

produce business

MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT



Helping Hands

Retailers and manufacturers increase their reliance on sales and marketing agencies.

INSIDE:

THE PUNDIT LOOKS AT FOOD SAFETY AUDITING
CLAMSHELLS • MEXICAN PRODUCE • ORGANICS
MUSHROOM MARKETING • WINTER APPLES • CHILEAN WINTER FRUIT
PEPPER MERCHANDISING • SPECIALTY CITRUS • TROPICALS • PEANUTS



Introducing **NEW** Extra Veggie™ Salads!



Inspired by consumer demand for **more veggie crunch** and **more veggie flavor** in every bite, Dole's NEW Extra Veggie™ salad blends come with a revolutionary stay-fresh pouch of veggies. These three unique varieties are sure to bring an increase in category sales!

For more information, contact your Dole Sales Representative.



COVER STORY

- 21 HELPING HANDS: “BROKER NETWORKS” DELIVERING VALUE**
 Retailers and manufacturers increase their reliance on sales and marketing agencies.

COMMENTARY

- 8 THE FRUITS OF THOUGHT**
 Weighing In On Immigration
- 78 RETAIL PERSPECTIVE**
 Disparities
- 80 EUROPEAN MARKET**
 A Focus On Flavor And An Aligned Supply Chain (Part I of II)

IN THIS ISSUE

- 4 THE QUIZ**
- 6 WASHINGTON GRAPEVINE**
- 12 PRODUCE WATCH**
- 14 RESEARCH PERSPECTIVES**
- 15 COMMENTS AND ANALYSIS**
- 16 TRADE SHOW CALENDAR**
- 82 INFORMATION SHOWCASE**
- 82 BLAST FROM THE PAST**

p. 58



p. 26



p. 54

FEATURES

- 26 SPECIALTY CITRUS: MARKET AND MERCHANDISE TO SWEETEN SALES**
 With plenty of new varieties hitting the market, retailers should take the time to educate consumers with plenty of signage and smart marketing techniques.
- 34 CLAMSHELL MARKETING: SAVING MONEY BY REDUCING SHRINK**
 Be it berries, potatoes or apples, clamshells are proving their worth and showing up all over the produce department.
- 41 MEXICAN GROWTH AND OPPORTUNITY**
 New developments in products, logistics, and market positioning allow for expansion of successful relationships and business-building with Mexico.
- 48 MERCHANDISING PEPPERS: TASTE THE RAINBOW**
 The popularity of peppers continues to grow, as consumers experiment with a variety of colored peppers, and minis, too.
- 50 MATURE ORGANIC CATEGORY CONTINUES TO GROW**
 As more traditional supermarkets bring organic produce into the mix, these departments are refining merchandising strategies.
- 54 SIX WAYS TO COOK UP MORE PROFITS THIS WINTER WITH MUSHROOMS**
 Play to every demographic with smart marketing, tasty demos and powerful POS.
- 58 MAINTAIN A-PLUS APPLE SALES AFTER THE FIRST OF THE YEAR**
 Controlled-atmosphere apples are a welcome addition to the winter produce department.
- 65 MAXIMIZING CHILEAN WINTER FRUIT SALES**
 Combining good merchandising basics with creativity and research can add up to a profitable Chilean winter season.

DEPARTMENTS

MERCHANDISING REVIEWS

- 70 *Tropicals Earning Their Place In The Sun***
 Attention-grabbing displays and educating consumers are two key points to selling more tropicals.

DRIED FRUIT AND NUTS

- 75 *Peanuts: An American Tradition***
 Supply challenges will keep processors and retailers on their toes to ensure the crop stretches through the year and still provides consumers with value.

SPECIAL FEATURES

- 18 FROM THE PAGES OF THE PERISHABLE PUNDIT**
 Auditing And Food Safety: California Agencies Weigh In On Cantaloupe Crisis



p. 70

THIS MONTH'S WINNER



Tom Egler
Produce Buyer
Supervalu
New Stanton, PA

Tom Egler has been at Supervalu for nine years, where he works as a produce buyer, and is responsible for procuring all fresh produce for the Eastern region, which encompasses around 150 stores.

While Egler's experience at Supervalu is far-reaching, he has actually been in the produce business for nearly 30 years. "I started right out of high school as a produce manager in a local supermarket, and have been doing it ever since," he says. "It's a fun business to be in, and it's healthy! It's always changing and there's always something new

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

to look forward to in the business."

Egler notes that locally grown is definitely popular in the areas he works. "During summer — August, mostly — everyone clamors for local, home-grown crops. It's a big deal up here, so we make sure to have home-grown blocks in our ads."

