

# produce business

MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

## What's WRONG with this picture?



### PRODUCE WASTE

- ▶ Spoilage at Home
- ▷ Spoilage at Retail
- ▷ Spoilage at Farm-Level

**3-Part Series**

## How retailers can benefit from home-spoilage-education efforts.

**INSIDE:**

THE PUNDIT EXAMINES FTC'S VIEW OF HAGGEN'S PURCHASE OF 146 STORES  
FROM BROKER TO SALES & MARKETING EXPERT • SPRING MERCHANDISING  
FLORIDA PRODUCE • MEXICAN MANGOS • VALUE-ADDED POTATOES  
NOGALES SPRING VEGGIES • PROTECTED PRODUCE • SUPPLYING ALASKA • LEAFY GREENS  
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### CORRECTION

In the January 2015 issue of PRODUCE BUSINESS, a photo was mis-credited in the foodservice marketing article, "Chefs Across Restaurant Landscape Cater to Meatless Diners." The photo and recipe for the Pasta Primavera dish were provided and conceptualized by the National Onion Association. Our regrets for the error.

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## THIS MONTH'S WINNER



**LIAM T. SLAVIN**  
Senior Sales Executive/Northeast  
Robinson Fresh  
Paulsboro, NJ

Liam T. Slavin graduated from Saint Joseph's University in 2009 with a degree in Food Marketing, and began his career in the produce business while interning with Philadelphia, PA-based Procacci Brothers.

"I was hired after graduation, and they continued my education throughout the warehouse, production and sales [divisions]," says Slavin. He briefly accepted an opportunity to work for another family-

owned company, Nogales, AZ-based Del Campo Supreme, before beginning his current business development position with Robinson Fresh in the fall of 2012.

"I'm enjoying my unique role at Robinson Fresh, because unlike most companies that sell a single produce category or service, I am able to provide value throughout the supply chain from value-added product to national brands and strategic grower relationships.

"I continue to be intrigued by the personal relationships that are prevalent throughout the produce industry," says Slavin. "I find it motivating to see that this collective effort is delivering value to not only company owners, employees, and the global fresh produce consumer but is doing so with a common goal of sustainability."

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

### WIN AN EMERGENCY RADIO & COMPACT CHARGER

Just in time for the harsh winter weather, this compact radio and charging device is handy for any snow day. This model is the only one tested with weather alert types (49 total) across multiple counties and states, the radio runs for five hours after a full charge. The radio's large, ergonomic hand crank requires little effort to turn and it has an easy-to-adjust digital tuner. This superior model's features include: an integrated LED flashlight, ambient light, emergency beacon, water-resistant construction, as well as four power sources (AC, USB, battery, and solar).



### QUESTIONS FOR THE FEBRUARY ISSUE

- 1) What is the web address for Four Seasons Produce Inc.? \_\_\_\_\_
- 2) Which company claims to have the "fruit of legendary perfection"? \_\_\_\_\_
- 3) According to the chart on the HBF International ad, which berry is only available Oct. - Dec.? \_\_\_\_\_
- 4) What is the name of the produce manager on the Idaho Potato ad? \_\_\_\_\_
- 5) What are the two phone numbers on the Paramount Citrus ad? \_\_\_\_\_
- 6) What kind of fruit replaces the "O" in the word "Delicious" on Vision Produce's ad? \_\_\_\_\_

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

Name \_\_\_\_\_ Position \_\_\_\_\_  
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Photocopies of this form are acceptable. Please send answers to:  
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# producebusiness

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# 114th Congress Brings Challenges and Opportunities for Fresh Produce Industry

BY ROBERT L. GUENTHER, SENIOR VP,  
PUBLIC POLICY,  
UNITED FRESH PRODUCE ASSOCIATION

**W**hen the 114th Congress convened in January, a new set of legislative and regulatory priorities confronted the fresh produce industry. We wanted to spend a few minutes providing you a brief overview of what we see as key issues that could impact the industry for this new Congress. Before we delve into these important issues, let's examine the Congress' profile.

For the House, there has been a 50 percent turnover of members since 2010. This is also the youngest Congress in history with the average age of members at 59 years old. There are 84 women, 44 African Americans, and 34 Hispanics in the House of Representatives for the 114th Congress.

In the Senate, there has been a 45 percent turnover since 2010. There are 20 women, two African Americans and three Hispanics serving in the Senate. Democrats have lost 14 seats since President Obama was elected.

The industry will continue to drive and focus on immigration reform in the new Congress as well as bring together consensus policies that can actually become law. We must work to ensure that congressional leaders make good on their pledges to act on immigration reform. The industry will work with allies to push the development of legislation that incorporates sound agriculture provisions, pragmatic temporary worker programs, realistic approaches to the current undocumented workforce in the United States, and reasonable requirements for the business sector dealing with employment verification processes.

The implementation of the 2014 Farm Bill continues this year. The industry will need to make certain the policy gains achieved through passage of the 2014 Farm Bill are quickly and effectively implemented by USDA and other appropriate departments and

**The industry will continue to work with the Administration and Congress to ensure that as the regulations are implemented, they are based on sound science, consistent with Congressional intent, and appropriate for the produce industry throughout the distribution chain.**

agencies. Some of the key areas to focus on include: Specialty Crop Block Grants initiatives to encourage multi-state projects; mitigating negative impacts on specialty crop producers from conservation compliance requirements; improving industry input in awarding Specialty Crop Research Initiative grants; and the establishment of the office of the Undersecretary for Trade at USDA.

As with the Farm Bill, Congress is responsible for reauthorizing all child nutrition programs every five years. Congress will begin this process in early 2015, as both the House and Senate are expected to hold hearings. Several bills will be introduced to set the parameters for reauthorization, which is set to expire in September 2015.

If 2014 was any indication, the 2015 Child Nutrition Reauthorization (CNR) is expected to be very contentious, with some Members of Congress trying to roll back key provisions of the Healthy, Hunger-Free Kids Act of 2010 and school nutrition regulations. The fruit and vegetable standards, which double the amount of fruits and vegetables served daily and require students to select at least a half cup serving at each meal, have already come under attack and accused of increasing costs and plate waste. The industry will redouble its efforts from last year on developing policy tools and recommendations for CNR legislation that do not reverse major gains that increased students' access to fruits and vegetables in school meals.

Among the regulatory pressures facing agriculture is the Administration's proposals for defining the Waters of the U.S. (WOTUS).

In 2014, legislation was passed that restricted the U.S. Environmental Protection Agency from expanding the definition of WOTUS. In addition, the 2014 appropriations legislation would direct the Environmental Protection Agency to withdraw, but does not defund, the WOTUS rule. Unless legislation is passed in April to block EPA, it is expected to issue a final rule to implement Waters of the U.S. proposal. Several lawmakers announced their intentions to fight the regulation. We will work with interested stakeholders to restrict and have EPA withdraw the WOTUS propose rule.

Due to a court settlement, the FDA is expected to release the final rules on the implementation of the Food Safety Modernization Act (FSMA). In August, expect the FDA to issue rules regarding safety standards at both human and animal food manufacturing facilities.

While in October, FDA will issue FSMA-related final rules to deal with produce safety and the certification of foreign food suppliers. The industry will continue to work with the Administration and Congress to ensure that as the regulations are implemented, they are based on sound science, consistent with Congressional intent, and appropriate for the produce industry throughout the distribution chain.

Other issues that will be considered before this new Congress that impact our industry include trade agreements, tax reform, and GMO labeling legislation. All-in-all it will be a busy 114th Congress for the fresh produce industry.



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JULY	█	█	█		
AUG.	█	█	█		
SEPT.	█	█		█	
OCT.	█	█			█
NOV.	█	█		█	
DEC.	█	█	█		█



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**FEBRUARY 4 - 6, 2015  
FRUIT LOGISTICA 2015**

**Conference Venue:** Berlin Exhibition Fairgrounds, Berlin, Germany  
**Conference Management:** Messe Berlin GmbH, Berlin, Germany  
**Phone:** +49(0)30/3038-2406  
**Website:** [fruitlogistica.de/en/](http://fruitlogistica.de/en/)

**FEBRUARY 8 - 11, 2015  
NATIONAL GROCERS ASSOCIATION'S SHOW**

**Conference Venue:** The Mirage, Las Vegas, NV  
**Conference Management:** National Grocers Association, Arlington, VA  
**Phone:** (703) 516-0700 • **Fax:** (703) 516-0115  
**Email:** [ccunnick@nationalgrocers.org](mailto:ccunnick@nationalgrocers.org)  
**Website:** [nationalgrocers.org](http://nationalgrocers.org)

**FEBRUARY 11 - 14, 2015  
BIOFACH 2015**

**Conference Venue:** Exhibition Centre, Nurnberg, Germany  
**Conference Management:** NurnbergMesse GmbH, Nurnberg, Germany  
**Phone:** +49 (0) 9 11.86 06-83 28  
**Website:** [biofach.com](http://biofach.com)

**FEBRUARY 16 - 19, 2015  
NATIONAL WATERMELON CONVENTION 2015**

**Conference Venue:** La Quinta Resort & Spa, La Quinta, CA  
**Conference Management:** National Watermelon Association, Inc., Lakeland, FL  
**Phone:** (863) 619-7575 • **Fax:** (863) 619-7577  
**Email:** [bobm@nwwatermelon.com](mailto:bobm@nwwatermelon.com)  
**Website:** [nationalwatermelonassociation.com](http://nationalwatermelonassociation.com)

**FEBRUARY 24 - 26, 2015  
CONVENIENCE DISTRIBUTOR CONFERENCE & EXPO 2015**

**Conference Venue:** Paris Hotel, Las Vegas, NV  
**Conference Management:** American Wholesale Marketers Association, Fairfax, VA  
**Phone:** (703) 208-3358 • **Fax:** (703) 573-5738  
**Email:** [joelb@awmanet.org](mailto:joelb@awmanet.org)  
**Website:** [awmashow.com](http://awmashow.com)

**FEBRUARY 26 - 28, 2015  
SOUTHERN EXPOSURE 2015**

To promote the consumption of fresh fruits and vegetables in Florida, Georgia, Alabama, Mississippi, Louisiana, Tennessee, North Carolina, South Carolina, Kentucky and Virginia through good fellowship, cooperation and mutual interest among its members.  
**Conference Venue:** Caribe Royal Resort & Conference Center, Orlando, FL  
**Conference Management:** Southeast Produce Council, Inc., East Ellijay, GA  
**Phone:** (813) 633-5556 • **Fax:** (813) 653-4479  
**Email:** [info@seproduceecouncil.com](mailto:info@seproduceecouncil.com)  
**Website:** [seproduceecouncil.com](http://seproduceecouncil.com)

**MARCH 6 - 8, 2015  
NATURAL PRODUCTS EXPO WEST**

**Conference Venue:** Anaheim Convention Center, Anaheim, CA  
**Conference Management:** New Hope Natural Media, Boulder, CO  
**Phone:** (866) 458-4935 • **Fax:** (303) 939-9559

**Email:** [tradeshows@newhope.com](mailto:tradeshows@newhope.com)  
**Website:** [expowest.com](http://expowest.com)

**MARCH 8 - 10, 2015  
INTERNATIONAL RESTAURANT & FOODSERVICE SHOW OF NEW YORK**

**Conference Venue:** Jacob Javits Convention Center, New York, NY  
**Conference Management:** Urban Expositions, Shelton, CT  
**Phone:** (203) 484-8051  
**Email:** [atencza@urban-expo.com](mailto:atencza@urban-expo.com)  
**Website:** [internationalrestaurantny.com](http://internationalrestaurantny.com)

**MARCH 16 - 18, 2015  
PRODUCE FOR BETTER HEALTH FOUNDATION'S ANNUAL CONFERENCE**

**Conference Venue:** Hotel Valley Ho, Scottsdale, AZ  
**Conference Management:** Produce For Better Health Foundation, Hockessin, DE  
**Phone:** (302) 235-2329  
**Email:** [salston@pbhfoundation.org](mailto:salston@pbhfoundation.org)  
**Website:** [pbhfoundation.org](http://pbhfoundation.org)

**MARCH 17 - 18, 2015  
ANNUAL FRUIT RIPENING & RETAIL HANDLING WORKSHOP**

This workshop, presented annually by the UC Davis Postharvest Technology Center, is intended for shippers and fruit handlers (wholesale and retail), and produce managers who are involved in handling and ripening fruits and fruit-vegetables. The workshop focuses on how to increase profits by reducing losses at the receiving end, and delivering ready-to-eat, delicious fruits and vegetables to the consumer.

**Conference Venue:** UC Davis Alumni Center, Davis, CA

**Conference Management:** University of California, Division of Agriculture and Natural Resources, Davis, CA

**Phone:** (530) 752-7672  
**Email:** [pastockdale@ucdavis.edu](mailto:pastockdale@ucdavis.edu)  
**Website:**

[postharvest.ucdavis.edu/Education/fruitripening/](http://postharvest.ucdavis.edu/Education/fruitripening/)

**MARCH 26 - 28, 2015  
VIVA FRESH PRODUCE EXPO**

**Conference Venue:** Hilton, Austin, TX  
**Conference Management:** Texas International Produce Association, Mission, TX  
**Phone:** (956) 581-8632  
**Email:** [bret.erickson@texipa.org](mailto:bret.erickson@texipa.org)  
**Website:** [vivafreshexpo.com](http://vivafreshexpo.com)

**APRIL 15 - 17, 2015  
CPMA 2015**

Annual convention & trade show provides a unique opportunity for industry leaders to connect with peers and enhance business opportunities in Canada.

**Conference Venue:** Palais des congrès de Montréal, Montréal, Quebec, Canada  
**Conference Management:** Canadian Produce Marketing Association, Ottawa, Ontario  
**Phone:** (613) 226-4187 • **Fax:** (613) 226-2984  
**Email:** [cbrault@cpma.ca](mailto:cbrault@cpma.ca)  
**Website:** [cpma.ca](http://cpma.ca)

To submit events to our Forward Thinking calendar, please email [info@producebusiness.com](mailto:info@producebusiness.com)





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CELEBRATING  
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# The Complexity Of Waste

BY JIM PREVOR, PRESIDENT & EDITOR-IN-CHIEF

On an emotional level, it is sad that there is too much wasted food that might have been “saved” from the garbage and consumed in another form — say, as a smoothie or in a soup — or donated to people in need. In a world in which people are hungry, the idea that nutritious food is left fallow in a field, deteriorates in a supply chain, is left to turn bad on a retail shelf or restaurant cooler, or becomes garbage at home is intuitively unsettling.

Surely, we should do everything possible to reduce food waste. To many, it seems a moral imperative, but in reality, the situation is more complex.

Food waste is, in fact, a sign that an efficient supply chain for food has triumphed. Nobody writes about the waste of polished diamonds or gold coins, because these are so expensive that they are carefully guarded through every stage of their production and distribution. In contrast, food in general and fresh produce in particular is now so inexpensive that it often does not pay to eliminate waste.

Many years ago, my family grew peppers in Puerto Rico. Normally, we would go back through the fields and do a second picking to get a little more yield from the field. One year, however, there was a freeze in Florida, and the price of bell peppers skyrocketed, so we went back and did third, fourth and fifth pickings.

But under normal circumstances, avoiding this “waste” of peppers by picking the fields so many times would simply cause a bigger “waste” — this time of labor and thus money.

In other words, the more sustainable choice is to pick what is economically viable and save the scarce resources of labor and money to be applied where they can produce a positive return, rather than sacrificing them in the cause of reduced food waste.

The same applies in store. Preventing beautiful floral bouquets from having to be tossed by displaying them behind glass doors — thus keeping the cold chain perfect — sounds like a good idea. But not if the effect is consumers don’t want to open the glass doors — resulting in fewer flowers purchased.

Now it is important to distinguish between efforts to maintain quality and reduce waste. Frieda Caplan once addressed the Washington Apple Commission and berated its members because, although the industry spent untold millions to keep apples cold at the packing house and in transit, the industry sold its soul to get expansive retail space on unrefrigerated tables.

If being unrefrigerated caused the apples to turn mealy, this could indeed cause food waste. But that is a secondary effect of improper quality. Solve the quality problem, and the waste problem will take care of itself.

On the consumer level, though all consumers ideally would prefer not to see waste, most of the proposed solutions are problematic.

Sure, one might elect to “can,” freeze and compost, but a willingness to do these things assumes a level of engagement with the waste

problem disproportionate to its impact on most people’s lives.

Money is a useful proxy for the value of things, and this is why if this columnist’s family is taking leftovers from an Italian restaurant, we will bring home the Sicilian steak or veal chop, but won’t bother packing up the mountain of spaghetti.

Technological solutions are intriguing, but if a new device allows for extended shelf life in the home refrigerator, the device might encourage more purchases, which may lead to more shrink. They also raise questions about the definition of fresh. If a technology allows lettuce to be in good condition for weeks, will consumers want to eat the lettuce? Will they still perceive it as fresh?

Waste levels find a natural equilibrium based on the price of an item and the cost of avoiding waste. This is true in the field, at the packing house, at the retail store, or restaurant and in the home.

Yet, even with this being true, consumer waste is an area in which the industry must engage. The problem is simple: If consumers have a fear of fresh waste, they will shy away and not buy as much fresh produce as they otherwise would. So the industry has to do all it can to change this mental attitude. It is not really hard. How many people join gyms but rarely work out, buy fancy tennis togs but never play, or buy gourmet cookbooks and eat burgers? We have to surround consumers with more options to avoid waste — whether this will avoid much waste is doubtful, but it will make consumers feel better about buying fresh produce.

There are some specific things the industry could do to really help reduce consumer waste. As the elderly population grows, people postpone marriage, or as people have children with only a single mother in the house, there is a demand for smaller packages — which is a scenario where the produce industry could step up and help. With more produce being packaged, this could be important.

Of course, just as the Zeitgeist lines up against food waste, a big part of the problem may be disappearing. Waste is often a function of the time that passes between ordering and consumption. In days past, there may not have been excellent refrigeration, but — partly as a consequence — consumers bought fresh food daily. We moved away from this pattern as refrigeration became common, homes became larger and more dispersed. Now with the rise of Internet shopping, one can imagine a frequency of delivery that rivals the daily marketing of years past.

If AmazonFresh will deliver every day, and the industry will sell in small quantities, perhaps the concern with consumer-level food waste will one day seem but a memory.

pb

A handwritten signature in dark ink that reads "James B. Prevor".



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# Pistachios Help Prediabetics Manage Blood Glucose Levels

BY MARY JO FEENEY, MS, RDN, FADA, FAND, NUTRITION CONSULTANT, AMERICAN PISTACHIO GROWERS

**N**utrition research continues to highlight the health-enhancing properties of pistachios including specific benefits on glucose control.

Healthy lifestyles, including diet, are associated with lower risk of chronic diseases. A large body of evidence from epidemiological studies and controlled clinical trials points to the beneficial impact of nut consumption on health outcomes and total mortality.

Such benefits often are attributed to the nutrient composition of nuts — plant protein, fatty acid profile, presence of phytosterols, dietary fiber, vitamins, minerals, and bioactive compounds that function as antioxidants.

## Relevance Of The Pistachio Research

Of particular relevance are the results of a randomized controlled clinical trial in which participants with prediabetes were able to achieve a healthier metabolic state by lowering risk factors such as fasting glucose and insulin.<sup>1</sup> Prediabetes is the condition in which blood glucose/sugar levels are higher than normal but not high enough to be classified as Type 2 diabetes.

Without intervention, prediabetes is likely to progress into Type 2 diabetes in 10 years or less — this has far reaching implications for morbidity and mortality especially related to cardiovascular diseases.

Diabetes places a health care and financial burden on Americans. More than 29 million Americans have diabetes, and another 86 million — more than one in three adults — have prediabetes. Diabetes costs the country \$245 billion annually, according to the American Diabetes Association.<sup>2</sup>

Pistachio research was undertaken to examine whether a pistachio-rich diet could reduce the prediabetes stage and improve its associated metabolic risk factors. Although pistachios were studied in relation to their high polyunsaturated fatty acid profile and cardiovascular disease risk factors, this study specifically examined

**The authors concluded results provide evidence that regular consumption of pistachios decreases glucose and insulin levels thereby improving insulin resistance and other . . . metabolic risk factors.**

pistachios' effect on glucose metabolism, insulin resistance and risk of Type 2 diabetes when regularly consumed.

## About The Pistachio Clinical Trial

The study involved 54 prediabetic adults (29 males and 25 females) with fasting glucose levels between 100 and 125 mg/dL who were randomly assigned to follow either a pistachio-supplemented diet (PD) or control diet (CD) in a crossover manner. A 15-day run-in period preceded the four-month intervention and a two-week washout period separated the two crossover interventions.

The control diet (CD) and the pistachio-supplemented diets (PD) were matched for calories, protein, dietary fiber, and saturated fatty acids. In the CD, 55 percent of the calories came from carbohydrates and 30 percent from fat. In the PD, 50 percent of the consumed calories came from carbohydrates and 35 percent from fat. The PD

included 2 ounces (57g) each day of pistachios, half roasted, half roasted and salted. In the CD, energy intake from other fatty foods, mostly olive oil, was adjusted to compensate for the energy from pistachios included in the PD.

Weight, waist circumference, plasma fasting glucose and serum lipid profile, dietary intake, physical activity assessment, and markers related to inflammation and satiety was conducted at different time points during the study. Fasting glucose, insulin and HOMA (homeostatic model assessment) of insulin resistance decreased significantly as a result of the PD intervention compared to the CD. Other cardiovascular risk factors (oxidized LDL, fibrinogen and platelet factor 4) also decreased significantly under the PD compared to the CD.

The authors concluded results provide evidence that regular consumption of pistachios decreases glucose and insulin levels thereby improving insulin resistance and other inflammatory and metabolic risk factors. Thus, the inclusion of pistachios in a nutritious and balanced diet continues to emerge as a practical nutritional strategy to lower the risks associated with prediabetes.

## More About Pistachios

Additional research on the role of pistachios in heart health, weight management, satiety, and as a post-exercise aid can be found at [AmericanPistachios.org/research-archive](http://AmericanPistachios.org/research-archive).

<sup>1</sup> Hernandez-Alonso P, Salas-Salvado J, Baldrich-Mora M, Juaola-Falgarona M and Bullo M. Beneficial effect of pistachio consumption on glucose metabolism, insulin resistance, inflammation, and related metabolic risk markers: a randomized clinical trial. *Diabetes Care* 2014; 37:1-8.

<sup>2</sup> National Institutes of Health, press release: "National Diabetes Education Program Releases Guiding Principles for Diabetes Care."



Mary Jo Feeney, MS, RDN, FADA, FAND, is a nutrition consultant to American Pistachio Growers (APG). APG is a nonprofit agricultural trade association representing more than 650 members in California, Arizona and New Mexico. APG is governed by a democratically elected board of directors and is funded by growers and independent processors with the shared goal of increasing global awareness of nutritious American-grown pistachios. For more information, visit [AmericanPistachios.org](http://AmericanPistachios.org).

# Five More Steps Needed To Make Real Progress

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

**T**he produce industry, with its Fruits & Veggies – More Matters campaign and the, now superseded, 5 A Day program, has relied heavily on a general message of a pathway to healthiness by boosting produce consumption. This is an effort that has not succeeded.

There is, however, the hope that if we could identify more specific health benefits to be derived by consuming specific items, higher consumption might be achieved. It is not 100 percent clear if that theory is true. Research identifying benefits in the consumption of pomegranates and pomegranate juice — when backed by skilled marketers — certainly moved the needle on pomegranate-related consumption. It is not clear that this led to overall increases in produce consumption.

This is hopeful research, and if eating pistachios can help prevent the progression of prediabetes to full-blown diabetes, this would bode well as a major advance in public health.

Alas, as is always the case, this type of research is — to paraphrase Churchill — not the end; it is not even the beginning of the end; it is not even the end of the beginning. Before we can really begin to attribute such powers to pistachios or to any other food, at least five steps must be completed:

- 1) The research has to be repeated multiple times, by different researchers, at different institutions and with larger groups. This study included only 54 prediabetic adults — 29 men and 25 women. That is a start — but just a start.
- 2) The research has to be extended to actually note disease outcomes. They did not study people long enough to determine if, in fact, people who sustain the diet enhanced with pistachios actually are less likely to develop full-on diabetes.
- 3) Research needs to be conducted with various alternative diets. In this case, they had two choices: The control diet or the diet in which pistachios were

**If eating pistachios can help prevent the progression of prediabetes to full-blown diabetes, this would bode well as a major advance in public health.**

added and other things reduced. As author Mary Jo Feeney explains: “In the CD, 55 percent of the calories came from carbohydrates and 30 percent from fat. In the PD, 50 percent of the consumed calories came from carbohydrates and 35 percent from fat.”

Even if the pistachio diet is better, this research doesn’t establish that it is pistachios, uniquely, that make it better. Perhaps it is the shift from carbohydrates that makes it better. After all, avoiding carbohydrates is a standard recommendation given to pre-diabetics. Maybe almonds would have the same effect?

A study based on a series of different diets of similar composition would be necessary before we can attribute unique health-inducing properties to a particular food.

- 4) Real world applicability also needs to be tested. This analyst confesses both to loving pistachios and to never once eating only 2 ounces of them at a sitting. Do typical prediabetic consumers, not operating under short-term research constraints,

actually constrain their pistachio consumption to 2 ounces? If not, what is the dietary impact of consuming the typical amount consumed? Are the beneficial effects of the product outweighed by increased obesity due to increased calorie consumption? Or is the pistachio such a source of healthfulness that the more one consumes, the better off we are. Or are pistachios so inducing of satiety that people self-correct and consume fewer calories of other sources when they consume more pistachios?

