), among other species.

Q: Have those events prompted any long-term changes to the set-up and attitude of Chile's fruit industry?

A: I believe last season's events changed the attitude of Chile's fruit industry in terms of the urgency to resolve issues related to fruit that have a great impact on the industry, such as the ports and their workers' conditions. This is long-standing concern that hasn't been correctly addressed over the years.

Q: What is already done to address those concerns? What measures still need to be put in place to improve the situation for this season and beyond?

A: As an association, ASOEX has taken a very active role in defending our members, exporters and producers, while also collaborating with our government's authorities to reach a mutually beneficial solution to the specific issues that caused the strike last year. Additionally, we also contributed toward creating a new legal framework to provide a solution to the port workers' requests.

Q: To what extent can Chile's fruit sector safeguard itself against such events? For instance, is the adverse weather simply a new reality?

A: We're taking every step possible in order to manage and mitigate adverse events that can be handled. For other challenges, we have to adapt. The weather is a reality that we have been witnessing annually during the past five to seven years. The drought in the northern part of Chile has long been present and impacted the crops in that region.

Some fruits have therefore “moved” to the South where conditions changed and production was made possible in areas that — decades ago — were too cold for some fruit.

Q: How is Chile's fruit industry addressing the labor shortage? Is that an even greater threat than the weather and port strikes?

A: The labor issue is always on the radar. We have strong competition with other important industries in Chile. The mining industry, in particular, poses a real challenge for us — especially when copper prices are high and labor is scarce. To tackle this challenge, ASOEX has undertaken a dedicated approach to the training and development of workers linked to our industry. We offer training opportunities and specific fruit handling skills certification for field and handling workers, thus improving their capabilities, and also positioning them as qualified labor, which benefits both the employer and the worker. It's also an incentive to stay in the fruit industry and not search for better conditions elsewhere.

Q: How would you say Chile's fruit business compares with five or 10 years ago?

A: The Chilean fruit industry knows it needs to work much harder to maintain its leadership position. Other countries are being more aggressive in the products they're introducing, as well as the sales and marketing plans they're putting behind those products. So, our growers and exporters are investing more in R&D. They're spending more time in the global market learning what their customers want, and they're adopting some international best practices in their operations. Today's customer — both retailer and end user — are much more sophisticated than even five years ago. We realize this, so we're stepping up the pace and always looking forward.

Q: What is the export outlook for 2014/15? Are you anticipating a better campaign?

A: We anticipate a very strong season. North American retailers can look forward to receiving strong, high-quality volumes of Chilean fruit. I believe we'll be able to recover our historic volume exported to North America as well as maintain our position as the main supplier of fresh fruits during the winter.

Q: Do you still see potential for future growth in North America despite it being a well-established market? Are there ample opportunities in relatively unexplored avenues like foodservice?

A: There are definitely ample opportunities to keep growing in North America. The foodservice industry is a great example. Almost 50 percent of the fruit imported by the U.S. is used in restaurants, fast food chains, hotels and other such industries. That, coupled with the increasingly important need to have safe and healthy food, represents a great opportunity for Chilean fruit in the US.

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pose an exciting opportunity as their growth has been exponential. This year's crop is early, making fruit available for Christmas and New Year's promotions."

Grape production is a bit more complex. "While blueberry and cherry production continue to increase, grape production in the North decreased due to the regional drought and subsequently low yields," explains Robinson Fresh's Monson. "As a result of this, grapes vines are increasingly being replaced by nut production which is increasing in Chile."

Yet Chilean grapes should still be abundant. "We're expecting grape volumes to bounce back to normal levels after last year — when the supply was affected by frost," says Myers. "Fruit should be plentiful for grape ads throughout the late winter and early spring — driving sales on such holidays as Valentine's Day, St. Patrick's Day and Easter."

Options In Sustainability

Sustainability and fair trade continue to provide unique opportunity with consumers.

While interest in fair trade is growing, many consumers still have a limited understanding of what it entails and who it benefits, according to The Hartman Group's *Sustainability 2013* report. The report cites how the fair trade dimension allows consumers to feel as though they are contributing to the greater good of the planet, a form of fellowship with other humans in faraway places.

"Fair Trade interest is increasing among consumers," says Kneeland. "It's a differentiator when you have Fair Trade items in stores especially when it fits with your go-to-market strategy."

Chile positioned itself as a leader in developing a formal sustainability program. "ChileGAP is the sustainability program of the Chilean fruit export industry and is recognized in the different markets Chile exports its fresh fruit," explains Brux. "This is not just a trend but a standard for the international market. Since we are an open country, and the largest exporter of fresh fruit from the Southern Hemisphere, we need to comply with these requirements if we want to stay competitive."

Brux continues, "The ChileGAP initiative is based on four foundations of society, environment, food safety and economic sustainability. To meet the requirements of food safety, labor issues, sustainability, traceability and others established by the authorities and market players, either from Chile and other countries that consume Chilean fruit, we developed simple guidelines adapted to our production."

Chile is currently shipping various products

FLUCTUATING ORGANIC

Chile is persevering in its quest to provide organic items to meet growing U.S. demand. "Reviewing the market numbers of past years, one can see the organic market steadily grew," says Karen Brux, managing director of the Chilean Fresh Fruit Association (CFFA), North America, based in Santiago, Chile. "The U.S. is one of the largest markets for these products. In Chile, the main organic categories for fresh fruit are blueberries and apples."

"Retailers are clearly looking to expand their organic offerings, so demand for Chilean organics is high," says Evan Myers, executive director, South American imports for the Oppenheimer Group in Coquitlam, British Columbia. "Some Chilean products, such as peaches and berries are growing in organic availability. We are particularly looking forward to offering organic blueberries to our Canadian customers this season. Organics in general are increasingly popular and we view them as a good opportunity for Chilean growers."

Retailer New Leaf Community Markets in Santa Cruz, CA, counts on Chilean supply to round out its organic program.

"We primarily handle organic blueberries from Chile," says Maroka Kawamura, produce director for New Leaf, operating eight stores. "The Southern Hemisphere crop of organic blueberries allows us to offer our customers year-round availability. Though last year was a very challenging year for Chilean blues because of the grapevine moth, in general, we see increasing volume of blueberries via Chile annually."

However, organic production in Chile has limitations. "While organic avocados and apples are likely to increase in availability, the majority of Chilean production during this time is of conventional produce items," says Steve Monson, senior sales representative at Eden Prairie, MN-based Robinson Fresh. "One component hindering availability of organic products in Chile is the U.S. fumigation requirements."

"It is very difficult and expensive to produce organics in Chile due to harsh weather conditions, pests, and long-distance traveling for different markets," adds Dionysios Christou, vice president marketing with Del Monte Fresh Produce in Coral Gables, FL.

pb

under Fair Trade or GAP certification.

Del Monte Fresh Produce is Global Gap certified and Rain Forest Alliance certified. "Grapes, apples, and stone fruit are available under these programs," reports Christou.

Interrupcion* is developing and expanding new supply of Fair Trade certified production in Chile with the creation of supply development and export offices in 2012. "Additionally, we are incorporating biodynamic production methods to benefit nutritional vitality in our fruits and increase yields and the health and sustainability of natural resources like soil and water," says Calabrese. "Fair trade products from Chile include blueberries, apples, avocados, cherries, Asian pears, table grapes and wines."

Confronting Challenges

Despite Chile's tremendous success story, the industry continues to encounter challenges. "Like growers everywhere, Chilean producers are challenged by the elements outside of their control," says Myers. "Scarcity of water, weather events, exchange rates, labor shortages and the

general costs of doing business all play a role."

"The biggest challenges facing the Chilean fruit industry are areas with lack of water, lack of labor, and a strong increase of competition from other countries," adds Christou.

Climate changes affected the market in recent years — as evidenced by last year's drought on grapes and this year's freeze in stone fruit. A variety of climate changes, such as the drought in many areas in Chile, remains a challenge for the Chilean fruit industry," explains Monson. "The best way to combat or overcome these challenges is through open communication and a close understanding between buyers and suppliers of their respective economic landscapes and regional growing conditions."

Chile's distance from the U.S. market also presents limitations. "The biggest challenge for Chile's tree fruit is how it must be shipped for two weeks after picking," states Kings' Kneeland. "The process doesn't lend itself to eating quality when it gets to market. If some improvement could be made in taste profile — to get fruit to eat better with higher sugar — then this would be a big opportunity for Chile."

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Produce In Costco Size

The club store aims to provide its members with quantity and quality.

BY CAROL BAREUTHER, RD

Gargantuan is the first word that comes to mind when you drive up to the Costco Wholesale Corporation's store No. 27 in Tustin, CA. This adjective has little to do with the fact that Costco (headquartered in Issaquah, WA) is a corporate giant that ranks as: the third largest retailer in the world with a total of 663 stores in the U.S. and eight other countries (Mexico, Canada, the U.K., Taiwan, Korea, Japan, Australia and Spain); the second largest retailer in the U.S.; and the largest membership warehouse club chain in the U.S.

Instead, there is a trio of factors that make "gargantuan" the correct word to use to describe this mass merchandiser's location in Tustin. First, it's housed in what used to be a hanger for blimps. Second, it's home to some 5,000 members, and third, its produce sales are the stuff of smaller retailers' dreams.

There are two Costco stores in Tustin. Store 27, called Costco at the District, is located at 2700 Park Avenue on land that formerly housed the Tustin Marine Base. Here, there are two hangers that were part of several built nationwide to house the airships of the U.S.'s anti-submarine defense during World War II. The Tustin hangers (completed in 1943) each stand some 178 feet tall with a total of nearly 300,000 square feet inside — the equivalent of about five football fields. Hanger No. 2, which may be turned into a regional historic park in the future, sits less than a quarter mile away from hanger No. 1, which is the location of Costco at the District.

"This store opened in May of 2007, and it's one of the largest in the company at 159,000 square feet," says store manager, Rick Borgens. "We easily average 6,000 to 7,000 people through here on the weekends."

Shopper demographics at Costco's store 27 mimic those of the surrounding city. Tustin's population is 75,540, according to the 2010 U.S. Census, with a medium household income of \$74,011. In 2009, *Forbes* named Tustin as one of the Top 25 towns to live well in America due to the high income plus one of the shortest commutes in Southern California (Tustin to Los Angeles is a 20-minute drive). Caucasians, Hispanics and Asians represent the largest ethnic groups with nearly 20 percent of the population represented by "other" ethnicities.

There's no produce displayed at the entrance of the store. Instead, it takes a good 2-minute walk through aisles of clothing, electronics and housewares to reach the corner where fresh fruits and vegetables are sold. Borgens explains that the produce department can expand and shrink in size based on availability and customer demand. However, it



Despite a limited assortment and relatively small display space in relation to total store size, produce sales are indeed huge. Estimated sales for this Costco's weekly produce sales average \$250,000 in the summer and \$350,000 in the winter.



usually averages 3,600 square feet of the store's total floor space, plus an additional 384 square feet of cooler space in the back. This means that the produce department equals 2.2 percent of the entire store's floor space. At the same time, fresh produce dollar sales represent nearly three times this (or 7 percent of total store dollar sales).

"That 7 percent might sound low, but the store sells lots of other high-ticket items. Products vary, from staples such as clothing to a bakery, a deli, a meat department and a food court, as well as a pharmacy, a hearing aid center, an optical department, a tire service center and a gas station with 22 pumps," Borgens says.

This Costco stocks 108 SKUs of fresh produce. The emphasis is on pallet quantities

that can easily be driven onto the floor. This means low labor costs. There are only four morning and two afternoon non-unionized stockers in produce. These employees receive shipments of fresh fruits and vegetables delivered from the company's central distribution center in Mira Loma, CA, six days a week, then sort it and drive it on the floor. A minimal amount of produce, namely bananas, is delivered direct to the store.

The non-refrigerated portion of the department, about 60 percent of produce, is filled with bins of bagged potatoes (Red, Yellow and Russets), sweet onions, and sweet potatoes, as well as several long rows — built five or more high — of cardboard cartons displaying Roma, Grape and Beefsteak tomatoes; watermelon, honeydew and cantaloupe

melons; oranges, lemons and limes; stoplight packs of bell peppers; red and green grapes; stone fruit; pineapple and more.

In mid-October, a massive display of organic Gala apples greeted customers as they approached the department. The display measured five cartons high by ten long and two deep. Nearby, organic bananas were built into another big display. The store averages 20 SKUs of organic produce annually, yet this number can vary greatly on a weekly basis. Organic produce makes up approximately 5 percent of this Costco's total produce sales.

"We see a big trend with greater consumer demand for more organic produce. At the same time, it's hard for us to get the volume we need in organic," Borgens says.

Refrigerated produce is stocked several pallets high in a room akin to a walk-in cooler, only bigger and without a door. In this area is a selection of items such as green beans, asparagus, peeled garlic, sugar snap peas and fresh cranberries. This Costco averages 8 fresh-cut SKUs — including items such as sliced mango and bagged salads.

A sampling station is set up outside the entranceway to the refrigerated produce cooler. An employee tosses together the ingredients of Joan's Broccoli Madness Salad Kit, a product manufactured by San Diego, CA-based Souplantation, known for its made-from-scratch salads, soups and other fresh foods. The kit contains fresh broccoli, raisins, cashews, bacon bits and a sweet dressing. Small portions were sampled to customers in plastic cups with forks.

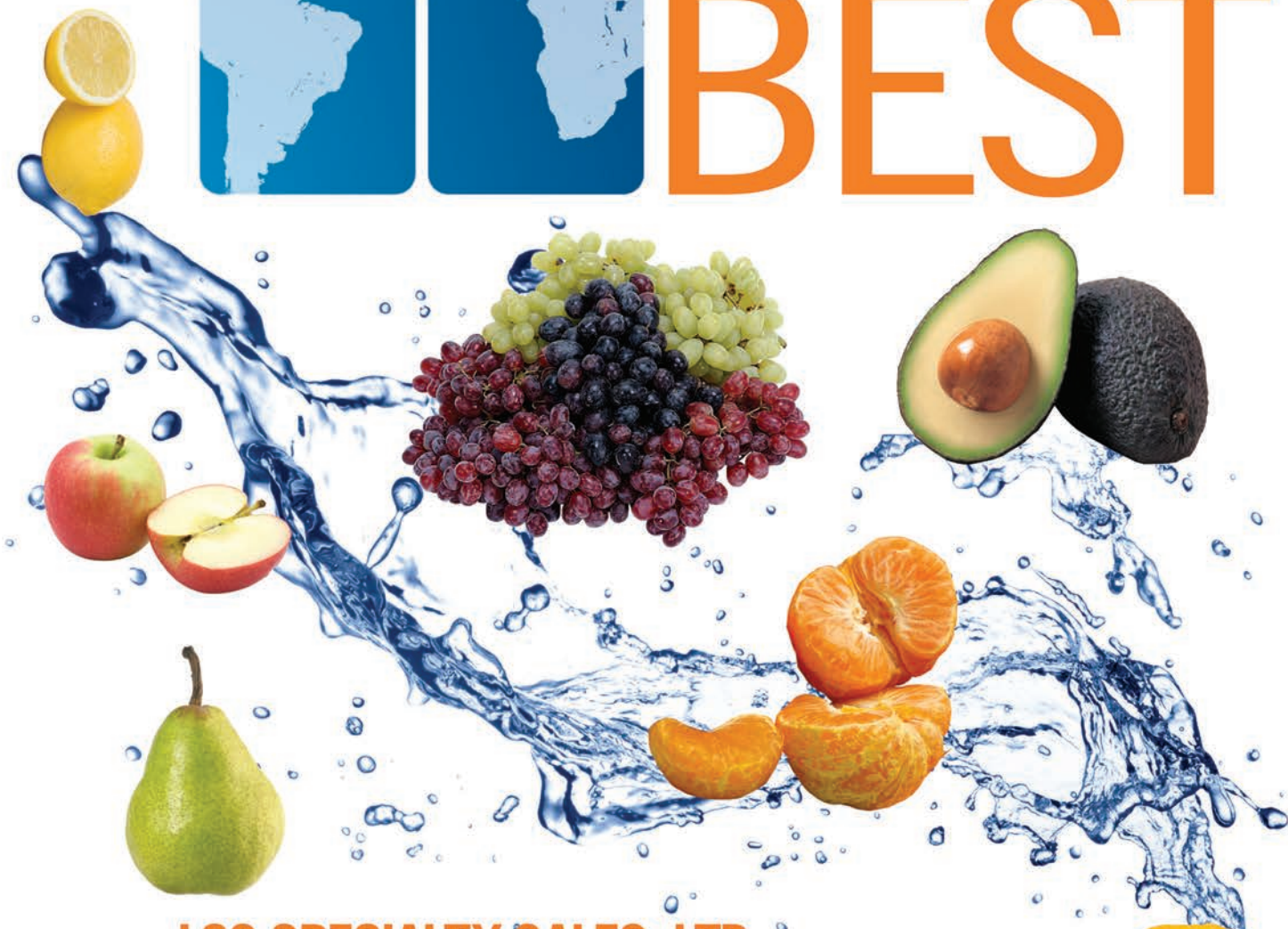
Overall, it is avocados, bananas, blueberries, clementines (Cuties) and raspberries, in that order, that ranked as the Top 5 produce items in dollar sales for fiscal year 2014. To give an idea of magnitude, this one store sold 1.7 million pounds of bananas in 2013, and it hit the 2 million mark for fiscal year 2014. This is just a tip of the iceberg. These five items and 15 other fruits and vegetables represent 52 percent of total produce sales at this Costco store.

"The greatest challenge is keeping up with global demand for quality merchandise, while at the same time fulfilling our corporate mission — which is to continually provide our members with quality goods and services at the lowest possible price," says Borgens.

Despite a limited assortment and relatively small display space in relation to total store size, produce sales are indeed huge. Borgens' estimates this Costco's weekly produce sales average \$250,000 in the summer and \$350,000 in the winter.



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AN INTERVIEW WITH: Joan Wickham, manager, advertising and public relations for Sunkist Growers

Sunkist is the largest citrus cooperative in the world, marketing millions of cartons of premium fresh citrus internationally each year to 40 countries. With more than 3,000 grower members in California and Arizona, the Sunkist cooperative reflects the values and legacy of its 120-year history: multi-generational family farmers committed to growing the highest quality citrus, being responsible stewards of their land and dedicating themselves to innovation. Sunkist offers more than 40 varieties of premium quality, fresh citrus year-round including oranges, lemons, grapefruit, specialties and organics.

Q: What nutritional properties in your product make it an essential part of a healthy diet?

A: Sunkist citrus is fat free, sodium free, cholesterol free and an excellent source of Vitamin C — making it an excellent part of a healthy diet either as a snack or ingredient. For more information on citrus nutrition, visit Sunkist's new nutrition brochure available online at Sunkist.com/PDFs/SunkistBrochure.pdf.

Q: What are some latest news flashes regarding nutrition benefits of eating your product?

A: A Sunkist nutrition program for lemons of particular relevance today is the S'alternative initiative, which encourages consumers to reduce their sodium intake by using fresh lemons to flavor their food in place of salt. Recently, Sunkist released research in conjunction with chefs from Johnson & Wales University that concluded lemons can be used to reduce salt by as much as 75 percent without sacrificing flavor. An infographic visually explaining the research and how consumers can use

the information is online at Sunkist-saltnative.com/images/sunkist_saltnative_cooking_guide.jpg.