Egler keeps abreast of trends in the industry. "We read PRODUCE BUSINESS monthly at the warehouse," says Egler, who has been getting the magazine for "quite some time." He adds, "It makes the rounds through everyone's desks in the office. The staff always finds great merchandising tips, and it's fun to read about the markets, too."

WIN AN ICELESS WINE CHILLER

The electronic wine chiller is a must-have for wine enthusiasts. Using advanced thermoelectric technology, the tabletop wine chiller cools or warms wine to the optimal temperature. A backlit LED screen displays current and target serving temperatures, and a quick chill feature brings your wine to the ideal temperature fast.



QUESTIONS FOR THE JANUARY ISSUE

- 1) Name three of the "Partners In Research" for the Center for Produce Safety. _____

- 2) What 2012 Bowl Game is the Chilean Hass Avocado Committee sponsoring? _____

- 3) What is the fax number for LGS Specialty Sales Ltd.? _____
- 4) Name three apple varieties harvested in New York's Apple Country? _____

- 5) Where in California is Prime Time Produce located? _____

- 6) Who is in charge of international sales at Southern Produce Distributors Inc.? _____

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

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

Photocopies of this form are acceptable. Please send answers to:
JANUARY QUIZ PRODUCE BUSINESS • P.O. Box 810425 • Boca Raton, FL 33481-0425

JANUARY 2012 • VOL. 28 • NO. 01 • \$9.90

P.O. Box 810425 • Boca Raton • FL 33481-0425
 Phone: 561-994-1118 • Fax: 561-994-1610
 producebusiness@phoenixmedianet.com

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

PUBLISHER/EDITORIAL DIRECTOR
 Ken Whitacre
 KWhitacre@phoenixmedianet.com

SPECIAL PROJECTS EDITOR
 Mira Slott
 MSlott@phoenixmedianet.com

ASSISTANT EDITOR
 Jennifer Leslie Kramer
 JKramer@phoenixmedianet.com

CIRCULATION MANAGER
 Kelly Roskin
 KRoskin@phoenixmedianet.com

EXECUTIVE ASSISTANT
 Fran Gruskin
 FGruskin@phoenixmedianet.com

PRODUCTION DIRECTOR
 Diana Levine
 DLevine@phoenixmedianet.com

PRODUCTION LEADER
 Jackie Tucker

PRODUCTION DEPARTMENT
 SUNSHINE GORMAN
 FREDDY PULIDO

TRADE SHOW COORDINATOR
 Jackie LoMonte
 JLoMonte@phoenixmedianet.com

CONTRIBUTING EDITORS
 Meredith Auerbach, Carol Bareuther,
 Melinda Goodman, Bob Johnson,
 Jodean Robbins, Barbara Robison

ADVERTISING
 Eric Nieman, Associate Publisher
 ENieman@phoenixmedianet.com

Sandy Lee
 SLee@phoenixmedianet.com

Bill Martin
 Martinmedia45@peoplepc.com

Colleen Morelli
 CMorelli@phoenixmedianet.com

Ellen Rosenthal
 ERosenthal@phoenixmedianet.com

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

Send insertion orders, payments, press releases,
 photos, letters to the editor, etc., to
 PRODUCE BUSINESS, P.O. Box 810425
 Boca Raton, FL 33481-0425
 PH: 561.994.1118 FAX: 561.994.1610

PRODUCE BUSINESS is published by Phoenix Media Network,
 Inc. James E. Prevor, Chairman of the Board
 P.O. Box 810425, Boca Raton, FL 33481-0425.
 Entire contents © Copyright 2012
 Phoenix Media Network, Inc. All rights reserved.
 Printed in the U.S.A.
 Publication Agreement No. 40047928



SOUTHERN PRODUCE DISTRIBUTORS INC.

"Quality Since 1942"