- 5) Finally, of course, we need to study more people at different stages of healthfulness. For example, does this approach actually help people who have diabetes? Does it help people to not progress to a prediabetes state?

Of course, none of this is indicative of any flaw in the research. It is just an acknowledgement that as Laotzi, the founder of Taoism, taught us: “A journey of a thousand miles begins with a single step.”

And for the produce industry, it is a reminder of how high the barrier is if we wish to use science to persuade consumers of particular benefits of particular produce items. It means sustained investment in research. This particular study was done in Spain and partially supported by the American Pistachio Growers. They deserve commendation for undertaking the effort.

Because the industry has limited resources, we need to advance research to the point where the National Institutes of Health and major health insurance companies see enough potential to invest in larger studies at Johns Hopkins and Harvard.

Even then, even if we can show convincingly that pistachios or other items have important health benefits, the challenge will still be to find a path to not merely create a one-item boom — as with kale — but to choose information to change diet patterns in such a way that overall consumption of produce begins to rise.

TRANSITION



**GOURMET TRADING COMPANY  
LOS ANGELES, CA**

Gourmet Trading Company hires **Jesus Recendez Garcia** as its new transportation manager. Garcia initially became interested in logistics while working at FedEx and simultaneously studying for his Bachelor's Degree in Business Administration at Biola University. During his 10 year career at FedEx, Garcia completed the company's Management Training Program. Garcia comes to Gourmet Trading Company with 3 years of produce transportation management experience.

TRANSITION

**UNITED FRESH  
WASHINGTON, D.C.**

United Fresh Produce Association welcomes **Jessica Mosley** as director of education. Mosley will focus on the development of the association's full spectrum of industry education programs, ensuring its value to United Fresh members and its relevance to the broader produce industry.



TRANSITION



**OCEAN MIST FARMS  
CASTROVILLE, CA**

Ocean Mist Farms hires **Diana McClean** as the new director of marketing. She will be based in the company's headquarters and report to Joe Feldman, vice president of sales and marketing. McClean is a produce industry veteran with more than 15 years of experience, most recently at Tanimura & Antle.

TRANSITION

**J&J FAMILY OF FARMS  
LOXAHATCHEE, FL**

J&J Family of Farms hires industry veteran **Chris Coffman** to serve as president and chief operating officer. In this new position, Coffman will be leading the day-to-day operations for the company. He will also be responsible for overseeing all J&J operation locations in Florida, Georgia, Arizona, Tennessee, Mexico and the Dominican Republic.



TRANSITION



**ALL FRESH GPS  
COMSTOCK PARK, MI**

All Fresh GPS, LLC announces produce expert **Ed Klein** joins its growing team as national sales manager. In his new role, Klein will be responsible for working directly with retail and distribution partners to build consumer-focused apple programs and extending the reach of All Fresh GPS sales.

TRANSITION

**VISION PRODUCE CO.  
PHOENIX, AZ**

Vision Produce Co. announces the hiring of **Lance Nichols** as its new salesperson. Nichols, who has more than 32 years of procurement and sales experience in produce, will partner with Vision Produce Company's vice president of sales and procurement, John Caldwell.



ANNOUNCEMENT



**NEW YORK APPLE GROWERS  
INTRODUCES RUBYFROST**

The New York Apple Growers, Geneva, NY, launches a second new apple variety called RubyFrost, which will be available at participating retailers in the Northeast and Mid-Atlantic regions. RubyFrost — developed by Cornell University — is known for its beautiful rich color, definitive crisp texture and a delicate balance of sweet and tart flavors.

ANNOUNCEMENT

**BRAGA FRESH EXPANDS  
ORGANIC LINE**

Organic cauliflower is the newest fresh vegetable Braga Fresh Family Farms, Soledad, CA, added to its sustainable, certified USDA organic produce line — Josie's Organics. Josie's Organics cauliflower is available immediately, both wrapped and naked. The Josie's Organics line also includes broccoli, celery, kale, spinach, beets, and cilantro to name a few.



ANNOUNCEMENT



**MARKET FRESH PRODUCE OPENS  
MONETT REPACKING FACILITY**

Market Fresh Produce, Nixa, MO, was joined by the Monett Chamber of Commerce to commemorate the completion of the Monett Repacking Facility with a ribbon-cutting ceremony. The facility was acquired from Harlin Fruit Company repacking center who has been part of the community for 100 years. The renovations include state-of-the-art hands free wash and dry room for the employees, LED lighting, new security system, six walk-in coolers, among other items to bring the facility to standards.

ANNOUNCEMENT



**TANIMURA & ANTLE  
CREATES BLOG TO  
INCREASE CONSUMER CONNECTION**

Tanimura & Antle, Salinas, CA, continues to find new ways to connect consumers with its products with the launch of its new blog called "Family Farming." The blog will provide consumers with more of an in-depth view of the day-to-day happenings of this iconic and historic third-generation family farm.

ANNOUNCEMENT

**REDLINE SOLUTIONS  
PARTNERS WITH ROAMBEE**

RedLine Solutions, Santa Clara, CA, and tracking-device company Roambee Corp., Santa Clara, CA, announces a partnership to provide customers with real-time tracking and monitoring solutions of produce shipments. RedLine already offers a comprehensive lineup of products and services to enable produce traceability and inventory management.



ANNOUNCEMENT



**SAKATA SCORES WITH  
THREE NEW BELL PEPPERS**

Sakata Seed America, Morgan Hill, CA, introduces three new varieties of Eastern Bell Peppers expected to please growers and consumers alike. The three players (Gridiron, Blitz and Touchdown) were specifically bred to thrive in Eastern regions.

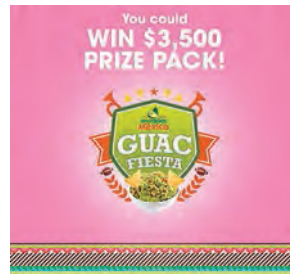
ANNOUNCEMENT



**WP RAWL CELEBRATES  
90TH BIRTHDAY**

WP Rawl, Pelion, SC, the third-generation, family-owned and -operated, vertically integrated grower/processor/shipper, celebrates its 90th year. The company is commemorating the anniversary by hosting a reception for the fresh produce industry at Southeast Produce Council's Southern Exposure this month. The company's booth will feature High School Musical celebrity alum Monique Coleman, who partnered with Nature's Greens to help promote simple ways of incorporating greens into everyday life. Additional features of the celebration campaign include video content, a commemorative e-book, and a trade advertising campaign.

ANNOUNCEMENT



**AVOCADOS FROM MEXICO  
REACHES HISPANIC AMERICAN  
FOOTBALL FAN BASE**

Avocados from Mexico, Dallas, TX, announces it will extend its Guac Fiesta campaign to reach the Hispanic trade in key markets. The program is designed to drive consumption of Avocados From Mexico through aggressive retail promotion in key Hispanic markets during prime football season and the Big Game.

ANNOUNCEMENT



**HOUSE FOODS PARTNERS  
WITH ANIME CHARACTER**

Tofu specialists, House Foods, Garden Grove, CA, joins forces in its latest promotional campaign with Doraemon, Japan's beloved anime character. The strategic alliance allows House Foods to feature Doraemon, the gadget cat from the future, on packaging of seven of House Foods' Premium Tofu SKUs found in grocery stores nationwide.

ANNOUNCEMENT

**GUNROCK MANAGEMENT INTRO-  
DUCES THE MASQUERADE POTATO**

Gunrock Management, Center, CO, combined the beauty of a two-color skin and the refreshing known robust flavor of a Russet with its new potato product, the Masquerade Potato. The Masquerade potato is great for soups and hash browns. A retail pack is in development and will be ready for the 2015 season.

ANNOUNCEMENT



**FRESH ATTITUDE BABY LETTUCES'  
COMMITMENT TO FRESHNESS**

Veg Pro International, Sherrington, Quebec, expanded its Canadian farming operations to become one of the leading producers of baby lettuces, sold under the Fresh Attitude brand. It also added a southern growing area in Belle Glade, FL, to supply both its Belle Glade- and Quebec-based processing plants during the winter season.

ANNOUNCEMENT



**SCIENTISTS SUCCESSFULLY  
GROW ONIONS IN COLD WEATHER**

In response to high demand for year-round local produce, researchers with the University of New Hampshire report they successfully grew onions planted in fall for a spring harvest with the aid of inexpensive low tunnels. The new research may provide additional marketing opportunities for growers in cold climates.





**JIM PREVOR'S**

PERISHABLE

PUNDIT

# FTC's Antiquated View Of The Market Hands Haggen 146 Stores On The West Coast

FROM JIM PREVOR'S PERISHABLE PUNDIT 01.07.2015

**J**ust as the Federal Trade Commission (FTC) was ignoring the big competitive threat of Wal-Mart, Kroger, Safeway, and Costco, while focusing on a battle between two small players, now the FTC is worried about a monopoly among conventional supermarkets just as the food market is fracturing. This letter gives us good reason to look at the situation:

*I would deeply appreciate your perspective on the Haggen purchase of nearly 150 Albertsons and Vons bannered stores in The West.*

*How on earth can the management team of a 16-store boutique niche marketer possibly hope to profitably operate these stores (using a third-party distributor no less) in what is one of the most competitive markets in the USA?*

*What venture capitalist would risk money on such a silly proposition?*

*How can the FTC honestly claim that the grocery market must be forced to remain competitive when Ralphs, Wal-Mart, Trader Joes, Costco, Gelsons, Bristol Farms, Whole Foods and countless ethnic retailers crowd the market? If there is one thing this grocery market doesn't lack, it is aggressive competition.*

*There must be more to this story... it just doesn't make sense. Can you shine some light on this?*

*— Roger Niebolt  
Cargo Data Corporation  
Ventura, California*

Roger is not the only person trying to figure this one out. *The Los Angeles Times* had Shan Li, its California economy reporter, write a piece titled, "Haggen Chain to Buy 146 Vons, Pavilions, Albertsons, Safeway Stores":

*A supermarket David is gulping down a Goliath.*

*Next spring, Southern California shoppers will see a new name replacing some of their old grocery standbys: Haggen Inc.*

*The tiny Pacific Northwest chain is buying 146 Vons, Pavilions, Albertsons and Safeway stores, including 83 in California. The Federal Trade Commission ordered them sold as part of the merger of Albertsons and Safeway earlier this year.*

*That translates into an eye-popping 811 percent expansion for the Bellingham, WA, company, which currently operates 18 stores in Oregon and Washington.*

*"This was a once-in-a-lifetime opportunity," said Bill Shaner, the newly appointed chief executive of Haggen in the Pacific Southwest. "They are great stores in a very dynamic marketplace. The chance to grow the brand was*

**What the FTC is really doing is a shame: It is weakening Albertsons/Safeway in the battle against new formats. Albertsons/Safeway had to sell these stores at a discount because the only buyers that could be considered were those who the FTC would deem viable as supermarket operators. The people at Comvest and Haggen will be the beneficiaries of the limited scope of the FTC's vision and will laugh all the way to the bank.**

*very unique."*

*The chain did not disclose financial details. Some analysts pegged the deal at \$1.4 billion to \$2 billion.*

*Landing in the highly competitive Southland grocery market will be a challenge for Haggen, especially as traditional grocers are squeezed by local favorites like Trader Joe's and deeper competition from the likes of Wal-Mart Stores Inc. and Target Corp., which have both expanded their grocery offerings, analysts said.*

Shan Li also quoted industry analysts including the storied Burt Flickinger of Strategic Resource Group and the Pundit:

*"It's certainly no slam-dunk," said Jim Prevor, a food analyst and founder of PerishablePundit.com. "The core business of operating a conventional supermarket is really a threatened being."*

*Shaner said Haggen has distinguished itself with a heavy emphasis on fresh produce and quality meats and seafood. That focus will be reflected in the new stores once they are re-branded as Haggen starting in 2015, he said.*

*"Haggen is between an Albertsons and Vons and what*





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*you might see to some extent in a Whole Foods," Shaner said. "You will see a little tweak in assortment, a little tweak in the quality of the offerings."*

*The company will also keep existing store employees and managers, Shaner said, expanding its worker base fivefold to 10,000.*

*Observers said that expanding the company to 164 stores in five states will give Haggen the muscle to negotiate more effectively with suppliers and make a real push into new territories.*

*"You really need a minimum of 100 stores . . . to have the buying power and market share to have a meaningful impact in the marketplace both with competitors and consumers," said Burt Flickinger III, managing director of Strategic Resource Group.*

*But Haggen will face the challenge of introducing its unknown brand in places such as Los Angeles, where shoppers have different preferences and a multitude of supermarkets to choose from. Competition is fiercer than ever before, with newer rivals such as dollar stores increasing their produce aisles and online retailers such as Amazon.com testing grocery delivery.*

*"Haggen means something locally, but it's a name unknown for most of these new areas," Prevor said. "That means very substantial expenditures to build a brand in those areas."*

*At the same time, the chain must now deal with operating a vastly bigger organization. There is a danger it will run into trouble exporting its culture to the larger group of stores and will lose some of the uniqueness that has made it successful, analysts said.*

*"It's a brilliant or bankrupt strategy," Prevor said. "When you are talking about basically increasing the business from one tiny geography to a massive scope down the West Coast, you run the real risk that they will fail."*

*But Flickinger said the chance to expand so rapidly with one swoop probably was too tempting to pass up.*

*"It is arguably the best opportunity to expand cost effectively and in the West Coast for the last 15 years," he said.*

Burt certainly has it right. For an ambitious retailer with private equity backing, this is an unusual opportunity. Haggen does a great job — especially with fresh — and we can certainly wish the team well in this expansion.

That being said, the correct way to look at this is that Haggen is just the vehicle being used. What this is really about is a Florida-based private equity firm, Comvest Partners. Comvest acquired a majority stake in Haggen in 2011. Just in December 2014, presumably in conjunction with this deal, Haggen hired Bill Shaner to serve as chief executive in the Pacific Southwest. Mr. Shaner had a long career with Supervalu and, most recently with the Save-a-Lot division, where he was executive vice president and chief operating officer.

So the way to think about this may be that a private equity

firm bought these stores and hired an experienced executive to run them.

Why get Haggen involved at all? That is mostly due to the FTC. In this case, persuading the FTC that this divestment of stores will create a viable competitor for Albertsons/Safeway is the key to the whole thing.

The FTC might feel that a private equity firm just hiring a chief executive might not be viable and that, in two years, all the stores will be furniture stores or real estate plays. Here, with a buyer committing to rebrand the stores with a proven concept, the FTC is much more likely to bless the divestment.

What happens then, though, is not clear at all.

Bringing an unknown brand into new geographies is always difficult, and Albertsons and Safeway know exactly which stores are highly profitable, so they can be expected to compete aggressively in those areas, including opening new stores themselves.

Supervalu will supply the existing 18 Haggen stores and the additional 46 stores in the Pacific Northwest. It also will provide IT and other support for the whole chain.

Unified Grocers will lose the supply contract for the existing 18 Haggen stores but will pick up 100 stores that Haggen is taking over in California, Arizona and Nevada.

Charlie's Produce is opening a new southern California division to expand along with Haggan and has the primary produce-supplier appointment for all the stores.

Financial terms were not disclosed, but Albertsons/Safeway needed this deal to finalize their merger, so they probably gave a concessionary price.

So, to answer Roger's questions:

**1) Nobody is really expecting Haggen's management team to suddenly run a giant supermarket chain across the West.** The existing team will expand in the Northwest, and a new team is being brought in for the new western states.

**2) Comvest Partners thinks the risk/reward ratio is worth the risk.** If this works, they will have a big supermarket chain and probably do rollups on smaller local chains.

**3) If it doesn't work, the price was probably cheap enough that Comvest feels protected by the real estate value.**

As far as why this is all necessary, it is because the FTC has an antiquated perspective. It was 21 years ago that we wrote an article in *PRODUCE BUSINESS*, titled "Death By A Thousand Cuts," in which we said there is an antiquated perception of the "big issue" being supermarkets competing against supermarkets. The truth is that all these operations are at risk from competition from Amazon Fresh, Aldi, Trader Joe's, Costco, Wal-Mart Supercenters and many more formats.

What the FTC is really doing is a shame: It is weakening Albertsons/Safeway in the battle against new formats. Albertsons/Safeway had to sell these stores at a discount because the only buyers that could be considered were those who the FTC would deem viable as supermarket operators. The people at Comvest and Haggen will be the beneficiaries of the limited scope of the FTC's vision and will laugh all the way to the bank.

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# Wholesome Choice Market

Produce-centric with international flair.

BY CAROL BAREUTHER

It's the first sights and smells upon entering a Wholesome Choice Market that hints to shoppers who are not in the "Oz" of a mainstream grocery chain. There's a perpetual tasting plate located inside the front entrance with samples of sangak bread. You can inhale the heavenly aroma while watching the loaves of this pizza-thin, rectangular-shaped, whole-wheat sourdough, Iranian flatbread as it bakes on an authentic hearthstone oven imported from Iran.

Step to the left and find a restaurant-sized food court with seating that serves Chinese, Thai, Indian, Persian and Mediterranean dishes. Enter the produce department, and huge endcaps showcase a range of items. Purple Chinese eggplant, single-fruit clamshells of dragon fruit and star fruit, and peppers of every size, shape, color and heat level continue the international theme aptly proving how this three-store Orange County, CA-based chain lives up to its motto: "Natural foods from around the world."

## A CULTURAL RAINBOW

"Sixty-five to 70 percent of our customers are Persian, with the rest primarily Asian, followed by American and Hispanic shoppers, and a little bit of everyone else," explains Phil Gentile, director of operations for the first of the chain's locations in Irvine (which opened in September 2005) as well as the Anaheim and Laguna Hills stores.

There's plenty of people and buying power in addition to the multi-ethnic demographic in Irvine to support a store like Wholesome Choice. According to the U.S. Census Bureau's 2010 *American Community Survey* for Irvine, CA, the nearly quarter of a million population enjoys a median household income of \$92,663. In 2014, *24/7 Wall Street*, an

Internet-based financial news and opinion company based in New York, NY, named Irvine the Best Run City in the nation. A well-educated population (more than two-thirds of the adult population has a bachelor's degree) and profitable jobs in highly skilled technology and semiconductor industries were both contributors.





International offerings run the gamut from full racks of Asian greens such as bok choy, Chinese mustard greens and nira chives in the refrigerated rack to burro bananas, rambutan, longon, Indian bitter melon, Mexican squash, fresh grape leaves and 1-pound clamshells of fresh green olives on the dry tables.

## POINTS OF DISTINCTION

“Our international food court and fresh produce differentiates us from a Ralphs or a Vons,” says Gentile. “We do a big lunch business in the food court, and produce represents around 27 percent of total store sales.”

This remarkable percentage of produce dollar sales is consistent with the floor space devoted to fresh fruits and vegetables. Specifically, the produce department covers 7,500 of the store’s 25,000 square feet (or 30 percent of floor area). There is an average of more than 350 produce SKUs.

Rich wood fixtures, paintings of pastoral scenes on the walls, and lighting that strategically illuminates the produce without blinding shoppers — in a harsh brilliance of florescence — sets the scene in the department.

Unrefrigerated displays are big and bountiful with a noticeable lack of much packaging. For example, there are 3- to 4-foot displays (many of them endcaps) of string beans, Persian cucumbers, cactus pears, fuyu persimmons and pomegranates.

Interesting combinations of produce are featured on the dry tables. For example, one

table held a continuum of Roma tomatoes, yellow onions, ginger root, heads of garlic and bags of small red-skinned, yellow-fleshed and Fingerling potatoes.

International offerings run the gamut from full racks of Asian greens such as bok choy, Chinese mustard greens and nira chives in the refrigerated rack to burro bananas, rambutan, longon, Indian bitter melon, Mexican squash, fresh grape leaves and 1-pound clamshells of fresh green olives on the dry tables.

Organics such as bag salads, carrots, apples and bananas are for sale. There’s locally-grown produce too. California-harvested Gala apples, Navel oranges and pomegranates were positioned front and center.

Wholesome Choice prides itself in offering the most competitive pricing in Orange County. In mid-October, heads of cauliflower sold 2 pounds for \$1, red peppers for 99-cents-per-pound, and small Hass avocados at 59-cents each.

A printed weekly circular advertises more than a dozen fruits and vegetables weekly on the front page, plus an additional three items

featured as part of a special 3-day (Monday, Tuesday and Wednesday) day sale price.

A variety of other departments makes this a full-service grocery. These departments also underscore the chain’s specialty-natural-international nature. There’s Halal beef and Kosher chicken as well as antibiotic-free, hormone-free meats and poultry. Breads in the bakery range from French- and Italian-style baguettes to traditional Persian favorites such as mashadi, barbari and sweet bread. Basmati rice, grapeseed oil, rose water, canned coconut milk and Norwegian flatbread crackers are in the grocery department.

Finally, it’s the soup-to-nuts of produce-rich cuisines offered in the food court that are another popular place customers get their fruits and vegetables. Chinese beef and broccoli, veggie lasagna, and black bean burritos with housemade salsa are just a few of these selections. True to motto, Wholesome Choice makes its mark in the Southern California market by offering a world of different foods.

“We have people from as far away as San Diego drawn to us because of what we offer in-store,” says Gentile. **pb**



**PRODUCE  
WASTE**  
▶ Spoilage at Home  
▶ Spoilage at Retail  
▶ Spoilage at Farm-Level

**3-Part Series**

# What's Wrong With This Picture?

In the first of a three-part series, **PRODUCE BUSINESS** explores the impact spoilage has on produce consumption at home and on repeat sales.

BY KEITH LORIA

**A**s the world's population grows and pressures on agricultural land and other resources increase, food waste rises as a hot topic among practically every sector of the produce industry. According to the Washington, D.C.-based Environmental Protection Agency, food leftovers are the single-largest component of the waste stream by weight in the United States.

Using data from 2010, the USDA estimated Americans consumed 430 billion pounds of food, with 43 billion pounds (10 percent) wasted at the retail level, and almost 90 billion pounds (21 percent) wasted by consumers. Breaking these figures down to strictly produce, waste for fruits and vegetables is valued at about \$50 billion combined. If 21 percent of that \$50 billion is wasted in people's homes, that is more than \$10 billion consumers throw down the drain.

On the higher side of the equation, the same 2010 USDA report

confirms consumer losses including spoilage, cooking shrinkage and plate waste is estimated to be nearly a \$15 billion problem once the fruits and vegetables leave the store shelves to consumers' doors. This can cost the average family about \$1,300 to \$2,275 each year.

Despite the fact that this is money retailers have already earned in produce sales, and perhaps the very perishability of produce is a built-in incentive to keep customers coming back, the retailer has the obligation to educate consumers about home waste. After all, it is hard to measure the impact of repeat sales that are lost because consumers don't want to purchase fresh produce that doesn't get consumed.

"Retailers need to do a better job of informing consumers how to store produce properly," says Dick Spezzano, president of Spezzano Consulting, based in Monrovia, CA, who as a former vice president of produce for Vons says he can't believe households are still putting tomatoes in the refrigerator, keeping bananas cold, and placing apples



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in a fruit bowl. “They [retailers] should be using electronic media and social media to show people what needs to be done.”

Justin G. Gardner, Ph.D., associate professor of agribusiness at Middle Tennessee State University’s (MTSU) School of Agribusiness and Agriscience, located in Murfreesboro, TN, says different factors are in play when it comes to consumers and waste.

“In the U.S., we spend about 10 percent of our income on food. That is a very small share. Waste is a negligible part of the household budget,” he says. “In addition, food is not a strictly biological concept; it is social and psychological. We buy more than we need, so we can feel safe and secure. When we dine with family and friends, it is not just a meal — it is a feast. These factors combined give us a paradox — food waste may be perfectly rational. If we spent 50 percent of our income on food, we would see a lot less consumer food waste.”

Although shrink at the retail level is often talked about and solutions are presented by numerous organizations, there is far less being done to combat the problem once the produce is brought into people’s homes. [Editor’s Note: In Part II of this series, we will explore produce “shrink” at the retail level.]

A report, *Waste: How America is Losing Up to 40 Percent of Its Food from Farm to Fork to Landfill*, from the New York, NY-based national environmental action organization, Natural Resources Defense Council, blames waste on the fact that food has become so cheap and readily available. So throwing away an orange or letting lettuce rot is not a big deal. The report notes consumer confusion around expiration labels, which tend to be conservative and often prompt people to throw out food prematurely.

## PRODUCE INDUSTRY AIMS TO FIGHT SPOILAGE AT HOME

Kathy Means, vice president of industry relations for the Newark, DE-based Produce Marketing Association (PMA), says the organization recently collaborated on a new campaign with the Partnership for Arlington, VA-based Food Safety Education, called *Fight Bac Like A ProducePro*, which specifically focuses on fresh produce and gives consumers the tools they need to keep produce fresh and safe at home.

“If I were to characterize the problem for consumers in terms of quality and waste, I would say that there are so many produce items, and it may be tough for consumers to remember how to handle each of them,” says

**“WE CAN’T ASSUME EVERYONE knows how to cook or even that every consumer knows the basics about common produce items. The more successful the consumer is with each item, the more likely he or she is to buy it again, generating more sales for the store and the supplier.”**

— Kathy Means, Produce Marketing Association

Means. “Some [produce] you can buy in bulk, and they last quite well at home (potatoes, onions, apples, citrus), and some need to be used within a few days of purchase (mushrooms, berries, etc.). Sometimes consumers just don’t know how to use particular items. They buy produce, take it home, and don’t know what to do with it. So either produce becomes waste, or it may be prepared in a way that isn’t tasty for the family — no repeat sales there.”