Sunkist is promoting this research to consumers via media outreach, blogger engagement, social media promotion and with retail point-of-sale materials.

Q: Are there any notable health reasons to target specific demographics or age groups with your products?

A: Research indicates Millennial women are increasing grapefruit consumption, and Sunkist is leveraging this trend by introducing modern uses for grapefruit with the "Not Your Mother's Grapefruit" campaign, aimed at reigniting the fruit's popularity by educating younger consumers about this delicious, nutrient-rich superfood.

An online grapefruit brochure with more information about the health and wellness benefits of grapefruit is available on Sunkist's website, at Sunkist.com/pdfs/sunkist_grapefruit_brochure.pdf, and Not Your Mother's Grapefruit-themed packaging is also available to help retailers bring the message into stores to drive consumer interest and sales.

Q: Are there any myths or confusing information you would like to clear up?

A: There's a lot of confusion out there regarding grapefruit and drug interactions. It's best for consumers to talk with their physician and/or pharmacist about any questions they may have, but scientists and clinical researchers who are experts on the topic agree on the following:

While some prescription medications may interact with grapefruit, most do not.

If consumers are prescribed a medication that may interact with

grapefruit and wish to continue consuming this healthy fruit, they can often switch to another non-interacting medication within the same drug class.

It's important to note that for the majority of consumers, there is no reason to stop enjoying the delicious, healthy benefits of grapefruit.

Q: Can you connect your product's nutritional properties to health issues consumers can understand?

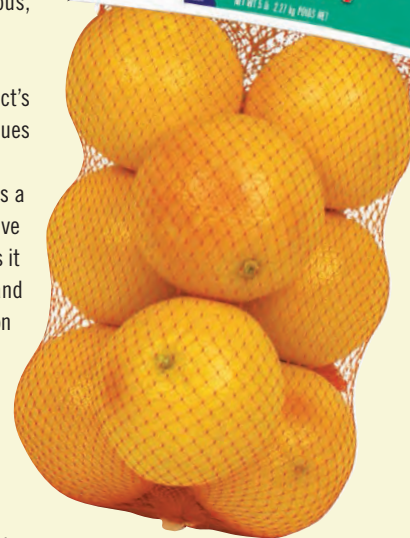
A: The S'alternative campaign is a great example of a nutrition initiative that takes a health issue and makes it easy for consumers to understand and take action around. Using fresh lemon as an alternative to salt and other high sodium flavoring agents — a s'alternative — provides an actionable, simple solution to a complex nutrition issue.

Q: Are there any studies backing any of the health claims of your product?

A: There are many studies that demonstrate the nutritional benefits of citrus. At Sunkist, we leverage these studies and are also careful to only promote credible nutritional information and studies.

Q: What challenges do you face in getting the health message about your product to consumers? What solutions can you suggest?

A: As more consumers are concerned with health and what they are eating, nutrition has become a crowded landscape from a marketing perspective, and breaking through can be challenging. Keeping messages simple, direct and tied to credible research can help companies break through the clutter and gain consumer trust.



Q: What are the best strategies to relay health information to consumers on the retail floor?

A: Education should be a primary objective for displaying citrus. A recent study found consumers are often confused when shopping in the produce department. As new items are being introduced all the time, retailers need a method of ensuring consumers can easily find the new items, and describe and explain nutrition benefits, profile, recipe ideas and usage tips.

Displays and header cards can provide solutions to better educate consumers. Sunkist offers interchangeable header cards for point of purchase displays that present all the information a consumer needs, including QR codes that lead to nutrition information, recipe ideas and more.



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Potatoes contributed 5.4 percent and onions 3.2 percent (or a combined 8.6 percent) of produce department dollars during the 52 weeks ending August 30, 2014 according to Nielsen research.

7 Ways To Grow Potato And Onion Sales

The popular root vegetables are cooking staples that can generate significant profits for Produce. **BY CAROL BAREUTHER**

Peanut butter and jelly. Tomato sauce and pasta. Bread and butter. These are a few pairs of staple ingredients stocked in nearly every consumer's kitchen. When it comes to fresh produce, add potatoes and onions to this list.

These two root vegetables classically complement each other in dishes ranging from hot soups, stews and casseroles to cold salads. In fact, 29.1 percent of supermarket purchase transactions including potatoes also contained onions during the 52 weeks ending August 9, 2014, according to data supplied by the Denver, CO-based U.S. Potato Board from the Nielsen Perishables Group FreshFacts powered by Spire, a Datalogix Company.

Put another way, according to 2013 Nielsen Perishables Group data research conducted on behalf of Reidsville, GA-based Shuman Produce, customers with a sweet onion in their cart were nearly four times as likely to also purchase potatoes. What this means is there's a huge potential for retailers to encourage consumers to add these two veggies to their carts more often.

There is also a lot of symbiosis between potatoes and onions on the retail front. For example, many companies grow, ship and market each of these roots so sourcing is easy. Retail buyers responsible for potatoes are usually also assigned the task of purchasing onions, so there's continuity.

Both root veggies are unrefrigerated and have a relatively long shelf life compared to the rest of the department's offerings, so shrink isn't a major concern. Plus, potatoes and onions are big volume movers and sales producers. Consider that potatoes contributed 5.4 percent and onions 3.2 percent (or a combined 8.6 percent) of produce department dollars during the 52 weeks ending August 30, 2014, according to Nielsen Perishables Group data. The addition of a little extra creative merchandising could boost sales generated by these two categories even more.

"Promoting the natural pairing of potatoes and onions when it comes to merchandising offers the advantage of lifting volume and dollar profits for both categories," explains Heidi Alsum-Randall, national sales and marketing manager for Alsum Farms &

Produce, in Friesland, WI.

1. Call Out What Comes Naturally

"Potatoes and onions are together in the same area of the produce department," says Alfonso Cano, assistant produce director at Northgate González Markets, a 42-store chain headquartered in Anaheim, CA. "It's traditional for dry vegetables, merchandising 101. Plus, potatoes and onions are shopping list items, so it's important to allocate space so consumers can easily find them. It's the same reason that dairy doesn't move eggs and milk around."

A number of retailers display and merchandise potatoes and onions together. "Smaller format retailers that maybe don't offer a full assortment of potatoes and onions in bag and bulk or don't offer as broad an assortment of varieties will usually merchandise the two categories side by side," explains Mac Johnson, president and chief executive of Category Partners, LLC, in Aurora, CO.

"Larger retail formats, or Supercenters, typically merchandise the two categories on separate pieces of furniture because of the breadth of offerings they have. However, more



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often than not, the two categories are merchandised adjacent to each other, or in very close proximity.”

The only caution to a joint display, either on the sales floor or back room, is these two vegetables’ varying requirements for moisture.

“Potatoes like humidity, and onions like it dry,” says Paul Dolan, general manager of Associated Potato Growers, Inc., in Grand Forks, ND. “Both need to be rotated regularly while on display in order to stay nice longer.”

One challenge is that the beige, tan and brown earth tones of a potato and onion display don’t necessarily draw customer’s attention.

“Well lit, eye-catching market-like displays with bushel-type baskets are visually attractive to consumers. We eat with our eyes, and attractive displays will help maximize potato and onion category profit margins,” says Alsum-Randall of Alsum Farms.

The use of signage is another customer-enticing technique. “Colorful bin wrap can call attention to different types of onions in a display as well as provide cooking and usage ideas,” says Kimberly Reddin, director of public and industry relations for the National Onion Association (NOA), headquartered in Greeley, CO.

2. Expand Shoppers’ Horizons

“Russet potatoes and yellow onions tend to be most popular overall,” says Ralph Schwartz, vice president of sales, marketing and innovation for Potandon Produce, LLC, in Idaho Falls, ID. “Yet, we see customers today becoming much more interested in different varieties. For example, we introduced two new potatoes to retail this fall. The Klondike Royale is a yellow-fleshed variety with inherent purple kiss-shaped marks on the skin. Smiley’s are a petite, yellow-fleshed potato with skin containing natural smile-shaped marks.”

There’s a see-saw effect to consider when deciding how best to pull customers into the potato and onion displays. On one hand, it’s important to make sure the desire to showcase these root veggies together doesn’t take away room in either category from presenting shoppers with a full variety.

“Offer enough variety and assortment so shoppers have good experiences whether they’re putting a weeknight dinner on the table for the family or entertaining friends on the weekends,” explains Kathleen Triou, the San Francisco, CA-based president and chief executive for Fresh Solutions Network, LLC. “This can prevent them from always robotically buying the cheapest bag.”

On the other hand, “shelf space needs to be accessed carefully, because high-priced specialty items like Fingerlings and Purple potatoes will not do well in all markets,” cautions Ted Kreis, marketing director for the East Grand Forks, MN-based Northern Plains Potato Growers Association (NPPGA). “Know your clientele.”

In general, “include bulk and/or bag red-skin and Yukon golds, specialty potatoes like c-size Reds and Yellows, and Fingerlings in the potato display,” recommends Jim Richter, chief executive of Wilcox Fresh, based in Rexburg, ID.

“Be sure to incorporate variety onions like shallots, pearls (Red, White and Gold), boilers (Red, White and Gold), Cippolini onions and our year-round Perfect Sweets with the regular Yellow, White and Red onions on the table,” suggests Robert Schueller, director of public relations for Melissa’s/World Variety Produce, in Los Angeles, CA.

Pick up a double potato-onion ring by providing preparation ideas. “Promote our Side Delights-brand Gourmet Petite potato line with different types of onions. For example, Red, Purple and White potatoes with Green onions to make a Red, White and Blue Potato Salad. Or, a quick and healthy baked potato salad made with Red, Gold or White potatoes and Red onions. These recipes along with appetizing photography is printed on our colorful stand-up pouch bags,” says Triou of Fresh Solutions Network.

3. Suggest A Meal Solution

Potato shoppers are 27 percent more likely to wander a grocery store’s aisles looking for ideas, and 34 percent more likely to get meal inspirations while shopping, according to a

USPB’s Shopper Study conducted in 2011. Turn these research findings into a successful use of time by suggesting meal solutions to shoppers.

“We often will line price 5-pounds of Red potatoes, 5-pounds of Yellow onions and 5-pounds of carrots on ad at two for \$5 and display these upfront in one of our new 8-front refrigerated cases along with a roast or stew meat,” says Jim Weber, produce supervisor for Tadych’s Econofoods, a six store chain based in Brillion, WI. “We can see up to a 50 percent increase in sales for the vegetables. At the same time, if customers buy all three, it’s a \$7.50 produce ring.”

Cross-merchandising is also a way to convey this meal idea. “Set up a quarter, half or full-size bin in the meat department, next to pot roasts or stew beef. A grower/shipper of both potatoes and onions, like us, can pre-fill the bin with bags of each vegetable on either side. It’s a great way to pick up impulse sales,” says Wilcox Fresh’s Richter.

One retailer displays crock pots next to the potatoes and onions cross-merchandised in the meat department in order to draw attention to the display. “This is a logical tie-in that the retailer took to the next level with a visual for an idea,” explains Category Partner’s Johnson.

Build secondary displays of potatoes and onions near the deli counter to make a one-stop shop for dinner. “Create a secondary display with fast-cooking specialty potatoes such as our Tasteful Selections line of bite-sized potatoes, onions, olive oil, garlic and seasonings for an easy grill-ready or skillet-ready side to go with a great steak or a prepared chicken entrée,” suggests Randy Shell, vice president of



“Packaging is a key element to capturing consumer attention at retail. On-trend potato and onion recipes along with prepared images on pack help inspire consumers”

— Heidi Alsum-Randall,
Alsum Farms & Produce

marketing and new business development for RPE, in Bancroft, WI.

4. Put Packaging To Work

Employ packaging in a point-of-sale role to prompt customers to purchase both onions and potatoes. This was the goal of a joint-marketing program initiated by the USBP and NOA in 2013. The program tested the use of a custom-printed tote bag and its effectiveness in boosting potato and onion sales at point of sale

(POS). The colorful totes, inscribed with the theme “Create Mealtime Magic” provided usage and recipe information on both veggies on the tote’s side panels.

A six week pilot conducted at the Brookshire Grocery Company, a 150-plus store chain based in Tyler, TX, showed overall bulk and bagged sales of potatoes grew \$76 per store per week and onion sales rose \$90 per store per week.

“Unfortunately, the tote program is dormant right now, because suppliers are cautious about incremental investments, even though the totes averaged only \$6 per store per week in cost,” explains Don Ladhoff, the USBP’s retail programs consultant. “However, the program was successful in showing that if you put potatoes and onions together, there is a higher likelihood of both being purchased, especially when customers are given preparation tips, nutrition information and recipes.”

Implementing ways to provide consumer’s information can have a register ringing result. Signage, shelf tags, danglers and tear off recipe pads are good methods, but some retail formats that favor a “clean” look to their produce departments don’t allow these pieces. This opens the door for packaging to serve

this purpose.

“Packaging is a key element to capturing consumer attention at retail. On-trend potato and onion recipes along with prepared images on pack help inspire consumers with new ways to prepare these vegetables,” explains Alsum Farms & Produce’s Alsum-Randall.

The poly used for potato bags affords more room to print recipes than the mesh used for onion bags. Potandon, for example, solves this problem by offering several recipes on its packs of Klondike-brand potatoes that also call for onions. Examples include a Loaded Baked Potato Salad, Hashed Browns and O’Brien Potatoes.

5. Provide Mouth-Watering Recipes

Merchandising potatoes and onions together without offering a meal idea or recipe won’t generate the positive results in sales that both retailers and suppliers are seeking.

“We, as grower/shippers, as well as retailers, must continually try to make it easier for the consumer. Otherwise they gravitate to their ‘what I know or feel comfortable with’ mode, which likely would be a baked or mashed potato, and slices of onion on a salad, versus breaking out of that habit and creating a new

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“We suggest a consistent campaign or theme approach rather than just putting a random recipe out there now and again.”

— Christopher Wada, Wada Farms Marketing Group

or exciting dish,” says Category Partners Johnson.

Retailers may want to use internationally inspired recipes to add ‘something new’ to two categories that are year-round staples.

“We suggest a consistent campaign or theme approach rather than just putting a random recipe out there now and again,” explains Christopher Wada, director of marketing for Wada Farms Marketing Group, LLC, based in Idaho Falls, ID. “For example, it could be a ‘Round-the-World’ theme with a different ethnic recipe each week or month. This continually draws customers back to the category to



PHOTO COURTESY OF NORTHERN PLAINS POTATO GROWERS ASSOCIATION

see what’s new.”

Retailers may need to offer multiple recipes at one time depending on their customer demographic.

“There are still a fair amount of shoppers who buy 10-pound bags of potatoes and 5-pound or larger bags of onions,” says Ryan Whalen, sales manager at the Pleasant Valley Potato, Inc., in Aberdeen, ID. “I think it’s important to give them recipe ideas for not only one but three or four meals.”

In-store POS, recipes cards and tear pads are ways retailers can deliver innovative recipes. Another method is via cookbooks merchandised in a shipper set near the potato and onion display. In November, Melissa’s/World Variety Produce launched their Dutch Yellow Potatoes’ (DYP) The Perfect Everyday Potato Cookbook featuring 150 recipes for the company’s signature potatoes. Several recipes such as DYP & Caramelized Onion Pierogis, Tangy DYP and Onion Salad and Shallot and Garlic Mashed

Consumers are turning more and more to red potatoes. How often do you promote them?




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DYPs contain both potatoes and onions.

“Retailers can leverage their websites to help consumers make that uncommon meal with common ingredients,” says Category Partner’s Johnson.

Consumers do love recipes. In fact, according to the USPB’s Ladhoff, it’s the recipe button that gets the most traffic on the board’s Potatoes Goodness Unearthed website.

“We’ve seen the use of mobile devices or smartphones to access online recipes grow from single digits to now three-fourth of our mobile traffic. The only data we don’t know is where the consumer was standing, in-store or elsewhere, when they accessed the recipes,” says the USPB’s Ladhoff.

Some 80 percent of smartphone users want to be able to access more mobile-optimized product information when they are in store, according to The Shopping Experience in a Smartphone World, a study published in 2013 by independent digital ad agency, Moosylvania, based in Maplewood, MO. Grower/shippers are heading this need by printing on pack the company’s website address or a QR code that leads to a specific recipe.

The USPB is taking consumer’s digital desire to heart by developing an e-cookbook in collaboration with nonprofit The Kids Cook Monday (TKCM) campaign. TKCM is an initiative that encourages families to cook and eat together the first night of every week, an action that has been proven by scientific research to help reduce adolescent obesity.

“This e-cookbook will have 52 recipes, one for every Monday of the year and some that also call for onions. The Monday’s campaign is a perfect fit with the USPB’s mission to elevate the perception and usage of potatoes. We are talking with a number of retailers about how they could utilize the e-cookbook to promote potato sales, and discuss other ideas for

working together to promote family mealtime,” says Ladhoff

6. Give Permission To Buy With A Discount

Potato and onions on ad typically sell more rapidly than when not on promotion. However, there are two schools of thought as to whether it’s optimal to price-promote these root vegetables separately or at the same time.

Northgate González Markets’ Cano is in the

independent promotion camp. “We will price promote, for example, 8-pound bags of Reds, 10-pounds of Russets and 15-pound bags of White potatoes for one line price. That’s because we usually sell twice as many White potatoes as Reds or Russets. Likewise, we will run White, Yellow and Red onions in an ad and try to line price them — depending on the market. We won’t run potatoes and onions at the same time, because when customers purchase one they usually also buy the other,” explains Northgate González Markets’ Cano.

On the other hand, the USPB’s Ladhoff suggests mix-and-match pricing can be effective. “For example, buy two 5-pound bags of Russets and get 1-pound of Yellow onions free,” says Ladhoff.

Some industry professionals are not fond of BOGO (buy one, get one) promotions for value items such as potatoes and onions. “The downside of a BOGO is that it can pull shoppers out of the market for a week. On the upside, it can be effective for the right reasons such as kicking off a season or the introduction of several SKUs in a line,” explains Fresh Solutions Network’s Triou.

It’s important to promote a variety of SKUs in both potato and onion categories. “You need



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“In the summer months, sweet onions can be paired with tomatoes, bagged salads and potatoes for a great cook-out themed display.”

— *John Shuman, Shuman Produce*

to appeal to the everyday consumer with the right value for both items,” explains Matt Curry, president of Curry & Company, in Brooks, OR. “Shoppers will go for their staples at other stores if they recognize enough of a price difference. However, you also want to appeal to the consumer’s new and innovative side by trying to promote value-added purchases such as bags or newer varieties. So, the strategy needs to be two-fold: getting your regular customers to continue to buy their base volume of onions and potatoes, but intriguing them with new offerings and ideas.”

Pictures of potato dishes in ad circulars rather than just the potatoes themselves can increase sales, according to 2013 research by the Nielsen Perishables Group on behalf of the USPB. This study, which looked at retailer ads nationwide over a 52-week period, showed that images of prepared potato dishes generated an incremental volume lift 23 points higher than for raw or bagged ads (156 percent versus 133 percent, respectively).

Giant Eagle, a 229-store chain headquartered in Pittsburgh, PA, is one retailer who tested the effectiveness of this research. “We tried running cooked images of potatoes in our ads for three or four weeks, but we didn’t see a change in sales,” explains Jonathan Cox, senior category manager for produce. “In fact, we actually received feedback that it was hard for customers to tell it was a potato on ad.”

Additional research might better uncover exactly which type of prepared potato dishes elicit a positive sales response.