Sweet Potatoes for Better Health

Domestic & International Sweet Potatoes/Yams Year-Round

800-688-9267

Sales

**Brenda Oglesby • Frank Precythe • Kelley Precythe
Ivan Willis**

International Sales/Food Service

Bobby Daughtry • Carlos Quintanilla

Processed Sweet Potatoes

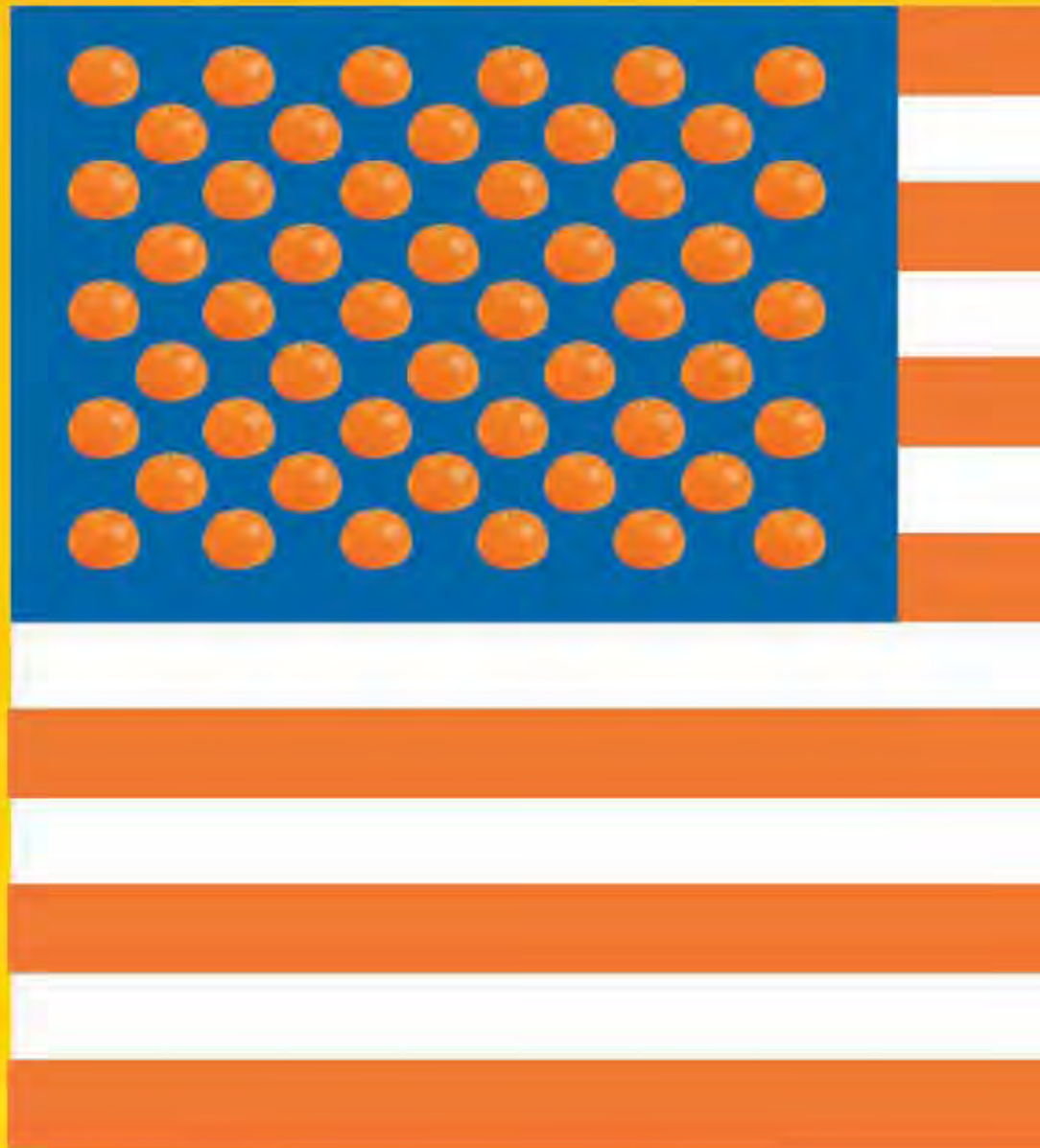
**Howard Fisackerly
Carlos Quintanilla**

Processed Peppers

**Stewart Precythe
Kelley Precythe**



GlobalGap, Gap Certified & Complete Traceability
www.southern-produce.com



Cuties are now available in all 50 states.

From sea to shining sea, sweet, seedless, E-Z Peel Cuties California Mandarins are now available for everyone. To celebrate this exciting eastward expansion, Cuties is running a new **\$15 million** advertising campaign, including national primetime

SWEET • SEEDLESS • E-Z PEEL



Is this a great country or what?

TV commercials airing now through April, national print and FSIs along with in-store promotions. Which means excitement for consumers. And sweet profits for you. So be sure to stock your produce department with delicious Cuties. Because united, we sell.

CALL YOUR CUTIES SALES REPRESENTATIVE AT 213-612-9957

WEIGHING IN ON IMMIGRATION

By James Prevor
President & Editor-in-Chief



There is little doubt that immigration is the great issue that will determine the shape of the produce industry's future. It is widely acknowledged that production depends heavily on illegal immigrants, and the recent "Silent Raids" on Chipotle have shown how important illegal immigrants are to the customer base.