Means suggests retailers and suppliers help consumers by offering handling and storage information about fresh produce. For example, which items are good for stock-ups and which have to be eaten quickly; which need to be refrigerated right away, and which can be left in a fruit bowl on the counter.

“Explain what fruits can be ripened at home and how to do it; explain which items don’t ripen after harvest,” says Means. “Be sure consumers know how to assess ripeness in any given item (e.g. pears, avocados and stone fruit) at the store and at home. We can’t assume everyone knows how to cook or even that every consumer knows the basics about common produce items. The more successful the consumer is with each item, the more likely he or she is to buy it again — generating more sales for the store and the supplier.”

According to Means, there are many examples of incorrect handling, and the industry needs to be sure to educate and inform consumers.

“Don’t put whole tomatoes in the refrigerator — this action kills the flavor. Don’t

rinse produce before storage because that shortens shelf life. Rinse all produce before use, even items where you don’t eat the rind or skin, which is a general food safety tip.

“Fresh-cut produce always belongs in the refrigerator,” she says. “Consumers sometimes think fresh-cut is too expensive, but fresh-cut eliminates waste at home. That doesn’t mean it’s always the right choice, but it can be.”

Means says another helpful idea for retailers is to provide usage tips or recipes for leftovers so consumers have a successful experience at home. Some ideas are to put vegetables into soups and stews or take aging bananas (or other fruits) and freeze them for use in banana bread or smoothies.

## ADVISE SMART SHOPPING

Jonathan Raduns a partner with St. Louis, MO-based FreshXperts, a produce industry marketing consulting organization, suggests certain retailers could benefit from offering small quantities of particular items and offering educational handling and storage info collateral to combat losses.

“Items prone to loss (e.g. avocados in my home) might be merchandised with a bright color sticker or package,” he says. “By moving avocados into the refrigerator once they begin to soften, a customer can slow down the progress to allow for consumption. There are many other items such as the inside leaves in a celery plant, that many people might discard — due simply to lack of knowledge of its culinary uses. The leaves can be added







to soup stock, chopped and added to almost any salad, used to garnish tuna fish, or stuffed into a turkey or chicken for added flavor.”

Marion Tabard, director of marketing at Coral Gables, FL-based Turbana, notes consumers can play an important and active role in the reduction of produce waste.

“To help with this problem, consumers should select fruits and vegetables wisely, make sure to handle and transport them carefully, and store them at home in the proper conditions to prevent produce from getting bruised or spoiled,” she says.

“Additionally, consumers can be creative when produce is at the end of its edible life,” says Tabard. “They can puree fruits into smoothies; puree vegetables into a hummus or soups; mash fruit to create fresh jam; or freeze any produce before it turns bad.

“Considering the average American wastes about 20 percent of the vegetables and 15 percent of the fruits purchased, another good idea is for consumers to compost any leftover scraps of fruits or vegetables,” advises Tabard. This can be as simple as storing food scraps in the freezer and then taking them to a local farmers market that collects scraps for composting, or people can compost at home.



“For consumers, we recommend they shop smart, plan meals and use grocery lists,” says Tabard. “This way, they are less likely to buy produce they don’t need. Composting is a good way as well to convert food waste into a useful resource.”

Various biomass (biological material derived from living or recently living organisms) reports

from the EPA, the BioMass Board and the National Renewable Energy Laboratory suggests that food no longer fit for consumption should be diverted from our landfills. Bio composting is the process of turning organic matter (such as food waste) into a useful source of clean energy.

Janet Haugan, director of marketing for

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**“I THINK A WEBSITE WITH INFORMATION about how to look for a good-quality produce, or reference information on display at store-level would go a long way to help the public know how to keep and prepare different fruits and vegetables as well as control waste at home.”**

— Greg Hackenbracht, Tastee Apple, Inc.

Portland, OR-based LeanPath, Inc., a company providing automated food waste tracking systems for the foodservice industry, says consumers need to be educated about of what they throw away and make adjustments based on their past behaviors.

“At home, consumers should keep a simple food waste log,” she says. “In the workplace, use systems that enable your staff to account for food waste, and be a part of the solution. Good data and careful planning are essential for food waste minimization.”

## HELP IS OUT THERE

In an effort to educate consumers about controlling waste at home, the EPA is releasing “Food Too Good To Waste,” a toolkit to help

consumers learn the best ways to reduce food waste at home. It is currently being tested in different cities around the country.

Tabard says Turbana seeks to teach communities the importance of composting. In 2014, the company participated in the Marine Corps Marathon as the official banana sponsor and composting partner.

Greg Hackenbracht, chief executive of Newcomerstown, OH-based Tastee Apple, Inc., a company specializing in selling apples hand-dipped in confectionary delicacies, would like to see more produce manufacturers and food organizations help educate consumers about the best ways to pick and store fruit.

“I think a website with information about

how to look for a good-quality produce, or reference information on display at store-level would go a long way to help the public know how to keep and prepare different fruits and vegetables as well as control waste at home.”

The Partnership for Food Safety Education is a nonprofit organization that brings together public and private sectors to support health and food safety educators. The organization's efforts with Arlington, VA-based Food Marketing Institute (FMI), PMA and various retailers “help to inform consumers of actions they can take — based on scientific evidence — to reduce their risk of food poisoning at home,” says Shelley Feist, executive director for the organization.

Many of the practical safety tips from the

## PRODUCE TECHNOLOGY FOR THE HOME



Baking soda has a timeless history of being the at-home cure-all to everything from taking the sting out of bug bites to keeping refrigerators odor-free. One of the most recognized baking soda brands, Arm & Hammer, even has a Fridge-n-Freezer Odor Absorber product with a convenient spill-proof box and an air filter product claiming to “keep your food tasting like it should.”

According to a professor with Argonne, IL-based Argonne National Laboratory (a multidisciplinary science and engineering research center), odoriferous materials floating in the refrigerator are acidic, and the alkaline-based baking soda can absorb and neutralize the acid.

Food waste-prevention companies are surfacing and taking this food preservation concept to the next level. Kevin Brooks, chief executive of BerryBreeze, headquartered in

Las Vegas, NV, offers a patented product named after the company, which emits activated oxygen, which the company claims is the most natural and powerful disinfectant.

“With the BerryBreeze, we are essentially recreating Mother Nature on the inside of your refrigerator,” Brooks says. “During our activation time of creating O<sub>3</sub> (activated oxygen), anything that it touches is neutralized, primarily the mold, yeast and fungus, which is found on your food. By doing so, it will maintain the nutritional value longer, things will stay fresher two to three times longer, and it will eliminate a lot of the waste that we have.”

The compact device sits on the top shelf of the fridge. Once it's turned on, the only thing one needs to do is replace its batteries every four months or so. “It works on its own through a timing sequence, and you just get to enjoy your food and your fresh produce,” Brooks says.

The Bluapple is another product aiming to prolong produce freshness by providing effective ethylene gas absorption for three months in a typical home refrigerator. The active ingredient does not “wear out,” but continues to absorb ethylene until it reaches its capacity.

The container, which is shaped like a

small blue apple, contains a packet of zeolite (a volcanic mineral) and oxidizing agent, sodium permanganate (a natural chemical compound). Airflow permeates the zeolite, and ethylene gas is harmlessly oxidized away. By absorbing the gas, the spoilage rate of produce is dramatically reduced. After three months, the packet can be emptied in a garden or houseplants and used as fertilizer.

Timmy Chou, president of the Bluapple Company, says, “Refrigeration manufacturers are now beginning to incorporate ethylene gas removal technology into their designs, and it is clear that credible products prolonging produce life are here to stay. Most consumers are not aware of the effects of concentrated levels of ethylene gas, which is why Bluapple has been successful as a cute and interesting way to introduce the value of post-harvest management.” **pb**





PHOTO COURTESY OF TURBANA

Turbana worked with the Marine Corps Marathon and the city of Washington D.C. last year to bring a composting program to the marathon and donate the compost that was made at the Finish Festival (an event where people could enjoy the post-race activities alongside the runners and their fans). Runners, spectators and volunteers were encouraged to compost their banana peels.

organization's campaigns regarding produce handling, food myths and at-home cooking can also maximize produce usage potential.

## ENGAGE SUPERMARKET RD'S

Carol Bareuther, RDN, Virgin Islands, says the key to preventing food waste at home is to educate customers on how to choose, store and use fresh produce. "This action will thwart the actuality of food waste at home," she says. "This also positively affects the retailer, because now customers will return to buy more produce, rather than take themselves out of the market for certain items they deem 'spoil too fast' and therefore 'not a good value.'"

"Retailers should provide information to customers about ripeness. Avocados with stickers that indicate ripeness are a good example of this," says Bareuther, who also is a frequent contributing writer for *PRODUCE BUSINESS*. "Educational signage can inform shoppers about how to identify a ripe melon or other items that can be difficult to discern if ripe. Produce staff and/or the chain's SRDN (Supermarket Registered Dietitian Nutritionist) can engage with customers to ask when they want to use a particular fruit or vegetable. For example, if they want the bananas to last for lunches four days from now, guide them to choose fruit that still retains some green."

Lauren Lindsley, Green Bay regional health and wellness manager for Skogen's Festival Foods, based in De Pere, WI, says she found that a large population of Skogen's guests are often times deterred from purchasing produce items because they either don't know how to properly select, store or prepare them, which leads to waste.

In an effort to help educate its customers and increase their confidence in purchasing and handling fresh produce, Skogen's registered dietitian team developed and implemented a variety of programs and resources related to fresh produce.

"Each month, our registered dietitians choose an in-season produce item to focus educational efforts called the 'Produce Pick of the Month,'" says Lindsley. These educational efforts include comprehensive video segments that discuss the produce pick's nutritional benefits, how to select items in the store, how to store the produce at home, handling and preparation, and how to eat, including an array of recipe ideas. The video segment also airs on a local TV station and is archived on Skogen's website.

"We also write a monthly 'Eat Brighter!' - [branded] newsletter that is distributed to area health care partners and community groups," says Lindsley.

Nutritionist Mindy Hermann, Mount Kisco, NY, believes retailers should offer tasting opportunities, served with companion products such as a dip or salsa, or prepared in a recipe.

"Educate the produce department staff so they can be a resource for the consumer. Work with the store dietitian to help promote items and weave in a health angle," she says. "Develop a relationship with local dietitians who can help educate consumers during nutrition counseling sessions or supermarket tours."

Amy Myrdal Miller, founder and president of Farmer's Daughter Consulting, LLC, says proper produce handling is essential at every step of the supply chain, but especially when

the produce leaves the store and goes home with the consumer.

"Consider point-of-purchase information as well as online information that tells consumers the best place to store produce," she says. "The tips and tricks are endless; we just need to focus on getting this information to consumers. Every retailer with a registered dietitian nutritionist on staff should call in that expert to help consumers with produce handling and storage tips.

"Flavor sells. If possible, do in-store tastings to sell consumers on new flavors," advises Miller. "Partner with produce suppliers who have already invested in recipes and tips for consumers. Commodity boards typically have wonderful recipe sections of their websites. Refer your shoppers to those online resources. And again, if you have a registered dietitian nutritionist on your team, have her use social media to share tips for using less familiar produce items."

Miller reminds retailers about the benefits of value-added produce. "Pre-cut fruit and vegetables save time, and there's no waste. You can eat everything you buy. This kind of message can be very appealing to consumers who care about food waste and want to reduce food waste in their homes."

## THE FINAL SAY

While produce waste can be reduced through better practices at the retail and consumer levels, some excess will exist in the system. Food rescue is one major solution.

"In this country, we produce enough food to feed more than 400 million people; yet our current population is 316 million," says Lauren Palumbo, chief operating officer of Boston, MA-based Lovin' Spoonfuls, a nonprofit food rescue organization that facilitates the collection and distribution of food directly to the community organizations. "Wasting food is the most preventable and solvable problem we have. Just 30 percent less waste in this country is enough to feed the 49 million people classified as food insecure or hungry." [Editor's Note: In our next installment on produce waste, we will explore food rescue in more detail.] **pb**

## YOUR OPINION COUNTS!

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



(L-R) Tom Casey, Theresa Lowden and Jim Oettinger of JOH at The New York Produce Show and Conference

PHOTO COURTESY OF

# From Broker To Sales And Marketing Expert

Business evolves to better meet the needs of a changing marketplace.

BY MINDY HERMANN

Produce brokers have been part of the industry for decades, but roughly 25 years ago, one product created a tsunami that forever changed the job — bagged salads. A value-added item rather than a commodity, bagged salads required a different level of care, along with new companies, teams of professionals, and relationships to ensure they were handled properly from packager, to shipper, to warehouse to retail.

“Before packaged salads, very few produce product lines required brokers,” explains Jim Oettinger, executive vice president, metro produce division manager, JOH, Billerica, MA. “The brokers in the industry at that time represented products such as Sun-Diamond Growers, Marie’s salad dressings, fresh packaged tofu, fresh alfalfa, bean sprouts, garlic in jars, bulk foods and candy. That quickly changed when packaged produce came out.”

John Dunne, senior vice president, client development fresh foods for Acosta Sales & Marketing, Jacksonville, FL, notes, “bagged salads affected the way consumers thought about salads — opening the door for other packaged items like seasonal branded nuts that utilized a broker system. They were followed by other better-for-you prepackaged options such as cut vegetables that required different

types of in-store fixtures. Brokers evolved into a resource to the produce department.”

## NEW NAMES AND NEW SERVICES

Brokers serve as a liaison between the supplier (often called the principle) and the retailer (or client). “However, we are not brokers who buy and sell commodities,” says Bob McGowan, partner, Northeast Produce Sales, Cumberland, RI. “We never take possession of products or put them in a warehouse. That’s why we prefer to call ourselves a sales and marketing agency rather than a brokerage. We provide dramatically different services for every client — customer service, financial services, retail — while serving as an extension of the supplier’s salesforce.” Indeed, the supplier usually pays sales and marketing agencies.

“As the hired sales representative for the manufacturer, we help get products into our customer’s markets,” explains Oettinger. “At headquarters, we function as category captains who work directly with retail category managers. Instead of supporting a sales organization with reps for retail, headquarters, and customer service, a manufacturer hires us at a fraction of the cost of employing a dedicated sales team.”

JOH represents manufacturers at both retail headquarters and stores, offering such services as computerized space management,

detailed planogram building and execution, survey data, competitive activity reports, and in-store services.

Acosta Sales & Marketing also prefers to be called an agency, because the term better describes its services. Its strategic advisors group provides consultative research-based strategies and brand positioning, while its marketing services group offers everything from package design to digital shopper marketing, social media campaigns, promotional items and fulfillment, as well as sponsorship activation.

“Retailers, large and small, benefit as much as the supplier does from a solid quality sales agency with a full menu of services,” says Dunne. “Knowing the goals of each retailer and developing actionable plans to meet those goals is what we do regardless of retailer size.”

## “I predict that the need for local and more specialized representation will continue to grow.”

— Bob McGowan, Northeast Produce Sales

### AGENCIES AS EXTENSIONS OF THE PRODUCE DEPARTMENT

Sales and marketing agencies stand at the intersection between supplier and retailer and are becoming increasingly active in stores. Oettinger notes that JOH team members check for such produce department issues as expiration dates on products, proper facings, and planogram compliance during regularly scheduled store visits. They also take

command of the process of bringing products from shipper to store. “When we sell products from one of our manufacturers, we not only place shipment orders, but we also provide a retail sales force to make sure the items are cut and properly labeled at the stores.”

“JOH team members step in during produce department surge times too,” notes Tom Casey, JOH executive vice president and regional manager, produce division. “A chain

### ■ TECHNOLOGY NECESSITATES TRAINING

The explosion of technology tools for inventory management, display design, and data gathering created the need for more specialized employees at the agency level. “Over the years, our business has had to evolve in terms of how we attract, retain, and cultivate talented associates,” says Acosta’s Dunne. “The net result is we created a group of employees who specialize in the perimeter of the store, the Fresh Technicians. They augment our regular continuity merchandising service and traditional sales staff.”

Acosta also utilizes technology tools to support its leadership development program. The company’s online training resource, Acosta University, offers videos, PowerPoint presentations, and other sources of information to help employees learn how to make informed decisions about strategy and execute strategy decisions at the store level.

The skills of sales and marketing specialists include mastery of software and its use in decision-making for purchasing and at retail. Brad Raffanti, Northern region president, Edge/CMC Sales & Marketing, Pleasanton, CA, notes that as software and applications continue to change, sales and marketing personnel need to dive deeper into data than they had just a few years ago. Now marketing and sales personnel must understand Software for developing planograms, to link sales and accounting data to store floor plans, as well as aid in product placement and space utilization.

“You can use software and apps to move pictures around, but you also need to evaluate ways to maximize placement and space,” says Raffanti. “We take advantage of technology to



Brad Raffanti of Edge/CMC Sales & Marketing

help us help clients consider and plan the whole value-added section rather than just, say, packaged salads. This requires the merging of data, time, decision-making, and product mix.”

Sales and marketing teams also aid retailers in understanding and utilizing “big data” from sources such as IRI and Nielsen, as well as their own sales information. “We get syndicated data for many product lines, and retail provides us with the department’s raw data. Our marketing people mine that data for information that supports validated decisions,” says JOH’s Oettinger. He gives the example of the growing number of value-added juice and smoothie lines

as well as new products. Among the questions a store must answer: Which warrant shelf space? How many different products and companies need to be represented on the shelf?

Technology also can improve the efficiency of store visits. Acosta, for example, invested in tablet technology that enables its retail staff to report back new item cut-ins, points of interruption, and other observations electronically in real time. Among other things, its specialists can access sell sheets from a content locker, download photos of shelving, and access training videos on how best to merchandise a particular item.

pb

**“Some of our retailer clients utilize diversity programs that allow vendors to choose from a marketing menu that best fits their item profile. We also build relationships with in-store dietitians, who can help vendors get their products and messages to consumers.”**

—Terri Abrams, ESM/Ferolie

in New England was putting in new racking and didn't have enough staff to handle the project, so we were there taking out the old and putting in the new. Our standard operating procedure is to help when needed.”

In an increasingly crowded produce arena, several other parties also share the ear of the produce director, including supermarket registered dietitians (RDs) and commodity board representatives. Cece Krumrine, a Nashua, NH-based consultant and representative for

the California Avocado Commission, National Mango Board, and National Watermelon Promotion Board, meets with produce directors and managers to discuss ways to promote commodities with signage, point-of-sale pieces, and print materials. She also gathers and shares sales information, in addition to brainstorming how to increase business.

Krumrine suggests “if brokers are selling a branded commodity, I can put them in touch with trade organizations and websites for the



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various types of information they may need to help sell the product.”

## SERVING REGIONAL MARKETS

Sales and marketing agencies range from those with a national presence in multiple categories to those that are regionally based and handle only produce. Northeast Produce Sales belongs to the latter group. “We live in the markets where we do business and we know the customers,” says McGowan. “I live near Boston, for example, and have clients that are in New England, New York, or the entire Northeast.”

“I predict that the need for local and more specialized representation will continue to grow,” observes McGowan. “If you’re in the Salinas Valley in produce, it’s nearly impossible to know whom to reach in the Northeast. We know who the decision-makers are. And because of breadth of the product lines we represent, we have deeper exposure at each account. We might be meeting about one product line, but we have the opportunity to talk about others.”

Regional team members offer the benefit of speed and familiarity. McGowan notes his team can help implement new planograms quickly in stores. Retailers also rely on sales and marketing specialists to reset displays and bring a new format to all stores in a particular chain. “We could even send a person to work with each individual store,” says McGowan.

Terri Abrams, director of produce, ESM/Ferolie, Montvale, NJ, a local broker in a regional environment that is part of a national network, notes that “just like retailers have to address different pockets of demographics, so do brokers. We have to understand every retailer’s customer base, needs, and strategies for going to market. This enables us to bring in the most suitable manufacturers, vendors, and tailored programs.

“Some of our retailer clients utilize diversity programs that allow vendors to choose from a marketing menu that best fits their item profile,” says Abrams. “We also build relationships with in-store dietitians, who can help vendors get their products and messages to consumers.”

Abrams notes that these are great tools to enhance brand recognition, spotlight new items, or launch a new line. “The more tailored information we can provide to our local consumers, the easier it is to create a win-win sales solution.”

“As a regional broker, our company develops close relationships with our customers,” says Sal Zacchia, produce busi-

ness manager, RDD Associates, Totowa, NJ. “We can visit the headquarters of our customers on a more regular basis than a vendor, manufacturer, or national broker could. I spend as much as a full day each week with some of our customers. Our role can include helping manage inventory, suggesting orders, and even writing orders. With permission from headquarters, we may also visit individual co-op groups.”

RDD helps tailor the offerings of its

vendors to the demographic mix of the multi-ethnic metro New York marketplace. “Sometimes what our vendor wants to present may not exactly fit our customer, so we work together to shape product selection and pricing.”

In his 25-plus years in produce, Zacchia has seen tremendous growth in local and regional Asian and Hispanic markets. “In addition to increased interest in tropical, organics cross all ethnic boundaries. Organics



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(L-R) Rich Van Valkenburg, Van Valkenburg & Associates, LLC, receives gavel from Mike Casazza, Apio/Eat Smart, as 2014 elected chairman of the FPFC.

## “Retail chains depend on us more for the expertise and tools we bring.”

—Theresa Lowden, JOH

are up in all of our customer chains.”

### MANAGING MERGERS

The recent merger of two western agencies, Edge Sales & Marketing, Pleasanton, CA, and CMC Sales & Marketing, Santa Fe Springs, CA, was catalyzed by Albertsons’ purchase of Safeway. Edge specialized in value-added and commodity produce for Safeway Corporate, as well as retailers and distributors in the Northern California and Nevada markets. CMC mirrored Edge in many ways, but for Albertsons. With overlap in an estimated 80 percent of their vendors of bulk fresh, packaged fresh, value-added, dried fruits and vegetables, dressings, dips and nuts, among other items, a merger made sense. The company is called Edge/CMC in Northern California and CMC/Edge in Southern California.

“Our business model will be changing,” says Edge/CMC’s Raffanti. “The produce environment is becoming much more decentralized, with increased decision-making at the local market level and new structures at the corporate level. We will still call on and introduce new products to corporate, but decisions are being made in the local market. CMC president Lee Deminski and I are

combining best practices from each of our companies to provide single-stop solutions for our clients.”

### KEEPING AN EYE ON THE FUTURE

Sales and marketing agencies expect their role to continue to expand and evolve as produce departments strive to increase sales while managing costs with fewer employees. “Retail chains depend on us more for the expertise and tools we bring,” observes Theresa Lowden, executive vice president, mid-Atlantic produce division, JOH.

Agencies are likely to expand their services into commodity produce. “Perhaps our largest growth challenge in coming years will be to provide a value-added service to the PLU commodity-driven categories,” says Acosta’s Dunne.

The rapid expansion of brokerages in the 1990s, and continued growth today, may not be sustainable. “You can’t just hang a shingle and say, ‘We are in the produce business,’” says Casey, of JOH. “Lots of produce brokers have been around for many years, and even with the number of new items being introduced, there is limited room for new brokers to open up shop and try to make a go of it. A

number of the more established brokers have offices in each marketplace with a full line of companies they represent.”

The marketplace of the future will support both big and small. “We have to understand the business from the perspective of both big markets and smaller independents, because both benefit everyone in the marketplace. At the end of the day, we are the expert for every single market where we do business,” says Raffanti.

Relationships are as important as technology. Gale, of Royal Marketing, advises “the best thing you can do is pick up the phone and talk to people. That’s the only way to know what’s going on. You have to know how to get hold of people who know what’s going on in the industry.”

“There was a time when it looked like brokers would become extinct,” says Rich Van Valkenburg, chief operating officer and co-owner, Van Valkenburg & Associates, LLC, Anaheim, CA (a full-service food brokerage with in-store retail services and a food industry sales-marketing-merchandising consulting firm). “But the business will continue to grow because it’s necessary. Labor is pretty tight in stores, so brokerage retail forces are an asset for resets, stocking, and helping produce managers set up their department in a way that maximizes shelf life and sales. The supply side benefits, because companies don’t have to do direct sales, pay commissions, or support a sales force. This business is 99 percent about relationships, and that’s what brokers maintain.” **pb**



# CLASS OF 2014 Young And Smart Leaders On The Rise



PRODUCE BUSINESS is accepting nominations for its Eleventh Annual 40-Under-Forty Project, which recognizes the produce industry's top young leaders.

Honorees will be selected based on their professional accomplishments, demonstrated leadership and industry/community contributions. To be eligible, nominees must be under the age of 40 as of March 1, 2015 (People born after March 1, 1975).

To nominate someone, please fill out this form by April 11, 2015, and fax back to 561-994-1610 OR go to our website at [producebusiness.com](http://producebusiness.com) and look for the 40 Under Forty icon to link to the online application.

Once nominated, the candidate will be interviewed by one of our editors, and will receive forms to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

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 Company \_\_\_\_\_  
 Position \_\_\_\_\_  
 Address \_\_\_\_\_  
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In 100 words or less, describe why this person should be nominated:  
 (You can use a separate sheet for this)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Nominee's Professional Achievements:

\_\_\_\_\_  
 \_\_\_\_\_  
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\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**ABOUT THE NOMINATOR:**

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For more information email: [info@producebusiness.com](mailto:info@producebusiness.com)



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# Warm Up To A New Crop Of Sales

Use the season to spring-board relationships with local farmers and introduce consumers to the best items available.