7. Cash In On Seasonality

Since sweet onions and potatoes are both available year-round, it’s important to have year-round marketing efforts in place for both.

“The reason is simple. If you aren’t marketing it at all, someone else is, and they are likely chipping away at your onion and potato sales during your limited merchandising periods. Although both of these products can be seen as staple items, when you merchandise them you can have a good increase in sales,” explains Curry & Company’s Curry.

“In the summer months, sweet onions can be paired with tomatoes, bagged salads and potatoes for a great cook-out themed display. During the fall, build displays including sweet potatoes and onions to take advantage of the popularity of both items in meals during this season,” recommends John Shuman, president and director of sales for Shuman Produce.

Secondary displays during peak seasons are a good way to call attention to both potatoes and onions. “The start of harvest for onions and sweet onions can create interest. Especially mentioning that ‘local sweet onions’ are now available. Spring and summer barbeque themes (or other event themes) featuring potato salad recipes with onions and potatoes and BBQ options with onions for your burgers and entrees always appeal to consumers,” says Curry & Company’s Curry.

Year-round holidays are a great time to promote both root veggies. “Potatoes and onions can be included in seasonal and holiday promotions. For example, potato nachos for Super Bowl. Recipes featuring different potato varieties from Russets, Reds, Golds, Whites, Purples or Fingerling potatoes along with onions in a side dish can be the perfect complement to any holiday dinner party,” says Alsum-Randall of Alsum Farms. **pb**



ALL PHOTOS COURTESY OF THE TEXAS DEPARTMENT OF AGRICULTURE



Nearly three quarters of a billion dollars in fresh fruits and vegetables is harvested from close to 5,000 farms in Texas, according to United Fresh Produce Association.

Texas Diversifies Produce And Extends Reach

What it means to 'Go Texan.' BY BOB JOHNSON

The Fiesta Mart store on Service Road in Austin, TX, goes the extra mile to connect customers with the farmers who supply their produce from nearby fields.

"We do a food fiesta in Austin every month — usually the second week of the month," says Roger Bañuelos, Fiesta Mart manager in Austin, TX. "We invite farmers to come to the store, so the customers can meet them."

This independent chain of a little more than 50 stores throughout the Austin, Houston, Dallas and Ft. Worth metropolitan areas seeks fresh produce from every fruit and vegetable growing corner in the state.

"We get produce from Carrizo Springs, Henderson, Pecos and from the Rio Grande Valley," says Bañuelos. "Right now we have oranges from a number of areas in the state and watermelons from Pecos. We might be the only ones [retailer] with Pecos watermelons and cantaloupes."

It's not all cattle and oil in Texas as nearly three quarters of a billion dollars in fresh fruits and vegetables is harvested from close to 5,000 farms, according to United Fresh Produce Association, Washington, D.C. Lone Star State farmers are branching out into more varied fruit and vegetable production to

service the diverse local population.

"Texas diversified its produce crops in recent years and managed to tap into consumer interest with a wide selection of fruits and vegetables," says Bryan Black, director of communications at the Texas Department of Agriculture, Austin, TX. "From commodities such as carrots, sweet corn, cucumbers, spinach, tomatoes, cantaloupe, watermelon, honeydew melon and squash, to choices like asparagus, artichokes, pumpkins, berry varieties, and even small quantities of tropical fruits such as mangos and papayas, Texas — with its wide variety of growing conditions — is producing more diverse produce harvests than ever before."

Texas growers will tell you the heavy, nutrient-rich soils are the reason their red grapefruit, sweet onions and other commodities earned spots in the nation's pantry.

But the state's supermarkets are finding local consumers willing and eager to "Go Texan" — as the state Department of Agriculture promotional program puts it — for a far longer list of fruits and vegetables.

"We try to have Texas produce year-round," says Freddie Martinez, head produce buyer for the Fiesta Mart chain. "We always source seasonal items. To our customers, local

means 'fresher,' and we identify locally grown with signage."

Go Texan

Many of the state's fruit and vegetable growers report a large majority of their harvest never leaves Texas.

"With everything but dry onions, 75 to 80 percent of what we grow stays in the state," says J. Allen Carnes, president and owner of Winter Garden Produce, Uvalde, TX, a few miles north of the border in the Southwest area of the state.

Carnes, who is also president of the Texas Vegetable Association, grows broccoli, cabbage and onions.

By the time the cantaloupes come out of Carrizo Springs, which is a few miles south of the area known as Winter Garden, in the middle of the summer, the state's consumers are more than ready for a taste of Texas produce.

"Come June or July, when we're harvesting, the stores can have trouble finding Texas product," says Bruce Frasier, president of Dixondale Farms, Carrizo Springs, TX.

There is a strong buy-local attraction that extends throughout the state of Texas, and maybe even a little beyond the border.

“By leveraging state promotional programs such as ‘Go Texan,’ Texas’ program promoting products grown or made in the state, retailers are able to both find additional vendors for local product and publicize that offering to their customers.”

— Bryan Black, Texas Department of Agriculture

“We ship throughout the state of Texas, and that’s local. I’ll go out to surrounding states like Oklahoma or Colorado at times — if the need comes up,” says Bernie Thiel, president of Sunburst Farms, Lubbock, TX. “Without a doubt, Texas consumers want produce grown in Texas. We have a ‘Go Texan’ logo that a lot of shippers will put on boxes, or right on the watermelons. Our major products are squash, zucchini and yellow squash. We’ll harvest 120 acres of squash in the summer. We’ll also harvest 120 acres of purple top turnips. We ship them from October through April.”

The ample produce from Texas farms is the staple business for one of the largest food-service supplier in the largest metropolitan area of the state.

“We ship anywhere from 40 to 60 varieties, depending on the time of year,” says Shane Lovell, director of business development at FreshPoint Dallas, TX. “We service about a 150 mile radius around our warehouse in North Texas. It includes Dallas, Ft. Worth, Plano and Arlington. Our retailers — particularly in Texas — look to use tomatoes, berries, stone fruit and melons.”

FreshPoint Dallas, a division of Houston, TX-based Sysco, has been supplying fruits and vegetables to the Dallas/Ft. Worth metroplex and surrounding area since the company started under the name American Produce and Vegetable Company nearly a century ago.

The state worked aggressively to develop a buy local campaign, under the “Go Texan” slogan, to benefit fruit and vegetable farmers.

“Consumers are increasingly concerned with where their food is sourced, whether they choose to shop at a farmers market or a national chain store. They are eager for choices grown close to home and want to know they have options in the marketplace to meet that demand,” says Black from the state Ag Department. “By leveraging state promotional programs such as ‘Go Texan,’ Texas’ program promoting products grown or made in the state, retailers are able to both find

additional vendors for local product and publicize that offering to their customers.”

Retailers find it pays to let their customers know that a particular fruit or vegetable from local fields has arrived. “It does help to identify Texas produce, because there are a lot of customers who look for it and know the seasons. We have signage highlighting anything that is local, or part of the ‘Go Texan’ program,” says Bañuelos. “Whenever Freddie Martinez [produce buyer] can get hold of Texas produce, he includes it in the ads, and so do we.”

Support and demand for produce grown in the state is more important than the campaign and “Go Texan” logo in driving sales.

“I’ve been a member of the campaign since it started 25 years ago,” says Frasier. “Does the ‘Go Texan’ logo make a difference? No. Does being a Texas product make a difference? Absolutely. In Whole Foods Market, Fiesta Foods, United Supermarkets, Safeway and the other big stores might have the ‘Go Texan’ logo, but the biggest print is ‘Carrizo

cantaloupe, Texas grown.”

FreshPoint promotes the exotic and interesting vegetable varieties that Texans are interested in experiencing. “People are looking for new and unique items, as well as more specialty items,” says Lovell. “For the past few years, there’s been more interest in heirloom varieties of tomatoes, squash, potatoes and beans.”

There are also signs that, as the economy crawls back toward a better financial state, more Texans are eating their produce in restaurants.

“With the commodities we grow, there hasn’t been a lot of change in what people are looking for. Some of the other commodities that offer more value-added might have seen changes,” says Carnes. “I see more change in the buying practices than in the commodities. When the economy is down, we sell more to retail. When it’s up we sell more to wholesale, because it’s going to restaurants. We’ve seen a little up tick the past couple of years.”

Nationwide Effects

Frasier finds there is a regional market for his cantaloupe, and an even wider market for his onion transplants. “There are people on the East Coast who want produce from the East, and people on the West Coast who want produce from the West,” he says. “That sort of leaves the center of the country to us.”

Pink grapefruit and sweet onions are the most widely known Texas produce items, but some other commodities also developed strong reputations.

“Sweet potatoes, cabbage, jacket cauli-



“Our season in the Rio Grande Valley is November through May, and it could possibly creep into June. The Rio Grande Valley has winter vegetables and spring onions as well as melons, watermelons and honeydews.”

— Jeff Brechler, J&D Produce

flower, okra, greens, oranges, pecans, and tomatoes from Texas earned reputations,” says Martinez.

The state’s growers also have a role in national supply of many vegetables and melons — especially in the winter.

“We’re in the process of putting seeds in the ground,” said Jeff Brechler, sales and

TEXAS SOIL AFFECTS TASTE

Texas farmers, especially those near the Rio Grande, proudly tout how the quality of their soil makes for better fruits and vegetables.

“The Rio Grande Valley is a great producing area for fruits and vegetables,” says Jeff Brechler, sales and production manager for J&D Produce, Edinburg, TX. “We have heavier or sandier soils, but we have nutrient-rich soils that are not dependent on a lot of fertilizer. That goes for our Texas citrus, too.”

Brechler believes the minimal use of synthetic fertilizers gives Texas produce higher quality and longer shelf life, and other growers agree.

“We have the sweetest cabbage in the U.S.,” says Frank Schuster, president of Val Verde Vegetable Company, McAllen, TX. “We have a rich soil down here and a healthy environment for cole crops. In some places they’re growing in sandier soil, and the nutrients flush through the ground. The Texas grapefruit are sweeter for the same reason. The ground is nutrient rich.”

The locals are convinced that this better dirt translates into better flavor.

“It just tastes better when it is grown in Texas,” says Bryan Black, director of communications at the Texas Department of Agriculture, Austin, TX. **pb**

production manager for J&D Produce, Edinburg, TX, in early October. “Our season in the Rio Grande Valley is November through May, and it could possibly creep into June. The Rio Grande Valley has winter vegetables and spring onions as well as melons, watermelons

and honeydews. It’s shipped throughout the U.S. and Canada.” J&D ships a full line of vegetables, melons and limes from the Rio Grande Valley under the Little Bear Brand.

Other Texas vegetable shippers are also finding markets from coast to coast. “We’ve

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“We have a rich soil down here and a healthy environment for cole crops. In some places they’re growing in sandier soil, and the nutrients flush through the ground.”

— Frank Schuster, Val Verde Vegetable Company

gone from Boston to San Francisco,” says Frank Schuster, president of Val Verde Vegetable Company, McAllen, TX. “We will start in late October, and we generally finish on the greens in April, and the cabbage in May. Our greens and cilantro bunches are good sized. Kale has been riding a hot wave and brassica have been popular, in general, and we harvest beets year-round.”

The winter and early spring is the peak, but Texas produce is shipped year-round. “The country is receiving produce [such as watermelons, grapefruit and onions] out of Texas 12 months of the year,” says Thiel from Sunburst Farms.

Texas produce is diverse, but the state goes national first with its citrus and sweet onions. The largest grower/shipper of Texas citrus is

Delano, CA-based California giant Paramount Farms, which purchased both Healds Valley Farms and Rio Queen Citrus in separate deals two years ago. “We believe Paramount is well-positioned with its marketing activities to increase demand for Texas grapefruit to a whole new level,” said David Krause, president of Paramount Citrus in a news release after the Rio Queen acquisition.

Paramount, which also recently purchased more than 20,000 acres of California navel and Valencia oranges from Bakersfield, CA-based Grimmway Farms, is one of the largest citrus grower/shippers in the country.

Texas citrus, especially the red grapefruit, earned a reputation among consumers throughout the U.S. and beyond.

“We ship all over the U.S. and Canada as

well,” says Ashlynn Ellis, sales and marketing manager for Edinburg Citrus Association, Edinburg, TX. “We start in October and go to April or May with oranges and grapefruit. We ship Navels, Valencias, Rio Star grapefruit and Mars oranges. Rio Star grapefruit is the one that’s dark red and super sweet. They are just better.”

While Winter Garden largely serves a local clientele for cabbage and broccoli, the firm is continental in its reach with onions. “We ship the onions from Puerto Rico to Canada, and from New York to the West Coast,” says Carnes. “With dry onions, we only sell 30 to 40 percent in the state.”

Texas also trails only Vidalia, GA, and maybe Hawaii, among U.S. growing areas in its reputation for sweet onions.

“Our onions, the Honey Sweet, are very well received,” says J&D’s Brechler. “We are the first domestic sweet onion; we harvest sweet onions in mid-March. It’s milder than other onions out there. It has a round shape, but there’s no truth to the claim that the only sweet onions are the flat ones. The shape doesn’t have anything to do with the mildness or the sweetness.” **pb**



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A Taste Of New York

Produce spans the food landscape in all segments. These 12 foodservice establishments share how they celebrate a fruit and vegetable lifestyle.

ABC KITCHEN (also ABC COCINA)
BELL, BOOK AND CANDLE
BLUE WATER GRILL
CANDLE 79
EXKI
FRANCHIA VEGAN CAFE
FRANKIES SPUNTINO
NORTH END GRILL
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35 East 18th Street,
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Hours of operation:

Mon. – Wed.: 12 p.m. – 3 p.m.;

5:30 p.m. – 10:30 p.m.

Thurs.: 12 p.m. – 3 p.m.;

5:30 p.m. – 11 p.m.

Fri.: 12 p.m. – 3 p.m.;

5:30 p.m. – 11:30 p.m.

Sat.: 11 a.m. – 3 p.m.;

5:30 p.m. – 11:30 p.m.

Sun.: 11 a.m. – 3 p.m.;

5:30 p.m. – 10:00 p.m.

Cuisine Specialty:

Globally Artistic



 The retailer ABC Carpet & Home integrates design with sustainability, healing and sanctuary. To that end, its restaurants ABC Kitchen and ABC Cocina reflect freshness, culture, seasonality and respect for the environment. The menu at the more traditional ABC Kitchen is free of pesticides, synthetic fertilizers, insecticides, antibiotics, and hormones, GMO-free, and sourced from regional farmers and fair trade cooperatives. Found, salvaged, reclaimed, and recycled building materials decorate the dining room.

The more casual Latin-influenced ABC Cocina celebrates local and global craft and culture. Both are headed by Michelin star Chef Jean-Georges Vongerichten, who is committed to using the freshest organic and local ingredients possible.

“The restaurants always had a strong dedication to fruits and vegetables as the main focus, so our ethos remained the same since we opened in 2010,” says general manager Ryan Armstrong. Chef Jean-George incorporates the intense flavors and textures of vegetable juices, fruit essences, light broths, and herbal vinaigrettes in place of cream and meat stocks. The menus thrive in vegetable and fruit choices: Roasted Kabocha Squash Toast, carrot and avocado salad, kale salad, and a market fruit plate. Noteworthy side dishes featuring vegetables at ABC Kitchen are: poblano pesto, sweet potato and pepper empanadas, and sautéed mushroom tacos; ABC Cocina specializes in butternut squash with Guajillo peppers.

The restaurants benefit from their prox-

imity to the large, year-round Union Square Greenmarket and its local farmers — especially during peak growing season. Tim Stark from Eckerton Hill Farm, Lenhartsville, PA, offers more than 100 varieties of tomatoes and peppers. Rick Bishop of Mountain Sweet Berry Farm in the Catskills forages for wild items and offers specialty produce such as small, flavorful strawberries and fingerling potatoes. A farmer in California supplies organic citrus during New York’s off-season.

ABC diners know to expect the unexpected. “For example, we add a very slight amount of spinach to our green apple sorbet to provide a bit of brightness,” explains Armstrong.

ABC Home Grown, a vegetarian restaurant, will open in 2015.

— MINDY HERMANN





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141 West 10th St.,
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(212) 414-2355
bbandcnyc.com

Hours of operation:

Mon. – Wed.: 5:30 p.m. – 10:30 p.m.

Thurs. – Sat.: 5:30 p.m. – 11 p.m.

Sun.: 11:30 a.m. – 3:30 p.m.;

5:30 p.m. – 10:30 p.m.

Cuisine Specialty:

Contemporary American



It's hard to replicate the variety of vegetables and herbs that appear on the seasonal menus at the West Village's Bell, Book and Candle (BBC) – 15 different tomatoes, nearly a dozen types of lettuce, peppers galore, pumpkins, squash, and a wide assortment of culinary herbs. That's because the restaurant, under the guidance of executive chef John Mooney, grows much of its own produce on a rooftop Tower Garden vertical farm. In fact, with more than half the produce on the menu coming from the restaurant's garden, BBC exemplifies local, organic and sustainable.

"As time goes on, we become better at production," notes Mooney. "We continue



to get more organized and efficient because we learned what grows well, and how to keep it healthy for our customers and for the environment." For example,

rather than relying on pesticides, Chef Mooney and the restaurant staff release predatory insects that prey on pests such as aphids (or plant lice). A robust New York City bee population found its way to the BBC rooftop and helps pollinate the various crops.

"We change our food and drink menus with the seasons, and they reflect what we are growing at that moment," says Mooney. "Our garden generally produces between March and December, when we grow great tomatoes, lettuce, herbs, zucchini, zucchini flowers, and much more. I don't have to refrigerate herbs, tomatoes, and lettuce, because I pick and use them the same day. I supplement with things that I can't grow in our hydroponic farm such as corn, onions, root vegetables, and mushrooms."

Popular dishes with patrons include: zucchini flowers stuffed with mushrooms and goat cheese, marinated cherry tomatoes; rooftop melons wrapped in country ham; caramelized cauliflower steaks; the ever-changing mixed green salad; and squash soup. Visitors to Washington D.C. can enjoy Mooney's home-grown cuisine at the newly opened Bidwell.

"I keep fruits and vegetables close to their natural form," says Mooney. "It's easy to showcase good quality."

— MINDY HERMANN



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31 Union Square West,
New York, NY 10003
(212) 675-9500

bluewatergrillnyc.com

Hours of operation:

Mon.: 11:30 a.m. – 10 p.m.

Tues. – Thurs.: 11:30 a.m. – 11 p.m.

Fri. – Sat.: 11:30 a.m. – 12 a.m.

Sun.: 10:30 a.m. – 10:00 p.m.

Cuisine Specialty:

Seafood/Sushi/Raw Bar



Even a restaurant that is best known for quality seafood, innovative sushi and live jazz cannot ignore produce when it's located across the street from New York City's famous Union Square Greenmarket. With the greenmarket open every Monday, Wednesday, Friday, and Saturday, executive chef Luis Jaramillo and his staff can shop nearly every day and create daily specials that reflect what's fresh, local and in season. Dishes often list on the menu the provenance of their ingredients. For example, Dayne Farms market greens and S & SO Farms heirloom tomatoes.