Yet immigration reform is one of the most difficult issues to resolve. Part of this is because of a breakdown in trust. Over the years, there have been many immigration laws and many initiatives to block entry for illegals. Yet, in the end, there has been no serious and sustained effort on the part of the Federal Government to enforce the law. As a result, compromise with those looking to restrict immigration or those looking to ensure all immigrants are legal is almost impossible. That is why we have more than ten million illegal aliens in the country.

What many politicians don't seem to realize is that the various initiatives such as whether illegal aliens ought to get drivers licenses or in-state college tuition perplex citizens because if government officials know that someone is here illegally, the expectation is that they will call the police and have them detained, not that they will register them for school. Indeed Rick Perry's campaign for the Republican Presidential nomination has floundered, partly because Mitt Romney took an obscure issue related to Governor Perry's willingness to provide in-state tuition to illegals and promoted that until Governor Perry no longer seemed a viable option for many conservatives.

The President's focus on raiding businesses such as Chipotle is a way of playing both sides of the issue. On the one hand, these immigrants are mostly Democratic voters and so the political imperative is to legalize them and get them registered. On the other hand, the unions, an important Democratic constituency, want to avoid the competition with additional labor from other countries. So you have this kind of half-hearted effort where they make Chipotle fire the workers – this gets Union support – but they don't actually deport the people – thus preserving the future voter base.

The reality, of course, is that union protests aside, actually ending illegal immigration, unless accompanied by increased legal immigration or guest-worker programs, would be a transformational decision. There would be a substantial reduction in the availability of low wage workers, and this would lead to many changes, including a shift of production agriculture to outside the country. Although Chipotle's Co-CEO Monty Moran was recently the subject of a *Wall Street Journal* profile that focused on his efforts to have Washington "Fix Immigration," one suspects that restrictions on illegal aliens would probably benefit quick-

service restaurants, such as Chipotle, as full service restaurants are more labor intensive.

The produce trade's efforts have primarily been focused on extricating produce issues from the immigration mess and getting a separate guest-worker program. It would be a neat trick if it could be pulled off. The problem, of course, is that a guest-worker program for agriculture doesn't solve Chipotle's problem, and so it is difficult to build a coalition strong enough to pass such a bill. Which is why it hasn't happened.

There is a substantial argument that we should allow much larger legal immigration. In the end it is reasonable to assume that a larger, younger population will create a country better able to maintain its preeminence in the world and also it is reasonable to assume that a more preeminent country is better able to protect its interest in the world and thus to prosper.

There are several problems with this approach: First, it is a big-picture, long term perspective and thus hard to sell politically. Second, legal immigration would have to expand significantly for it to bring a lot of workers to areas such as produce harvesting as legal workers have more options for employment. Third, the long term benefit of immigration depends heavily on the immigrants being a productive and

civic-minded force in society. Many who have no ill will toward immigrants feel that the culture in the United States has changed in such a way that we are unwilling to demand this of immigrants.

Part of this is financial — a fear that immigrants will take benefits such as Medicaid or food stamps. Part of it is cultural — that the United States is unwilling to have educational and other policies to encourage a melting pot, such as mandating English.

This is why the trend in policy in this area is to encourage more legal immigration but only among those selected either for their ability to invest or for certain educational credentials. This is really a way of avoiding the question of how do you treat the "huddled masses yearning to breathe free" by not accepting many who are "tempest-tossed" and, instead, just accepting those who are already successful.

Politically, the issue often focuses on the illegal aliens who are already in the United States, but the Constitution provides a long term solution to that problem. Any child born in the United States is a citizen, so all illegal aliens will either leave the country or have their family lines eventually legalized as the older generation dies off.

Normally, industry associations look for narrow ways to promote the interests of their industry, but it seems that immigration is such a complex and important subject that we will either reach a new consensus on the kind of America we want to have, or we will muddle through with the existing laws. Details aside, there is a choice between an aging and smaller country and a younger, growing and more dynamic society. Let us hope the industry weighs in on the right side of that choice. **pb**

Immigration is such a complex and important subject that we will either reach a new consensus on the kind of America we want to have, or we will muddle through with the existing laws.

It's cold outside. Let's heat up some sales!

Add incremental growth to your value-added vegetable category this winter with Mann's Lo Mein Stir Fry.

**IT'S A
HOT ONE!**

Mann's Lo Mein Stir Fry

- Complete meal solution
- sauce & noodles included!
- Serves 4 in minutes.
- Family friendly!