BY BOB JOHNSON

**A**s the calendar turns the corner to spring, consumers can finally look forward to produce aisles stocked with fresher fruits and vegetables and more local than the winter fare. This parade of fresh produce

varies by region, but the principles for promoting fresh and local, and cross-merchandising with other items that make produce the center of an event, apply in all regions. And at the core of successful spring merchandising are relationships with local farmers cultivated over the years.

## PROMOTE LOCAL FARMERS

As the first fruits and vegetables announce the arrival of sunnier times, the store has opportunities to promote both fresh produce and the local farmers who grow it. The stories of familiar farmers can be displayed alongside their spring harvest of sweet corn, soft squash,

tomatoes or strawberries.

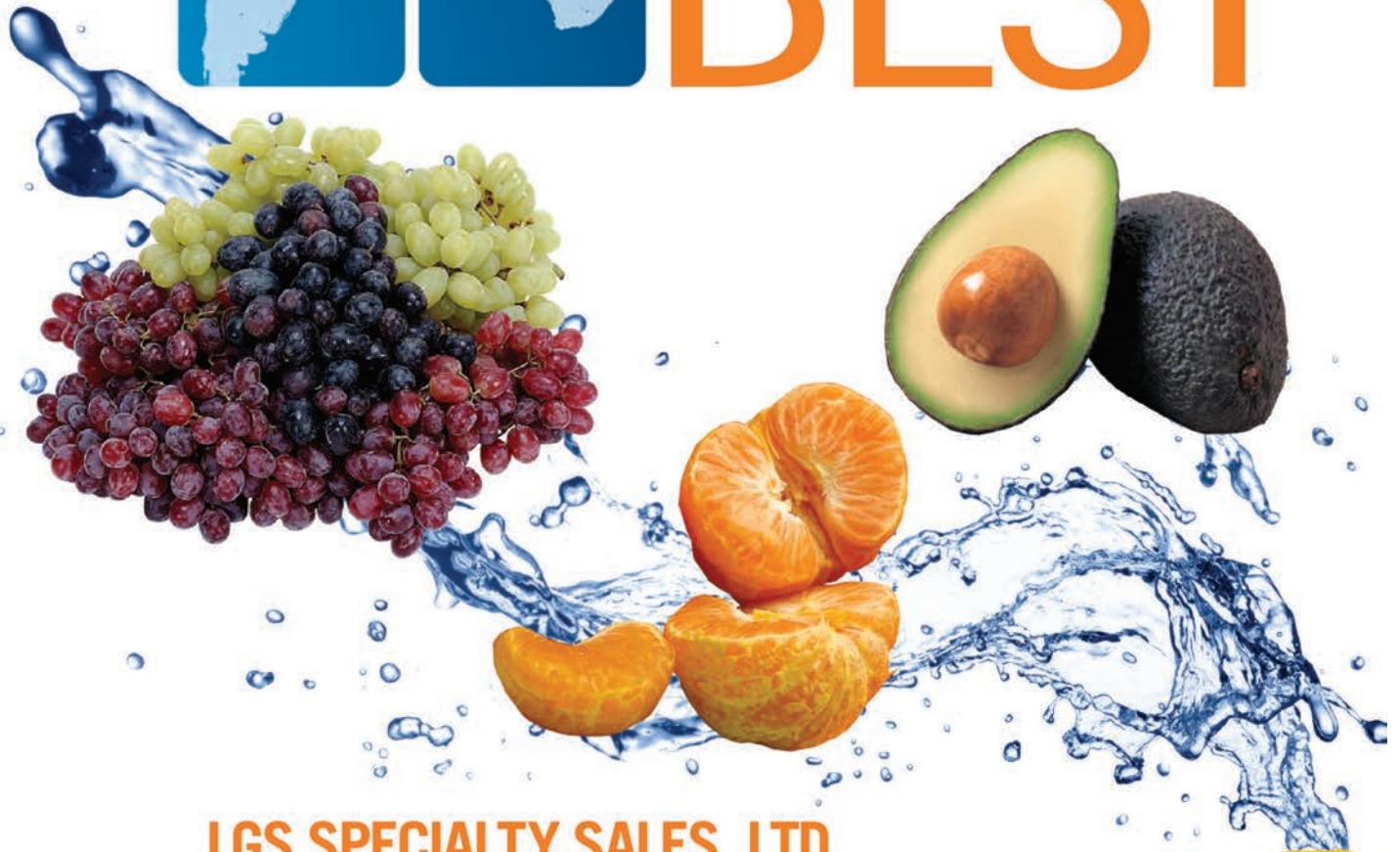
“We have signs with pictures of local growers and their families,” says Brendan Comito, chief operating officer at Capital City Fruit, Norwalk, IA. “POP signs are really good. If the retailer can afford it, advertising works.”

The first crops and even the arrival dates when the first local spring produce ships are different depending on where items are sold, but the importance of connecting spring produce with local farmers holds true everywhere.

“It’s important for people to know where their food is coming from,” says Maureen



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Marketers can provide retailers with signage or recipes cards for impulse sales and to inspire consumers' spring dishes.

Torrey, vice president of Torrey Farms, Elba, NY. "We're within overnight of 40 percent of the population [customers], so we can pick and ship zucchini and yellow squash to a lot of people, and they consider it local. Retailers are different in what they consider local. Some consider local 500 miles; some are within overnight. There are many different qualifications."

It requires effort in the off-season for retailers to build good relationships with their local farmers to ensure an ample supply when the long-awaited local harvest begins.

"Retailers work hard to keep good relations and know the local growers," says Torrey. "They can help them get up to speed with food safety audits. They invite growers in for seminars and meetings."

These relationships with farmers can help retailers line up quality fruits and vegetables when the spring harvest begins. The other side of the coin is retailers helping the farmers with promotions to sell quantities when harvest volumes reach their peak in the summer.

"We will do our best to ensure you [retailers] have supplies when things are tight and need your [retailers] support when berry volume is peaking," says Jim Grabowski, marketing manager at Well-Pict Berries, Watsonville, CA. "We want our retail associates to be trading partners, not just customers. We want them to think of us day-in, day-out as their berry supplier. We, in turn, will do our utmost to ensure they always have a steady supply of fresh berries."

Because even modest-sized retail opera-

tions are probably too large to develop personal relations with all the farmers supplying their spring fruits and vegetables, shippers and wholesalers have an indispensable role to play.

"There's a lot of companies like ours that specialize in relationships with local growers," says Comito. "Use experienced companies like ours to make the connection; use someone that's closer to the growers. We have one person whose only job is to know local growers. We're constantly working with local farms; we visit them regularly. It takes a lot of leg work."

Some regional shippers have relationships with local farmers built over a period of generations. "We were doing locally grown before it was cool; we've been working with local farmers for 40 years," says Comito. "Locally grown is probably just under half our business in the summer. It's the fastest growing part of our business; it's growing 20 to 30 percent a year. We started to see a big uptick around seven years ago. I think it's here to stay."

In the case of large retailers, information about individual farming families has to come from the large shippers that are able to supply volume. "Most large retailers are buying from grower-shipper companies that are comprised of many family farmers," says Christine Christian, senior vice president of the California Strawberry Commission, Watsonville, CA. "Retailers can partner with these suppliers to share the family farmer stories with consumers during the seasons when their produce is sourced from local farms. Several regional and national chains are promoting the local farms

**“We offer a variety of ways to connect with consumers . . . . Research shows shoppers are looking for information on the web prior to and during their shopping trips.”**

— John Shuman, Shuman Produce

who supply them in store.”

However the connection is made, the consumer must be able to see the faces of the farmers who grew and harvested the fruits and vegetables that announce the arrival of spring.

“For generations, Florida tomatoes have been grown, hand-picked and cared for on family run farms,” says Samantha Daves, director of education and promotion at the Florida Tomato Committee, Maitland, FL.

The sweet onion harvest from a small corner of Georgia brings a regional super-market rite of spring.

“Consumers are buying more sweet onions than any other onion variety,” says Susan Waters, executive director of the Vidalia Onion Committee, Vidalia, GA.

These famed onions are a national brand, but they have a particular appeal in the Southeast when they first arrive in the spring.

“Vidalia onions are considered ‘local’ in the state of Georgia,” says Waters. “But also consumers in the Southeast consider Vidalia onions to be local as well. Since the start of the Vidalia onion season is in April, they have come to represent the first of spring in-store as consumers anticipate buying them as soon as they are in season. Therefore, retailers are building large displays using high-graphic bins as well as providing both bulk and bagged product options to launch the season.”

Some grower-shippers have global reach with their connection to farmers from a relatively small local area. “We believe retailers have a unique opportunity to bring their customers the story of the produce available in their stores and the farmers behind the products through maintaining strong relationships with their suppliers,” says John Shuman, president and director of sales at Shuman Produce,

Reidsville, GA.”

Shuman produces Vidalia onions, one of the few spring vegetables whose local appeal reaches the entire country.

“We offer a variety of ways to connect consumers with the locale where Vidalia onions are grown — including specialized POS for in-store displays featuring photos in our fields and facts about what makes the Vidalia growing region so unique,” says Shuman. “Research shows shoppers are looking for information on the web prior to

and during their shopping trips. We also provide a virtual tour of our fields with a slideshow of our growing and harvesting processes as well as video content introducing consumers to our farms, farmers and the story behind Shuman Produce.”

Successful sweet corn promotions also begin with nurtured relationships with local farmers, which takes time and help.

“Working with the state departments of ag and other grower groups, such as the Florida Fruit and Vegetable Association, can help



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Relationships with farmers can help retailers line up quality fruits and vegetables when the spring harvest begins. The other side of the coin is retailers helping the farmers with promotions to sell quantities when harvest volumes reach their peak in the summer.

facilitate those connections and provide support for in-state produce,” says Jason Stemm, who handles publicity for the Maitland, FL-based Fresh Supersweet Corn Farmers of Florida as vice president for food practice at PadillaCRT, New York, NY. “I think there are still logistical improvements that can be made . . . and there are some smart people working on it.”

### HIGHLIGHT SPRING EVENTS

Spring fruits and vegetables frequently have uses associated with seasonal events, and a merchandising tip is to incorporate promotions with these widely celebrated traditional events.

“Think about what else is going on,” advises Stemm, “and how people are eating.”

Cinco de Mayo, for example, is one of the spring events suitable for this versatile, locally

grown sweet corn.

“Mexican style sweet corn is very popular for Cinco de Mayo where fresh grilled corn is slathered with cheese or mayo, a sprinkle of red pepper and a squirt of lime,” says Stemm. “Offering recipes can lead to incremental purchases, and commodity boards are great resources. As an agency that manages social media for a number of groups, we look to

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**“In the spring, most produce items are coming out of southern, south-western and western growing areas . . . so if you are going to promote as local, make sure they can pass the ‘local’ distance test.”**

— Jim Grabowski, Well-Pict Berries

connect with the marketing teams of retailers to share content through digital assets.”

Traditional spring and summer foods can be the occasion for cross-merchandising combinations of freshly arrived local ingredients. “The Florida Tomato Committee has several tools for retailers looking for help in merchandising, such as tear-off recipe pads for Florida Tomato salsa that produce merchandisers can easily stick right to the display,” says Daves. “The recipe provides the merchandiser with a roadmap for cross-promotion. For example, our salsa recipe highlights avocado, red onion, bell pepper, cilantro and lime.”

Effective promotion of some spring fruits and vegetables in combinations has a total ring impact that goes beyond the produce department.

“Research we conducted with the Nielsen’s Perishables Group indicates sweet onions drive sales of a variety of items,” says Shuman of Shuman Produce. “Consumers are more likely to purchase produce, such as peppers, tomatoes, mushrooms, and bagged salad as well as fresh meats. Using this data, we created new mini display units perfect for use in secondary displays in the produce aisle or in the meat department. Each unit features colorful graphics of great seasonal recipes and onions fresh from the field paired with Vidalia branding, which identifies the product is in season.”

### LET THE CALENDAR LEAD

The date of the first spring harvest varies by locale, as some regions must first dig themselves out from the snow. In areas of California, it’s like spring all year.

Up and down the Eastern Seaboard, spring means the arrival of freshly harvested

sweet corn from the fields of Florida.

“April and May is the peak of harvest when the Sunshine Sweet corn varieties from Florida are available at promotable volumes,” says Stemm. “They have seen record weekly movement in May the past couple of years. They ship nationally, but their heaviest volumes are shipped throughout the South, East Coast and Midwest.”

Sweet corn may arrive everywhere on the Eastern Seaboard at the same time, but it is not used the same in locales still waiting for

the snow to melt as it is in areas ready to grill.

“Someone in Atlanta may be ready to toss some sweet corn on the grill in April, while another consumer in Buffalo is still roasting corn and carrots in the oven with their chicken,” says Stemm. “Sometimes retailers need to look at what is in season and not what is available within 100 miles. That family in Buffalo will still have some time to wait until fresh produce starts sprouting from the ground if they are still shoveling snow.”

Spring starts much earlier in areas of the

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# SHOWCASE mushrooms

country that do not experience serious winters.

“In the spring, most produce items are coming out of southern, southwestern and western growing areas,” says Well-Pict Berries’ Grabowski. “You’re not going to find much local product from the Midwest, Northeast, or any other area. So if you are going to promote as local, make sure they can pass the ‘local’ distance test.”

In other areas of the country, however, spring comes later as local growers must wait for the snow to melt before planting their first vegetables for harvest in June.

“As you look at ‘local,’ there are a wide variety of definitions and views. Spring is the time when much of our fresh produce is returning to domestic sources, however, items considered local in Florida will be different from what is local for Minnesota in April and May,” says Stemm.

There is a large and growing group of consumers in these colder areas waiting patiently for the arrival of fresh fruits and vegetables.

“Cucumbers would probably be the first thing in the spring,” says Adam Curry, produce manager at Dorothy Lane Market, Dayton, OH. “Normally it is around March or April.”

Dorothy Lane trumpets the arrival of the first cucumbers as a harbinger of spring in Ohio. “We put a sticker on them to say it is a local item,” says Curry.

In some parts of the Midwest, the first spring vegetables are the local squash and cucumbers, which do not arrive until it is almost summer.

“Our first local items arrive around June,” says Capital City Fruit’s Comito. “In June, we have local zucchini, squash and cucumbers.” **pb**

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# LET THE FLORIDA sunshine in



C&D's president Tom O'Brien is among Florida's 47,500 commercial farmers.

A look at how the state's spring produce can boost profits for retailers.

BY KEITH LORIA

It's no secret Florida is one of the most important states for fruit and vegetable production during the spring since many of the other Eastern states haven't begun harvesting, and The Sunshine State already has a jump on production with its celery, tomatoes, cucumbers, strawberries, squash, and peppers.

Dan Sleep, marketing supervisor for the Tallahassee, FL-based Florida Department of Agriculture and Consumer Services, says variety and quality continue to lead the charge in sales for Florida's fresh fruits, vegetables and citrus.

"Though we're known for our oranges, many have found out during our decades-long retail campaign that Florida is producing quality products starting in November and ending around June each year," he says. "So whether a shopper is looking for strawberries in December, sweet corn in chilly January or a wide array of delicious tomatoes, you can find them grown in Florida most of the time."

## PLANNED PROMOTIONS

As part of the Florida Department of Agriculture and Consumer Services' spring promotion, more than 13,000 stores in 27 countries will help market "Fresh From Florida" products in grocery store ads, demos and displays worldwide.

"Fresh From Florida is actively advertised in more than 60 retail chains/banners throughout the world," says Sleep. "Our biggest selling point isn't the millions who have bought Florida products, but the tens of millions who will. Our high quality, competitive pricing and trustworthy suppliers are a strong testament to our commitment."

Though most of these promotions occur in the United States and Canada, numerous other retail partners assist in strengthening sales opportunities in many other areas as well.



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“Consumers in South Korea will have a chance to purchase Florida grapefruit on the Home Shopping Network as well as try a ‘Fresh From Florida’ fresh squeezed grapefruit drink at 110 Outback restaurants,” says Sleep. “In Panama and Ireland we’ll be sampling Florida juices, and throughout the U.S., look for a variety of our products in Kroger stores. Demos, coupons and television will also be used in a number of locations including right here in our own backyard.”

Maria Brous, director of media relations for Publix Super Markets, Inc., headquartered in Lakeland, FL, says the grocery chain participates annually with the Fresh from Florida Campaign.

“The Florida season starts about now and runs through April. The best from Florida during our season includes berries, tomatoes, citrus, bell peppers, green beans, and squash,” she says. “With our Fresh From Florida promotion, we’ll have in-store signage and we will use the logo in our weekly ad. As you might imagine, berries always do extremely well.”

In addition, an exclusive to the Publix product line is Quebec-based Veg Pro International’s Fresh Attitudes, which is a spring salad greens product grown in Florida that comes packaged in a clamshell. Some of its most popular offerings are: Spring Mix, Arugula, Baby Spinach and Baby Romaine.

Samantha Daves, director, education and promotion for the Florida Tomato Committee, headquartered in Maitland, FL, says the

cornerstone of its spring retail program is the upcoming campaign with the FDACS.

“The FDACS’ marketing team has an aggressive plan in place to encourage retailers to feature Florida tomatoes on ad and prominently display them in-store for shoppers,” she says. “They are making this push for Florida tomatoes throughout the Southeastern and Northeastern United States. Retail plans include an early push, followed by a second promotional push in April and May, when volumes peak.”

## IN VOGUE

Tom O’Brien, president of C & D Fruit & Vegetable Co., doing business in Bradenton, FL, notes Fresh From Florida fruits and vegetables will be in abundance this spring, citing produce such as blueberries, watermelons, squash, eggplant, sweet and hot peppers, cucumbers and super sweet corn expected to be in plentiful supply.

“We work to keep the retailers informed when volume is going to increase so they can properly prepare to promote and display,” he says. “When Mother Nature is good to us, the retailer and consumer both reap the benefits.”

Bob Denomme, vice president of produce for Bi-Lo Holdings, parent company of Bi-Lo grocery chain, Harveys and Winn-Dixie grocery stores, says one current area of focus of the company is working with Florida growers to source some Hispanic produce items from within the state.

“For example, about 20 years ago, the majority of the Malanga and Calabasa crops were grown in Florida, but over time, most of this business moved to the Dominican Republic and other islands,” he says. “Last year, for the first time in about a decade, the first domestic crop of Malanga was grown in Florida, and we purchased a majority of it to sell in our Winn-Dixie stores. It was such a success that this year, our supplier partner plans to grow more, as well as a crop of Calabasa.”

Denomme has seen a significant rise in the popularity of greens, not just locally but nationally.

“Kale, in particular, is a hot item for us, and we’re hearing that our customers are juicing and making kale chips, salads and other recipes with kale to benefit from its nutrients,” he says.

Andy Brown, vice president of marketing for B&W Quality Growers, based in Fellsmere, FL, says the company has introduced a new foodservice Premium Blend that combines its exclusive red watercress with wild baby arugula and baby spinach.

“Consistent availability is the key to a successful season. During the winter, almost all of the watercress in North America is grown in Florida, excluding greenhouse growers,” he says. “B&W offers retail, foodservice and wholesale packs of both our green and red watercress, as well as our popular wild baby arugula.”

## MARKETING MATTERS

Retailers have a variety of marketing tools at their disposal, ranging from displays, product positioning, circular advertising, cross merchandising, sampling-taste testing and a host of other supportive sales mechanisms.

“Our ‘Fresh From Florida’ augments these and provides support to introduce and expand many of these proven methods of sales,” says Sleep. “In some markets we use a number of novel approaches, for instance social media in South Korea, recipe suggestions in England and circular advertising in dozens of other areas. Retailers are experts in promoting product sales. Often we simply assist them in maximizing promotional exposure levels that may be cost prohibitive on an item by item basis, but which works well when you’re representing a variety of Florida products.”

Bi-Lo Holdings has an extensive annual produce campaign where each year, it focuses on highlighting different produce growers it works with.

“As part of the campaign, we interview local growers and visit their farms to take photos and become better acquainted with

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## ■ WHAT’S NEW?

Dan Sleep, marketing supervisor for the Florida Department of Agriculture and Consumer Services, says the organization is always searching for new ways to promote Florida products, strengthen existing ones and enter new markets to introduce Florida commodities, and new produce ideas are expected in 2015.

For example, Brooks Tropicals, LLC will be shipping its Florida starfruit to once-restricted states and regions throughout California, Texas, New Mexico and Arizona.

“We’ve worked closely with the USDA and Florida Department of Agriculture to set up a cold treatment facility for fruit fly,” says Mary Ostlund, marketing director of the Homestead, FL-based company. “Brooks Tropicals is now the only certified cold treatment facility for tropical fruits and vegetables.”

Tom O’Brien, president of C & D Fruit & Vegetable Co., based in Bradenton, FL, says the company will be introducing “golden zukes” to

the marketplace in 2015.

Duda Farm Fresh Foods, a sixth-generation, family-owned and -operated company, based in Oviedo, FL, will offer a new ready-to-eat radish product line that will start packing in Florida in January, says Nichole Towell, director of marketing.

“We saw an opportunity to innovate in the radish category — offering new forms with compelling product benefits,” says Towell. “After exploring billions of potential combinations for new radish products, we chose the top three as items consumers would purchase with the most frequency. We built our program around Ready Radishes, which are cut, trimmed, and ready to eat, along with Radish Coins and Radish MiniSticks. Our research shows these products will entice the radish lover and the younger non-radish user who may be discouraged from using the item due to prep and unfamiliarity.”

**pb**

## ■ BY THE NUMBERS

During the spring, Florida agriculture is in full production supplying a full spectrum of fruits, vegetables, berries and citrus. Watermelon is shipping in April along with blueberries, bell peppers, potatoes, squash, tomatoes and dozens of other commodities.

The Tallahassee, FL-based Florida Department of Agriculture and Consumer Services (FDACS) statistics show the state produces some 300 different fresh items that are shipped across the U.S., into Canada and some 170 other destinations around the world.

While Florida is first in the U.S. in production of oranges and grapefruit, the Florida Department of Agriculture lists the state's top spring crops as snap beans, blueberries, cabbage, carrots, celery, cucumbers, sweet corn, eggplant, escarole/endive, lettuce, peppers, squash, strawberries and tomatoes.

The latest figures from the organization show Florida has 47,500

the owners, their products and the impact of their business in the community," says Denomme. "We then feature this local produce in a circular ad, through in-store signage and on our websites and social media pages for our Bi-Lo, Harveys and Winn-Dixie stores. Through this campaign, we aim to communicate to customers that the produce from these local farms is grown close

to home and sold in our stores to provide freshness, seasonal variety and a way to support the community."

Duda Farm Fresh Foods, a sixth-generation, family-owned and -operated company based in Oviedo, FL, expects a strong spring season with good supplies in promotable quantities across its commodity items, says Nichole Towell, Duda's director of marketing.

commercial farms covering 9.25 million acres and total produce sales in the state exceeded \$2 billion.

Florida ranks first in value of production of fresh market snap beans, fresh market tomatoes, fresh market cucumbers and cucumbers for pickles, squash, sweet corn and watermelons.

The FDACS is determined to continue stressing its spring promotion program and doing what it can to bring value to the growers and other industries affected by Florida produce sales.

"Our future is our biggest opportunity. Ensuring that high quality, a steady supply and best management practices are being maintained is the core concern of some 47,740 farms throughout the state," says Dan Sleep, marketing supervisor for the FDACS. "That won't change, and each generation of farmers continues to improve our position. In fact, that's the highest number of farms in the state since the mid-1950s."

**pb**

For example, celery season in Florida is January through April. The promotional window runs mid-January through April 15 — perfect for football playoffs and Super Bowl parties.

"We offer our buyers promotional support, art, recipes, in-store signage and consumer insights — everything they need to drive sales during this key season," she says.



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Additionally, all Duda packaging carries the Fresh From Florida logo to alert consumers to the local product in store.

"Above-average fresh vegetable purchases are occasion- and holiday-driven. With spring we have the Easter holiday and then on into Mother's Day weekend," says Towell. "Displays drive sales so we recommend increasing the display of Florida fresh vegetables and providing secondary displays during peak holiday seasons, especially during the week before Easter."

These aren't the only holidays stores should be marketing.

"For watercress, Chinese New Year is huge and the Chinese are our highest per capita users," says B&W's Brown. "Spring is also important with both Easter and Passover (the bitter herb is used during Passover at the Seder table)."

Mary Ostlund, marketing director of Brooks Tropicals, LLC, based in Homestead, FL, says spring is the time for tropical specialties such as lychees, passionfruit, and red guava.

"It's a time for retailers to try something new because their customers are thinking, 'What's new? What's fresh to try?'" she says. "Something new may draw attention but might not ring up sales. QR codes and mobile websites filled with easily navigated information is key. Brooks Tropicals has mobile websites on almost every fruit and vegetable we sell. These mobile stores of information can be customized to our customers' use," says Ostlund.

The Florida Tomato Committee has several tools for retailers looking for help in merchandising, including tear-off recipe pads for Florida Tomato salsa that produce merchandisers can easily just stick right to the display.

"The recipe provides the merchandiser with a roadmap of sorts for cross-promotion," says Florida Tomato Committee's Daves. "For example, our salsa recipe also highlights avocado, red onion, bell pepper, cilantro and lime. With the eye-catching color-breaks of green and red and purple and the gorgeous texture of the herbs, this combination can be very cleverly merchandised together by the savvy merchandiser. These fresh produce items look so good and fresh together."