Blue Water Grill embraces vegetables across the menu. Asian greens, fennel, broccoli rabe, and assorted market vegeta-



bles garnish “large plate” seafood and meat entrées. The popular veal chop Milanese is barely visible under a blanket of cherry tomatoes and arugula. The “small

plate” favorite, roasted Maitake mushroom with crispy quinoa, radish and white gazpacho, is popular among seafood eaters and vegans alike. A crab toast “bite” is garnished with heirloom tomatoes and microgreens. Chefs pair a charred broccoli side dish with pine nuts, parmesan and a citrus emulsion that brightens up the dish. Cauliflower gets a hint of sweetness from mango curry chutney.

The restaurant serves a \$45 Greenmarket Prix Fix Menu that changes with the availability of fresh produce from Union Square. As a participant in Wellness in the Schools, a nonprofit organization dedicated to children's environmental health, nutrition and fitness in the NYC public schools, Blue Water Grill donates \$5 from every prix fix order to support the organization. Additionally, the restaurant recently sponsored a salad bar at East Harlem's Mosaic Preparatory Academy, followed by a White House garden tour for Chef Luis and a group of the school's students.

While the Blue Water children's menu features classics like burgers and grilled cheese, children are encouraged to add vegetables to any of the dishes.

— MINDY HERMANN



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Upscale Vegan Organic

CANDLE 79

154 E. 79th St.,
New York, NY 10021
(212) 537-7179
candle79.com

Hours of operation:

Lunch

Mon. – Fri.: 12 p.m. – 3:30 p.m.

Saturday Brunch: 12 p.m. – 3:30 p.m.

Sunday Brunch: 12 p.m. – 4 p.m.

Dinner

Mon. – Sat.: 5:30 p.m. – 10:30 p.m.

Sun.: 5 p.m. – 10 p.m.

Cuisine Specialty:

Upscale Vegan Organic



As one of the most acclaimed vegetarian restaurants in New York City, Candle 79 has given produce a starring role on the highest culinary stage in the country.

The husband-and-wife ownership team of Bart Potenza and Joy Pierson founded Candle 79 on Manhattan's Upper East Side in 2003 as an upscale alternative to their popular Candle Café five blocks away, which had long been a casual destination for dedicated vegetarians.

"We love produce, and we love our farmers," says Potenza, who laid the groundwork for the Candle empire in 1984 with the purchase of the Upper East Side health food store and juice bar, Sonny's.

Potenza renamed it Healthy Candle, and, together with Pierson, expanded the menu to include an assortment of organic, vegan sandwiches, soups and salads, and renamed it Candle Café.

They saw the need for a more upscale restaurant in that culinary niche, which led

them to launch Candle 79, a truly high-end experience in vegan dining. Executive chef Jose Ramos and pastry chef and kitchen manager Jorge Pineda lead the execution of such dishes as wild mushroom-squash risotto and ginger-apple pie.

"The whole organic and local movement is really inspiring to Joy and me," Potenza says, noting that both are vegans and eat "about 99 percent organic. This time of year is spectacular for local," he says.

Candle 79 offers seasonal menu items that incorporate local ingredients in addition to its traditional menu. Some of the local suppliers the restaurant uses include Mushrooms and More in White Plains, NY, and others who chefs Ramos and Pineda work with directly to source certain products.

The primary distributors that Candle 79 uses for year-round produce include Ace

Natural (a foodservice distributor for natural and organic ingredients) in New York City and Four Seasons Produce in Ephrata, PA. "Ace is a great supplier for us for all things organic and vegan," Potenza says.

Potenza believes that as the climate warms, it has extended the growing season in the Northeast. "With global warming, the local crops are able to go a lot longer," he says. "The farmers used to stop in November, now they seem to be able to go through December."

The restaurants receive deliveries daily, including some from farmers who pick within 24 hours of delivery. "It's truly quite extraordinary," Pierson says. "We love our farmer relationships, and knowing the nutrient density of the vegetables is really incredible."

— MARK HAMSTRA



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(929) 236-3954
exki.com

Hours of operation:
Mon. – Fri. – 7 a.m. – 9 p.m.
Sat. 9 a.m. – 5 p.m.
Sun.: Closed

Cuisine Specialty:
Fast-Casual

 Few people probably attached the word “exquisite” to a fast-casual restaurant concept, but the founders of Belgium-based chain EXKi did just that.

The company recently opened its first U.S. location of EXKi — a play on the French word “exquis,” or “exquisite” — on Park Avenue South in Manhattan. A second EXKi is under construction at 28th Street and Madison Avenue, scheduled to open by year-end. Also slotted for this time of year are the planning stages for a third and fourth location.

EXKi specializes in highly sustainable operations and seasonal offerings sourced locally. Its menu appears to belong in a much more upscale venue, with such creations as a quinoa salad with FreeBird



chicken, raisins, romaine lettuce and coconut-curry dressing, and a “Beet Power” tart with beets, Vermont goat cheese, red onion, chives, free-range egg and hazelnuts.

“Our customer has a very sophisticated palate,” says Steven Mettle, executive chef for the company’s U.S. operations. “They shop the farmers market, and they shop the stores that carry seasonal products. They



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"We are always local, and always seasonal," says Mettle, who notes that the menu changes every three months. You won't find strawberries on our menu in the winter," he says.

This fall, the menu included several squashes and pumpkin dishes, including a butternut squash hummus. For the winter menu, which is slated start December 1, Mettle planed to add more hot, hearty dishes, including tartines with mushrooms and root vegetables, and an item with roasted Brussels sprouts with kohlrabi and rutabaga.

Mettle said he can get by with sourcing most of his products locally, including produce from throughout the Northeast.

"It always is a challenge," he says. "It's more difficult that just calling your broad-line produce vendor, but it is rewarding. As a chef, I am very attuned to the flavor, the taste, the feel and look of the product. We don't have produce coming from Chile that is not at its peak flavor," Mettle says. "We have produce from a farmer who has dirt under his fingernails."

— MARK HAMSTRA

are very keen to that kind of food."

One of the popular items on the menu this fall was a lasagna called "Layers of Greatness," made with Swiss chard, kale and spinach.

Mettle sources much of his product from the Union Square Greenmarket, just a few blocks from the first EXKi location. He also buys some produce from Bronx, NY-based Baldor Specialty Foods.

Vegetarian Tapas — Korean Style

FRANCHIA VEGAN CAFE

12 Park Ave., New York, NY 10016

(212) 213-1001

franchia.com

Hours of operation:

Mon. – Thurs.: 12 p.m. – 9:45 p.m.

Fri.: 12 p.m. – 10:15 p.m.

Sat.: 1:00 p.m. – 10:15 p.m.

Sun.: 5:30 p.m. – 9:30 p.m.

Cuisine Specialty:

Vegan/Asian Fusion



The sister restaurant of Hangawi, a highly regarded Korean vegetarian restaurant in Manhattan, Franchia Vegan café offers Korean and Asian fusion cuisine in a traditional tearoom setting. Indeed, the restaurant hosts bridal showers at which the bride-to-be is taught the classic Korean tea service.

"We opened Hangawi and later Franchia because we believe that vegetarianism is the healthiest and safest diet," says owner Terri Choi. "Many ingredients in Korean

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cooking can be used in vegetarian dishes.”

The menu at Franchia is ever-changing, under the guidance of Chef Jeff Fong, a non-vegetarian who has been with the restaurant since its 2004 opening. “We always work to renew our menu,” says Choi. “We remove less popular dishes and add new ones that reflect seasonality, new food trends, and customer requests. We also come up with new ideas and inspirations.”

Most recent additions include vegan

sushi dishes, as well as gluten-free dishes. Sushi lovers will find “meatless” versions of such classics as California roll and spicy tuna roll. Gluten-free dishes are made with organic gluten-free, wheat-free tamari sauce; noodle dishes feature a variety of mostly Asian vegetables atop rice noodles.

“We also created a selection of tapas, which are small plates that can be enjoyed with cocktails or a glass of wine,” says Choi.

Tapas incorporate Korean ingredients



such as tofu, mountain roots and greens, and sea vegetables that may be less familiar to diners. Nearly every dish on the Franchia menu includes both Asian and Western vegetables. The restaurant sources from a supplier that specializes in Asian vegetables, although the most popular vegetables among diners are kale, avocado and asparagus.

Korean kimchi and pickles traditionally contain shrimp and anchovy, but Franchia has perfected vegan recipes for these classics.

A choice of tea from Franchia’s extensive tea menu is the perfect end to a fascinating meal.

—MINDY HERMANN

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Fri. and Sat.: 11 a.m. - Midnight

Cuisine Specialty: Italian



Chef-owners Frank Falcinelli and Frank Castronovo are blending Old World flavors and traditions with modern sensibilities in their Frankies Spuntino restaurants.

The childhood friends had been working as consultants in food and nutrition before embarking on their vision for serving “deceptively simple” Italian fare, transforming a former supper club in Brooklyn into their first Frankies Spuntino restaurant in 2004. They since opened a Manhattan outpost and launched a retail business as well.


The Frankies locations won acclaim for their seasonally inspired Italian dishes,




which focus on healthfulness and local sourcing as much as they do on traditional Italian cooking. The word “spuntino” means “small dishes” in Italian, and also can refer to a casual Italian eatery.

The menu offers a wide array of local and






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specialty produce in its salads, appetizers, entrées and pasta dishes. Among the most popular items is a raw Brussels sprouts salad, Castronovo says. Other salads include roasted beets and avocados; escarole with sliced red onion, walnuts and pecorino; and a roasted vegetable salad.

On the antipasti menu is heirloom squash, Sette Anni peppers and Jerusalem artichokes, among other specialty items.

Castronovo says his favorite produce items to work with are eggplant and tomatoes because they “work so well with the Italian flavor profile.”

The Frankies’ restaurants source about

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75 percent of their produce locally, according to Castronovo, who cites “local farmers and Hudson Valley growers” as his suppliers, as well as a Pennsylvania Dutch organic co-op. The company refers to its suppliers as “friends.”

Castronovo has also counted among his suppliers, the son of “the last horse-drawn cart peddler of fruits and vegetables in Carroll Gardens,” the Brooklyn neighborhood where the original Frankies is located.

That supplier, Jim & Andy Produce, traces its roots back to 1939 and operated out of a horse-drawn cart until the 1970s.

Other produce suppliers include Albert’s Organics, a division of United Natural Foods Inc.

“We do not use much fruit in the winter, and as for vegetables, we usually get most from California,” Castronovo says of his off-season sourcing.

— MARK HAMSTRA

Bountiful Produce Garden

NORTH END GRILL

104 North End Ave.,
New York, NY 10282
(646) 747-1600

northendgrillnyc.com

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Fri.: 11:30 a.m. – 10:30 p.m.

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Sun.: 11 a.m. – 9 p.m.

Cuisine Specialty:

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In its two-plus years, the 170-seat North End Grill, the Battery Park City member of Danny Meyer’s Union Square Hospitality Group, established a reputation for serving fresh, flavorful, seasonal cuisine. Chef Eric Korsh, who joined the restaurant in April 2014, utilizes the restaurant’s signature wood-burning and charcoal grills to coax flavors out of meat, fish, and, of course, vegetables. These are not just any vegetables – many come from the restaurant’s own garden.

“I inherited a rooftop garden from the chef before me,” says Korsh. “As soon as I started, the first crops of the season were ready to be harvested and added to our menu.”



Chef Korsh's changed the focus of the garden by narrowing the number of crops so he could grow fewer items in greater quantities. He also concentrated on those that were expensive or hard to find, such as ají dulce peppers, winter and summer savory, baby head lettuce, and assorted greens.

"The garden gets tons of sun, so our peppers taste better than the chilis I grew in California," notes Korsh. He starts approximately 80 percent of his plants from seed, and the rest from seedlings.

North End Grill's menu reflects the changing bounty 20 stories up. Baby head lettuce might be available for only a few days at a time, while a hearty string bean crop kept string bean salad on the menu for a month. October menu items included a chard and sorrel gratin and late season lettuce with feta and fresh herbs. Signature grilled vegetables served on their own, or



with a dinner entrée, include cauliflower, shishito peppers and wild mushrooms.

Chef Korsh has to supplement his garden bounty. Thinking outside the box, he buys Jersey tomatoes and corn from his New Jersey-based seafood purveyor. Chef Korsh's menu embraces local, but he also recognizes that seasonal reality of living in New York always requires sourcing items from other places.

— MINDY HERMANN

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Cuisine Specialty:
Smoothies/Juices/Ethiopian

 This sliver of a store near the corner of Broadway and 125th Street is an oasis in the food desert of West Harlem. Abdusalam Abajebel was inspired to open his juice bar in late 2012 as a way to bring healthy alternatives to a neighborhood packed with fast food outlets but little fresh produce.

“I was born and raised in a village in Ethiopia where my dad farmed fruits and vegetables and ran a clinic as a cultural healer,” says Abajebel. “When I moved to



the U.S., I dreamed of following in his footsteps. I spotted an open storefront just one block from where I live and worked for several years to raise the money to open my juice bar.”

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Cuisine Specialty:
Mediterranean Fast-Casual



Chef and restaurateur Einat Admony did not set out to create a vegetarian restaurant when she opened her first outpost of Taim Falafel & Smoothie Bar in 2005.

“We wanted to create a shawarma [a Middle Eastern dish of garlicky meat or poultry served on pitas] place, but our orig-



smoothie combinations, testing out new formulations on his customers before giving them a name. The Root, for example, combines sweet potato, beet, carrot, ginger, mint and papaya. Abajebel's three-layer creations are the smoothie equivalent to a three-scoop ice cream cone. “I might layer an avocado smoothie on the bottom, mango in the middle, and berry on the top. The customer can drink them layer by layer or stir them together.”

Abajebel shops for fresh fruits and vegetables each day, frequenting area markets that are open at the time he shops (at 3 a.m.) as well as Harlem farmers markets and the Hunts Point Terminal Market.

Oasis also offers several Ethiopian dishes that Abajebel made more healthful by using less oil, cutting back on salt and eliminating animal products. “Food is medicine, and I want to give the best to my customers in health, nutrition and taste.”

On Sundays, Abajebel prepares and serves his juices at an area soup kitchen with produce donated by area stores so that people who can't afford to visit Oasis can enjoy the taste of something healthful.

— MINDY HERMANN

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inal location in the West Village was just too small,” Admony says. “But after a while we began realizing there was a huge market for good vegetarian food, and haven’t turned back since.”

Admony and her partner, her husband Stefan Nafziger, were seeking to recreate the street food of Admony’s native Tel Aviv when they opened Taim, using the Hebrew word for “tasty” or “delicious.” The growing Admony culinary empire now also includes two full-service restaurants in New York, Balaboosta and the recently opened Bar Bolonat, along with a second Taim location and a food truck, called Taim Mobile.

At Taim’s two locations in lower Manhattan, Admony created what she describes as a Mediterranean menu “centered around street food with a gourmet twist.” The restaurants have won several “best falafel in New York” awards for their signature dish, which is served in three varieties: green (with parsley, cilantro and mint), harissa (mixed with Tunisian spices), and red (mixed with roasted red peppers).

In addition to falafel dishes, the menu also includes salads and hummus dishes, incorporating produce ingredients such as eggplant, cucumbers, beets, tomatoes and lettuces, prepared with gourmet Mediter-

ranean flavorings derived from Admony’s international cooking experience — including a stint as a cook in the Israeli army. The smoothies also have a gourmet twist, with such flavor combinations as date-lime-banana and cantaloupe-ginger.

“I’m a big fan of beets, mainly because they are delicious and fulfilling,” says Admony. “I really like to work with kale as well. At Taim we have a quinoa kale salad on the menu, and it’s healthy, tasty, and a great way to please my vegetarian customers.”

The most popular items on the menu are the falafel and the sabich (Iraqi Jewish eggplant sandwich), which includes sliced eggplant with an organic egg, parsley, hummus, Israeli salad, pickled cabbage, tahini sauce and amba (a tangy, pickled-mango condiment).

Taim sources its produce from Baldor Specialty Foods in New York and Riviera Produce in New Jersey, and also works with online purchasing platform Dine Market.

“In my other restaurants, we source a lot of local ingredients, but because Taim is so casual we don’t purchase much locally,” Admony explains. “We definitely would like to someday, but we are not there yet.”


— MARK HAMSTRA

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Cuisine Specialty:
Modern American

 Andrew Corrigan, the chef de cuisine at Tenth Avenue Cookshop in Manhattan's Chelsea neighborhood, is a predator when it comes to sourcing produce.

“As the seasons change, what I call our habitat expands and contracts, much as a wolf’s range grows in the winter to account for sparser food availability,” he says. “For instance, I get a lot of onions from Pennsyl-



vania and New York in the warmer months, but in the winter, we have to open up the circle until we find what we need.”

Tenth Avenue Cookshop, owned by partners Marc Meyer — who is also the executive chef — and his partners Chris Paraskevaides and Vicki Freeman, is one of a handful of highly regarded farm-to-table restaurants in New York City. The menu focuses on seasonal, sustainable ingredients, most of which are locally sourced.

Corrigan says creating the menu based around season ingredients “requires a different type of planning. We do our best to

forecast a rough menu for different times of the year so that we can test out dishes in advance,” he says. “When that particular vegetable or fruit comes into season, we can hit the ground running and make the change.

“It’s a challenge for me because produce doesn’t follow very strict timelines; things come later or earlier, or sometimes not at all. On those occasions, it can be very frustrating, but we don’t force the issue. We file the recipe away and move on to something that is available. It really ensures that the best quality product ends up on the menu.”



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Tenth Avenue Cookshop buys from dozens of farms in the region, Corrigan says, including Phillips Farms in Millford, NJ; Paffenroth Gardens in Orange County, NY; and Migliorelli in Tivoli, NY. He added that he's "always looking for new farmers," and cited as an example Cookshop's new relationship with Invincible Summer Farms on New York's Long Island.

Cookshop also works with a local buyer who shops the Hunts Point Produce Market "with the understanding that we want things from as close to home as possible," Corrigan says. "Even in the dead of winter, that still factors in to the equation. Our staple produce very rarely comes from further away than California."

Some of the vegetable dishes on the menu on a recent visit included a semolina rigatoni dish with roasted cauliflower, chili, garlic, capers, red onion and shaved sarvecchio; and a mezza of broccoli rabe, blistered sweet peppers, roasted butternut squash, walnut vinaigrette, Treviso radicchio and pear.

"Tomato season is my most highly anticipated time of the year," says Corrigan, adding that he also enjoys working with corn and summer and winter squash.

"Each season has things that I can't wait to get my hands on," he says. "Spring brings all the wild foraged greens, and baby vegetables; summer has those great lettuces and so much more. I even look forward to the wintered-over kale, escarole and parsnips."

— MARK HAMSTRA

Small Wonders

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Cuisine Specialty:

New American



Ⓜ The Grocery created a menu for its Brooklyn restaurant where the produce-based dishes are so popular that it often appears on lists of the top New York City restaurants for vegetarians.

Partners Charles Kiely and Sharon Pachter, co-owners and co-chefs at The Grocery, offer a menu of appetizer-sized dishes that rely heavily on local, seasonal ingredients.

"In May through November, 85 to 90 percent of our produce is from local markets," says Pachter, who notes that she shops at about four different local farmers markets each week for most of the ingredients.

"We buy small quantities frequently — usually just whatever I can schlepp from the greenmarkets," Pachter says.

The restaurant switched its menu about two years ago from a more traditional assortment of appetizers and entrees to one that is now focused entirely on appetizer-sized "small-plate" dishes.

At the time of the transition to a small-plate menu, the local markets were in season, and the restaurant developed a





menu featuring a large variety of seasonal, locally grown produce items. About half of the dishes on the menu, which changes seasonally, are all-vegetable.