Salinas, California 93901 | www.veggiesmadeeasy.com | 800.884.6266





THE TIMES, THEY ARE A CHANGING PREPARE FOR FOOD SAFETY RULES

By Ray Gilmer
Vice President of Communications

Produce food safety changes are coming. One year after passage of the FDA Food Safety Modernization Act, regulators are finalizing rules that will change the way we do business.

The first quarter of 2012 promises to see a flurry of discussions among produce industry stakeholders about the FDA's new proposed rules. United Fresh is already coordinating with other industry groups to develop comments to regulators about the proposed rules. Making sure the regulations are workable and true to the intent of Congress will be a top priority for United Fresh.

Industry stakeholders are talking about private industry standards, too. Audit requirements and product testing are often part of doing business these days.

The food safety bar is getting higher. Are you ready?

Help is on the way. In December, Dr. David Gombas, United Fresh Senior V.P. for Food Safety & Technology, joined Agriculture Deputy Secretary Kathleen Merrigan, along with leaders from food and agriculture organizations, to introduce a free online tool to help U.S. producers achieve Good Agricultural Practices (GAP) certification. The goal is to help ensure that farms are producing fruits and vegetables in the safest way they can. USDA's GAP audit verification program, administered by USDA's Agricultural Marketing Service, provides a roadmap to minimize risks of microbial food safety hazards. While not based on the new FDA food safety law, USDA's voluntary audit based program verifies adherence to the recommendations made in the Food and Drug Administration's *Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables*, which has set the path for food

safety since 1998.

The free online tool, developed by FamilyFarmed.org with funding from USDA's Risk Management Agency, helps growers design a customized manual to meet GAP certification requirements and mitigate business risks by



"We are happy to see the On-Farm Food Safety tool developed around the Produce GAPs Harmonized Standards, which will help operations prepare for audits using those industry-developed standards."

— David Gombas, United's Sr. Vice President for Food Safety

answering just a few questions. It is available at www.onfarmfoodsafety.org.

"The On-Farm Food Safety tool promises to be a great resource to operations that don't have the food safety resources or background to write and implement a successful food

safety plan," said Dr. David Gombas, United's senior vice president for food safety. "Presented in a 'Turbo Tax' format, operations can answer a series of questions and generate a food safety plan and recordkeeping that will get them started in the right direction. We are happy to see the On-Farm Food Safety tool developed around the Produce GAPs Harmonized Standards, which will help operations prepare for audits using those industry-developed standards."

FamilyFarmed.org's On-Farm Food Safety Project coordinates with the Produce GAPs Harmonization Initiative, spearheaded by United Fresh, by basing their online tool on the Harmonized Standards, better ensuring that growers' food safety plans will align with industry standards and audit expectations.

United Fresh is coordinating with several audit organizations, including GlobalG.A.P, to ensure consistency in use and interpretation of the Harmonized Standards. United has worked to blend 13 different GAP standards, including USDA AMS GAP/GHP, the AFDO Model Code for Produce Safety, and GlobalGAP's Integrated Farm Assurance standards.

"The Harmonized Standards are an effort to reduce audit fatigue and confusion by achieving industry agreement on the audit standards for on-farm operations, and then maintaining consistency in expectations by a continuing open and transparent dialogue across the industry, including USDA and FDA," said Gombas.

Check out the United Fresh website at www.unitedfresh.org and click the food safety links on the home page to learn more about the new law and regulations. Now's the time to learn how you can keep your company ready for the new food safety standards.

BA·RO *Fresh Market Illumination*



2012

New Year's Resolution Options

- Quit Smoking*
- Lose Weight, Eat Better*
- Drink Less*
- Go See **BA·RO's** New LED Fixtures at NGA*

With **BA·RO** introducing a revolutionary line of LED light fixtures at their booth, #411, this is the only option with all the reward and none of the sacrifice.

The NGA Show - February 13 and 14 - The Mirage Hotel - Las Vegas, NV



*Supermarket lighting is what we do.
All day, every day. All over the world.*

BAERO North America, Inc
314-692-2270
www.baerousa.com



TRANSITIONS



BROOKS TROPICALS LLC
Homestead, FL
Brooks Tropicals welcomes Peter Liefermann as sales and fruit procurement director.

Liefermann has over 20 years experience in the produce business. Right out of college he started working in the food service industry supplying produce to a Georgia chain of pizza restaurants. He has also worked for Cooseman's Worldwide, C Brands, J&C Tropicals and Pantai USA. Peter lives in Homestead with his wife and two daughters.

PRO*ACT Monterey, CA
Kelly Jacob has been hired to the management team in the newly created position of vice president of retail sales.