In addition, the Committee offers a recipe for Florida Tomato Caprese in the same convenient tear-off recipe pads available to retailers by contacting them.

"We also have shelf cards and posters available to retailers with the themes, 'What Salads Crave and Sandwiches Dream Of' and 'Mother Nature's Multi-Vitamin,'" says Daves. "These point-of-purchase pieces are tools for the merchandiser to use to make sensible suggestions to shoppers and to promote the health benefits of vitamin-packed Florida tomatoes to shoppers."

In Daves' opinion, the round tomato should be the foundation of the entire tomato category/display.

"Specialty tomatoes are interesting, but shoppers gain real convenience and utility in the classic, round tomato that can be used in any dish they decide to prepare for their family," she says. "It is sized perfectly for sandwiches, hamburgers and is greatly suited as the base for fresh salsas or can be stuffed with meat, rice, cheese, and with other vegetables and served as an entrée. Quartered, they work their magic in salads. The boundaries are limitless." **pb**



**"Modern consumers are more health conscious than ever before. They are worried about the content of their food, its origin, freshness, and safety."**

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# The Pulse Of NOGALES

## Spring Produce



PHOTOS COURTESY OF L&M COMPANIES

The Mexican harvest grows longer and more varied as the port expands and the season begins.

BY BOB JOHNSON

**A**s vegetable growers below the border both extend the growing season and expand the number of crops headed north, Nogales becomes an ever-busier hub of produce shipping activity.

The tomatoes, peppers, squash and melons coming through this port in the Arizona desert to consumers in the East and Midwest is measured in the billions of pounds and billions of dollars, as Mexico surpassed Florida as the nation's most important source of fresh produce in the months that California fields rest.

"It's about \$2.5 to \$3 billion a year," says Allison Moore, director of legislation and regulatory affairs at the Fresh Produce Association of the Americas (FPAA), Nogales, AZ. The FPAA, founded in Nogales 70 years ago, represents and speaks for more than 100 firms throughout North America engaged in shipping Mexican fruits and vegetables to the U.S. and Canada.

Mexico accounts for nearly 70 percent of all the vegetables imported into the U.S., and well over a third of the fruit, according to U.S. Department of Agriculture statistics. These

produce imports from our neighbor to the south are still growing at a healthy rate of 15 to 20 percent a year, and Nogales is, by far, the most important port of entry for this produce as it peaks in the early spring.

"Mexico is poised for growth in its agriculture industry for many years to come," says Jaime Chamberlain, president of J-C Distributing, Nogales, AZ, and board member and past president of the FPAA. "It's not just tomatoes anymore. From apples to zucchini, at one time of the year or another; or one area or another, every fruit or vegetable consumed in

the U.S. is grown in Mexico.

"The berry consumption in the U.S. has exploded, and Mexico plays an important part in that," says Chamberlain. "You have papayas, avocados, limes and a tremendous amount of organic produce coming out of Mexico."

The extraordinary bounty of produce headed north every spring has grown so large that the Nogales-Mariposa port of entry — built 40 years ago to divert trucks coming from Mexico away from the busy downtown border crossing — had to be expanded and improved.

As the new and improved Port of Nogales works out the kinks, all signs point toward a spring vegetable season that is longer, involves more varieties, and reaches unprecedented volumes.

"Spring is a great time for Mexico produce coming into Nogales," says Greg Cardamone, general manager at L&M Companies, Raleigh, NC. "As the weather warms, consumers are looking for all the vegetable and fruit items and demand is plentiful."

L&M grows and ships a broad line of

vegetables and fruits from fields on both coasts of the U.S., as well as Mexico.

## THE SPRING IS 'LONGER' THAN EVER

The peak will come in February and March, but there is, in general, a trend toward a longer spring Mexican vegetable season, with more varieties coming across the border in greater volume.

"Our spring season is extending; it's getting longer and there are more commodities," says

## ■ GOOD EARLY REVIEWS FOR EXPANDED PORT

The early reviews are good for the improved Nogales port of entry, designed to allow produce and other goods to cross the border more quickly and efficiently.

"It's probably a couple hours quicker," says George Mendez, president of G. Mendez & Co., Nogales, AZ. "It used to take five or six hours to get through, now it's two or three. But the speed through the port depends on the day."

The expanded Mariposa Port of Entry opened for business in October 2014, following a five-year construction project costing nearly a quarter billion dollars. Improvements at the international crossing include (in addition to eight commercial lanes) a pedestrian processing area, a dedicated bus lane, and 12 passenger vehicle lanes.

"I feel our port of entry is equipped to handle the volume we will have," says Brent Harrison, president of Al Harrison Company Distributors, Nogales, AZ. "I believe the recent improvements increased the speed; our trucks have been crossing quicker. Sometimes we were holding trucks at night. Whatever they're doing at the border is helping us."

"If they can fast-track, it saves time," says Paul Guy, owner of PDG Produce, Rio Rico, AZ. "The port is working out okay." PDG Produce ships a line of conventional and organic melons, grapes and vegetables.

The true test of the port's efficiency, however, will come when produce volumes peak early this spring.

"So far, so good on the port. We'll have a better idea around February when the volumes start to peak," says Gil Munguia, division manager at Giumarra Companies, Nogales, AZ.

Mendez agrees February will test the ability to move produce trucks quickly through the port and on to markets in the U.S. and Canada. "Our peak is probably around February, March and April."

Jaime Chamberlain, president of J-C Distrib-



uting, Nogales, AZ, is most optimistic about the ability to move produce through the new port when volume reaches its early spring peak.

"Without a doubt, the port will be ready for the spring volume; I'm 100 percent certain," says Chamberlain. "The brand new port is the finest, most efficient facility in the U.S. for bringing goods in from Mexico, or from the U.S. to Mexico. It's been extremely quick; we have not had unusual delays. It's been fantastic."

He also gives high marks to the federal staff at the Mariposa port of entry in Nogales. "We developed relationships with Customs and Border Protection (CBP), and they bend over backwards to understand the economic impact that long lines have on our community," says Chamberlain. "I know of other states that don't have that relationship."

The one issue that concerns a few people is whether there will be enough border patrol agents and inspectors working in Nogales to make full use of the new lanes to handle the peak volumes this spring.

"The port is going well in terms of having enough space," says Allison Moore, director of legislation and regulatory affairs at the Fresh Produce Association of the Americas (FPAA), Nogales, AZ. "Now we need to continue to put pressure on the government to give us enough officers and inspectors to actually run eight lanes."

"The new capacity has been a welcome infrastructure improvement," says Ricardo Crisantes,

vice president at Wholesum Family Farms, an organic grower in Nogales, AZ.

"It helped us process trucks quicker. We're looking for more customs and border patrol officers. There is additional funding, but they are vague about where they are going to end up spending it."

Shippers had a lot of practice moving produce through an inadequate port at the Arizona crossing before the Mariposa facility was improved, and most already have contingency plans just in case there are staffing issues.

"We already had some good programs in place to move product along pretty well," says Munguia.

One strategy is to bring produce into the country through both Nogales and McAllen, Texas. "The port is working for us, and we also come in through our facility in McAllen, Texas," says Steve Ubeta, vice president for sales at Farmers' Best International, Nogales, AZ.

Even before the expanded port was opened, some shippers improved their own facilities in Nogales to gain better control of the entry process.

"Although L&M remained in the same location, we now operate our own warehouse," says Greg Cardamone, general manager at L&M Companies, Raleigh, NC. "Being fully integrated in Nogales gives us more control of the entire order entry and loading process. This allows L&M to be more flexible in offering our customers consolidation and loading of their trucks." **pb**

FPAA's Moore. "We might see an increase in cucumbers, squash and watermelon in the spring."

The widespread use of shade houses and greenhouses in Mexico plays a major role in extending the spring season.

Giumarra, which grows and ships a wide range of fruits and vegetables throughout the Western Hemisphere, is noticing greenhouse peppers out of Mexico are finding greater markets.

"The biggest increase is our colored bell peppers, the Reds, Yellow and Orange," says Gil Munguia, division manager at Giumarra Companies, Nogales, AZ.

"We have specialty packs with different combinations of colored peppers. We also have Green peppers and cucumbers, Euro cukes, slicers and mini cukes. All of these items are hothouse grown."

Other producers are still finding increased demand for a wide variety of tomatoes. "In general, the volume is increasing, but I haven't seen the latest reports," says Alberto Maldonado, general manager for Melones Internacional, Nogales, AZ, which ships under the Plain Jane label. "With us it's mostly tomatoes, including Romas and Grape tomatoes."

The shade houses figure to extend the spring season even more as farming operations build them in more areas of Mexico.

Even though protected agriculture is leading the way in extending the season, some field-grown items are also increasing out of Mexico.

"Cucumbers and squash have always been a staple in the spring for L&M," says Cardamone. "We have been expanding our spring Roma program and received great reception from our customers in the past couple of years. Our customers appreciate the fresh spring crop during that time period. Mexico produced more melons, grapes and mangos. There seems to be emphasis on melons and specifically mini melons."

Mexico is best known for its hothouse tomatoes and peppers, but the country also ships nearly \$3 billion in fruit to the U.S., which is two-and-a-half times as much as Chile, and the mango, watermelon and table grape shipments are growing even faster than the tomatoes and peppers.

Ciruli Brothers of Nogales, AZ, for example, ships Ataulfo, or Champagne, mangos from February to July, and follows up with later varieties including Kent and Keitt. The company has been growing and shipping tomatoes, peppers, squash, eggplants, green beans, and melons for 70 years, but they still

## "I would say organics have been the most important new development. Growers are getting certified to go organic, and it's been really good."

— Jaime Chamberlain, J-C Distributing

enjoyed double digit growth last year in shipments from Mexico to the U.S.

Other producers also report strong demand for melons out of Mexico. "The seedless watermelons are definitely increasing for us in the spring," says Steve Ubeta, vice president for sales at Farmers' Best International, Nogales, AZ. "I would say the season is getting longer. For many years, we just continued many of our commodities, but five or 10 years ago, the supply of produce in spring was not so abundant."

Nogales-based Farmer's Best International, which also ships varieties of table grapes and mangos, is enjoying a longer peak season for the melons and vegetables it grows and ships out of Mexico.

As recently as 2003, fresh fruit imports from Mexico were the same as those from Chile, as each country accounted for a little under 10 percent of the worldwide total, according to U.S. Department of Agriculture statistics. But during the next decade, Mexican fresh fruit shipments increased five-fold, to 3.25 million metric tons, to account for 30 percent of the worldwide total and twice as much as Chile.

### VEGETABLE POWERHOUSE

Mexico shipped more than 4.5 metric tons of fresh vegetables to the U.S. in 2013, nearly four times as much as any other country and three-fourths the total vegetable imports from the entire world. And the total is still rising.

"Last year we had a 10 percent increase across the board on vegetables coming across the border," says Chris Ciruli, chief operating officer at Ciruli Brothers. "We have good volume of cucumbers, and right now you're seeing a moderate market. There's an active market on Green Bell peppers. We're two weeks from tomatoes and colored peppers out of Culiacan."

Producers generally continue to be pleasantly surprised by the strong demand for their Mexican vegetables.

"We receive 3 to 4 million packages over the Nogales season, from October through July," says Jorge Quintero Jr., managing member of Grower Alliance, LLC, in Rio

Rico, AZ. "We ship cucumbers, squash, watermelons, honeydew, green beans, and bell peppers throughout the U.S., and all markets have been a little stronger than expected."

Grower Alliance partners with growers in northwest Mexico to ship fruits and vegetables, including Dolores label table grapes, mini watermelons, and a long list of vegetables.

There is also a particularly healthy supply of organic vegetables coming out of Mexico in the spring.

"We'll see about a 15 to 20 percent increase this year. The increase is in both organic and conventional," says Giumarra's Munguia.

Wholsum Harvest is attracting increased interest as the U.S. economy turns the corner. "These past six months, we had a lot of interest from retailers that didn't carry organics before," says Ricardo Crisantes, vice president at Wholsum Family Farms, an organic grower in Nogales, AZ. "The economy turned the corner and consumers have more purchasing power. Retailers who were thinking about organics are now pursuing a program. Tomatoes play a big role, but cucumbers and soft squash also play important roles."

Organic production figures to increase significantly in Mexico because some conventional growers took the plunge and certified some of their ground for organic production.

"I would say organics have been the most important new development," says J-C Distributing's Chamberlain. "Growers are getting certified to go organic, and it's been really good."

Greenhouse or field grown, conventional or organic, grower-shippers from all segments are increasing their volume of spring vegetables out of Mexico.

"It seems like everyone is trying to move the spring window up," says Brent Harrison, president of Al Harrison Company Distributors, Nogales, AZ. "We're seeing a higher volume over a longer period of time."

Shippers generally report they brought more produce into the country through Nogales last year, and they expect that trend to continue.

Relatively inexpensive fuel will also encourage this expansion, as it has already

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eased the job of moving spring vegetables from the fields of Mexico to grocery stores' shelves in the northeastern U.S.

"Hopefully we'll keep seeing lower fuel costs. Transportation and shipping are always issues," says FPAA's Moore.

The major beneficiaries of lower fuel costs are not the growers but their partners in the trucking business.

"The lower fuel cost helps the truckers," says Paul Guy, owner of PDG Produce, Rio Rico, AZ. "With the fuel cost going down, maybe the truckers can make a little money."

As helpful as this lower cost may be, it does not significantly affect produce volume one way or the other.

"The low fuel costs have been beneficial for us but I don't think it's caused greater volume," says Ubeta.

## NEW RULES ARE COMING

The new rules for fresh produce under the Food Safety Modernization Act will be finalized in the near future, and Nogales shippers are preparing to meet those standards in order to find a spot in U.S. supermarkets.

The Food and Drug Administration published its original version of the rules

governing produce under the food safety law in January of 2013, and accepted comments until November 22. The agency accepted comments on its revised version of the produce rule until December of 2014. The latest schedule calls for the rule to be in place in October of 2015.

Grower-shippers seem confident they will have no trouble meeting the test. "We've been preparing ourselves for years for the Food Safety Modernization Act. I don't think it will have much impact," says Ubeta.

Larger operations shipping out of Mexico already have departments devoted to food safety, and related regulations.

"Our vice president of food safety is usually a couple years ahead of the curve," says Munguia.

Guy, Harrison and George Mendez (president of G. Mendez & Co., Nogales, AZ) all say they followed the development of the new rule, and do not expect it to seriously impact their operations.

Some grower-shippers are still waiting to see how the details of the Food Safety Modernization act will affect them.

"We are eager to get more details on the produce rule; we would like to get more

specifics," says Crisantes. "The organic industry has really embraced food safety."

The greatest uncertainty concerning spring vegetables coming through Nogales is the uncertainty that always haunts agriculture, the weather.

"The only thing that changes is the weather. The rain in Mexico affects the volume," says Mendez. "Everything else is the same — the same products, the same people, the same government rules. The volume should be similar to last year. It's the same old stuff, everything from A to Z."

There was already one recent weather-related hiccup in the supply of produce out of Mexico.

"A lot of product was lost during the storms in western Mexico," says Quintero, from Grower Alliance.

Those bumps on the road figure to be temporary, as all signs point to increased shipments of fruits and vegetables from farms in Mexico to consumers in the U.S.

"I don't see agriculture slowing down in Mexico for a long time," says Chamberlain. "We just have to find a way to get our kids in the U.S. and Mexico to keep eating fruits and vegetables." **pb**



## How To Make Things Grow

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# The Mexican Mango Potential

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Through advocacy and retail support,  
this fruit proves to drive sales.

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BY LISA WHITE

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**U**.S. imports of Mexican mangos rose to a record 518.4 million pounds in 2011 and, together with bigger volumes from other leading suppliers, drove annual import volume to high levels in recent years, according to the 2012 *Fruit and Tree Nuts Outlook* by the Economic Research Service for USDA. This activity puts mangos as one of the top-selling fruits in the world, but this isn't evident when looking at the U.S. market. Due to increased marketing efforts by the National Mango Board, this may be about to change.

"We see the same correlation as with avocados, which were in the same position in this country about 15 years ago," says Lance Jungmeyer, president of the Fresh Produce Association of the Americas (FPAA), based in Nogales, AZ. "The Hass Avocado Board did a great job promoting avocados, and this category and a ripening program were developed."

To enhance the mango eating experience, the National Mango Board, located in Orlando, FL, created the Ripe Ready to Eat Mango program, which is designed to help the mango industry deliver a ripened fruit to U.S. consumers.

The *Mango Handling and Ripening Protocol* document provides best practices for the latter stages of the mango supply chain, and is geared for retailers, wholesalers, importers and anyone who handles mangos. It includes information on maturity and ripeness; receiving and quality assessment; temperature management; storage; transportation; and handling and merchandising at the store level.

Approximately 99 percent of the mangos consumed in the U.S. are imported, according to the National Mango Board. Weekly consumption at the store level increased 48 percent from 2009 to 2013, while volume imports rose 47 percent since 2008 from all countries.

"Typically, about 65 percent of the U.S. mango volume is from Mexico," says William Watson, formerly executive director of the National Mango Board.

Mexican mangos are a strong segment at four of Holiday Market's locations. The neighborhood supermarket chain, with 12 stores in Northern California, is still mainly selling these items to its Hispanic customers.

"It seems like the demographic is slowly changing, but mangos are still more of a cultural item for us," says Rick Rutte, Holiday Market's



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## DISTINGUISHING FEATURES

Due to the logistics and with the exception of small volume from Florida, California and Hawaii, the freshest mangos tend to be those imported from Mexico. The United States imports a number of varieties, including specialty types with different flavor profiles.

“Mexico implemented lots of infrastructure to handle its mangos, so the fruit is in great condition when it arrives in the U.S.,” says Jungmeyer.

The National Mango Board promotes all varieties of the fruit, which tends to arrive at the end of February and stay until September.

One reason Mexico is the prime source for mangos is that it is the only foreign country that doesn't need to utilize a ship to transport the fruit to the U.S.

“The proximity of Mexico helped with distribution [in this country],” asserts Watson. “The benefit is consumers receive a great product, and we can get Mexican mangos to market earlier, since there isn't as much travel time. This also creates cost-saving opportunities.”

Because of the proximity to U.S. markets, Mexican mangos can be taken at a higher maturity level. Like avocados, mangos' skin must yield to pressure, which indicates ripeness.

Consumers not familiar with the fruit run

**“As consumers learn how to pick and eat a mango, they will discover the diverse uses, and the market will experience exponential growth.”**

— Ronnie Cohen, Vision Import Group

the risk of purchasing unripened mangos. “As mangos gain popularity and chains offer multiple varieties at one time, the industry will have the opportunity to teach consumers what eating quality is,” says Christopher Ciruli, chief operating officer at Ciruli Brothers LLC, based in Rio Rico, AZ. “After 10 years of marketing efforts, the Mango Board has a positive impact on this. Consumers will become more educated, and we'll see consumption rise.”

The main types of Mexican mangos include Ataulfo, Haden, Keitt, Kent and Tommy Atkins. Although the demographic for this tropical fruit is expanding, it's mainly Hispanic and Asian consumers who seek mangos.

“It's primarily Mexican immigrants looking for this fruit, as well as others from Latin cultures,” says Ronnie Cohen, vice president of sales at Vision Import Group, based in River Edge, NJ. “Also, Chinese, Korean, Indian and Pakistani consumers are frequent purchasers.”

Suppliers agree that the biggest opportu-

nity for education with this segment is Caucasians, many of whom are not familiar with how to eat or use mangos. While many familiar with the fruit eat it fresh like a melon, the larger mangos are ideal for use as an ingredient in a variety of foods or in a smoothie.

“As consumers learn how to pick and eat a mango, they will discover the diverse uses, and the market will experience exponential growth,” says Cohen.

## MARKETING CHALLENGES

Because many Americans are unfamiliar with this product, it's up to retailers to go the extra mile to educate customers.

“Stores need to understand that many consumers have no idea how to pick a ripe mango or effectively prepare one to cut up and serve,” says FPAA's Jungmeyer. “There is no substitute for in-store demos. Because so few people buy this fruit on a regular basis, if produce departments can convert consumers, it will really take off.”





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PHOTO COURTESY OF CIRULLI BROTHERS

With research showing a fast rate of growth among Hispanic and Asian customers, most of the new sales are from Caucasians, specifically younger females.

More progressive retailers are using innovative tactics to spread the word to these potential purchasers. "Some of the more progressive stores are utilizing mangos in prepared foods and charging a markup," says Ciruli.

Unfortunately, the biggest challenge is storage temperature, as these products need to be kept off the cold racks and stored above

54 degrees F.

Proper pricing also is key with mangos. For example, due to inflation, the two-for-\$1 specials that used to be widespread are now a thing of the past.

"Inflation makes it impossible to sell this fruit too cheap," says Larry Nienkerk, general manager at Splendid Products, a supplier and distributor headquartered in Burlingame, CA. "The different orders of multiples are becoming more popular, such as 10 for \$10."

The National Mango Board is helping the

industry understand the fruit in an effort to enhance quality. "Every commodity has an optimum temperature for transporting and holding, and the Mango Board is teaching the retail side how to handle and display this fruit properly," says Cohen. "Basically, mangos need to be treated like bananas."

### KEYS TO SUCCESS

To take mangos to the next level, experts advise produce managers to concentrate their marketing efforts. Chains, such as Holiday

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Market, focus on mango promotions to increase the visibility of this fruit and expand the customer base.

“We try to promote them quite a bit,” says Rutte. “I like the 12-count size, because I can get a good price point.”

When this fruit is on ad, Holiday Market stores had success creating big waterfall displays that include other tropical fruit, including coconuts and papayas. Organic mangos also are featured prominently in its produce departments during the holidays with other tie-ins, like organic bananas.

“We’ll include recipes with our displays for some stores, both on-site and online,” says Rutte.

Babbs Supervalu in Spencer, IN (part of the 3,420-store Supervalu chain headquartered in Eden Prairie, MN) displays its Mexican and Chilean mangos in a variety of locations throughout its stores.

“We put our less ripe mangos in the middle surrounded by tomatoes and also display them on the citrus rack with papayas and other tie-ins, which is where they hold better,” says Tony Moore, produce manager at Babbs Supervalu.

When advertised, the chain will get between 10 and 15 cases, selling the fruit 10 for \$10, but it’s still not a strong seller. The produce department also will cut and over-wrap mangos to make it easier for customers to eat as well as include signage describing the fruit and its uses.

“Unless we have this fruit on special 10 for \$10, we typically only sell one case a week at this store,” says Moore.

Ciruli Brothers has seen success with bin displays over the past two years, especially in stores that place mangos in multiple locations. These displays are kept elevated and include graphic photos on how to cut mangos.

Stores that initiate more creative marketing efforts, such as contests for in-

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store displays, are bringing more attention to the category. "There are also more attempts to point out the nutritional values of these products," says Nienkerk. "Stores will run mangos with other items that are on special to move them quicker."

The produce department staff can create eye-catching displays and incorporate POS material from the Mango Board to help educate consumers. On the retail side, it's important to understand mangos' ideal climate, availability and seasonality. Talking to vendors and suppliers can go a long way.

"Retailers need to be well-informed and understand the peak volume times and add-on opportunities, as well as price points, which



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**“We put our less ripe mangos in the middle surrounded by tomatoes and also display them on the citrus rack with papayas and other tie-ins, which is where they hold better.”**

— Tony Moore, Babbs Supervalu

can help the industry as a whole,” says Vision Import Group’s Cohen. “Some consumers are price sensitive, while others care more about quality, and there are those who look at the color of the fruit.”

The National Mango Board provides point of sale materials and can also assist with mango category management programs and display contests. “We work with suppliers to put together a big program for retailers,” says

National Mango Board’s Watson.

For those willing to focus on this category, there is potential for expansion and profits. “As this industry evolves, it will become much easier to sell mangos, and this fruit will become more mainstream,” says Cohen. “Mexican mangos used to be in a smaller part of the store, and now these products are becoming their own category.”

Like the avocado segment years ago, mangos are positioned to become more of a staple American item in the near future. “The mango industry is in a position to make a leap like the avocado industry,” says Jungmeyer. “It’s about providing the right programs and having this fruit available at a good price point.” **pb**

# SHOWCASE garlic



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# CONVENIENCE AND FLAVOR DRIVE RAPID GROWTH FOR VALUE-ADDED POTATOES

Smaller-sized packages with added seasonings making big inroads.

BY MARK HAMSTRA

Consumer food trends regarding healthy eating, convenience and flavor are homogenizing, and the humble potato is at the apex — creating a path for growth built upon new, value-added products.

While overall potato sales in the United States have declined in terms of weight, the growth of value-added potato products — items that are partially prepped or packaged for quick at-home cooking — found a category sweet spot. Smaller-sized potatoes that

are packaged with seasonings, or are packaged and ready to throw on the grill, have taken a prominent position alongside individually wrapped, larger potato varieties in the value-added niche.

In addition, a small but increasingly active segment within value-added potato offerings is fresh-cut potato product, along with whole potatoes that are specially grown and packaged for making into fries and chips at home.

While value-added potatoes comprise a very small percentage of the overall potato



category, they are growing quite quickly, according to the U.S. Potato Board. Retail sales of value-added potato products — including microwave-ready/steamer varieties, foil-wrapped and cut potatoes — accounted for 3.46 percent of dollar volume in the category in the 52-week period that ended October 25, 2014. The U.S. Potato Board also reports that dollar sales increased 13.9 percent over the preceding year, and unit volume was up 4.8 percent.