Kiely says The Grocery works hard to ensure that the vegetable dishes are interesting and flavorful.

“Many people comment that we get a lot out of our vegetables,” says Pachter.

Among the interesting vegetable-based items on the menu is a vegetable tasting plate called “Greens, Grains and Legumes,”

for which an item from each of the three categories is prepared separately.

Other currently popular vegetable dishes on the menu include an apple salad, which is made with a selection of local radishes, and a Swiss chard pancake, made from rice flour and fresh Swiss chard.

“We love Hen-of-the-Wood mushrooms, and we like beets a lot,” says Kiely of his favorite vegetables.

The chefs also jar and pickle a lot of vegetables for use during the winter months,

Kiely says.

In addition to sourcing from the local greenmarkets, The Grocery also buys fruit from Wilklow Orchards in Highland, NY, and sources produce items from Lucky Dog Organic Farm in Hamden, NY, and Conuco Farm in New Paltz, NY.

“There are lots of farmers that will deliver produce, but we don’t like to purchase like that,” said Kiely. “We like to see the produce ourselves and select what we want.”

— MARK HAMSTRA



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DeCicco & Sons

Nurturing existing relationships and cultivating a community of shoppers brings success to this New York State independent.

BY MINDY HERMANN

Shoppers who walk into one of the five DeCicco & Sons markets in New York's Westchester and Putnam Counties are immediately greeted with produce, and lots of it. But the chain's heritage didn't begin with fruits and vegetables; it began with meat. When DeCicco Family Markets was founded in 1973 by John DeCicco Sr., Joe DeCicco Sr., and Frank DeCicco as a small storefront in the Bronx, the store's main focus was on butcher shop-quality meat. It evolved into a destination for other top-notch foods as its growing base of customers looked to DeCicco's for seafood, domestic and imported packaged foods, cheeses, prepared foods, and fruits and vegetables. Within a few short years, DeCicco Family Markets established its reputation for not only food but also superior service and dedication to customer satisfaction.

All In The Family

It's no surprise that three second generation DeCicco first cousins, John Jr., Joe Jr. and Chris, decided to go into the family business after a childhood that celebrated the love of food and family meals. The cousins started with the existing family store in Pelham and gradually added four stores in Ardsley (2006), Brewster (2010), Harrison



(2012), and Armonk (2013). DeCicco & Sons stores range in size from 13,000 square-feet in Harrison to 37,500 square feet in Brewster.

"We knew that our duty was to uphold the DeCicco's reputation for quality, variety, and customer service," says co-owner John DeCicco Jr. "That means focusing a keen eye on the future while never forgetting the promises and mindset of the past."

DeCicco's began expanding its produce presence in the early 2000s; today, the department has the largest footprint in the stores and contributes about 20 percent of net store sales. Melvin Contreras, director of produce, oversaw much of the growth. "I joined DeCicco's in 2001 as a staff member in the Pelham store," says Contreras. "After a few years, I was promoted to produce manager and oversaw the creation and operation of the produce departments in the Ardsley, Brewster, and Armonk stores. I also directed recent department renovations and upgrades in each store."

The Produce Blueprint

DeCicco & Sons captures an upscale farmers market feel, with fruits and vegetables displayed on an open floor in cherry-stained wooden boxes. Items are arranged in mini-neighborhoods — seasonal stone fruit, apples, citrus, peppers, tropicals, tomatoes, potatoes, onions, and a berry bar. A tall, open-refrigerated case extends the length of the department features greens, vegetables requiring refrigeration, bagged and boxed salad mixes, and salad dressings. On the other side of the department are two cases, one with grab-and-go fruit and bottles of juice and the other with pre-cut fruits, vegetables, and salads.

"The pre-cut section in our Armonk store keeps growing," notes Contreras. "It's hard to keep those shelves stocked."

DeCicco & Sons marries tradition with technology with flat screen monitors that list each item in a particular section, along with country of origin and price. "We first introduced the signs in the Armonk store,



(L-R) Andrew Scavera, produce clerk; Luis Flores, produce manager; Ron Zambri, produce clerk; Melvin Contreras, produce director; Tony Pippo, produce assistant manager; Richard Gomez, produce clerk

and then brought them to the other stores during recent renovations,” says John Jr. “With fruits and vegetables coming in daily from farmers and distributors, our staff can update in real time what we have on the shelf, where it came from, and how much it costs.”

Contreras notes that DeCicco & Sons stands out for its owner involvement in the produce section. Co-owner John Jr. maintains long-term relationships with numerous family-owned suppliers, including RBest Produce, Bozzutto’s, Nathel & Nathel, and Baldor Specialty Foods, while also working with farmers and distributors who can bring in local produce from within an approximately 250-mile radius.

“We work with at least 10 suppliers rather than just one or two,” says John Jr. “We source specific brands from particular companies that can deliver on both quality and consistency.” He cultivates primary and secondary sources for many items to ensure that stores always are stocked.

“Local is important to us and our shoppers,” explains John Jr. “We source from local farms that can provide quality, consistency, and volume. At the peak of summer, up to 80 percent of our fruit and vegetable varieties include a local option.”

DeCicco & Sons hosts an annual “farmers market” within the store and parking lot of its Brewster location to showcase the more than 50 suppliers of fresh produce, dairy products, meats, cheeses and beers from New York’s Long Island and Hudson Valley.

The Operation Of Independence

Given the volume and variety of fruits and vegetables carried by DeCicco & Sons, the small amount of inventory lost to spoilage is impressive. “We have nearly 100 percent usage,” says Contreras. “Every area of the store that prepares food draws from the same items that we offer to shoppers. We continually rotate our inventory to ensure that the items on display are ready to use.” To lessen premature ripening and spoilage, the storeroom separates ethylene gas producers such as avocados, bananas, stone fruits, and melons from other items.

Behind the smooth store operation is a longstanding commitment to customer service. “They have a nice selection of produce that’s always fresh, but, most importantly, I find the staff in the produce department to be especially helpful and knowledgeable,” notes shopper Lori Horowitz.

DeCicco & Sons believes that well-trained employees deliver good customer service. John Jr. emails department personnel to introduce them to new items, which he also discusses at monthly staff meetings. He solicits feedback through a secret shopper program and focus groups. Weekly manager meetings and twice-yearly employee sessions offer opportunities to discuss operations and address concerns.

Feedback from shoppers is equally important, especially in neighborhoods where word travels fast through social media. When DeCicco & Sons learned of the need for convenience, it ramped up its

selection of pre-cut and ready-to-use items. Shoppers can find everything from traditional melon cubes to ready-to-use onions to diced vegetable combinations for soups, omelets, and stir-fry dishes. The department now stocks up to 22 different pre-made salads, including salmon Caesar, Asian chicken, and Greek, up from only four or five in 2001.

Demand for organic is growing and organics make up about one-third of all items. “We educate our customers on both organic and local with clear labeling on the shelf and on the screen,” says Contreras.

DeCicco & Sons believes in the value of going the extra mile for customers. Stores stock a wide variety of specialty fruit, vegetables, spices, and herbs. Customers are encouraged to ask for items that they don’t see and can place special orders at the store or through the company website. Many requested items can be delivered to the store within 24 hours — a service that appeals to area chefs and shoppers alike. Taste samples often are available for new items, as well as for store-made items. “I look forward to tasting the homemade guacamole and salsa, and I usually buy some to take home,” says shopper Riki Olier.

The company also supports the communities it serves through philanthropy. “We allocate a percentage of our sales to area school districts through their parent-teacher organizations, who use the funds where they are most needed,” says John Jr. “We are here to serve our neighbors.” **pb**

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New England Produce Center And Boston Market Terminal Balance Tradition And Change



The wholesale market finds success by ‘growing into the future’ with core values and harnessing the shifts of the produce industry. **BY MARK HAMSTRA**

One of the country’s oldest produce terminal market facilities, still going strong as smaller terminal markets throughout the region have gone out of business, the New England Produce Center (NEPC) is taking steps to ensure that it does not suffer the same fate, and in fact thrives as the leading wholesale produce depot for the region.

The market, where growers send their product to be sold to local foodservice companies, retailers and regional wholesalers, is the heart of the local produce supply network. Located on the Chelsea-Everett, MA, border just outside Boston, it is surrounded by several other produce wholesale businesses, some in the Boston Market Terminal next door and others freestanding nearby.

Things on the foodservice scene could be picking up in the region, however, amid talk of a new casino in the area. Las Vegas developer Steve Wynn in September won the rights to the Greater Boston casino license, paving the way for a \$1.6 billion casino in Everett, MA, just north of Boston.

“A casino in Everett could mean more business, with more hotels, perhaps,” says Steven Piazza, president of Community-Suffolk, which offers an assortment of vegetables and citrus from its main location



on the Boston Terminal Market in Everett.

“It will be a huge facility with a marina, employing 4,000 people, and will include multiple restaurants as well as a hotel.”

Meanwhile, the local produce wholesalers continue to invest in their operations to make themselves viable for the long haul, and the NEPC — in particular — is in the midst of an effort to rejuvenate itself.

The NEPC has some inherent advantages in its ownership structure. As a cooperative-owned business, the NEPC benefits from the collective insight of its network of owners — the wholesalers who run each of the delivery units on the market.

Families who have been in the business for generations now pass their companies on to future generations. In order to ensure that they will be able to do so, they are making strategic investments in the terminal that promise to ensure its ongoing productivity.

“The owners and operators vested interest in improving the facility,” says John Lucero, general manager of the NEPC. Lucero credits the center’s board of directors, made up of eight individual owners and led by board president, Peter D’Arrigo (president of D’Arrigo Brothers Co.), for taking the right steps to make the center viable for the long term.

“They knew there were some maintenance items that needed to be addressed,” explains Lucero. “They had to come up with a comprehensive plan, and they did.”



(L-R) Richard Degiovanni and Jackie Piazza of Community-Suffolk

Two years ago, the board brought in Lucero, who is a facilities management expert, and Walter Campbell, market manager and a veteran with the NEPC, to oversee an effort to make the necessary modifications to the facility that ensures its longevity.

For The Long Term

The goal, Lucero explains, is to implement the necessary improvements without incurring debt. By setting aside money now to pay for the larger investments, the owner-operators of the NEPC can steadily work toward their goal of creating an affordable, viable enterprise for the long term.

“They want to get a longer life out of what’s here,” says Campbell.

One of the recent initiatives the NEPC successfully completed was the implementation of business practices to conform to new Massachusetts regulations concerning waste separation. As of October 1, businesses in the state are required to separate their waste into recyclables, organic material and trash.

“This is one of the oldest produce facilities in the country, so what we are trying to do is implement best practices, keeping costs low and addressing maintenance issues,” says Lucero. “They are starting to breathe new life into the facility, and they are trying to be good stewards of the facility for the next generation.

“All of the credit goes to board president, Peter D’Arrigo, and the board of directors,” says Lucero. “They brought in new business practices to make sure rents are maintained at current levels,” he says.

While the produce wholesalers that own the NEPC are working to ensure the success of the facility, they are also continuously working to make the investments and improvements in

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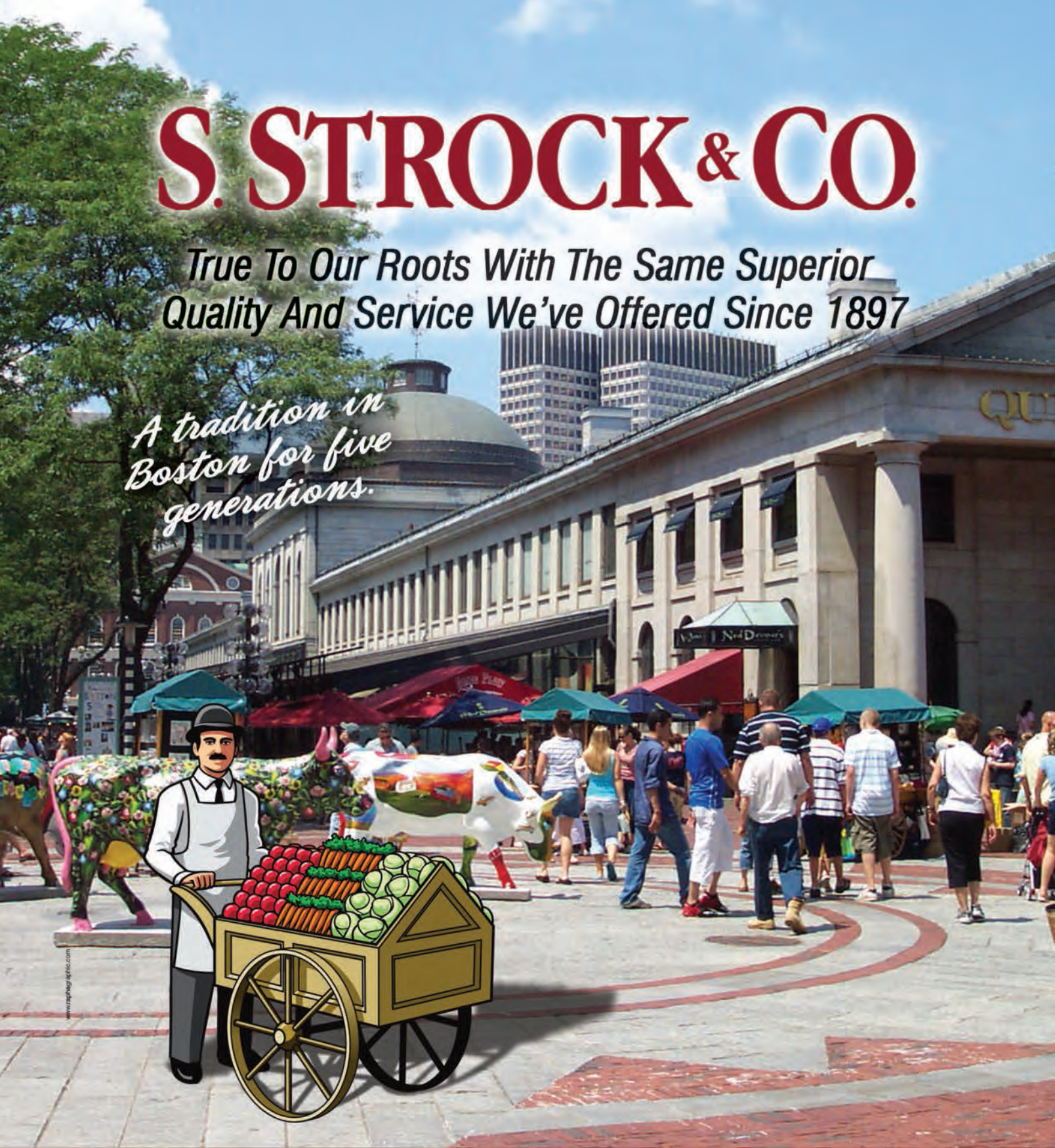


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their own operations to continue the success of their individual companies.

For years, the individual wholesalers expanded their lines, looking for new revenue streams beyond their core fruit and vegetable offerings. Many of the operators started as specialists in individual products, such as tomatoes, onions, or fruit, but have since branched out. For many of the businesses, the legacy products still form the core of their operations.

At J. Bonafede Co., for example, a company founded in 1912 with a focus on bananas and tropical fruit — specifically pineapples and plantains — which still accounts for about half of the company's business, according to Butch Fabio, treasurer. Mangos were added to the mix about 40 years ago. "Bananas were the foundation of the company," he says, recalling how when the company was began as a street-market venue, bananas were delivered still on the stem. "Then they started boxing them, and then modern ripening rooms came along," he says.

Similarly, the facility evolved from its roots at Boston's historic Faneuil Hall into the four,



(L-R) Michael Stroock, MJ Lauria, Patrick Rennie, John Schleicher, Mike Muccio, Bob Somerville and Robert Lee of S. Stroock & Co.



(L-R) Bruce Stroock, Adam Stroock and Ralph DiGiacomo of S. Stroock & Co.



(L-R) Gene Fabio, John Bonafede and Butch Fabio of J. Bonafede

two-sided warehouse structures that now form the core infrastructure of the NEPC.

Piece, Case Or Pallet

"This market opened in 1968 with what was then considered modern facilities," explains Fabio.

The nature of the business evolved as well. The largest retail chains now buy much of their product directly from producers, while smaller chains and wholesalers come to the NEPC to fill their trucks by the piece, case or pallet-load.

A major area of growth for many of the wholesalers at the center has been the smaller, independent ethnic market.

"We have a wide range of customers, especially Southeast Asian markets, plus a lot of Hispanic customers, particularly from the Caribbean," says Fabio.

Most of the product is sourced from Mexico, Central America and the Caribbean.

"It's about the survivors," says John Bonafede of J. Bonafede & Sons. "The whole industry has undergone changes as the chains got bigger," he says. "In 1968, there were a dozen chains that bought from us, but they all sold out to the bigger chains."

That retail consolidation contributed to the decline of regional produce markets like those that formerly existed in places like Albany, NY, and Hartford, CT. "Our business is with the wholesalers," says Bonafede. "What keeps us in business is that we have a large geographic area — we go out to New England, the Maritimes, and even New York."

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New York City come to the market if they can obtain competitive prices on a certain item or items. "We have some people from Brooklyn who come up here, and look for better deals," explains Bonafede. "They are going to New York and Philly too — they shop around."

Bonafede says the individual produce wholesalers at the NEPC expanded their operations to additional products to compensate for the volume lost through customer consolidation. "What's happened in this market

over the years is that people tried to expand to other items," he says. "The guys who only sold fruit — apples and pears — are now selling vegetables. We just used to sell bananas, but now we sell anything tropical."

When individual wholesalers on the market do eventually decide to quit the business, other operators tend to buy the units from which they operated, as opposed to buying the businesses outright.

Since 1993, more than half of the wholesalers in the market sold out. Peter Condakes



Anthony Sharrino of Eaton & Eustis Co.

Co., another long-time operator on the market with an extensive, multi-generational history in Boston, is also an example of a company that expanded its operations beyond its foundation 114 years ago as a seller of oranges.

Now the company specializes in tomatoes, and has one of the most sophisticated systems in the region for sorting and packing tomatoes. "My grandfather started a push-cart selling oranges," says Peter John Condakes, principal of the company and the grandson of Peter Condakes. "When the market opened, it expanded to be truckloads. We're more or less full-line now."

The fourth generation of the Condakes family started full-time at the company about four years ago. "I like to think there's a menu of attributes that you compete on," says Peter John. "The ethics and honorability of the people you work with is high. Any of the names here would be respected nationwide."

The expansion of the market's operators into multiple lines of business created a dynamic among the operators there in which they compete with each other, but are also available to help each other out in a pinch. "I like to think it's a friendly competition," says Peter John. "For example, we specialize in tomatoes, but if we were ever short, we could go to someone else on the market to fill the order. And the same goes if the shoe was on the other foot."

In 1983, Condakes also expanded into tropical fruits, which became an area of growth for many of the produce suppliers in the region. "More people are supplying these items, so competition is a lot stiffer," says Stephen Condakes, who manages the tropical division of the business at Peter Condakes Co. "You really notice it on these items, because not everyone used to carry them. Now there are a lot more people carrying a full line of tropical. All of the banana houses carry a full line of tropical now. A lot of guys have a limited line of mangos, papayas,

In Memoriam

Mark Andrew Ruma

May 5, 1970 – May 16, 2014



Mark Ruma was a Kind and Gentle Soul.