Jacob is a 25-year veteran of the retail industry, and most recently, director of sales with a focus on business development at New Star/Organicgirl in Salinas, CA. While there, she managed existing or created new business at both national and regional retailers across the United States. She held previous sales and business development positions at Fresh Express/Chiquita, M&M Mars and Fleming Foods.

ANNOUNCEMENTS



GRUSZKA CONSULTING FIRM OPENS

Recognizing a need in the marketplace, Philip Gruszka has opened a new venture in consulting. Gruszka has over 25 years of marketing and sales experience in the food and beverage arenas, including three years internationally at companies such as Grimmway Farms, Anheuser Busch, Ralston Purina and Sara Lee. While Gruszka will be heading the firm, he also will be bringing in other top industry professionals to augment product offerings.



CRUNCH PAK OFFERS HOLIDAY APPLE-TIZER PACKAGES

Cashmere, WA-based Crunch Pak is offering two

seasonal Apple-Tizers party trays for winter holiday eating occasions. The Apple-Tizers party trays come in two combinations of fresh-cut fruit and dip: the Hearty Party and the Grand Crunch & Munch, and have a suggested retail price of \$11.99 to \$12.99. The themed packaging is designed with a red holiday bow or a football.



FRIEDA'S OFFERS NEW PINE NUT DISPLAY SHIPPER

Frieda's Inc., Los Alamitos, CA, has introduced a pine nut shipper to display in produce departments. The freestanding display is pre-stocked and easy to assemble, with an eye-catching design sure to pump up pine nut sales for retailers. The newly designed shipper holds 48 3-oz. clamshell tubs of pine nuts and includes a recipe tear-pad with two simple usage ideas. Frieda's recommends that retailers merchandise the shipper next to fresh tomatoes and basil to inspire customers. It is also great as a secondary display in non-produce sections. In addition to the shipper, the 3-oz. clamshell tub is a new retail pack size for Frieda's. This convenient container is also resealable, making it easier for consumers to keep fresh.

ANNOUNCEMENTS



GREEN MACHINE

Hollandia Produce LLC offers green lettuce grown in a green way, hauled by a green truck running on green fuel.

With the addition of its new state-of-the-art tractor-trailer truck that runs on natural gas, the Carpinteria, CA-based family farm has taken its commitment to sustainability on the road. Coupled with a trailer cooled by a hybrid electric refrigeration unit, the delivery rig is nearly as green as its sustainably grown contents. Emerald green in color, the Peterbilt tractor features an efficient compressed natural gas (CNG) engine that lowers total carbon emissions. The truck is so environmentally friendly it was recognized by the Environmental Protection Agency's Smart Way program. Plus, its aerodynamic design boosts fuel efficiency up to 12 percent and reduces drag 24 percent.



USDA NAMES MEMBERS TO NATIONAL MANGO BOARD

The National Mango Board, in Orlando, FL, has four new members and two returning members. Agriculture Secretary Thomas J. Vilsack recently

appointed six members to serve on the National Mango Board (NMB). Meanwhile, at the board's November meeting, current board members elected officers to serve in various leadership roles for 2012. The appointees include four new members and two reappointed members. Greg Golden of Mullica Hill, NJ; Bill Vogel of San Pedro, CA; and Wade Shiba of Missouri City, TX, will serve on the board as importers. Enrique Sanchez of Nayarit, Mexico, and Bernardo Malo of Samborondon, Ecuador, will serve as foreign producers. Veny L Marti of Guaynabo, Puerto Rico, will represent domestic producers. Mr. Shiba and Mr. Malo are returning to the board to serve a second consecutive term. Pictured from left to right are the 2012 National Mango Board Officers: Jim Alvarez, vice-chairman; Ronnie Cohen, chairman; George Mendez, treasurer; Bernardo Malo, secretary.

GLOBAL BERRY GROWER TACKLES \$35 BILLION PRODUCE SHRINK PROBLEM

Santa Clara, CA-based Intellexflex and ProWare Services

announced the results of a recent pilot program that documented the value of Delivered Freshness and quality of produce by dynamically routing product in real-time based on remaining shelf-life. Intellexflex enables Delivered Freshness through the use of its temperature monitoring tags that provide actionable data through the use of pallet-level temperature monitoring. This solution has a proven ability to help minimize losses and maximize freshness at the point of delivery.



A HAIRY MONTH FOR TEAM SUPERFRESH DURING NOVEMBER

During the month of November, Domex Superfresh Growers participated in a male cancer awareness and fund raising campaign called November — the name is derived from the common nickname for a moustache, "mo." During the month, 26 employees and vendors of the Yakima, WA-based company sprouted a mustache and solicited friends, family, coworkers and customers to contribute money toward the research and treatment of prostate cancer. They raised \$3,775 and the Kershaw family matched the contribution bringing the total raised for the event to \$7,550.