That compares with overall potato volume declines of 2.1 percent in that period. Dollar sales of potatoes overall, however, rose 4.5 percent (in part driven by increased sales of value-added product), according to the USPB.

“People talk about the potato industry declining, but that is not entirely true,” says Seth Pemsler, vice president of retail/international at the Eagle, ID-based Idaho Potato Commission. “What is happening is that we are switching from bulk product to specialty product, which sells for more. We measure it in terms of how many pounds people eat, and now we are selling less at twice the price.”

Sales growth of value-added and specialty potatoes picked up after a slowdown caused by the economic recession, he explains, noting that a surge in successful innovation has also been driving growth in these products.

## INCREASED RETAIL PRESENCE

Kathleen Triou, president and chief executive of Sacramento, PA-based Fresh Solutions Network, a partnership of seven potato and onion growers across the U.S. and Canada, notes that value-added potatoes are gaining an increasing presence on retail shelves. Data from West Dundee, IL-based Nielsen Perishables Group show a 17.1 percent increase in consumer impressions, or shelf facings, of value-added potato products compared with a year ago, she says.

“You don’t normally see that kind of increase in the potato category,” she says. “That’s consumers saying, ‘We love potatoes.’ Potatoes are still the nation’s No. 1 side dish, and one of consumers’ Top 3 favorite vegetables, as they have been saying for decades now.”

The increase in sales and availability of value-added potatoes reflects increasing consumer interest in convenience and in the new flavor varieties that many of these products offer.

“Consumers want things that are a little more interesting and easier to prepare, which is why we have this whole convenience sector in our repertoire,” says Triou.

Fresh Solutions Network has long offered

**Fresh Solutions’ A Cut Above product line is slated to include three refrigerated varieties of French fry cuts in 1.5-pound bags, which the company plans to display in the produce section. The line will also include a 3-pound bag of whole potatoes specially developed for slicing into fries or chips at home.**



**“Consumers want things that are a little more interesting and easier to prepare, which is why we have this whole convenience sector in our repertoire.”**

— Kathleen Triou, Fresh Solutions Network

varieties of microwave-ready bagged potatoes called Steamables, along with individually wrapped microwavable potatoes called Bakeables and grill-ready, foil-wrapped potatoes called Grillables, but the network is expanding with new value-added items for retail.

These include Roastables, a three-SKU line of petite-sized Red and Yellow potatoes in a metal tray that can be placed either in the oven or on the grill, as well as a line of fresh-cut potatoes called A Cut Above that has already been rolled out in foodservice.

The Roastables line includes 1-pound clamshell packages in three varieties: Reds, Yellows and a Red-and-Yellow mix. Fresh Solutions Network has an exclusive partnership with Montana Mex for the spice packets in the produce category, so the Roastables include two packets of Montana Mex spice mix — one packet of Chile Salt and another of Picante Salt seasoning in all three potato varieties. Consumers are instructed to simply add their favorite oil to the tray before cooking, and then add the seasonings to taste.

“This hits on a couple of levels,” says Triou of the new Roastables product line. “It really speaks to that Millennial shopper looking for bold flavors. This is a great, interesting, exciting new product to get interest and to motivate that younger shopper into the potato category.

“It’s also a convenience item because of

the packaging,” she adds. “It’s easy — just one-two-three, and place it on the grill or in the oven.”

Triou says the line, which had a soft launch at the Produce Marketing Association’s (PMA) Fresh Summit in October 2014, has seen significant interest from retailers.

“We expect significant volume, so we are already making investments in machinery to automate the packaging of this product,” says Triou.

Another value-added potato product that made its debut at the PMA’s Fresh Summit was microwave-ready bags of Red and Gold small potatoes from Wada Farms, Idaho Falls, ID. The 1.25-pound bags are geared for a single eating occasion, says Christopher Wada, marketing director at Wada Farms Marketing Group.

“Consumer research shows there’s less pantry stocking than there used to be,” says Wada. “Rather than shopping for a week’s worth or two week’s worth of groceries, consumers are concentrating on what to eat for dinner that day, or potentially two dinners at a time.

“With this product, what they cook, they eat, and there’s no waste,” he says, citing the extra value of the vented steam bag that allows customers to either cook them completely in the microwave or to finish them off in the oven.

Smaller packages have also been a success at Agrow Fresh Produce Co., Chicago, IL, where 24-ounce bags of creamer-sized potatoes and 24-ounce bags of Russian and mixed Fingerlings are showing above-average growth, says Ed Romanelli, sales manager.

The company, which was among the first to roll out ultraviolet-blocking packaging to protect the integrity of the potatoes, is developing a new value-added potato initiative Romanelli was not yet ready to discuss.

“Right now we are working on a project with a major retailer that will change the way bagged potatoes are perceived at retail,” he says.

## A CONSUMER NEED

The Little Potato Company, Edmonton, AB, reports sales of its value-added potato products have been “awesome.”

“I think we hit on a real consumer need,” says Richard Vann, the company’s sales and marketing consultant. “People are looking for fresh, nutritious products, and potatoes are an awesome value, and they are great nutritionally — especially ours because you eat them with the skin on, where most of the nutrition is.”

The company offers six SKUs of value-

added creamer potatoes — three flavors each of a microwave-ready and oven-ready product with spice packs included.

“Potatoes are a wholesome and nutritious food, and people want to figure out how to use them in different ways,” says Vann.

He says the company is exploring different options for expanding the lines, which have been available for a little more than two years in the microwave-ready variety and for more than a year in the oven-ready offering.

Vann says the company is exploring snack items and items for children. “Potatoes don’t always have to be side dishes,” he says. He describes the company as the dominant player in specialty potatoes in Canada, and one of only a handful in the United States.

“We have a lot of room to grow in terms of distribution and market penetration,” says Vann. “We had a lot of gains in the U.S. in particular this past year, and we see that accelerating even more.”

The Little Potato Co. also has a partnership with Rexburg, ID-based Wilcox Fresh (shipper/packer/distributor) in the U.S. for distribution of its seasoned, ready-to-cook products under the Potato Jazz name.



PHOTO COURTESY OF THE LITTLE POTATO COMPANY

The Little Potato Co. offers six SKUs of value-added creamer potatoes — three flavors each of a microwave-ready and oven-ready product with spice packs included.

Likewise, the Klondike Express line of microwave-ready potatoes from Potandon Produce, Idaho Falls, ID, has also seen rapid growth in retail sales, according to Ralph Schwartz, vice president of sales, marketing and innovation at Potandon.

“It went from virtually nothing to phenomenal growth, and it continues to grow in double digits every year,” he says, adding the company anticipates the growth trend will continue in 2015.

The Klondike Express line includes three SKUs — microwavable 1-pound bags of Reds, Golds and the newest addition, called Smileys because of the markings on the potato skins.

Potandon also supplies a four-SKU line of value-added potato products under the Green Giant label that includes butter and seasonings in the package.

Schwartz says Potandon is developing additional value-added potato products for the Klondike Express brand, although he declined to discuss specifics for competitive reasons.

“We have several new packaging varieties

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in testing phases for two or three months, and we have some partnerships we are working on," he explains.

## FRESH-CUT POTATOES

Another emerging area within the value-added potato category is in fresh-cut, or in some cases, what could be described as "ready-to-cut."

Fresh Solutions Network is gearing up to introduce a four-SKU line of retail products in this category in mid to late 2015, after successfully rolling them out in the foodservice channel.

The A Cut Above product line is slated to include three refrigerated varieties of French fry cuts in 1.5-pound bags, which Triou says the company anticipates the items will display in the produce section. The line will also include a 3-pound bag of whole potatoes specially developed for slicing into fries or chips at home.

The potatoes used in the A Cut Above line have a higher density of solids in their composition than traditional Russet potatoes, says Triou, making them ideal for fries and chips.

"Russets make great baked and mashed

**"There is a trend for fresh-cut fries and chips and wedges. It's about finding different and new ways to bring excitement to the customer."**

— Chris Wada, Wada Farms

potatoes, but for fries, you want a potato that holds the solids together a little better," she explains.

The pre-cut varieties will be packaged in resealable bags that will allow consumers to add oil and seasonings to coat the product before emptying it onto a baking sheet.

Similarly, Wada Farms recently introduced a product called Chippers, which are whole, White, round potatoes in a 3-pound bag.

"There is a trend for fresh-cut fries and chips and wedges," says Wada of Wada Farms, who cites the influence of foodservice and food trucks on the growing popularity of fresh-cut fries. "It's about finding different and new ways to bring excitement to the customer."

Idaho Falls, ID-based Eagle Eye Produce, which grows and ships Idaho potatoes, also

introduced a refrigerated, fresh-cut product line that includes diced Red potatoes, diced Russet potatoes, all-natural fries and other products. The line recently launched in the H-E-B supermarket chain in Texas.

## FINDING SHELF SPACE

Pemslar of the Idaho Potato Commission says securing retail shelf space is among the biggest challenges potato suppliers face in bringing value-added product to retail.

"When I started 11 years ago, retailers just weren't carrying a whole lot — Reds, Yellows, Russets, and maybe some specialty," he says. "Now there are retailers carrying 20 SKUs — they are carrying different varieties, different-sized bags, Fingerlings, little ones, specialty bags, etc.

"The challenge is the potato section isn't

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- Introducing -

# smalls

PHOTO COURTESY OF WADA FARMS



Wada Farms has microwave-ready bags of Red and Gold small potatoes. The 1.25-pound bags are geared for a single eating occasion.

10 facings down to two — you would be restocking them constantly — so they are finding space someplace else,” he says. “Shelf allocation is expanding, and they are finding new ways to accommodate the variety.”

Romanelli of Agrow Fresh says he believes the surge in new value-added potato offerings is helping to bring in new buyers. “In the past it was always a fear that a new potato product would take sales away from the main potato category,” he says. “Today that is no longer true as all of these new packages find their own niche and customer following — sometimes these are customers that never bought a potato before.”

Wada of Wada Farms says he believes

big enough any more,” he explains. “So what you often see is a lot of retailers doing bulk in a different area.”

Pemsler says the Idaho Potato Commission counsels retailers not to merchandise potatoes on shelves that are sprayed with water, as that reduces the shelf life.

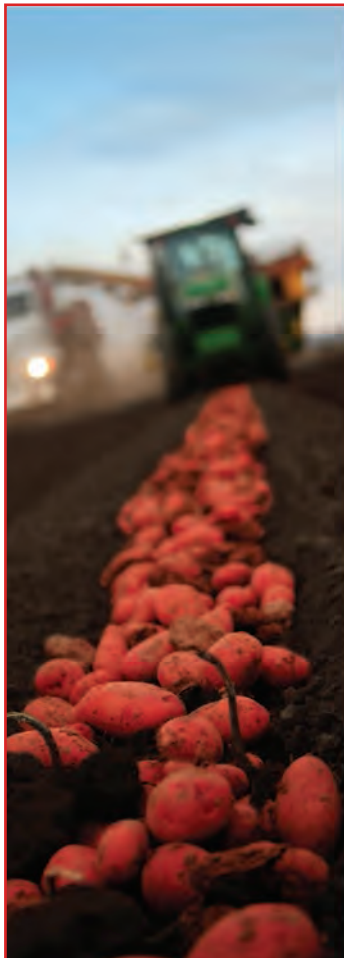
“Russets still account for 50 percent to 70 percent of the market, and so with all these new varieties, you are not going to go from

value-added offerings will continue to expand with new flavorings and tie-ins with center store brands, such as the Montana Mex spice-packet partnership with Fresh Solutions Network and a similar partnership between Black Gold Farms potato supplier and spice maker McCormick, which rolled out in 2013.

“In terms of processing and distribution, there are not that many steps to execute successfully in terms of putting a seasoning pack inside a product package,” explains Wada. “In terms of flavors, the book is wide open, with cultural and ethnic influences bringing excitement and new flavors to the category.

“I like to say there are ‘niches upon niches,’” he says. “There are a lot of specialty packs and new varieties. I think the overall trend will be toward flavor and ‘the new healthy.’”

“The new healthy refers to fresh, natural and unprocessed,” says Wada. “Whereas in the past it was more prescriptive, as defined by the nutritional facts — potatoes are high in vitamin C, potassium and fiber — but the new healthy approaches it a little more holistically, and a little more ‘fun,’ if you will. I see that having a huge influence on produce and potatoes in the future.” **pb**



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# Protected Produce: From Niche To Mainstream

The maturation of greenhouse- and shadehouse-grown produce brings a consistent supply of quality fruits and vegetables to retailers.

BY BOB JOHNSON

**G**reenhouse produce is no longer a niche category as growers and shippers discovered protected agriculture lets them offer fresh tomatoes, peppers, squash, eggplant cucumbers and other vegetables 12 months of the year.

For retailers, the maturation of the category brings a reliable supply of quality produce that can be merchandised to a broad public at commodity prices.

“In the past six or seven years, we became more mainstream,” says Dan Edmeier, director of sales at Kingdom Fresh, Donna, TX. “The quality and yields made it better for the retailer. It changed the landscape.”

Kingdom Fresh is one of the largest greenhouse tomato growers, with more than 300 acres of hydroponic production under glass.

Tomatoes drove the category in the early

years, but producers are finding markets for a growing list of greenhouse vegetables.

“There has been an increase in other crops like peppers, cucumbers, eggplants, and sometimes lettuce,” says Fried De Schouwer, president of Greenhouse Produce, Vero Beach, FL.

Greenhouse Produce, a joint effort of Mexican tomato, pepper and cucumber growers shipping to the U.S., finds their prices closely aligned with field-grown vegetable prices.

“Many years ago, the greenhouse offering had an independent market. Today they are interchangeable,” says De Schouwer. “When the price on field-grown goes up, the greenhouse follows. There is a close connection. The premium may be 25 percent, 30 percent or 50 percent. Sometimes there is no premium.”

Produce grown under protection evolved

from a niche category to capture significant market share almost overnight.

By 2011, more than 20 percent of the fresh tomatoes and peppers sold in the U.S. were greenhouse grown, according to the update on the *North American Greenhouse Vegetable Industry* report produced by Farm Credit Canada, a large agricultural lender headquartered in Saskatchewan, Canada. Farm Credit Canada, which provides financing, insurance, software and other services to agri-business, forecasts continued growth of this sector.

“A review of Canadian and U.S. vegetable markets points to the continued strong growth in demand for greenhouse vegetables, at the expense of field-grown vegetables,” according to the report.

There are, however, still a few opportunities for niche marketing of select greenhouse items to the right demographic.

## IF THE NICHE FITS, USE IT

The cost of success has been the loss of strong premium prices, as greenhouse vegetables have become commodities with prices subject to oversupply or scarcity of product.

“In the early days of the industry, greenhouse tomatoes were a rather insulated market niche that garnered high prices,” says University of California at Davis agricultural economist Roberta Cook in her seminal 2005 study: *Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry*. “However, between the early 1990s and 2003, greenhouse tomato area is estimated to have grown by 596 percent to 1,726 hectares, starting from a negligible base — despite the high cost of greenhouse construction.

The flip side of rapid growth in the greenhouse industry has been the rapid decline in prices. As the North American greenhouse tomato industry expanded from market niche to mainstream status, tomato prices declined.”

The U.S. Department of Agriculture commissioned Cook’s study in order to help understand the deep changes in the entire tomato category, but many of the conclusions also apply to other vegetables.

Even in this overall climate of commodity pricing, however, there are still some niche opportunities.

“We’re hydroponic; it’s a different category and it’s not a big item,” says Daniel Terrault, vice president business development at Hydroserre Mirabel, Mirabel, Quebec. “We do lettuces exclusively. Boston premium is in demand, and Mache is popular. Fifty percent of what we grow is sold in the northeastern

**“The greenhouse is more stable. The field-grown cost goes up or down every day; our cost goes up every year in the winter because of the energy cost.”**

— Daniel Terrault, Hydroserre Mirabel

United States”

Hydroserre Mirabel began with half an acre of greenhouses a quarter century ago, and has grown to 30 acres of specialty lettuces grown in floating rafts that produce 16 to 18 crops a year sold under the Mirabel and SunHouse Farms labels.

The market for these specialty products remains strong enough that some major U.S. field growers are investing greenhouses.

Domestic producers recognized opportunity in this market niche. As a result, new or expanded greenhouse/hydroponic operations in several states began production during the past several years, according to the latest USDA Economic Research Service analysis of the fresh tomato market.

Two years ago, for example, Tanimura & Antle of Salinas, CA, introduced a gourmet butter lettuce grown at its hydroponic greenhouse in Livingston, TN, delivered to the store in a sleek clamshell.

Heathrow, FL-based greenhouse giant Village Farms moved to get in on the fun with the introduction in 2014 of its Rainbow Rebellion, a one-pound clamshell with tomatoes of many colors. No two packs of the Rebellion are exactly alike, and a medium-sized tomato or two may even sneak its way into one of these snacker clamshells.

It may pay with some demographics to create a small special section in produce featuring a wide range of greenhouse grown vegetables and herbs.

“There is a tremendous opportunity to be enjoyed in merchandising greenhouse-grown products in a destination set in the produce department,” says Vincent Choate, director of sales and marketing at Hollandia Produce, Carpinteria, CA, which also markets under the Live Gourmet and Grower Pete’s Organic labels. “Greenhouse-grown lettuces, cucumbers, tomatoes, bell peppers and herbs can all be in one central location.”

## BETTER CONTROL FOR SUPERIOR PRODUCT

Hollandia Produce controls the temperature, humidity, light and nutrients in its

hydroponic greenhouses outside Santa Barbara precisely to produce specialty lettuces sold with the roots still attached.

Although hydroponic production of specialty lettuces demands substantial up front investment in facilities, producers are able to use their extraordinary control over the growing environment to achieve more predictable costs of production.

“The cost of field grown lettuce is changing all the time,” says Terrault. “The greenhouse is more stable. The field-grown cost goes up or down every day; our cost goes up every year in the winter because of the energy cost.”

Precise control over temperature, humidity, irrigation and nutrients also minimizes the use of resources.

As part of its marketing campaign for Salinas Valley, Tanimura & Antle claims it can grow 50 times as much food an acre using greenhouse hydroponics.

“You get a much higher yield per square meter, but there is the higher cost of the greenhouse,” says Doug Kling, senior vice president and chief marketing officer at Village Farms. “You get higher control over inputs, so you have water that is more pure, and you use from 80 to 86 percent less water. You also have a safer crop, because it is less exposed to the elements.”

Mike Aiton, director of marketing at Prime Time International, Coachella, CA, estimates protected agriculture only needs a 30 percent yield bonus to make up for the added cost. The investment in the structure pays a return in vegetables that look better, because they are less subject to bugs and fungi.

“Protected agriculture increases yield and protects the crop from pests and diseases,” says Aiton. “You’re able to grow the plant for a longer period of time. Some of these tomato and pepper plants get to be eight feet tall.”

Efficiency in use of land, water and other resources can all be selling points for greenhouse vegetables.

“There is an increased need for safer produce that uses less resources,” says Kling.

The cosmetic appeal and reduced pesticide use on vegetables grown in a protected envi-

ronment can be special selling points, even for greenhouse vegetables sold alongside field grown product.

“Merchandisers could highlight the benefits of controlled environment growing, uniform quality and reduced pesticide use to generate cross-selling and up-selling to produce department shoppers,” says Choate.

The varied vibrant colors of the peppers and tomatoes can be the eye-catching center of the greenhouse produce.

“Focus on the color and presentation of the product,” says Aiton. “There are so many brilliant colors; when you mix them it is striking. I would advise bigger merchandising displays.”

Prime Time uses both fields and greenhouses in California and Mexico to be one of the largest 365-day grower, packer, shipper of multi-colored peppers in the U.S. The company also produces tomatoes, watermelons, green beans and corn on a seasonal basis.

### GREENHOUSE GROWN DARLINGS

There is still some advantage within the commodity market to the quality of the vegetables grown in a protected environment.

“Greenhouse production gives you consis-

tent quality, and you have a healthier product, because you can use less pesticide,” says Greenhouse Produce’s De Schouwer.

This combination of quality, reduced pesticide use, and resource conservation gives greenhouse grown what one producer calls an “upscale aspect.”

“Vine-ripe, Grape and Roma greenhouse tomatoes became a commodity with an upscale aspect,” says Edmeier from Kingdom Fresh. “The premium varies with the retailer.”

Despite these islands of opportunity for niche or upscale marketing and pricing, protected produce largely joined the commodity world.

“Tomatoes on the vine seem to be either over supplied or under appreciated. Vine-ripes, Romas and Grape tomatoes are the big three,” says Edmeier.

Producers keep their attention focused on specific opportunities within the greenhouse tomato category.

“For greenhouse produce, demand is increasing for the snacking tomatoes, and for the unique varieties with high flavor,” says Kling.

Greenhouse products played a major role

in making the entire tomato category more varied and interesting.

“Product differentiation is now the norm in the fresh tomato industry, for both field and greenhouse tomatoes, with variation based on shape, size, degree of ripeness, color (red, orange, yellow, and green), and variety,” says Cook.

At times, there is a retail premium for particular varieties that recently caught the public’s eye.

“The tomato category is pretty stable, but there is an increase in snacking and unique items,” says Kling. “Retailers are getting 79 cents to \$1.29 a pound on field-grown tomatoes, and \$1.99 to \$2.99 a pound on tomatoes-on-the-vine, which is the most popular greenhouse variety. That’s the kind of premium they’re getting.”

Although he cites healthy retail prices for tomatoes-on-the-vine, Kling acknowledges that the premiums for greenhouse-grown can vary substantially.

“The premium depends on the crop we’re growing, and the difference in cost can be a wide range,” says Kling.

Protected agriculture can have an advan-

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tage when the weather unexpectedly affects the supply of field grown vegetables.

"This year we had adverse weather in Florida, as well as in the hurricane-stricken area of Baja and Western Mexico," says De Schouwer. "That creates strong demand for quality greenhouse vegetables."

Greenhouse vegetable production can only compete in the commodity market by offering substantially higher and more predictable yields.

"With greenhouses you can produce more, and it is more consistent, so you have fruit available," says Alberto Maldonado, general manager for Melones Internacional, Nogales, AZ. "A lot of people like greenhouse grown. It's cleaner fruit with fewer defects, and the consumer likes that. We're strong on tomatoes, and I think we will continue to be. Maybe you can get more for greenhouse vegetables. Right now we have a terrific market."

Melones grows and ships greenhouse vegetables from Mexico under the Plain Jane brand name.

As a sign that greenhouse tomato pricing has gone mainstream, while the tonnage of the imports more than doubled from 2006 to 2011, the dollar value of those tomatoes barely rose at all, according to the update on the *North American Greenhouse Vegetable Industry* report. And the total value of imported peppers and cucumbers actually dropped despite substantial increases in tonnage.

There is not even a reliable formula for calculating the relationship between wholesale and retail premiums.

"The premium for greenhouse-grown is normally around 25 percent at wholesale, but they are usually not separated at retail," says Aiton.

Some producers find the pricing so competitive that they avoid markets in entire regions of the country.

## "We're getting better sizing, and we reduced pesticide use. We get higher yields and better quality; that's how you pay for the greenhouses."

— Chris Cirulu, Ciruli Brothers

"The West Coast is a different market because of competition from Baja, Sinaloa and California," says Edmeier. "We ship to all parts of the U.S., but especially east of the Mississippi."

### THE SEASON NEVER ENDS

With greenhouse vegetables largely another commodity displayed alongside the field-grown tomatoes and peppers, protected agriculture has the primary role of making certain items available all year.

"The greenhouse production is growing, especially in Mexico. That means winter availability is becoming more plentiful," says De Schouwer. "I believe greenhouse production will continue to grow, both in terms of more product and a longer season. The key is to be able to consistently supply quality produce. Mexico has micro-climates that allow you to grow in the summer, fall, winter and spring. We are 99.9 percent Mexican production."

The season could get even longer in Mexico as growers build structures in more areas of the country.

"As people move the shade houses further south, the season gets even longer. Because of the shade houses, people have a longer growing season," says Chris Ciruli, chief operating officer at Ciruli Brothers, Rio Rico, AZ. "We're getting better sizing, and we reduced pesticide use. We get higher yields and better quality; that's how you pay for the greenhouses. People are looking for better quality,

and that's what we're trying to come up with."

Commercial greenhouse vegetable production in the Western Hemisphere began in Canada, as growers leaned heavily on technologies the Dutch developed to produce astonishing yields in a capital intense system.

Estimates of total greenhouse production can be difficult because there is a broad range from simple shade cloth used to modestly alter temperature and light, to computerized structures used to precisely control the entire environment, and there is no uniform definition of what qualifies.

UC Davis Extension specialist and greenhouse horticultural advisor Gary Hickman conducted a survey for Cuesta Roble Consulting of Mariposa, CA, and estimated greenhouse vegetable production worldwide crossed the 1 million acre benchmark for the first time in 2012.

But a recent University of Arizona Agricultural & Biosystems Engineering study came up with a much higher figure, with just China accounting for nearly 7 million acres of greenhouse production of all crops, not just vegetables.

That University of Arizona study pegs greenhouse production in Canada, the U.S. and Mexico combined at just more than 56,000 acres.

As greenhouse tomatoes and other vegetables went mainstream, and North America became more of a free-trade zone, there was an explosion of greenhouse and lower cost shade





house vegetable operations throughout Mexico.

Some of the largest producers have significant acreage in both climates, which gives them optimal conditions for growing specific varieties as well as access to different markets.

Village Farms developed an enormous operation in a warmer climate since the company first made an agreement a decade ago with a Mexican grower to produce 10 acres of greenhouse vegetables to eliminate a seasonal production gap.