Mark worked for Ruma for over 20 years and was involved in all phases of the business, purchasing, sales, operations and product development.

Mark worked in new Product Development and was very instrumental in developing a new Fiddlehead 8 oz pouch bag which was introduced just before Mark passed away.

Mark got to see his dream come true.

Mark was single and leaves his Mother and father (Mary Ann, Jim) and two sisters Andrea Ruma Harrington of Los Angeles and Catherine Ruma of Charlestown, MA.



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(L-R) Stephen Condakes and Peter John Condakes of Peter Condakes Co.



(L-R) Kara Ruolo, Dominic Cavallero III, Skip Cavallero (seated in front) and Ken Cavallero of John Cerasuolo Co.

lemons and limes, as well as bananas, plantains and pineapples.”

For Condakes, obtaining good prices and offering high quality are both important to remaining competitive in the market. “You just have to buy the best you can possibly buy, then work out the price with the customer. You make the price fit the product,” says Stephen.

Stiff Competition

“The old adage, ‘If you build it, they will come’ doesn’t apply anymore,” says Stephen Condakes. “We are competing with so many

others — the Internet, brokers, and sometimes our own suppliers.”

He says the market in its current format provides a good solution for its customers. “If you come to the market today, you have choice, and you can choose the brand that suits your needs,” says Stephen. “The regional markets are under a barrage of competition. We distinguish ourselves with having quality. That’s always been our push.”

Peter John says keeping costs in line has to remain a priority for the wholesalers at the NEPC. “It would be nice to have a facility like that [Philadelphia Market], but without

the costs. When you are working on thin margins and volumes are under pressure, it’s important that you watch your costs.

“For the majority of people, the economy is not doing right by them. In tropical, a lot of customers are first-generation immigrants, and they want the things they are used to, but they just can’t afford it.”

Overall, produce tends to maintain a fairly even level despite the gyrations of the economy, notes Ken Cavallero, treasurer at John Cerasuolo Co. “In the past few years, the economy picked up, but we’re pretty stable,” says Cavallero. “Produce stays pretty level.”

While other companies on the market expanded their product ranges to include wider selections of fruits, vegetables and other products, Cerasuolo kept focus largely on its full line of vegetables for the past 85 years. “We do about 95 percent of our sales in vegetables,” says Cavallero. “We’ve always had a pretty full vegetable line.”

He agrees with other operators that ethnic items have been an area of growth for many of the operators. “It [ethnics] has the potential for the most growth,” he says, noting that many of the traditional supermarkets still don’t cater extensively to these populations. That leaves room for the independent retailers specializing in serving these populations.

“Asian, Russian, Spanish, Indian, Mideastern cultures — shop heavily on the market,” says Cavallero. But the big supermarket chains can still be a viable source of orders for the operators on the market, he notes. “If you get the fill-ins for a 200-store chain, it’s a bigger business than the independents,” says Cavallero.

Some of the biggest trends in produce merchandising at the retail level — organics and local product — have a limited impact at the market, says Cavallero. “Some people in the market do organics; but to do it, you almost need to specialize in it.”

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(L-R) John Whitney, Maureen Hurney and Howie Hall of Garden Fresh Salad Co.



(L-R) Melissa Carberry and Rita Whitney of Garden Fresh Salad Co.

In addition, Cavallaro notes that the relatively short growing season for many traditional vegetable crops in the Northeast translates into a very short timeframe for many locally sourced products. "Local' is a very short season here," asserts Cavallaro. "We bring product in from California, Mexico, and the whole East Coast when in season."

Cavallaro says the family ownership structure of the individual wholesalers in the NEPC contribute to its success and endurance. "The families here are dedicated to being in the produce business," he says. "It's like anything else, if your family is good at some-

thing, you do it. There's a lot of second and third generation and more here."

One of the most diversified operators on the market is Garden Fresh Salad Co., which has been operating at the NEPC since 1970 and offers not only fresh produce but also processed items like coleslaw, diced onions, salad blends and other items used by both foodservice and retail customers. It serves all of New England, as well as some parts of Eastern Canada and New York.

"The processing business serves mostly foodservice operators, and there's also a lot of foodservice done in the stores," says

Patrick Burke, sales and purchasing representative at Garden Fresh.

The business, founded by Burke's father-in-law, Izzy D'Alleva, generates about half of its volume through the processing side of the operation, which functions from a facility adjacent to the NEPC. Like all of the businesses at the NEPC, Garden Fresh adjusts its offerings by season.

"We sell a ton of coleslaw in the summer, then in the fall we do more squash," says Burke. The company also has a strong business in herbs.

Anthony Sharrino, president of Eaton &

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(L-R) Norlis Torres, Maurice Crafts and Doug Gordon of Coosemans Boston

Eustis Co., is a third-generation operator whose business was founded by his grandfather, a Sicilian immigrant, in 1880. The business, which specializes in garlic and onions, expanded into dried fruits and nuts — a business that picks up around the year-end holiday season.

While expansion into additional offerings has been important over the years, Sharrino says he thinks his business is best served by focusing on the areas where he has the most expertise. "I look at myself and what I know best," he says. "I can't be all things to all people."

Coosemans Boston is one of the companies that recently branched out into new product lines. This year, it began offering bottled juices from Natalie's Orchard Island Juice Co., augmenting its lines of specialty produce.

The Natalie's line includes a range of pasteurized refrigerated and frozen fruit juices and lemonades made from Florida fruits. Although Natalie's is widely known as a retail product, Kevin Maher, manager of Coosemans Boston, says his sales are primarily to foodservice accounts. "It's a foodservice product, but we do have some retail customers," he says.

Maher founded the local outpost of the national wholesale network 22 years ago. "We do specialty fruits and vegetables — white asparagus, baby bok choy, mini sweet bell peppers, baby beets, baby Brussels sprouts, Meyer lemons, also dried chili peppers and dried wild mushrooms," he says. "The founder of the company started with Belgian endive, and Belgian endive is still a major part of our repertoire."

Maher says one specialty produce item that became more mainstream for the company is kale. "Baby kale has become a very big item for us — and really, any kind of kale, including Tuscan kale."

While the business supplies mostly foodservice, Coosemans also supplies some retailers, primarily specialty retailers of the



Patrick Burke of Garden Fresh Salad Co.



Kevin Maher of Coosemans Boston

high-end variety. "Most of the upscale retailers want to carry ethnic items, so they come to us for the oddball items, like fresh chili peppers, and we have all different varieties," he says.

He agrees with other operators in the NEPC that as the product lines of wholesalers expand, it helps in terms of being able to always meet the needs of customers.

"It used to be that one guy would sell tomatoes, and one guy would sell onions, but now they all sell lots of things," he says. "Now, if we run short of something, we can procure the same product from someone else in the market, so we don't have to disappoint anyone."

Another company in the NEPC whose business expanded recently includes Travers Fruit Co., which is also one of the newest companies in the market.

"With the addition of our newest salesman, Nick Spinale, last January, our product has diversified nicely," says Paul Travers, a co-owner of Travers Fruit.

Spinale's commodities include onions, watermelons, and many mixed vegetables, including beets, rainbow Swiss chard, peppers and others.

"We also completed renovating all of our refrigeration space, which includes new refrigeration and new storage racks," says Travers. "We continue to provide quality



(L-R) Paul F. Travers, Richie Travers, Nick Spinale and Arnold Amidon of Travers Fruit Co.



(L-R) John Michaels, Dana Campo, Steven Piazza and Tommy Piazza of Community Suffolk

service, and the best quality products to our loyal customers."

Just outside the colorful new sign marking the entrance to the NEPC, Ruma's Fruit & Produce Co. does a diversified business that changes with the seasons. Ruma's operates three different businesses — one offering fruit and produce, one offering gift baskets, and one producing wooden pallets.

"In the spring, we sell fiddlehead ferns, and we are probably one of the largest distributors of fiddleheads on the East Coast," says Jim Ruma, president of Ruma's.

The fiddleheads, which are grown in the wild, are sold to retailers in New England and to distributors in pints, 8-ounce pouches and in 10-pound bulk containers.

In July and August, Ruma's switches its specialty to wild blueberries from Maine. "Then around the holidays is when the gift baskets get really big," explains Ruma.

The business, founded by Ruma's grandfather as a pushcart in the Faneuil Hall area, expanded into the fruit basket business about 25 years ago. "When the opportunity comes, you just sort of develop the business," says Ruma.

He notes 2014 produced what was possibly the largest fiddlehead season Ruma's has had, and Maine blueberries were also having an "excellent season" this year.

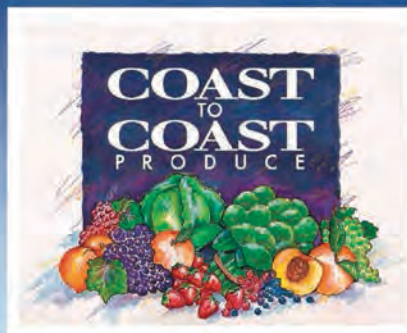
He says the gift basket business is much more sensitive to the economy, but has slowly increased volume during the past few years following the recession of 2008.

Just down the road from the NEPC in Chelsea is the new facility for Baldor Boston, which opened in April of 2012 and continues to grow since its expansion to the market. "Since last year, we expanded our geography up to Portland, ME, and a couple of places in between," says Glenn Messinger, general manager of Baldor Boston.

He says the company also added some trucks and split some of its delivery routes to better meet its customers' delivery times. "That way we can provide good service, because we are really all about providing superior service," says Messinger.

In the past year, the company also expanded its product lines to include more proteins, frozen and some gluten-free items. About 85 percent of Baldor's volume is supplying foodservice, but the company also serves a few retailers — including the six-store Crosby's Marketplace chain, Harvest Markets,

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(L-R) Tedd Rama, Glenn Messinger and Teddy Ceasar of Baldor Boston



Jim Ruma of Ruma Fruit & Produce Co.

and specialty retailer, Formaggio Kitchen.

Among the biggest growth areas for Baldor is fresh-cut produce. "Peeling, slicing and dicing — anything to save people time," he says. "It's easier [for foodservice operators] to buy 10 pounds of diced onions than it is to buy 10 pounds of onions and dice it themselves."

Most of the processing is done at Baldor's New York facilities, although some is outsourced locally, says Messinger. He notes the region had a strong local season this year. "We are always expanding local, and bringing on new farmers."

Baldor's 30,000-square-foot facility includes five different temperature zones, plus about 5,000 square feet that is not refrigerated. "Our customers like us because we have service seven days a week, and they can get their produce, proteins, dairy and frozen all in one place," says Messinger.

Overall, many wholesalers in the region say business is up this year. "There's definitely been some consolidation over the years, but business is still up," says Piazza of Community-Suffolk. "I like to think it's because we have the talent here, plus we are the farthest from the shipping lanes. There's more margin for error from here to there, so all of the locals buy from us. Every major chain has a rep or a buyer or a broker in here."

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Oleana Rocked Seasonal Before It Was In Vogue



Chef and owner, Ana Sortun, parlayed her talent and education into a successful restaurateur's empire. BY MARK HAMSTRA

For Ana Sortun, shopping for recipe ingredients as a cooking-school student in Paris helped build the foundation of what has become one of the most notable restaurants in the greater Boston area.

The founder and chef at Oleana Restaurant in Cambridge, MA, learned as a 19-year-old student at École de Cuisine La Varenne in Paris that ingredients had to be fresh and local, or the dish simply could not be prepared.

"When I was in school, I would do the shopping for chefs, and if it [produce] wasn't in season, we wouldn't use it," recalls Sortun. She says that credence remains an influence in her cooking today.

"If a recipe called for something that was out of season, we either tore up the recipe or used something else. I don't think I really ever appreciated or understood the seasons until I had to go shopping for ingredients and took a closer look at the quality of what I was buying.

"I think that planted the seed in my brain early on that fresh and really good seasonal ingredients are essential to cooking great food."

Sortun further honed her culinary acumen working with Turkish chefs, who instilled in her the value of making fresh produce the centerpiece of her dishes.

"They had a big impact on me in terms of using vegetables as the highlight of the meal rather than as the side dish of the meal," says Sortun. "They taught me a lot about how to incorporate them into a



meal with much more of a presence."

These culinary imprints are evident in Sortun's menu at Oleana, which changes with the season as various produce items peak and wane. About 50 to 60 percent of the primarily Turkish-influenced menu changes with each of the four seasons, but Sortun removes produce items one by one as they pass their prime, and supplants them with the newest items Mother Nature has to offer.

Sortun sources much of Oleana's produce during the growing season from Siena Farms and has an edge when it comes to keeping



(L-R/Top Row) Spinach Falafel, Tahini Sauce, Beet Yogurt & Cress and Profiteroles
(L-R/Bottom Row) Pan-Fried Kalamata Olives, Tomato & Za'atar and Chef Ana Sortun.

tabs on produce cycles. Her husband is the owner of Siena Farms, which is a 75-acre market farm located in Sudbury, MA, growing fresh produce for farmers' markets, restaurants, and a 750-member CSA community.

"We basically decide based on what they have at the farm, and we write our menus around the seasonal ingredients," says Sortun.

Off-Season Buying

In the off season, Sortun sources product from elsewhere in the country, including California. She also collects fruits, such as figs and lemons, from sources other than Siena Farms.

She tries to be selective in what she sources from outside Siena Farms, and she also procures fresh product from Concord, MA-based Verrill Farm, another local purveyor, to supplement for various needed items.

"We have a long relationship with them; we trust them, and we have confidence in them," explains Sortun.

"I bought from local farms for pretty much

my entire cooking career, except for the very beginning," says Sortun. "I bought from another local farm before I met my husband, but it no longer exists. I always look for vegetables that are grown nearby."

Sortun earned her acclaim — she was the James Beard Foundation's "Best Chef: Northeast" award winner in 2005 — for her ability to incorporate local and seasonal ingredients into her authentic Mediterranean menu. This past summer's assortment of meze, the "small dishes" comprising the bulk of her offerings, included such creations as a spinach falafel with tahini sauce, beet yogurt and cress. Another incorporates the wild herb za'atar with pan-fried kalamata olives and tomatoes.

The few meat and seafood entrées on the menu also feature herbs and vegetables as integral aspects of the dishes, such as a duck shishkebob with beets, fig, smoked wheat pilav and walnuts.

A review last year in *The Boston Globe* praised the restaurant for its innovative menu, noting that "Oleana has been local and

seasonal since before local and seasonal was something to be."

Prestigious Success

In addition to the James Beard award, in 2011 Sortun accepted an invitation to join the culinary council of the prestigious Bocuse d'Or USA.

The success of Oleana led Sortun to expand into other ventures. Sortun and business partner, Maura Kilpatrick, in 2008 opened Sofra Bakery & Café in Cambridge, which offers a unique style of foods and baked goods influenced mostly by the countries of Turkey, Lebanon, and Greece.

In 2013, Sortun partnered with her longtime chef de cuisine, Cassie Piuma, to open Sarma, a traditional mayhane-style restaurant and bar in Somerville, MA.

Sortun also recently released Chef Sets — in partnership with SetPoint Health in Upper Newton Falls. Chef Sets allow customers to prepare Sortun's inspired dishes with ease, from the comfort of their home kitchens. **pb**

Brothers Marketplace



The niche-driven store creates a small-town, local-market feel with a healthy helping of produce. **BY MARK HAMSTRA**

Produce is the centerpiece of Brothers Marketplace, the new small-format, high-end food store developed by regional chain Roche Bros. Supermarkets, based in Wellesley Hills, MA.

"Produce is the focus for the whole store," says Aimee Morgida, director of operations at Wellesley, MA-based Roche Bros.

The 9,500-square-foot Brothers Marketplace in Medfield, MA, which is the second location of the new format, features a colorful cornucopia of artfully displayed fruits and vegetables, sprawled conveniently to the left of the store's main entrance.

Brothers Marketplace seeks to replicate the feel of a small-town store with an emphasis on local foods and personal service. The produce department is an integral part of that strategy, with an abundance of New England-sourced product and workers who specialize in helping customers find and buy what they need.

"We are always sampling produce, and the workers will cut you a little bit of something to try if you are interested," says Jessica Winship, produce merchandiser at Brothers Marketplace, and the main force behind the creative merchandising of the store's fresh offerings.

Creative Aesthetic

A former cheese merchandiser, Winship takes pride in the colorful, ever-changing panorama of fresh fruits and vegetables Brothers



Marketplace displays.

"When you look at the produce department, it's a mural, with all the colors we have out there," says Winship. "For us, visual merchandising is huge. It takes a little more effort to make a display like this, but it is going to wow the customer when they walk in the door."

Winship says she was accustomed to working on a much larger scale at the traditional Roche Bros. locations — which measure up to

about 70,000 square feet — and had to edit her design sensibilities for the Brothers Marketplace locations.

“Here it was a matter of taking something that was 4 feet [at Roche Bros.], and making it fit in a basket,” she says.

The baskets she describes are in the shape of small trays that fit into the refrigerated wall cases. These are one of many unusual display fixtures that were created in light of the relatively small offering at the store, which carries just a few hundred SKUs of fresh items.

However, Winship adds, “just because it’s small doesn’t mean it’s static. Things come in and out, and there’s a lot of product changeover.”

“Jess is an artist with food,” says Morgida. “She is an excellent merchandiser.”

Sourcing Local

Local sourcing is a key element not only for the produce department, but for the Brothers Marketplace concept overall. “The mission of Roche Bros. is to get as much local product as possible,” says Winship. Local items throughout the store are indicated with dark-green tags. Winship estimated that about 60 percent of produce at Brothers Marketplace is locally grown.

Local wholesaler James E. Kilduff Produce Inc., based in Everett, MA, supplies most of the produce for Brothers Marketplace, and also supplies Roche Bros., by sourcing from a variety of local farmers. Those include Land’s Sake Farm in Weston, MA, and Tangerini’s Spring Street Farm in Millis, MA. Belkin Family Lookout Farm in Natick, MA, supplies apples and pears.

In addition, local wholesaler Sid Wainer & Son Specialty Foods, based in New Bedford, is a key supplier for the company. It provides the abundant dried fruit offerings at the Brother Marketplace store.

Cultivating Distinction

There are some key differences between the produce department in a traditional Roche Bros. store and the limited assortment of fresh fruits and vegetables on display in Brothers Marketplace. Shoppers won’t find items like raisins on the vine or Champagne grapes at traditional Roche Bros. store. Those items and others, like heirloom tomatoes and other specialty produce offerings, are integral to the Brothers Marketplace concept.

The store is very particular about the quality of its offerings, which is clearly seen in the remarkably unblemished fruit and vegetables on display in the section.



“If something comes in the back door that doesn’t meet our standards, we send it back,” says Winship.

Cut fruits and vegetables in the store are currently supplied by RLB Food Distributors in West Caldwell, NJ, but Winship said the company is planning to begin cutting its own produce in-store.

Another notable aspect of the produce department is its segregated assortment of organic produce, clearly displayed with colorful signage in a 16-foot, open-air refrigerated case.

“We do believe that organic should be segregated,” Winship explains. “We think people should be able to find it easily.”

Organics offerings in dry grocery, however, are integrated within their product categories.

Adding touches of color to an already vibrant produce department, the adjacent floral merchandising displays blend seamlessly into the produce area with a few small flower displays visible within the perimeter of fruits and vegetables.

Brothers Marketplace is small enough that shoppers can explore the entire store in a matter of minutes, reducing the need for extensive cross-merchandising.