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

ANNOUNCEMENTS



VILLAGE FARMS COMPLETES FIRST PLANTING OF NEW GREENHOUSE

Vancouver, BC, Canada-based Village Farms International has completed planting of 15 acres of its new 30-acre greenhouse in Monahans, TX. The remaining 15 acres will be planted this month. In the final stages of completing the greenhouse and support structures, it will be fully operational prior to the initial harvest in late February. The Monahans greenhouse will provide year-round supply and enhance Village Farms product offerings for its existing customer base.

STEAM BAG SURPRISE INSIDE EACH BAG OF PETITE POTATOES

M&Q Packaging Corp., Schuylkill Haven, PA, has provided its MQ36 dual-ovenable steam bag as a key component in Agrow Fresh's "Simply Season & Steam" fresh petite red potatoes. Consumers like the idea of steaming vegetables because they see it as healthy, and having a steam bag included in each bag of small-sized fresh potatoes provides convenience. At meal-time, just open the MQ36 bag, fill it with potatoes and seasonings, close the bag using the plastic tie provided, and pop into the microwave for 12 minutes. The potatoes are steam-cooked to a tender and creamy texture with no cleanup required.



NEW PRODUCT



NEW PURITY ORGANIC "HEIRLOOM BLEND" FINGERLING POTATOES

Purity Organic Produce of San Francisco, CA, (formerly Pacific Organic Produce) launches a new

product this season — "Heirloom Blend" organic fingerling potatoes — to celebrate over a decade of working with Cinacia Farm. The "Heirloom Blend" is a trio of Cinacia's best-selling organic fingerling potatoes: the Russian Banana, the Ruby Crescent and the rare Purple Peruvian. Cinacia is one of the few growers of certified organic Purple Peruvians in the United States. Each bag of Purity Organic fingerlings from Cinacia is hand-packed.



FRIEDA'S BECOMES THE EXCLUSIVE MARKETER OF MOAB SUPERFRUIT JUICE BLENDS

Frieda's Inc., Los Alamitos, CA, has signed a multi-year exclusive sales and distribution agreement with MOAB Superfruit Juice Blend. The MOAB line of pure fruit juices includes three proprietary blends: Açaí, Pomegranate and Wild Blueberry. MOAB Superfruit Juice Blends, which stands for Most Optimum Antioxidant Beverage, are 100 percent pure juices with each featured "superfruit" as the first ingredient. MOAB has been marketing 32-oz. bottles for two years and is now launching a consumer friendly 10.5-oz. bottle.



SUREHARVEST AND CULTURA TECHNOLOGIES SIGN VALUE-ADDED RESELLER AGREEMENT

Soquel, CA-based SureHarvest has finalized an agreement with Cultura Technologies, granting them the rights to market, sell and implement Cultura Technologies ExtendAg labor management and harvest trading software nationwide. The two entities have integrated SureHarvest's Farm Management System and ExtendAg. The ExtendAg labor management and harvest tracking apps are designed for companies that deploy large to medium-sized labor crews in the field for various cultural or harvest activities. The system meets the needs of growers, farm managers and labor contractors who require tools to capture information in the field simply and efficiently for tracking employee productivity and fully automating the payroll process.



VAL VERDE VEGETABLE UPDATES IMAGE

Val Verde Vegetable Co. recently launched a new corporate identity, expanded product lines and made equipment upgrades. As part of several company-wide changes, Val Verde, headquartered in McAllen, TX, is proud to introduce a new logo that epitomizes the iconic red and green of the past image with modern styling. In addition to a facelift for the company image, new box strapping equipment has been added to improve the safety and efficiency of its packing line. Finally, the production department is expanding product lines and upgrading acreage with a state-of-the-art drip irrigation program, which allows for better water management and improved crop quality on specialty items.



NEW YORK APPLE GROWERS UNVEIL QR CODES

Fishers, NY-based New York Apple Association (NYAA) is promoting a new retail program that allows consumers using smart phones to scan QR codes on point-of-sale cards to get instant information about New York apple varieties right from the produce aisle. The new POS material contains prominent QR codes, which link to online videos that show how New York apples are grown, packaged and delivered.