“We have 148 acres of greenhouses in Texas, and 110 acres in Canada,” says Kling. “Production in Canada is stable. There are different climates. The Canadian climate is different, so it is better for certain varieties.”

Mexico caught and passed Canada as the leading producer of greenhouse tomatoes, peppers and cucumbers shipped to the U.S.

By 2011, Mexico had nearly 40,000 acres of protected agriculture, according to the update on the North American Greenhouse Vegetable Industry report, or well more than 10 times as much as Canada.

When asked why Kingdom Fresh grows in Mexico, Edmeier responds, “Lower cost.”

Most of the Mexico acreage is in shade houses, but with yields just a fraction of the Canadian and U.S. greenhouses.

“Average yields in Mexico are comparatively low,” says Cook. “Mexican growers are using a wide range of technologies, not just high technology greenhouses with hydroponics. Mexico’s main strength is climate conditions enabling winter production and the potential to be a year round supplier.”

The shade houses do still provide yield and quality advantages over field grown.

Mexico’s greenhouse vegetable industry uses low-cost shade house construction. This gives them a competitive advantage over field-grown production through improved water and pest management, an extended harvest, and increased yield, according to the Farm Credit Canada study. Shade houses are also more cost-efficient to operate than North American greenhouse facilities.

Greenhouse tomato production below the border reached levels that impact the entire fresh tomato market.

Over the past decade, greenhouse/hydroponic products made significant inroads in the U.S. fresh-tomato retail market, according to the most recent USDA Economic Research Service analysis of the fresh tomato market. Imports from Canada’s hothouse tomato industry peaked in 2005, but weakened with rising competition from Mexico. The country invested heavily in protected culture of vegeta-

bles, resulting in a larger share of the U.S. import market. Mexico now accounts for 71 percent of the U.S. import market for greenhouse tomatoes, while Canada’s share has been reduced by half to 27 percent.

Most of the greenhouse tomatoes and cucumbers consumed in the U.S. are now imported from Mexico and Canada, as are more than a third of the peppers. And the foreign supply is still expanding.

“Greenhouse vegetables are trending upward, particularly in Mexico where there is

substantial new acreage,” says Aiton. “The greenhouse pepper category increased 3 to 7 percent a year for the past five years. Tomatoes are growing, too. Stores carry around 14 SKUs of tomatoes.”

Prices for greenhouse vegetables, such as other produce commodities, figure to rise and fall as growers do their best to anticipate these evolving markets.

“The market is expanding, but so are the ranches,” says Edmeier. “We are expanding every year, and so are our competitors.” **pb**

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# DISPATCH FROM ALASKA

Produce makes its way to the northern-most climes on earth.

BY CAROL BAREUTHER



**P**RODUCE BUSINESS had a rare opportunity to visit the U.S. Coast Guard Base in Kodiak, AK. Taking a peek inside the Defense Commissary Agency (DeCA) Kodiak Commissary we discovered that store director, Penny Kelley, is a reader of the magazine.

“The Kodiak Commissary is one of the Defense Commissary Agency’s smaller stores, with three checkouts,” says Kelley. “Though small in size, we think big when it comes to finding ways to merchandise grocery and produce. We try to work a meal idea into every display. I enjoy the creative merchandising end of the business and helping our customers find meal solutions. I also enjoy the way the staff here works together like a close-knit family.”

Kelley puts her merchandising talent to work in many ways. For example, in the weeks leading up to Saint Patrick’s Day, she and her staff move the cabbage to the meat section to remind people of the traditional corned beef and cabbage meal. Before Thanksgiving, they put brown sugar and marshmallows near the sweet potatoes. Throughout the year, she builds displays from produce items called for in specific recipes, then places the recipe cards with the display for customers to pick up.

Another of Kelley’s good merchandising examples is onions added to an end cap of spaghetti sauce — reminding customers that adding a vegetable to prepared products can add a new dimension and

enhance the meal.

In general, the Kodiak Commissary carries an average of 125 produce SKUs. Eight to 10 of these, based on season and availability, are core organic produce items. Special orders are available for organically grown items not normally stocked. For example, Kelley orders a case of organic cherry tomatoes for a customer whenever it’s needed.

Likewise, due to perishability concerns, fresh-cut fruits and vegetables are sold as a special order. Local or Alaskan-grown produce offered includes potatoes for most of the year as well as vegetables such as red leaf, green leaf, iceberg, Romaine, collard greens and kale in the summer, which starts about mid-June. Local green cabbage, broccoli, zucchini, rhubarb, hothouse tomatoes and English cucumbers are also offered when in season.

The Kodiak Commissary receives its produce shipped by barge from Di Tomaso’s Fruit & Vegetables, a wholesaler based in Anchorage, AK.

The Kodiak Commissary is one of 244 commissaries operated by the DeCA on U.S. military installations in 13 countries. Authorized patrons purchase items at cost plus a 5-percent surcharge, which covers the costs of building new commissaries and modernizing existing ones.

By shopping regularly in the commissary, patrons save an average of 30 percent or more on their purchases compared to commercial prices — savings amounting to thousands of dollars annually and a valued part of military pay and benefits.

The Kodiak Commissary, on U.S. Coast Guard Base Kodiak, AK, is 22,913 square feet in size. Annual sales totaled \$4.4 million in fiscal year 2013. Produce represents 12 percent of store sales.

We appreciate Kelley’s loyalty and encourage other readers in remote areas around the globe to send their photos and stories to [editor@producebusiness.com](mailto:editor@producebusiness.com) **pb**

*Penny Kelley is the store director at the U.S. Coast Guard Base Commissary in Kodiak, AK.*

# Onions: The Menu Chameleon



Mac-N-Cheese dish by Chef Jeff Finan of The Green Well Gastro Pub.

PHOTO COURTESY OF THE GREEN WELL GASTRO PUB

The world's most essential ingredient grabs a bigger part of the plate at restaurants, schools and food carts.

BY JOHN LEHNDORFF

**T**ry to conceive of a completely onion-free menu at a restaurant, catered event or foodservice operation. No sliced red onions on burgers. No French onion soup, garlic bread or Vidalia onion rings. Subtract minced scallions in Asian soups, chopped white onions in salsa, or sautéed yellow onions in the goulash. Also banned are onion's pungent relatives: garlic, chives, leeks and shallots.

The good news is that the versatile, affordable onion — vital to nearly every cuisine globally — is going strong.

"It's hard to imagine cooking without at least some onions," says Kimberly Reddin. As director of public and industry relations at the Greeley, CO-based National Onion Association (NOA), she helps the organization represent growers across the country who

supply whole yellow, red and white onions to supermarkets, restaurants and foodservice operations.

Onions aren't what you order from the menu, but they make almost everything you do order taste better. Despite its essential place in the American kitchen, an onion is the Rodney Dangerfield of the produce aisle. "I don't know how many people actually think of them as a vegetable," Reddin says matter-of-factly, suggesting they are thought of more like a grain or a commodity. "Onions are always there. It's the stable staple," she says.

That taken-for-granted attitude toward onions is changing gradually as the result of a number of long-term consumer trends including healthier eating, the steady rise of savory ethnic cuisines, expanding consumer savvy about ingredients and cuisines, and a growing focus on consuming locally grown produce.

## CHOICE FAVORITES

Restaurants, foodservice operations and even schools are finding new ways to use the versatile ingredient: pickled alongside charcuterie on cheese plates, sizzled with Coca-Cola as a bratwurst condiment, and as a topping for school lunch pizzas.

"We see in studies that all colors and types

of onions are being mentioned much more on menus," says NOA's Reddin, "including roasted onion aioli and onion jam on sandwiches. Of all the onions, the red variety is topping the list."

Datassential's Menutrends database of about 5,000 U.S. chain and independent restaurant menus shows that the appearance of red onions on menus increased nearly 11 percent (10.8) from 2010 to 2014, and the pungent favorite is present on 48.8 percent of menus (2014 penetration).

Reddin gives partial credit for the increase to Pizza Hut, Subway and other restaurant chains that started offering red onions by name on menus. Red onions are also starring in popular appetizers at independent restaurants such as The Green Well Gastro Pub in Grand Rapids, MI.

"I like red onions because of the color, and because they are slightly sweeter," says chef Jeff Finan at the restaurant. His Charred Onion-Goat Cheese Skillet starts with red onions that are cooked until almost burnt on a hot flat surface, so they get dark without going limp. They are mixed with goat cheese in a cast iron skillet and served bubbly hot with a tomato-arugula salad and toasted artisan bread.

"I love using all the different kinds of onions, like fried leeks as a garnish, shallots in



Sherry-glazed, caramelized Cipollini onions with Brussels sprouts and pancetta accompany roast goose and other rich entrees at Brasserie S&P restaurant in the Mandarin Oriental hotel in San Francisco.

PHOTO COURTESY OF MANDARIN ORIENTAL

**“When you caramelize Cipollinis the texture also develops with a pleasantly soft body and a crunchy — almost brûléed — surface at the cut face.”**

— Adam Mali, Executive Chef, Mandarin Oriental

many dishes, and we sell a lot of green grits with scallions and green chilies,” says Finan. For his upgraded Mac’N’Cheese, the chef adds griddled yellow onions that are grown locally.

“Local” matters a lot at the restaurant, which sources most of its produce (including onions) from regional farmers and showcases local wine, cheese and beer by name. “The diners here like to know where everything comes from,” he says.

Onions are the most “local” produce item you can find, according to an article, “Three Cheers for the Onion,” from *BBC News Magazine*. Ninety percent of all the onions grown in the U.S., and around the world, are eaten in the more than 125 countries where they are grown. There is very little international trade in onions.

With the growth of ethnic cuisines in the U.S., pickled onions have become a much more common condiment. “You see it in street tacos, in kim chi, in Indian cuisine and Mediterranean,” says the NOA’s Reddin.

At Cafe Noir in New York’s Tribeca district, executive chef Rebecca Weitzman says she elevated her “gotta-have-a-darn-burger-on-the-menu” with a new garnish created on a whim: “We make spicy pickled red onions, and one day we tossed some lightly in cornstarch and flash fried them,” she says. “The pickle flavor comes through and the crispness keeps, as does the pretty reddish color.”

Specialty onions are also on the rise such as

Cipollini onions, a smaller flattish sweet onion that is ideal for roasting whole. Datassential’s Menutrends database of “Top Growing Produce” reports that Cipollinis’ presence on menus grew 14.4 percent in 2013-14.

“I love the sweetness of the Cipollini onion brought out by slow caramelization,” says Adam Mali. As the executive chef at the

Mandarin Oriental San Francisco, Mali serves sherry-glazed, caramelized Cipollini onions with Brussels sprouts and pancetta to accompany roast goose and other rich entrees at Brasserie S&P restaurant in the hotel.

“When you caramelize Cipollinis the texture also develops with a pleasantly soft body and a crunchy — almost brûléed — surface at the cut face,” Mali says. While he says the dish works with any local onion, such as Spring or Torpedo onions, Cipollinis remain his favorite.

Meanwhile, the standard blue-collar onion is being used everywhere across the planet in an array of dishes. In Denver, Jim Pittenger uses more than 25 pounds of sliced yellow onions on a good day at his now-famous Biker Jim’s Gourmet Dogs restaurant on the city’s downtown 16th Street Mall. He cooks Coca-

## FUN FACTS ABOUT ONIONS

- Onions were in the Pilgrims’ baggage on the Mayflower, but they soon discovered that wild onions were already a staple for the New World’s longtime residents.
- Approximately 87 percent of the commercial onion crop in the U.S. is yellow onions, with 8 percent red onions and 5 percent white onions. An estimated 20 percent of onions are fresh-cut or processed for retail or foodservice.
- 20 pounds: The amount of onions the average American eats per year (versus more than 60 pounds or so annually for the average Libyan).
- “Onion Rings” have their own Facebook page, which is “liked” by more than 18,000 people.

- Why you cry: Chopping onions creates Syn-Propanethial-S-oxide, which irritates your eyes.
- Onions are the nation’s third largest fresh vegetable industry.
- If you eat parsley after consuming raw onions your breath will be a little nicer (but you still probably shouldn’t kiss anyone)
- New York City was briefly known as The Big Onion.
- The world’s oldest cookbook from Mesopotamia includes many references to onions, leeks, garlic and shallots.

Sources: BBC; National Onion Association

## Know your alliums

Garlic: *Allium sativum* Onion: *Allium cepa* Leek: *Allium ampeloprasum*  
Chives: *Allium schoenoprasum* Shallot: *Allium cepa* var. *aggregatum*

Cola-soaked onions on a grill and tops his grilled jalapeno cheddar elk bratwursts with the dark, sweet onions and a squirt of cream cheese.

"I use yellow onions. No need springing for nice Maui onions or Vidalias since they get cooked in Coke anyway," says Pittenger. The dogs became so popular that the street cart spawned a brick-and-mortar location.

"White onions are also experiencing some growth in use," says NOA's Reddin, "largely because they are called for specifically in a wide range of Mexican and Latin American dishes."

Datassential showed white onions growing 7.2 percent in 2013-14. Kale, of course, followed by Shishito peppers and sunchokes also topped the list of popular produce items.

## NUTRITION PROFILE

Another key reason onions are finding their way into menu items across the country is that they boast a nutritional profile that rivals other produce items. Onions are fat-free, low calorie, low sodium, a good source of vitamin C and folic acid, contain dietary fiber and can support the body's immune system.

School lunch programs across the nation



In Denver, Jim Pittenger uses more than 25 pounds of sliced yellow onions on a good day at his now-famous Biker Jim's Gourmet Dogs restaurant

PHOTOGRAPHY BY KIM LONG

are looking for new ways to put more fresh produce on the tray that kids will be eager to eat. Carrots, tomatoes, cole slaw and corn top the favorite vegetable list in his schools for kids, says Jason Morse, executive chef of the

Douglas County School District in Colorado. Onions aren't even on the list, but that doesn't stop Morse. He doesn't think onions are too strong for kids' palates, just that they've been incorrectly prepared. When it comes to onions,

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**“My mission is to find new recipes and get the kids to try them. Down the road, who knows? Maybe a French onion soup.”**

—Jason Morse, Executive Chef of the Douglas County School District in Colorado

raw is wrong.

“Everybody started putting raw onions on the salad bar or on burgers and the kids won’t eat them,” he says. “You have to be a little sneaky and include the onions in dishes kids already like.”

The menu also can’t be chicken nuggets every Tuesday any more. “We have to offer

variety. Kids get bored easily,” says Morse of the 20,000 to 30,000 children (out of about 67,000 students) he serves lunch to every school day.

Morse developed several recipes including honey-stewed onions, which he uses on the onion sausage pizza and balsamic veggie pizza. He also integrates onions into pasta sauces and



PHOTO COURTESY OF NATIONAL ONION ASSOCIATION

Mexican items including salsa.

“My mission is to find new recipes and get the kids to try them. Down the road, who



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knows? Maybe a French onion soup,” he says. It’s easier to try new things now, Morse explains. “The kids have tasted it already at Panera Bread Co.,” he says.

Reddin notes that the NOA is working on recipes for school lunch programs — including a roast beef sandwich with onions and a kale and quinoa salad with chicken, apple and sautéed onions that can also be vegetarian.

“Adding new onion flavors is getting easier for restaurants, caterers and school systems,” says Reddin, “because processors are introducing convenient products.” She points to the IQF roasted onions available from Dickinson Frozen Foods in Fruitland, ID.

Looking down the road, organically grown onions are gaining popularity based on the

## “Adding new onion flavors is getting easier for restaurants, caterers and school systems, because processors are introducing convenient products.”

— Kimberly Reddin, National Onion Association

growth of Whole Foods Markets and other natural and mainstream merchandisers embracing organic produce sections. The NOA doesn’t track sales of organic onions at this time.

A look at even just a sampling of fine dining and farm-to-table menus across the county shows that onion’s allium cousins are

gaining notice — including heirloom garlic varieties, ramps, garlic scapes and black garlic. Will they too make their way onto casual restaurant menus?

Perhaps iconic chef Julia Child, who was honored last year on a U.S. postage stamp, put it best: “It’s hard to imagine civilization without onions.” **pb**

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# Promoting The Versatility Of Leafy Greens



Kale paved the way for experimental varieties and consumer demand. Now retailers have options to grow sales and inspire shoppers.

BY ANTHONY STOECKERT

**L**eafty greens have it all: taste, versatility, affordability and lots of health benefits. Some leafy greens are the basis for salads and sandwich toppings, of course, but others are used as ingredients for meals, soups, salads, and as side dishes.

So it's no wonder that vegetables falling into this category are big sellers. With so many different types of leafy greens available and creating different trends, it's important for produce departments to not only stock the right leafy greens, but to merchandise them to maximum effect.

According to Bridget Boskovich, who handles marketing and advertising for Boskovich Farms Inc., based in Oxnard, CA, popular leafy greens are Romaine, red and green leaf lettuce, spinach, red and green cabbage, red, green, and black kale, and

collards. All of these are available in organic or non-organic.

"Kale continues to be extremely popular, and cabbage is quickly becoming popular as well," says Boskovich. "Health movements, such as juicing, in addition to cooking shows and networks incorporating healthier recipes have led to leafy greens becoming popular."

## HEALTHY AND FLAVORFUL

According to the website of the Leafy Greens Council, based in Waterport, NY, leafy greens are an excellent source of vitamin A, vitamin C, as well as calcium, iron, fiber and other nutrients. Furthermore, it states the National Cancer Institute reported that foods high in vitamins A and C are associated with lower risk of certain cancers. The website also says a cup of chopped raw spinach has just 14 calories, half a cup of cooked collards has 38 calories, and all leafy greens are low in sodium, fat free, and cholesterol free.

"There is a surge in the category as a whole with the driving force being a customer base dedicated to healthy eating and flavor," says Garrett Nishimori, marketing manager and corporate chef for San Miguel Produce Inc., based in Oxnard, CA.

"Dark leafy greens aid in the fight against cancer, macular degeneration, heart disease

and more. Consumers are looking for new flavor and ethnic items like Bok Choy, Shanghai Bok Choy, and Gai Lan, which are also gaining popularity with Millennials and Generation X."

The growing popularity of leafy greens isn't solely due to their health factors. They are becoming popular in culinary circles as they appear more often on restaurant menus and in cooking shows.

"Time-strapped consumers are looking for quick and easy ways to renew with healthy eating habits," says Sylvain Racette, vice president, sales and marketing for Belle Glade, FL-based Veg Pro International. "Pre-washed and ready-to-eat leafy greens, conveniently package to preserve freshness, are definitely a hit in the produce section nowadays.

"Aside from introducing new leafy greens varieties to the public, the packaging is really where the innovation is," adds Racette. "As the product's freshness is really what drives the sale in the leafy greens, at Veg Pro, we pay special attention to our packaging by using clamshells, made of 100 percent recyclable plastic, that can be resealed once opened, prolonging the leafy greens' shelf life."

"Consumers are looking to expand their palate with new flavors," says Nishimori. "The excitement for kale grew from the nutritional



values that greens naturally offer. That enthusiasm has become a springboard to the whole dark leafy greens category. Chard, collard, mustard and turnip greens will all have their time to shine as they contain unique nutritional values, culinary versatility and flavor profiles. It's up to America to decide."

## ALL HAIL KALE

No doubt you know that kale is growing in popularity, largely because of its health benefits, and there are many types of kale to offer customers.

"Kale has been really popular in the recent years and praised by nutrition doctors for its nutritional value," says Pierre Dolbec, vice president, sales and procurement of Veg Pro International. "Unfortunately, its texture is not one that will please every palate. Easier and quicker to work with, baby kale is often preferred to the mature version. Following many assays to identify the right variety of baby kale to grow under the Florida sun, Veg Pro International is proud to offer a tender and sweeter kale to the consumers in its baby kale blend."

"Kale has always been a popular leafy green, but over the years — especially the past five years — chefs started incorporating it more into menus, and there was more information in regard to nutritional value," says Robert Schueller, director of public relations for Melissa's/World Variety Produce, Inc., based in Los Angeles, CA. "With that progression, growers grew more of it, allowing kale to be available year-round."

He adds that kale is a thriving category, with new varieties continuing to enter the market. One popular new product is kale sprouts. "It's possibly the biggest trend in the

## "Collard, mustards, and turnip greens once sought after for the popular Southern dish Mess-O-Greens are finding new culinary applications highlighting the versatility of the dark leafy greens."

— Garrett Nishimori, San Miguel Produce Inc.

leafy green category that you would find in produce departments across the U.S.," says Schueller. "That's probably because there are so many different varieties that are available beyond regular kale, like Tuscan kale and the new kale sprouts, which are a red Russian kale crossed with Brussels sprouts . . . there's also purple kale and red kale, which is also referred to as flowering kale."

Nishimori notes that the popularity of kale helped lead to sales of other leafy greens. "Collards have traditionally been a popular Southern staple," he says. "However, recently, kale rose to become the superstar and increased consumers' willingness to try other dark leafy greens. Collard, mustards, and turnip greens once sought after for the popular Southern dish Mess-O-Greens are finding new culinary applications highlighting the versatility of the dark leafy greens."

## GOING LOCAL

Because they're healthy and a hot trend, many leafy greens are selling quite well. One way to make those sales even better, according to Boskovich of Boskovich Farms Inc., is to offer locally grown leafy greens. "Right now, people are gravitating toward locally grown items, so emphasizing the supermarket's support of locally grown produce can draw people in and make them more likely to purchase those products," she says. "Showcasing the health benefits of these items can also attract customers."

Boskovich recommends keeping a constant supply of quality and fresh produce items available. "Produce retailers need to keep up with the standards of their customers," she says. "Also, pricing and deals will attract customers and keep them coming back to the same store, because they can depend on and trust the consistency of your business."

## CROSS-MERCHANDISING

According to Melissa's Schueller, part of cross-merchandising includes grouping certain types of leafy greens together. Different types of leafy greens are used for different purposes, and Schueller says it's important to make it easy for customers to find what they're looking for.

"There are the hearty greens used mostly in soups and stews, which typically would be merchandised close to each other rather than with salad leafy greens like iceberg and Romaine," he says. "Even though you might see them close in the mister rack, you see them clumped together by use."

That means grouping raw-use leafy greens like Romaine, green leaf, red leaf, and endive separately from vegetables used in cooking such as kale, turnip greens, beet greens and collard.

Consumer demand to experience leafy greens expanded kale variations from produce suppliers and presented new opportunities for items such as baby bok choy.



## merchandising review ▶ leafy greens

Nishimori notes that a big part of cross-merchandising is knowing which seasons and holidays lead to increased consumption of dark, leafy greens. “Successful cross-merchandising opportunities will marry the appropriate items to the season or holiday,” he says. “For instance, during holidays that lend themselves to large family gatherings, it would be smart to work with the deli and meat departments to cross-merchandise dark, leafy greens with smoked turkey legs — providing a meal solu-

tion in store.”

Veg Pro’s Racette says leafy greens are the perfect complement to any ready-made dishes or to add extra vitamins to a meal. “Cross-merchandising them with refrigerated dressings and croutons is a natural avenue, but displaying salad blends next to the deli and grab-and-go sections is a simple way to raise retailers’ shopping cart revenues. Serving leafy greens as a side-dish salad to a pizza or BBQ chicken helps increase the ratio of vegetables in

the plate. On that healthy note, consumers also tend to eat kale, chard or baby spinach in smoothies, a trend that should also juice up the sales of fresh berries.”

### CHECKING IDENTIFICATION

One potential pitfall to the leafy green category is confusion on the part of consumers and checkout clerks, because it’s not always easy to distinguish one green from another. As more varieties become available and popular, it’s crucial to ensure all leafy greens are correctly identified and labeled.

“Retailers can use signage to help identify and clarify which type of leafy green shoppers are buying,” says Schueller. “When you’re dealing in bulk, a lot of the leafy greens blend in, so labels play a crucial role.”

He notes this makes bagged or packaged greens an attractive option. “One of the benefits of the bag category is that it’s an easy scan-through,” he says. “But in many cases, a lot of leafy greens don’t have a long enough shelf life in the bag category, so most retailers carry most of the greens in bulk with a twist tag or something to identify the product.”

Not only is accurate identification of leafy greens important for the consumers’ sake, it’s also important for retailers, because inaccurate scan-through at the register will make it harder for produce managers and executives to stock up on the right varieties.

“Retailers are finding it so critical to have the twist tags or the bands around them,” says Schueller.

### LET’S GET COOKING

Because leafy greens are often used as ingredients in dishes or salads and various hot meals, there are lots of options to share recipes with customers in order to increase sales. These recipes can be simple or more involved to cover all aspects of a meal.

“I think offering recipes gives a customer the opportunity to see how easy they [leafy greens] are to incorporate into everyday meals,” says Boskovich. She adds Boskovich Farms’ upcoming website redesign will offer recipes and allow visitors to share recipes.

In addition to meals or side dishes, Boskovich says kale can be a great snack. “One of my favorite recipes is kale chips,” she says. “All it takes is three ingredients and an oven. I cut the kale into bite-size pieces, toss in some extra virgin olive oil, salt and pepper, spread a single layer onto a baking sheet and pop it in the oven. Bake until desired crispiness, and enjoy. It is a healthy, quick and low-calorie snack.”

pb

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# Increasing Carrot Visibility



## Fresh-cut, snack packs and kid appeal broaden sales potential.

BY LISA WHITE

**D**ue to the convenience of fresh-cut varieties, the sweet taste and the many health benefits, carrots are typically an easy sell for produce departments compared with other vegetables.