The Shopping Experience

Along with local produce, Brothers Marketplace also features a variety of other New England-sourced products throughout the store, from the freezer case to the bakery. Some of the produce-based items harvested locally include pickles from Root Cellar Preserves in Wellesley, MA; pickles and salsa from Town Farms Gardens in Brookfield, MA; and small-batch fruit jams from Bonnie’s Jams in Cambridge, MA.

The produce displays — many custom-made for the store — help create the local-market ambiance of the Brothers Market-

place concept, with fixtures such as wooden packing crates and other rustic touches. A colorful mural on the walls above the fresh displays depicts art from produce seed packets, helping to set a “farm-grown” tone for the space.

Off to one side of the store is a service ice cream counter, a remnant of the building’s former life as a drugstore with a soda fountain.

The building itself was designed by BHDP Architecture of Cincinnati, OH, while the brand design for Brothers Marketplace, including the logo, brand standards and signage, were created by Boston-based branding and graphic design firm Marquis Design Inc.

Roche Bros. opened the first Brothers Marketplace in Weston, MA, earlier this year, in a space that was quickly converted. As a result, that location did not get the full Brothers Marketplace branding and design effort that went into the Medfield location. The company is on the lookout for potential additional locations of the concept, says Dena Zigun, director of marketing for Roche Bros.

One thing that shoppers will not find in the Brothers Marketplace produce department is an over-abundance of packaging around the fresh fruits and vegetables on display. Almost all items are displayed loose, and even small pint baskets of berries are open to the air — making it easy for workers to pick up a basket and offer samples to customers.

“Everything is loose,” says Winship. “We use less packaging, and nothing is wrapped in plastic.”

In fact, even the produce bags stacked alongside the displays are made of paper rather than the clear plastic that is commonly found in produce departments.

“It’s gorgeous,” Winship says, holding up an open basket of champagne grapes. “How could you not want to buy it?”

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Sweet Success With Sweet Peppers

Color, taste and versatility create potential for big sales. **BY ANTHONY STOECKERT**



Because they come in different colors, sweet peppers have a lot of visual appeal, which gives them an advantage over other vegetables.

Also known as bell peppers, sweet peppers are flavorful and versatile. Popularly used in soups and hot meals (such as stir fries), they are delicious raw, and add vibrant flavor and color to salads or sandwiches. Sweet peppers also are traditional ingredients for homemade relishes and salsa. All these elements, combined with the fact that they're available year-round, makes peppers a veggie that can be a consistent big seller.

"Sweet peppers continue to see an increase in popularity," says Kayla Espinoza, marketing and communications manager for Wilson Produce, based in Nogales, AZ. "They are an incredibly versatile vegetable. Adults and kids really enjoy them in a variety of ways, this attributes to their market growth."

Mike Aiton, marketing director for Prime Time International, based in Coachella, CA, says bell peppers show steady, consistent growth year after year. "Fueled by wonderful flavor profiles, and the introduction of many new items, these versatile vegetables continue to outperform other vegetable items," he says.

Giving Peppers The Necessary Space

According to Aiton, the ideal temperature for peppers is 45 to 50 degrees, which means they are best displayed on wet racks, rather than on unrefrigerated display tables.

"Because there are so many SKUs now, the minimum display space in a large produce department should be 8- to 12-linear feet," he says. Aiton adds that the overwhelming majority of sweet peppers are sold in bulk, but there are specialty varieties that are sold in bags and/or clamshells.

Because they come in different colors, sweet peppers have a lot of visual appeal, which gives them an advantage over other vegetables. Aiton says the most popular pepper colors for Prime Time are: (in order of consumer favorites) green, red, yellow, and orange.

All of those bright, pretty colors bring a lot of visual appeal, which can be used to retailers' advantages, when displaying peppers and when educating customers about their visual appeal.

"We find our consumer's enjoy the red, orange, yellow blend. It adds beautiful bright

color to any dish," says Espinoza. She adds that differences in flavor come through cooking more than use in salad.

"I find you can really taste a pepper's range in flavor when you oven roast or grill them," she says. "Most cases, you might find a very mild heat or a deeper sweet flavor."

Vic Savanello, director of produce and floral for Allegiance Retail Services, based in Iseline, NJ, says green and red varieties remain the most popular. "The green and purple varieties of bell peppers tend to be slightly bitter in flavor, while the red, yellow and orange varieties tend to be sweeter," he says.

Aiton says that while green peppers have long been the most popular color, red peppers are making a move.

"In many areas of the country red supplanted green due to their vibrant color and sweeter, milder flavor," he says. "The green remains the most popular driven by the consistently lower retail price point."

Those colors do a lot more than help create pretty displays. "There are many new varieties, each with different and unique

flavor profiles,” says Aiton. “Traditionally if you did a blind taste test with red, yellow and orange, you would probably end up with a three-way tie for best tasting.” He adds that it’s really a matter of personal preference.

Merchandising Tips

There are several factors to take into consideration when merchandising sweet peppers, including size. Aiton says mini sweets are growing in popularity. “They certainly established themselves as a promotable everyday item,” says Aiton. “Loose peppers are sold either individually or by the pound — depending on the market and the retailer preference.”

When it comes to packaging, Aiton says there are countless combination possibilities. “Because peppers are generally packed in a packing house, and most larger suppliers grow a myriad of sizes, shapes, and colors, the combinations are endless,” he says. He adds that Prime Time packages peppers in various combinations based on customer preferences and expectations.

Another factor is shelf life. Aiton says a pepper should immediately be pulled from display when it begins to slightly shrivel. Those peppers should either be marked down or discarded.

“A close visual examination is the best determinant of shelf life,” he says. “Once at retail, peppers should last about 10 days for the retailer, and then the consumer — when properly cared.”

Size is another factor. Savanello says larger sweet peppers are easier to merchandise in conventional produce departments. “The different colors offer a wonderful rainbow of colors to attract the consumer’s eye,” he says. “They are a merchandiser’s dream to work with, and always make for the most attractive displays in the produce department. Merchandising the smaller-sized varieties tend to be much easier if done with a packaged or bagged item. Using a bagged product, or packaging them yourself, also reduces the inevitable shrink this item would create.

He adds that Allegiance offers 1- and 2-pound gusseted bags of peppers. “These items are very popular with consumers,” he says.

Pepper Promoting

Because sweet peppers come in several varieties, Aiton says educating customers through signage is one of the best ways to promote them.

“Consumers are curious and confused when they look at the massive pepper section,” he

says. “Describe the pepper’s flavors, uses, hotness, and source above each offering.”

He says peppers lend themselves to promotion, and sales can improve significantly through displays and reduced price points. “Because there are now so many varieties to choose from, peppers should be featured regularly. Colored peppers can carry their own weight as a major feature, and the varieties can be used to promote image and variety goals.”

Lee Anne Oxford, director of marketing

for L&M Companies, based in Raleigh, NC, says holiday season is a good time to promote bell peppers, and peppers from South Florida and Culiacan, Mexico will be available throughout the winter.

“Use recipes together with ads to promote multiple uses — from hearty winter dishes, such as stuffed peppers and casseroles, to stir fries, to salads, to strips for vegetable trays,” she says. “There are great opportunities for sweet pepper promotions from the fall all the way through Super Bowl.” **pb**

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According to the Produce Marketing Association, the U.S. fresh-cut fruit and vegetable category is estimated to be a \$27 billion market, with retail dollar and volume sales on the rise.

Convenience Factors Big In Vegetable Blend Sales

Consumers looking to save time and eat healthier are propelling record growth in these value-added products. **BY LISA WHITE**

A potential cash cow has arrived in supermarket produce departments — the fresh vegetable blends segment is expected to grow exponentially in the years ahead. As more consumers seek convenient ways to eat healthier, value-added products like vegetable blends are reaping the benefits.

According to the Newark, DE-based Produce Marketing Association, the U.S. fresh-cut fruit and vegetable market is one of the fastest growing segments in the category. It is estimated to be a \$27 billion market, with retail dollar and volume sales on the rise.

Consumers' desire for convenience and demand for a wide variety of options is expected to help propel the bagged salad as well as other ready-to-eat vegetables and fruits sector from \$5.5 billion in 2013 to \$7 billion by 2018, according to *Branded Packaged Produce and Salads: U.S. Market Trends*, a new report from Rockville, MD-based Packaged Facts. The report estimates sales of branded packaged produce through all retail channels increased by a compound annual growth rate of 4.7 percent between 2009 and 2013.

"There is a steady increase in vegetable

blend consumption," says Dionysios Christou, vice president of marketing for Del Monte Fresh Produce, headquartered in Coral Gables, FL. "Vegetable variety blend sales are up 9.6 percent since last year, and mixed vegetable tray sales increased by 6.6 percent."

Consumption Trends

The presence of children in the home is one of the strongest indicators that a household will likely purchase more fresh products, such as produce, than the overall population, according to the Packaged Facts report. Younger, more affluent households with small children are especially willing to pay more for fresh produce.

Resisting the use of fresh produce are consumers in the 18- to 24-year-old age range, according to the Packaged Facts report. In fact, this demographic is twice as likely as the population as a whole to be disinclined toward the use of fresh produce.

While a growing interest in fresh foods and cleaner eating are helping to drive the growth of this category, convenience remains a key factor in the appeal of packaged produce.

Not only is preparation simplified with

these products, since the washing, peeling and cutting are already accomplished, but waste is negligible and the incidence of spoilage is decreased.

Vegetable blend popularity is also on the upswing as a part of the juicing revolution, with specialized mixes geared for nutrient-rich beverages. Other specific lines are designated for side dishes, grilling, steaming, stir fries, soups, stews and other dishes — taking the guesswork out of cooking and further promoting the convenience-related attributes of these products.

"Vegetable blends are known as the 'Cut Vegetable' section, and these products are a shopping destination and are typically located near packaged salads and salad dressings," says Gina Nucci, director of healthy culinary innovation at Mann Packing Co. Inc., located in Salinas, CA. The popularity of these products varies, depending on the location and store demographics.

Priceville Foodland, a single-store supermarket in Decatur, AL, carries Mann Packing's Broccoli Wokly, which is a blend of broccoli florets, in addition to a vegetable medley with broccoli, cauliflower and carrots, and a stir-fry

mix, which has snow peas, cauliflower, carrots and broccoli, according to Ty Newberger, produce manager.

Although packaged salads are popular at Tom's Supermarket (a single grocery store in Freeburg, IL), vegetable blends have not yet caught on. "We only carry one kind, a microwavable bag of cauliflower, broccoli and carrots, since we're not seeing much demand for it," says Kenny Carel, the store's produce manager. "Our customers are finding it a better value to buy produce in bulk and mix it themselves, although there is still a small percentage that purchase bagged vegetables for convenience."

The widening availability of these items, along with the increasing variety, is helping to grow the category. Because consumers are still looking for flavor with packaged vegetables, San Miguel Produce Inc. in Oxnard, CA focused on full, peak of the harvest, mature greens.

"Blends that are colorful and full of different textures are on the rise," says Jan Berk, San Miguel Produce's chief operating officer. "Recently, there is also a growing interest from consumers on where their food comes from, as they try to reconnect with the farmers and support locally-grown produce." All of San Miguel's vegetable blends are grown in the U.S.

Salinas, CA-based Church Brothers' vegetable blends are mostly foodservice oriented, due to customer demand. "Our lines are driven by high nutrition, such as kale, Brussels sprouts, spinach and other cruciferous vegetables," says Clem Richardson, Church Brothers' product development director.

With the cut-vegetable category growing, mainly due to the increased demand for convenient products, there are also more blends geared for entertaining in addition to snacking. Church Brothers is looking to develop vegetable blends that can be cooked or sautéed.

In addition to Brussels sprouts, Butternut squash is a very popular item included in many new vegetable blends, as well as root vegetables. Beets, turnips and parsnips have also been sprucing up vegetable blend options. "We're seeing an upswing of vegetable blends that include squashes or root vegetables, like Butternut squash and sweet potatoes, which are healthy and flavorful, but more difficult to prepare," says Nucci.

Blend Innovations

Vegetable blends can be divided into various sub-categories, including microwaveable, individual, snack and large-party trays.



“Blends that are colorful and full of different textures are on the rise. Recently, there is also a growing interest from consumers on where their food comes from, as they try to reconnect with the farmers and support locally-grown produce.”

— Jan Berk, San Miguel Produce

Incorporating popular dips, such as ranch dressing or hummus, can help boost consumer appeal and assist with the convenience buying factor.

San Miguel Produce categorizes its dark leafy greens into two groups: comfort greens, which are comprised of collard, mustard and turnip; and specialty greens, which includes kales, chards and beet greens. The company also offers Asian greens, with baby bok choy, baby Shanghai bok choy, snow pea shoots, Asian broccoli/rapini, gai choy and yu choy.

"Everyone is always asking what is the new kale, but we do not see the kale boom as a trend but rather a change in lifestyle," says Berk. "Americans are looking to eat healthier and are open to new flavors."

The benefit of vegetable blends, that include dark leafy greens, is that they are healthy but all have different flavor profiles. So a blend like Euro Greens, with kales, chards, turnip and mustard greens, is appealing to consumers who are familiar with kale but looking for something new.

"Even a blend like our Country Greens, with collard, mustard and turnip, a common blend for braised greens, is now finding new applications," says Berk.

Kale has also opened the door for other

products, like Asian greens. San Miguel Produce's EnerCHI Asian Salad is a blend of baby bok choy, snow pea shoots, Asian mustard greens and spinach that can be used as a base for a salad or stir fry.

Another consideration with vegetable blends is shelf life. "Cut vegetable core items, such as broccoli and cauliflower, usually have a longer shelf life compared with mirepoix [a flavoring made from diced vegetables, seasonings, herbs, and sometimes meat] or sliced bell peppers and onions," says Mann Packing's Nucci.

Also, as a rule, tender and rough produce items cannot be packaged together as a blend, and vegetables that emit too much oxygen also are avoided with these product lines.

"Power blends for juicing are typically thick, textured and hearty vegetables," says Church Brothers' Richardson.

Merchandising Methods

There is a number of effective ways to merchandise vegetable blends for maximum visibility and appeal. It is important for retailers to maintain a good variety of vegetable blends. Keeping the selections seasonal is also a key factor in successfully selling specific blends. For optimum sales, retailers should focus on

root vegetable blends during the fall and winter seasons and possibly lighter blends, such as broccoli florets and carrots, during the summer months.

Priceville Foodland's vegetable blends, which are merchandised near the salads and bagged vegetables, sell strongest during the winter months. "These items really sell on their own, but are more of a seasonal item around the holidays," says Newberger. "Although we can display vegetable blends with other refrigerated items, it's hard to cross-merchandise these lines due to the refrigeration needs."

San Miguel Produce's products are merchandised in either wet racks or pusher systems. "We found it beneficial to drive sales and reduce shrink by creating a home for our products in this manner, which is what we like to call a 'destination set,'" says San Miguel Produce's Berk. "It's also important to merchandise vegetable blends to promote meal solutions based on seasonal usage."

With the large variety of produce in supermarkets, it's important to create a destination where time-starved consumers can easily grab the ingredients for a meal. Cross-merchandising is challenging, but not impossible. This may include vegetable blends, meat and seasoning for a stew or providing a sauce and protein to create a stir fry.

Recipes are still an important selling tool for vegetable blends. Recipes and cooking tips not only educate consumers on how these products can be used, but also reinforce the flavor and versatility of dark leafy greens.

"Also, for those who are familiar with our greens, recipes can provide new and innovative ways to incorporate greens into their meals," says Berk.

Vegetable blends need to be merchandised

2013-2018 Projected Total Retail Sales of Branded Packaged Produce

| Year | Sales (in millions) | % Change |
|------|---------------------|----------|
| 2018 | \$6,975 | 4.1% |
| 2017 | 6,700 | 3.9% |
| 2016 | 6,450 | 4.0% |
| 2015 | 6,200 | 4.9% |
| 2014 | 5,910 | 6.0% |
| 2013 | 5,575 | |

Source: Packaged Facts based on data from IRI multi-outlet (MULO) data, United Fresh Produce Association (UFPA) and the USDA's Economic Research Service.

where consumers will look for them. Consequently, these items need a permanent spot in the produce department that includes usage ideas to allow consumers to easily put together a meal plan.

Without proper merchandising and direction, a vegetable blend section can easily fall flat, despite the growing consumer appeal.

"Consumers are looking for healthy vegetable blends, and it is the produce industry's duty to give consumers the product variety they are looking for, the tools to make simple meals, and the transparency of our complete supply chain," says Berk. "These requirements are continuing to grow with the tuned-in generation of shoppers."

As a rule, vegetable blends should be merchandised in a highly visible area with high traffic. Produce managers should also ensure the blends are situated in a properly-maintained refrigerated unit.

"Recipes are an important selling tool, as they are an easy way to educate the consumer on how to properly and creatively use prod-

ucts," says Christou. "For instance, Del Monte's kabob kit may appear confusing for someone who is unsure of how to cook a kabob, but with the proper instruction, they may realize it is quite easy when provided with a fresh-cut vegetable blend option."

In many cases, the usage idea is already provided. For example, Church Brothers includes a tostada recipe with its rainbow kale blend. "When you come up with new ways to use the product, it will help sell blends," says Steve Church, Church Brothers' chief executive.

Both convenience and food safety are drivers of the fresh-cut packaging trends. At the same time, consumers are looking for sustainable companies that provide recyclable packaging.

Also, with the number of smaller households and families rising, more vegetable blend manufacturers are offering smaller pack sizes to fit consumer needs without the food waste generated from larger volume sizes.

And although clamshell packaging has become popular, it doesn't offer the technology for extended shelf life offered by bags. "We are also seeing new packaging trends that include microwavable bags and breathable containers that maximize shelf life," says Christou.

One example is Mann's Family Favorites Cut Vegetables in microwavable packaging, which can be steamed in the microwave in three or four minutes. "Consumers buy cut vegetables for their convenience and health benefits, and having quick and easy recipes for them to choose from adds to that," says Nucci.

Looking ahead, vegetable blend consumption is expected to continue to show steady growth, as fresh-cut vegetable sales in general are on the rise. "There is still plenty of room for kale and other dark leafy greens to continue to grow," says Berk. "We expect 30 percent growth each year in this category over the next couple of years."

pb



PHOTO TO LEFT IS COURTESY OF MANN PACKING



Almonds Delight Sales In Produce

Retailers and marketers recommend staying true to year-round promotion and versatile merchandising to leverage sales. **BY KRISTEN POPE**



Experts agree that providing almond variety in Produce entices consumers — meeting their needs for snacking and meal flavoring.

Packed with protein, vitamins, and minerals, almonds are highly regarded as a healthy snack choice. More than two decades of peer-reviewed research demonstrates that almonds are associated with heart health, diabetes management, and weight management, according to Molly Spence, director of North America, Almond Board of California, Modesto, CA.

“We know Americans view almonds as the most nutritious nut,” says Spence.

These healthy beliefs lead to thriving retail sales. Richard Stiles, director of produce and floral, Redner’s Markets, Reading, PA, markets these health benefits through the “Health Sense” section of Redner’s advertisements several times a year. In these advertisements, their in-house nutritionist writes about the health benefits and nutritional value of various products, which are displayed in the Health Sense section of the store.

Merchandising Via Bags And Displays

“We tie in almonds more than a lot of other things,” says Stiles. “The almond is the Cadillac of the nut category right now.”