This doesn't mean retailers should overlook merchandising opportunities that can increase the visibility of these products, along with profits for the store.

Carrots are a big item for Cottonwood, CA-based Holiday Quality Foods, a neighborhood supermarket chain with 12 locations in Northern California.

"We carry organic carrots, both packaged and loose, as well as the conventional type," says Rick Rutte, the chain's produce director. "We do really well with the 25-pound packs of carrots due to the juicing trend and for horse feeding in rural areas."

Babbs Supervalu in Spencer, IN, part of the 3,420-store Supervalu chain headquartered in Eden Prairie, MN, has a strong carrot busi-

ness, as well.

"Our carrots are excellent sellers," says Tony Moore, produce manager of Babbs Supervalu. "We carry conventional, organic and fresh-cut in different size bags and bunches, which are all unbelievable in terms of the popularity."

## FRESH-CUT INNOVATIONS

The advent of fresh-cut carrots has been a boom to the segment, as it provides added convenience for consumers and increased profits for manufacturers and retailers.

"Obviously, the mini carrots have been a huge success [for produce departments], especially the petite variety," says Rutte. "We also added rainbow carrots and mini packs to our selection, which continues to grow."

In response to the growing potential of these products, Bakersfield, CA-based Bolt-house Farms launched Carrot Sticks, a classic healthy snacking option that is geared for dipping and party trays.

Targeting consumers who prefer organic carrots, the company introduced Organic Premium Matchstix, Organic Premium Sweet Petites and Organic Carrot Chips.

"Consumers are constantly seeking convenient, fun and interesting ways to consume fruits and veggies," says Carolyn Tao, Bolt-house Farms' senior director of marketing.

Colorful Harvest LLC, based in Salinas, CA, continues to grow its carrot acreage due to the demand for the company's cut and polished mini rainbow carrots.

"We just can't grow enough," says Doug McFarland, Colorful Harvest's marketing director.

"We grow and market Rainbow Crunch mini-carrots in a convenient 1-pound bag, and have been looking at packs that combine Rainbow Crunch carrots with multi-colored cauliflowers."

Carrot snack packs that combine dips, such as hummus and ranch dressing, have become increasingly popular in the fresh-cut category.

In response to higher material prices, the packaging options are still evolving for these lines. For example, Bakersfield, CA-based Grimmway Farms moved away from the traditional rigid-type film overlay, zipper pack with its fresh-cut carrot snack packs.

"In the past, this retail unit would include three individual-serve dippers per pack," says Bob Borda, Grimmway Farms' vice president of marketing. "We redesigned this packaging to move away from the rigid tray to a poly-type bag. This helps push a lot of the cost out."

This four-pack line, which includes 2 ounces of carrots and .5 ounces of dip in individual bags that are banded together, retails

for as much as \$1 less than the rigid tray. It is positioned to attract those seeking grab-and-go snacks.

Grimmway Farms also recently launched an organic multi-color shred carrot, which can be added to stir fry dishes, steamed or used as a salad topper.

“The purple, orange, yellow and white carrots provide different nutrition values and are a fun and unique item for the produce category,” says Borda. “This line also plays on the trend of colored tortilla chips.”

### MAXIMIZING MERCHANDISING

There are a number of ways to increase the carrot category’s profile at the store level.

Babbs Supervalu’s produce department has two carrot sections. One includes organic varieties alongside salad ingredients, while the other incorporates conventional carrots with cauliflower, broccoli, packaged salads and other cut vegetables.

“We try to keep carrots by the radishes to add color and tie in with other products,” says Babbs Supervalu’s Moore. “We don’t do any organized promotions for these products, other than sampling on veggie trays. We don’t need signage, since carrots are a strong seller for us.”

Holiday Quality Foods utilizes carrots as a color break in its displays and also integrates organic and conventional types in one display.

“We’ll often use packaged fresh-cut carrots as a barrier against cross-contaminating organic and non-organic product,” says Holiday Quality Foods’ Rutte.

Bolthouse Farms recommends retailers merchandise all carrot lines together to create a destination and encourage cross-purchasing of different types.

“It’s also a great idea to have secondary merchandising locations based on usage occasion to truly maximize sales and drive impulse

purchases,” says Tao. “For example, it makes perfect sense to have a secondary location for Premium Matchstix next to salads and for Bolthouse Farms Organic Juicing Carrots to be located next to other juicing fruits and vegetables.”

A carrot destination or hybrid set can successfully be developed utilizing all value-added carrot items together and adjacent to the packaged salad section. This can include add-ons like dressings and toppers. This helps facilitate cross-merchandising with other produce items.

“Retailers can then move whole and bunched carrots down to the wet rack with the other cooking vegetables geared for stews and soups,” says Grimmway Farms’ Borda. “This also provides a color break in the wet rack.”

By placing all value-added carrot items in one section, retailers also help eliminate the inevitable price comparison between conventional and fresh-cut products. This tactic leads to upselling consumers into the value-added category, rather than encouraging price shopping with these products.

Although it can be difficult to incorporate recipes in today’s retail format, there is an opportunity for retailers to expand on the use and purchases of carrots by doing so.

This can include integrating a recipe card rack in the produce department or a QR code that customers can scan with their phones to download information. There is also an opportunity to include usage ideas right on the bag of fresh-cut product.

More manufacturers, including Grimmway Farms, are posting recipe ideas on their websites.

“It’s a traditional method that’s not out of the box, but it works, and we can continually update these recipes,” says Borda. “We also will post people’s favorite recipes on our website, so it’s a place to share ideas.”

In addition, Grimmway Farms finds it effective to send email blasts

**“Retailers can then move whole and bunched carrots down to the wet rack with the other cooking vegetables geared for stews and soups. This also provides a color break in the wet rack.”**

— Bob Borda, Grimmway Farms

of recipe books to its customer base.

New formats expanded the potential of this category. For example, the more recently popular rainbow carrots are a colorful option for vegetable platters as well as a variety of entrees. This vegetable also remains popular as an ingredient for juicing; sautéed in a veggie omelet to add color; slivered, sliced or grated in salad, pasta, vegetable medleys and stews; or pureed with stock and roux for a soup base.

“Cross-merchandising salad fixings, dips and dressings with our Rainbow Crunch carrots is a great way to stimulate sales,” says Colorful Harvest’s McFarland. “Carrots are so versatile that they can fit into just about every meal of the day.”

Couponing provides another merchandising opportunity at the store level. Produce suppliers can partner together to cross-merchandise complementary items, such as salad, dips and shelf-stable salad dressing.

Grimmway Farms partnered with storage bag suppliers in this way.

“One effective tool that works well is on-package couponing,” says Borda. “For example, customers can purchase a bag of carrots and save 75 cents on packaged salad.”

### CREATING KID BUZZ

Like backpacks and school supplies, carrots have become a hot fall item for kids’ lunch boxes.

“When school starts, our carrot sales really pick up,” says Moore of Babbs Supervalu. “This is especially the case for our carrot snack packs, which have four bags banded together.”

To encourage kids to eat more carrots and provide parents with more convenient snack





Some suppliers recommend placing all carrot lines together to create a destination and encourage cross-purchasing different carrot types.

options, Bolthouse Farms recently launched Veggie Snackers, baby carrot snacks in Carrot Meets Ranch and Carrot Meets Chili Lime varieties.

“The individual-sized bags unleash tremen-

dous flavor with all natural seasoning and just a pinch of salt,” says Bolthouse Farm’s Tao.

In addition to providing packaged fresh snacks geared for kids, the company is helping retailers create a new refrigerated

snack destination for kids in the produce section. The goal is to offer added convenience for parents looking to make good food choices for their children.

Fortunately, carrots are a produce item that tends to be a favorite of the younger set.

“Kids love the colors, fine texture and sweetness of our Rainbow Crunch mini-carrots,” says McFarland. “Cross-merchandising Colorful Harvest mini-carrots with other children’s munchables also is a great way of reminding families of this healthful snack option.”

For manufacturers, creating an affordable, portion-size carrot product that appeals to kids helps expand the demographic of this category.

“Moving down from \$1 per serving to between 50 and 60 cents per serving should be the goal,” says Borda. “Kids are familiar with carrots and like them as a snack, but we are looking to enhance the category with new and different ways to complement these products in the future.”

By incorporating more dipping and pairing opportunities, manufacturers can grow the carrot segment and entice even more consumers with these products. **pb**

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# The Power Of Packaged Nuts



## Dynamic displays reel in consumer dollars.

BY KRISTEN POPE

From pistachio ads featuring Stephen Colbert to marketing campaigns focusing on heart health, nuts are receiving a lot of attention these days. Nut producers and retailers are working to capitalize on this newfound spotlight in order to increase sales. Growing rapidly in popularity, packaged nuts appear in a wide variety of produce department products, from granola bars to chocolate-covered varieties.

“We grew our nut section 50 percent in the past two years,” says Brian Gibbons, store manager, Highland Park Market, a five-store independent market headquartered in Manchester, CT. To that end, the store added packaged nuts, granolas, and a variety of healthy mixes. “The nut business as a whole is growing quickly,” says Gibbons. While the market offers a variety of different sizes, one of its popular sellers is the 22- to 28-ounce “value pack” tub.

Nichols Farms in Hanford, CA, also focuses on a variety of sizes. Rudy Placencia, vice president of sales and marketing, prefers smaller sizes. “One thing you see across the

board at retailers are snack-size, 100-calorie packs,” says Placencia.

He also emphasizes the importance of offering healthy snacking options as health-conscious consumers comprise a large share of nut buyers. This sometimes means forgoing chocolate-dipped nuts and other indulgent creations.

“The problem is that for certain nuts, such as pistachios and almonds, where we try to market them as a healthy snack alternative, it’s sort of counter-intuitive when it’s [covered] in chocolate. They taste amazing, and you want to eat a lot of them, but that health factor goes out the window,” says Placencia.

“You’ll get folks who want to buy those types of snacks, but some contain lots of calories and bad fat. All of a sudden, you find yourself (from a marketing standpoint) going against what the industry is doing right now, which is promoting nuts as a healthy snack alternative,” he says.

### OFFER VARIETY

Keenan Farms, Kettleman City, CA, is one company offering several varieties of flavored pistachios and focuses on healthy aspects. “To meet changing consumer preferences, we’ll be rolling out a flavored line the first of the year,” says Beth Sequeira, sales and

marketing representative. “We will offer both salt and pepper and chili-lime in-shell pistachios.”

Nichols Farms also offers flavored nuts. They tend to focus on more traditional varieties, since the flavored nuts make up a minor part of their market. “Flavored pistachios represent roughly 5 percent of total annual sales, so we don’t want to spend a ton of time investing in an entire portfolio of flavors, because you’re only chasing 5 percent of that business,” says Placencia.

A different kind of health appeal is key to marketing John B. Sanfilippo & Son’s Orchard Valley Harvest brand, which focuses on non-GMO products.

“Orchard Valley Harvest appeals to consumers who want a brand that feels authentic and close to the earth,” says Howard Brandeisky, senior vice president of global marketing, John B. Sanfilippo & Son, Elgin, IL. “Consumers are increasingly interested in brands that offer no artificial ingredients and are also non-GMO. Orchard Valley Harvest has been a leader in making a variety of such nut offerings available to consumers in the produce section.”

### EFFECTIVE MERCHANDISING

Dynamic merchandising practices are key

to driving sales. Gibbons says Highland Park Market focuses on 5-shelf racks and geometric packaging. “Our tubs are square, so they pack well and you can see the product from the label on the outside,” he says. “You don’t have to pick it up and guess. I prefer square plastic clamshell, and customers seem to like it. They can eat a couple and put the lid back on for later. We moved away from bags.”

Placencia notes a few successful merchandising techniques that he’s noticed in retailers, including displaying packaged nuts in high-traffic areas and centralizing the nut selection.

“Safeway does a pretty decent job at displaying shippers that are put right by heavy traffic area in produce, such as tomatoes or in front of citrus.”

Placencia also appreciates Kroger’s strategy of keeping nuts together. “They have critical mass in a consolidated area within produce. When you walk in, you see a lot of their nuts centralized right near, if not adjacent to, produce. It’s not just a single nut option; it’s an assortment. A wall of raw, roasted, and roasted-salted nuts. It really puts it front and center.”

Color and display is key to getting eyes on the packaged nuts in a bustling produce department. “The colors of the cranberries, apricots, and cashews really stand out,” says Gibbons.

“Color is big in produce — period, whether it’s fruit or nuts. From about the beginning of November through New Year’s, we set a couple of apple bins upside down and bring in large tubs and make huge displays.”

Using wooden displays is another strategy frequently used to emphasize the natural and healthy aspects of packaged nuts. “A common but effective approach for displaying nuts in the produce section is to use wooden produce crates as platforms for displaying nuts,” says Brandeisky. “The crates keep with the feel of the produce section while reinforcing that nuts are a naturally grown product like the fruits and vegetables available in the produce section.”

## COMBINE CATEGORIES TO MAKE A MEAL

Bringing meal components together in one place is a common strategy to increase the sale of private-label packaged nuts, along with other private label products, according to Nichols Farms’ Placencia.

“Cross-promoting within categories using the private label is important,” says Placencia. “For produce, you could have a private-label salad, sliced almonds, dressing, and croutons. If you want to be really innovative, attach a coupon for a dollar off chicken breasts. Health-conscious consumers will see the rack

and buy chicken for an Oriental chicken salad. Thinking outside the box is key.”

Placing holiday nuts near holiday produce items is also a sales driver, according to Placencia. “Put nuts front and center. For the holiday season, lay out sliced almonds, walnuts, and pecans near sweet potatoes, which is produce we tend to use a lot during the holidays. It’s nice looking and very inviting.”

He also notes “superfood” racks that feature pistachios, in addition to acai berries, quinoa, chia seeds, and other items, resonate with most health-conscious customers.

## SIGNAGE SELLS

Sports lovers savor nuts, and retailers merchandise accordingly. “We do a big promotion for the Super Bowl,” says Highland Park Market’s Gibbons. “In January and February, we launch a lot of heart-healthy items and health mixes. Easter is baking time. The only time we don’t have a big promotion is summer. Then we gear up for fall. September is back-to-school snacks. October and November are baking season. For a good seven to eight months out of the year, we have promotions.”

Brandeisky says the packaging on the product itself is a key part of the signage needed to sell nuts. “Signage is indeed important, but the most important ‘signage’ is the brand package itself,” says Brandeisky.

“The Orchard Valley Harvest graphics



The Orchard Valley Harvest brand focuses on non-GMO products. Howard Brandeisky, senior vice president of global marketing, says graphics were “designed to communicate pure and simple goodness, and a brand that is authentic and close to the earth.”

were designed to communicate pure and simple goodness, and a brand that is authentic and close to the earth. This is accomplished using beautiful graphics of the ingredients that offer appetite appeal while conveying the simplicity of the products.” The brand also uses header cards on displays to draw attention and drive incremental impulse purchases.

## PRICING POINTS

In terms of pricing packaged nuts, Gibbons recommends a \$5.99 to \$6.99 price point for 8- to 12-ounce tubs, and larger tubs from \$7.99 to \$14.99, depending on the item. “Nothing more than the \$15 mark,” says Gibbons.

Brandeisky says consumers know nuts are a worthwhile purchase, even if they cost more than a bag of chips. “Nuts are more expensive than many other sweet or savory snack options, but the overall nut category has been growing as consumers are increasingly interested in great tasting snacks that they can feel good about eating.

“Given the price consumers pay for nuts, the most important thing is to offer them a high-quality product that is worth the price they paid.”

## MAKE ROOM FOR NUTS

It’s important to ensure packaged nuts have enough display space allocated. Gibbons finds 5-foot-tall displays about 12-feet long seem to do the trick. “We have almost 60 linear feet of packaged nuts — that’s just everyday nuts and does not include promotional items,” he says.

With nuts bringing in strong sales, nut sellers encourage retailers to make them a dominant component in displays. “Nuts are a high-dollar ring for the retailer,” says Placencia. “So why not dedicate a nice amount of real estate throughout the store to nuts?”

Keenan Farms’ Sequeira agrees. “Of course we think the more space dedicated to pistachios, the better. It’s a strong ring at the cash register, so the benefits to the produce category are tremendous.”

John B. Sanfilippo & Son’s Brandeisky emphasizes that dynamic and eye-catching displays are important to draw consumers who otherwise may leave the store without a single package of nuts. “Displays are an important vehicle for driving impulse sales of nuts. Consumers often don’t have nuts on their ‘produce shopping list,’ so a display is a great way to drive the incremental impulse purchase. And packaged nuts can have a longer shelf life than many perishable fruits and vegetables, which also helps the economics for the produce manager.”

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# True Strategic Planning

BY DON HARRIS

In boardrooms and conference rooms throughout the industry, the first of the year initiates deep discussions on what should be the strategic direction of the company. Management often uses these meetings to promote their vision of what the company should do moving forward. This agenda is dominated by what has been successful and what can be done to continue on a certain path. This is not true strategic planning as it concentrates on tactical solutions to problems as opposed to looking for new and successful ways to sell product. This focus on tactics as opposed to strategy further proves the point that in many ways, management “just doesn’t get it!”

In the world of produce, strategic thinking is basically focused on gaining competitive advantage over others in your marketplace by executing tactical direction better than the opposition. Basically, all produce companies use the same strategic vision to sell produce through retail marketing philosophies and displays in the produce department. This is not true strategic planning, and — at best — can be called “tactical initiatives” developed to initiate superior execution and attraction of customers to the department and its displays. While these types of activities are innovative, they are not truly strategic, as they do not fundamentally change the way of selling the product.

In recent times, the only truly strategic changes occurred in terms of Internet and virtual shopping using the phenomena of personal media and technology. This method is truly a different way to sell produce to the consumer and is in infant stages. The question is, does this truly qualify as strategic, or is it just another tactical solution? Some say that farmers markets are a new strategic direction. This certainly would not qualify as new since farmers markets are the main exchange points in underdeveloped countries and were the forerunners of today’s supermarkets. In other words, these can be looked at as a step backward in terms of providing a new way to get things done.

In light of the present situation, what would qualify as “true strategic planning”? To avoid falling into the trap of pursuing more tactical solutions to further the same strategy of selling produce, we must look into new ways of getting our products into the hands of the consumer. This will require a great deal of thought and the difficult task of discarding present operational philosophy.

The development of a truly “new” strategy would really concentrate on how to deliver the wants and needs of the customer in the most efficient way possible. Would this include the present system of

departments within stores and Internet or virtual use of these departments to make roadies available to the customer? Or would it require a complete rethinking of the distribution channels to come up with the best possible, least wasteful, direct link to the consumer? It is precisely this type of thought and examination of the industry that is needed to truly produce a revolutionary strategic vision. While the initial beginnings of this type of examination may not yield the desired result, it would be the required initial step to begin the conversation and the search for the next true breakthrough in our industry.

This is an analytical process that is long overdue in our industry.

It is something that the entire industry must participate in — not just the retailers at the end of the chain. Ideas and concepts need to be developed throughout the distribution and selling system to actually move the process forward. The breakthrough may come in the form of one singular idea or a combination of proposals from throughout the industry.

The key point is we need to move on a new approach to business as soon as possible as a complete industry. While it would seem that the next great strategic initiative would be a tremendous advantage for a single company to develop and utilize, it only goes to reason that such a

vision would benefit the industry in a far greater measure as a whole. Such a vision would help everyone from grower to retailer and would move the entire industry to that next level. Once established as the true strategic goal, everyone could return to the old way of developing superior tactical executions to enhance their own company’s version of this strategy.

In any case, now is the time to have this discussion as the industry is at a true crossroads to challenge future growth. To delay this dialogue and planning would run the risk of having events in the future force an inferior solution upon the industry. We all have had experience with this situation before and do not wish to experience it again.

**Ideas and concepts need to be developed throughout the distribution and selling system to actually move the process forward.**

*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.*





# A Conversation With JDM Food Group's Darren Bevan

INTERVIEW BY STEVE MAXWELL

**P**resent across the fresh and food processing sectors, the U.K.'s JDM Food Group is a US\$52m business that also works as a major importer of exotics — including sweet potatoes, asparagus and lemongrass — for direct sale to grocery retailers and food manufacturers.

The company, which is based in Lincolnshire, Northern England, specializes in loose, pre-packed and prepared vegetables, while it also markets U.S. brand Fresh Gourmet's (based in New York, NY) products in the U.K.

JDM's commercial director, Darren Bevan, has 22 years' experience in account and national account management, 15 of which have been within the fresh produce and food manufacturing sectors.

Starting in frozen with an independent wholesaler, Bevan progressed to become an area sales manager for Kent, England-based Brake Brothers — one of the U.K.'s largest food companies — before moving into manufacturing with Kitchen Range Foods.

Bevan moved into fresh produce in 2007 when he accepted a position at JDM Food Group and has since played an active part in growing the business from US\$9m to US\$52m in this period.

## Could you tell us about JDM and how it became involved in fresh produce imports from the US?

JDM built its business on the supply of goods (primarily garlic and ginger) into the U.K. retail sector as well as the provision of ingredients-based solutions to the U.K. food-manufacturing sector. As part of the retail development, we were offered the opportunity to tender for the supply of sweet potatoes to a major U.K. retailer. For the past six years, working hand in hand with our growers, we have been consistently supplying high-quality sweet potatoes for the U.K. consumer. Sweet potato consumption in the U.K. is on the increase, and we expect to see continued growth in this area.

## Where do you principally source from in terms of U.S.?

The sweet potatoes come from North Carolina, where we work with six growers — all within a 40-mile radius of the town of Wilson. These are sold direct into retail, pre-packed or loose, as well as the manufacturing sector for salad accompaniments and snacks.

Fresh Gourmet products (including crispy onions and jalapeño peppers) are shipped from Los Angeles. We have a set up with those guys where we work with them to supply the U.K. market, including croutons under the Fresh Gourmet brand to Tesco.

## What varieties do you import from the U.S., and in what kinds of volumes?

We principally ship Covington variety sweet potatoes and a small percentage of Murasaki. In total, we ship 11,000 tonnes per annum. We are anticipating significant growth on these volumes.

## In your opinion, what further opportunities do you see for U.S. fresh produce in the U.K. and Europe?

None for our particular category, however there are opportunities for products such as asparagus, strawberries and sweet corn, among others. For asparagus, in particular, there should be opportunities when the Peruvian or Spanish markets have issues. Opportunities also exist for U.S. strawberries that can be developed further.

## Are there any challenges that would have to be overcome before this could be achieved?

There are constant challenges, whether they are the supply chain, leverage, port costs, shipping costs and challenges around those in terms of oil prices. There are also continual challenges around the climate, which are clearly more grower-focused. For example, growers experienced a lot of rain during production and harvesting last year, which led to problems regarding sizing and splitting on the potatoes. As a result of the rain, there were a lot of big potatoes around last year and not a lot of small ones — for retailers, this factor represented

a huge challenge. Just getting from port to point of packing is also a constant challenge and then of course there's strong competition from places like Spain and Israel at certain times of the year.

## Are there any products present in the U.S. market that you believe have the potential for big success in the U.K. and Europe?

The U.S. has an exciting range of added-value products, which would dovetail nicely into the U.K. market — whether they are imported from the US or produced in the UK would be down to simple economics.

*Darren Bevan JDM's commercial director has 22 years' experience in account and national account management, 15 of which have been within the fresh produce and food manufacturing sectors covering all temperature regimes from chilled to ambient and frozen. Bevan moved into food following an earlier career in the U.K.'s Royal Air Force, where he was involved in servicing some of the world's most powerful fighter jets, followed by time spent in the exhibition and automotive industries in commercial roles.*

*Married to wife Gail for 26 years with two sons, Bevan is heavily involved with the local soccer scene in his home town of Boston, England, working with a men's senior team, a youth U15 team, and what he calls his 'Mini Kickers', a group of 4- to 5-year-olds who are just beginning to enjoy the sport.*

*A UEFA qualified coach who has been working in soccer for over 10 years, Darren also runs to keep fit and for the last two years has entered the London 10K to raise money for Macmillan Cancer.*

**The U.S. has an exciting range of added-value products, which would dovetail nicely into the U.K. market.**

# CELEBRATING 90 YEARS

In the early 1920s, the late husband and wife team, Walter and Ernestine Rawl, started a local business, known as the Walter P. Rawl Farm, selling peaches. In 1970, the business began a transition to selling greens and specialty vegetables and became known as Walter P. Rawl & Sons. In 2010, the company once again rebranded into what is now WP Rawl.

The photo of Walter at the company packing shed was taken in Gilbert, SC, during the 1950s. The company moved its headquarters from Gilbert to Pelion, SC, in 2004.

Today WP Rawl continues to operate as a “family farm” with nine family members working in the business along with an additional 500 employees. The third-generation, family-owned-and-operated business celebrates its 90<sup>th</sup> birthday this year.

“We are so excited to celebrate this milestone with everyone who helped us along the way,” says Ashley Rawl, vice president of sales, marketing and product development for WP Rawl. “When my grandfather, Walter Rawl, first started the business, he was told that he would never make enough profit to pay off the land. Today, not only is business thriving, we established WP Rawl as the category leader in leafy greens and built great relationships with our employees and customers.”

To ensure that business thrives for future generations, WP Rawl



puts innovation and sustainability at the forefront of business while also giving back to the industry and the communities it serves, and continues to live by the company motto: “Our business is growing.”

In 2014, WP Rawl began upgrading the lines responsible for leafy greens processing at its Pelion headquarters. The updates will increase the company’s capacity — almost doubling its current capabilities.

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