Retailers merchandise almonds in a wide

variety of ways in the produce department. International Food Source uses several types of packaging, including racks where customers can select 12- or 16-ounce pre-packaged servings.

These pre-priced cellophane bags in Produce are their top almond seller, with their second top seller being the products in plastic tubs, according to Dan Baron, chief executive, International FoodSource Bulk Sales, Dover, NJ. They offer about 70 different items as part of their overall program — including almonds, walnuts, cashews, snack mixes, and wasabi peas, all merchandised in the produce department.

International FoodSource also utilizes wooden farmers market-style racks, with bags laid down for easy stacking. “The consumer has a single location in which to buy their snacks,” says Baron. “When that happens, they get the good values with the farmers market rack, and we tend to have multiple sales — two or three per shopping cart per customer.”

Baron likes the farmers market racks because they allow the products to sell themselves. “When consumers are looking at produce, they want bright red apples,” says Baron. “They want bright oranges. They’re

not looking at the packaging, they’re looking at the fruit. The color, texture, consistency, and quality of how it looks.

“When we put the product in a bag, we lay down bags in the farmers market racks, so the consumers come up and see a whole section of color. The cashews are a beautiful white, and almonds are a nice dark brown, or cream color if they’re sliced. They see all of the natural colors of the product without any graphic packaging.”

Year-Round Promotion

Constantly promoting almonds has worked well for Redner’s Markets. They sell many types of almonds, including whole, slivered, sliced, chopped, salted, and glazed, along with blueberries, cranberries, and other combinations. They typically sell them in bags and clamshells. They cross-merchandise by cash registers as well.

“Flow of traffic is the biggest thing,” says Stiles. “Whether it’s right when they come into the department or toward the back of the department, they’re always visible and with the flow of traffic.”

Stiles aims to keep almonds nearly continuously on sale, though his stores alternate

“Almonds are a popular snack year-round, and are not viewed as particularly seasonal. We keep our marketing efforts at a fairly consistent level throughout the year.”

— Molly Spence,
Almond Board of California

what type of almonds go on sale, switching between whole, sliced, and other varieties, including almonds mixed with dried blueberries. “We usually keep almonds on sale all the time — every month,” says Stiles. “We see sales really go up by continuously promoting almonds and switching up the kinds of almonds on promotion.”

Paul Kneeland, vice president of produce, floral, seafood and meat, Kings Food Markets, Parsippany, NJ, notes how fast almond sales are growing, and how they are popular in a variety of sizes — from individual single-serving sizes to multi-serving sizes.

“The multi-serving size is our most popular size right now, and we’re really trying to merchandise those in a big way in high traffic areas,” says Kneeland.

Kings Food Market carries raw, natural, salted, roasted, sliced, and slivered varieties. “We try to display them out where people can see them next to Produce,” Kneeland says. “Our healthy snacks are in Produce. We generally put them near the packaged salads, so people can use them to sprinkle on top.”

The healthy snacks section in Kings Food Markets features 12 feet of shelving that includes organic and all-natural healthy snacks, which is generally positioned next to the packaged salad.

Holiday displays are another way Kings Food Markets work to cross-merchandise almonds, often displaying slivered almonds beside fresh green beans to encourage people to make green bean almondine. “We like providing meal solutions for consumers to create impulse sales,” says Kneeland.

Leveraging Sales

Sales are going well, thanks in large part to the marketing campaigns run by the Almond Board of California. Their campaigns target the “Savvy Snacker” market, according to the



Almond Board’s Spence.

“In North America, we target a group of consumers we call ‘Savvy Snackers’ who represent about 50 percent of the population, with an average age of 45,” says Spence. “‘Savvy Snackers,’ as you might imagine, snack regularly, and are health- and food-involved.”

The Almond Board utilizes the crunch of almonds, along with their nutritional benefits and versatility, to appeal to consumers. Their current consumer ad campaign uses the tagline “Crunch On.”

“It leverages our insight from consumer research that among people who like almonds, they distinguish almonds’ satisfying, hearty crunch from the crunch of other nuts and other snacks,” says Spence.

“And when they bite into that almond and feel that good crunch, they feel like it’s unleashing lots of good nutrition they need to get the most out of their day, and this is an empowering feeling for them.”

At International FoodSource, raw, whole almonds are the top sellers, according to Baron. “Almonds are the No. 1 marketed nut in the U.S. and probably worldwide,” says Baron.

“Almonds are not just eaten raw as a snack,” adds Baron. “They are sliced, diced, granulated and candy coated. Now they’re used even more in an industrial capacity.”

Sales are typically steady year-round, and the holiday season brings increased cross-merchandising efforts — including promoting almonds along with baking goods.

“Almonds are a popular snack year-round, and are not viewed as particularly seasonal,” says Spence. “We keep our marketing efforts at a fairly consistent level throughout the year.”

Due to almonds’ price, the key demo-

graphic market is middle- to upper-income consumers. None of the executives interviewed noticed a strong geographic preference in terms of their companies’ almond sales.

“We sell to about 30,000 stores across the country and most have almonds in it,” says Baron. “They are somewhat of a luxury item still and will probably play toward a more affluent group overall.”

Prices are expected to continue to rise due to the California drought impacting the almond supply. “The drought in California has been horrible,” says Stiles. “I’ve never had a hard time getting almonds, but the cost has gone up and retail has gone up too. It hasn’t hurt our volume. It hasn’t hurt sales because of the demand and popularity of almonds.”

The Almonds Of The Future

“There are not a lot of alternatives for almonds,” says Kneeland. “People that buy almonds will buy them. People attracted by the healthiness of almonds will come into the store and may get sticker shock.”

However, Spence puts the drought in perspective, noting that farmers are looking for solutions and difficult growing conditions are not new. She says growers are using a third less water today than 20 years ago, from utilizing strategies such as micro-irrigation and extensive soil monitoring and mapping.

“It’s helpful context that nearly 90 percent of almond farms are family-owned, many by third and fourth generation family farmers who plan to pass their farms to their children and grandchildren,” says Spence. “Drought is not new to most of them, so for several decades, they’ve been researching and implementing ways to use water as efficiently as possible.” **pb**

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Michael Connors
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‘THE LITTLE GUYS’



After watching a number of smaller retailers working the PMA convention, I was reminded of a particular Monday morning meeting with upper management. In this meeting, the head of retail operations was complaining about and asking why smaller competitors were doing more business than his stores were.

“How can these little guys have full parking lots and more customers than we do? What are they doing that is better than what we do with all of our resources?” He seemed truly incredulous that this situation actually existed and that all the money and power behind his stores was losing out to the efforts of “the little guys.” Once again, it was obvious that this particular member of upper management just didn’t get it!

The “little guys” in this story are the smaller chains (1 – 25+ stores) that exist in every retail market. They are normally closely held companies and oftentimes family owned. However, these are not the only similarities. The vast majority of these companies are operated by veterans of the industry with years of merchandising and sales experience. One school of thought drives these merchants, which is to “service the needs of the customer.”

The smaller operations are far more nimble than their larger competitors. They can execute programs in a better manner — due to their size and ability to train personnel to anticipate and serve the needs of the customers. Many began as one single store with experienced merchants in charge that grew as they were able to replicate the operation and shopping experience of the original unit. Their attention to servicing the customer’s needs developed into exceptional “word of mouth” within their community. They have been highly successful in developing a sense of community in their stores and phenomenal customer loyalty. Over the years, these “little guys” carved out an ever-increasing niche in the marketplace, and they continue to grow in the face of increasing competition from companies much larger than their own.

The larger retailers have a difficult time coming to grips with the competition from these smaller entities. Their business model does not allow for the matching of the service, labor commitment, and

training of personnel that is exhibited by nearly every one of the smaller operators. This is a major challenge for the larger retailers, and no amount of investment in facilities, systems or advertising can offset this advantage.

What these “little guys” are doing is certainly not rocket science. It is a tried-and-true formula of offering real value to customers with an enjoyable shopping experience. They provide everything that the customers complain the big retailers do not have. This includes well trained, friendly personnel to help them shop and answer their questions, a sense of community, attractive merchandising and marketing,

as well as a pleasant shopping experience. Yet, despite this simple approach, the big retailers seem to be powerless to reverse the trend.

All across the country in boardrooms, traditional retailers and big-box retailers face a myriad of challenges in their competitive markets. They battle challenges from fellow retailers, niche marketers, foreign competitors, online markets, and many other threats. They expend a tremendous amount of effort in preparing strategies to combat each of these threats to their marketplaces. While all of these

challenges are vital to address in strategy development to protect, and in some cases grow marketshare, these retailers would be well served to pay attention to the growing success and challenge represented by “the little guys.”

The large retailers love to develop and advertise grandiose strategies to deal with large-scale threats, but they seem reluctant to work on the parts of their operation that can relate to competition with the smaller retailers. In the boardroom, the “nuts and bolts” approach isn’t very exciting, doesn’t show much innovation or new strategies to the all-powerful Wall Street analysts. Unfortunately, in most markets, these analysts don’t shop in their stores as real consumers do. By ignoring them, or pretending they will just go away, these large retailers are allowing their business to be undermined by the smaller retailers in the marketplace. These retailers will be well served by going back to basics in order to compete successfully against these smaller, nimble, and well run “little guys.” Without such action, this manageable problem will turn into one of epic proportions and challenge the other major competitive forces in the marketplace as the No. 1 threat.

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By Don Harris

Don Harris is a 40-year veteran of the produce industry, with most of that time spent in retail. He has worked in every aspect of the industry, from “field-to-fork” in both the conventional and organic arenas. Harris is presently consulting on all subjects of retail, category development and sales strategies, among others. Comments can be directed to editor@producebusiness.com

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RUSSIA'S IMPORT BAN — THE LAST THING WE NEED



In August 2014, Russia placed a ban on the import of all fruit, vegetables, meat, fish, milk and dairy products, from the U.S., EU, Australia, Canada and Norway, in response to the economic sanctions placed by the West on Russia as result of recent developments in the Ukraine. Two months in, we investigate what impact it might actually have on U.S. fruit suppliers, and any other long-term changes this might cause.

First of all, how surprised should we be that Russia put this ban in place? Over the past few years, Rosselkhozadzor, the Russia Veterinary Service, put in place countless import restrictions on a wide range of food products. Prior to the current sanctions, Moldova and Poland were prohibited from exporting fruit to Russia. Spain has also been on the receiving end of Russian restrictions a few years ago after the *E. coli* crisis. Going back over time, Russia banned imports of U.S. poultry as a result of the so-called “Bush Legs” incident. (For those unfamiliar with the term, during the first Bush administration, the U.S. sent flocks of chickens to Russia as food aid in the early 1990s. To this day, Russians call chicken leg quarters from the U.S. “Bush legs.”) It’s what the Russians do. If this were an Olympic Sport, Russia would win gold, silver and bronze metals.

However, whilst at first, U.S. suppliers might panic at the thought of the loss of the Russian market, U.S. fruit and vegetable exports to Russia are actually quite low. As an example, direct U.S. apple exports to Russia totalled some 6,000 tonnes in 2012, less than 1 percent of Russia’s apple imports. Other fruits and vegetables supplied from the U.S. are also similarly modest, indicating that direct impact on U.S. fruit exports might actually be marginal. Meanwhile, U.S. exports to other emerging markets in Latin America, Asia, the Pacific Rim and elsewhere continue to boom.

However, it begins to get more complicated when we take into account the wider impact of the Russian embargo. In 2012, the EU supplied Russia with 60 percent of its apples, 30 percent of its capsicums (or peppers), 25 percent of its carrots and turnips, and 20 percent of its tomatoes. The impact of the ban now means that this produce, previously destined for Russia, is looking for a new market — a market that the U.S. may be a key supplier to already. The result of this is over supply and downward pressure in the global market. This is evidenced in the Food and Agriculture Organization Food Price

Index, which dropped from 204 points in July, to 191 points in September of this year.

Whilst a negative impact is starting to be felt by many international suppliers, there are still some opportunities to be had. This is especially the case for produce, such as bananas, where the impact of the ban is virtually nil. Russia imports about 1 million tonnes per annum of bananas, all supplied by the likes of Ecuador, Colombia and the Philippines. Ask them about the impact of a Russian ban, and they are likely to say, “What ban?”

The reality is that this ban placed by Russia is not really a benefit for anyone, including Russia. Whilst the ban is possibly good news for Russia’s domestic producers, who are already struggling to keep pace with demand, this has come at a cost to the consumer. With initial plans to use South America and New Zealand as replacement suppliers, the truth is that this is taking longer to happen. In the short term, Russia is witnessing a shortage of some products, and a rise in food prices, with St. Petersburg, Russia, reporting a 10 percent increase in

the past few weeks alone. The price of apples from China into Russia increased by a third since the ban has been put in place. Some meat is up by 26 percent and fish is up by some 40 percent.

In the short and long term, Russia will have to form new trade relationships. This may have a lasting impact when these sanctions are removed, and it will

not be totally straightforward for previous EU, U.S. and Australian suppliers to re-commence exports as before. It is not just those sanctioned countries that are feeling the negative impact. Russia’s economy is not in a secure place. GDP growth forecasts for 2014 are just 0.5 percent, according to PricewaterhouseCoopers. The World Bank describes the country’s economic situation as near stagnation.

The impact of Russia’s decision is further hindering the global economy, which at the current time is battling a number of large issues. China’s economy is going through difficult times at the moment — growing at its slowest pace since the financial crisis. Africa is struggling with Ebola. There is also still much economic concern in the EU. Then to round this all off, the conflicts in the Middle East are adding extra strain to the economies of those countries involved. In conclusion, the direct impact on U.S. fruit and vegetable exports of the Russian sanctions are limited, due to the small volumes supplied in previous years. There are, however, many wider effects. The remaining 10 months of these sanctions will make it hard for many countries, not just those included in the ban, but also on Russia itself. A Russian import ban is the last thing needed.

pb

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By Elizabeth Bonsall

Elizabeth Bonsall is a Consultant with Promar International, the value chain consulting arm of Genus plc. She has carried out a wide range of consulting assignments in the international produce sector.



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USING INFORMATION TECHNOLOGY TO REDUCE WASTE AND INCREASE PROFITABILITY IN THE PACK-HOUSE



The pack-house work environment in fresh produce is one of the most challenging in the supply chain industry because of the need to manage large volumes of low cost items moving through the production process in extremely tight time slots. In addition, businesses have to comply with demanding quality, packaging, delivery and traceability standards. Getting it wrong can have serious commercial and

customer service issues.

As pressures on margins increase, management teams are challenged to cut costs without affecting quality and customer service. The reality is that in many organizations, the pack-house environment is often a part of the business where management lacks visibility of processes and costs. It is sometimes described as a black hole when it comes to monitoring profitability. Yet, it is the area where most costs are incurred and the most value is added.

As in most other areas of supply chain industries, the production process can be extremely wasteful. This can have a significant impact on profitability. In general terms the waste elements include some of the following topics:

Over Production: The labor costs of over packing, as well as the wasted packaging itself, may not seem much on a daily basis. However, over the course of a year, these can represent a substantial cost to the business.

Waiting: Delays in business processes reduce the velocity of the supply chain. For example, having production personnel waiting for product costs money and impacts productivity.

Administration: Having production personnel manually record information that could be produced by the system. Apart from the risk of transcription errors, administration is a necessary but unprofitable activity.

Poor Quality: Errors and omissions create unnecessary re-

working, which increases costs and reduces margins.

Looking at each of these in isolation, it is easy to justify doing nothing by rationalizing that the business doesn't do too badly against the competition in any one area. However, the need for lean manufacturing in production processes, combined with prevailing competitive forces, is forcing many management teams to examine all aspects of their business models. The objective is to compete more effectively by working smarter rather than harder.

This is where today's mobile electronic data capture technologies, coupled with supply chain management or enterprise resource planning (ERP) solutions [business management software], play a vital role. These powerful solutions allow businesses to empower the personnel responsible for delivering the company's promises with critical business information. This can help to ensure that business processes are optimized as operational practices are refined.

For example, integrating order intake with the production process provides the pack-house with advance notification of the work schedule as orders arrive. As product moves through the

pack lines, it automatically notifies fork lift drivers when more raw produce is needed or if finished produce is ready to be moved to dispatch. In the meantime, supervisory production staff has a real time view of every order's progress at each of its production cycle stages. Production order status can be displayed and updated via touchscreen terminals. The system is integrated with finance so measuring profitability keeps the commercial people happy.

In such an environment, wasted activity is reduced and operational productivity greatly increased. Apart from improving morale, seamlessly integrating all of the supply chain applications has significant other commercial advantages. It reduces the packaging and produce waste and administration costs. More importantly, it provides management with a wealth of vital business trend information as events happen in the supply chain. This makes it easier to compete using dynamic information as a business aid. **pb**

These powerful solutions allow businesses to empower the personnel responsible for delivering the company's promises with critical business information. This can help to ensure that business processes are optimized as operational practices are refined.

By Robert Frost

Robert Frost is group chief executive officer for Ventura, CA-based LINKFRESH Software Limited. Since joining the company, Frost has worked closely with the Board of Directors to focus the company as a progressive ERP business serving the fresh food industry. Under his management, the corporate brand has been updated and the sales team reorganized to better serve the food industry.



GROWING A WISH

It was back in the early 1900's when Harris Wishnatzki, the founder of what is now Wish Farms, emigrated from Russia to New York City and began selling fruits and vegetables from a pushcart where he met fellow pushcart merchant, Daniel Nathel. The two friends grew their businesses to large pushcart fleets selling produce on the streets of New York City and eventually decided to join forces as Wishnatzki & Nathel.

Around the 1920s, Plant City, FL, was a hub for agriculture because of the railroad. "My grandfather had a buyer in Plant City," says Gary Wishnatzki, third generation and current owner of Wish Farms. "He first came down [to Florida] in 1929. Shortly after, he made the area his winter home to coincide with the Florida growing season. He actually lived in nearby Lakeland."

Gary believes the photo was taken around the mid-1930s. "The picture was given to me by a grower, Carl Wilson. It was actually a picture of Carl's grandfather's car, and our building was in the background. It shows growers making deliveries to our dock." According to Gary, in those days, there were thousands of small family farms. Most growers would go through the State Farmer's Market Auction.

"The growers in the photo would have just had their offerings purchased by my grandfather and were delivering the produce to our dock. After delivery, they would present their receipt to the office and get paid on the spot. All risk of transit and market, after purchase, was

borne by the buyer in those days."

In the 1930s, farms would typically be around 1 to 2 acres. Larger farms were about 5 to 10 acres. "The size of the farm was dictated by the size of the family," says Gary. "The more kids a grower had, the larger the farm, because the kids were the pickers." He explains that Eastern Hillsborough County had what was known as "strawberry schools."

"Children went to school all summer and were out during the winter, so they could pick strawberries." Since the early days of the Wishnatzki farming business, strawberries were always a signature crop.

Jumping to 2001, the Wishnatzki and Nathel families mutually agreed to split the companies with the Wishnatzki's overseeing the Florida division. The company was named Wishnatzki Farms and focused on growing and shipping produce. "We dealt in many vegetables over the years — cucumbers, peppers, squash, eggplants, and tomatoes were all crops we handled."

In 2007, Wishnatzki Farms entered into the strawberry processing business and opened a processing facility to supplement sourced production capacity. And in 2010, the consumer brand of produce was launched as Wish Farms. By 2011, the company made its official name change to Wish Farms, and the company's main headquarters is still located in Plant City — one of the world's major growing areas for strawberries.

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