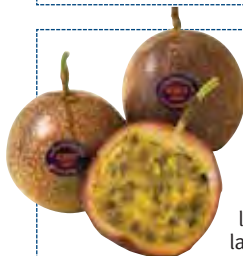
NEW PRODUCTS



MAXWELL CHASE TECHNOLOGIES LAUNCHES NEW "FRUIT POP" POUCHES

Atlanta, GA-based Maxwell Chase Technologies launched a new line of "Fruit Pop" pouches. The absorbent pouches are ideal for packing slices of fresh cut pineapple, cantaloupe, watermelons and honeydew melons, and the pouches offer over 10 days of shelf-life. The pouches are made with food-safe

absorbent technology, allowing processors to pack ripe and sweet tasting fruit. The new pouches are easy to open, tamper-evident and have no messy dripping. Target markets are kid's snacks, school lunches and convenience stores.



BROOKS TROPICALS NOW OFFERING PASSION FRUIT

Brooks Tropicals of Homestead, FL, has added passion fruit to its premier line of tropical fruits and vegetables. Grown in the Redlands farming area just south of Miami, FL, these passion fruits come in beautiful shades of pale-pink, red and lavender. Passion fruit grown in Florida are generally larger with softer skin and available year-round with volumes peaking in February, June and September.

Inside, the fruit has intensely aromatic yellow-green pulp wrapped around crisp seeds. Although ready to eat when picked, the passion fruit will sweeten as it wrinkles.

CHRISTOPHER RANCH OFFERS ROASTED GARLIC

Gilroy, CA-based Christopher Ranch offers Monviso Roasted Garlic. Each eco-friendly, resealable bag of Monviso Peeled Roasted Garlic contains all-natural, California-grown prepped and ready-to-use garlic. The freshly peeled cloves have been slow roasted until golden brown and are bursting with rich, nutty flavor that comes alive with gentle reheating. Chefs' Collection Crimini Mushroom and Roasted Garlic Soup (pictured) and other recipes are available on the company's website, which also provides a year-round resource for garlic product, promotion and recipe updates.



National School Lunch Program Shows Promising Progress

BY USDA'S FOOD AND NUTRITION SERVICE

Editor's Note: In September, 2011, the USDA's Food and Nutrition Service (FNS) published its first interim report on the progress of the nation's School Lunch Program. The following is an excerpt of the report, which is available in its entirety at <http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/FFVPInterim.pdf>

The Fresh Fruit and Vegetable Program (FFVP) aims to increase fruit and vegetable consumption among students in the nation's poorest elementary schools by providing free fresh fruits and vegetables to students outside of regular school meals. FFVP began as a pilot program in 2002 and was converted into a nationwide program in the Food, Conservation, and Energy Act of 2008, also known as the 2008 Farm Bill. FFVP funds are allocated at a level of \$50 to \$75 per student per school year, or between \$1 and \$2 per week "to schools with the highest percentages of low-income students, to the maximum extent practicable." Initial funding was \$40 million for the 2008-2009 school year, rising to \$65 million, \$101 million, and \$150 million in the following three school years, allowing more schools to participate in each year.

The 2008 Farm Bill also required the Secretary of Agriculture to conduct an evaluation of the program in order to determine "whether children experienced, as a result of participating in the program — (A) increased consumption of fruits and vegetables, (B) other dietary changes, such as decreased consumption of less nutritious foods; and (C) such other outcomes as are considered appropriate by the Secretary."

The results presented in this interim report, for the 2010-2011 school year, focus on the total quantity of fruits and vegetables consumed and total energy intake (also referred to as total caloric intake), allowing the assessment of whether any additional fruit and vegetable consumption was in addition to, or in place of, other foods consumed.

Methods

This evaluation estimates the impact of FFVP using Regression Discontinuity (RD), which is considered the strongest possible design when random assignment is not feasible. The RD approach leverages the procedure

by which schools are assigned to participate in FFVP. Specifically, the FFVP legislation and FNS guidance require that available FFVP funding be allocated to the poorest schools in each state that applied for the program, where poverty is defined by the percent of students eligible for free or reduced-price school lunch (FRPSL) in the previous school year.

The RD design estimates impacts by comparing schools immediately above and below the funding cutoffs in each of a nationally representative sample of states. The final preferred analytic sample included 4,696 students in 214 schools within 2.5 percentage points of the funding cutoff in each state: 2,225 students in 99 FFVP schools just above the funding cutoff, and 2,471 students in 115 non-FFVP schools just below the funding cutoff.

The study collected information on student food intake using diary-assisted 24-hour recall interviews. In FFVP schools, the diary was completed on a day on which FFVP fruits and/or vegetables were offered to students, allowing us to estimate the impact of FFVP on intake on FFVP days.

Findings

The results indicate that FFVP increased average fruit and vegetable consumption among students in participating schools on FFVP days by approximately one-quarter of a cup per day. This represents an increase of 15 percent over fruit and vegetable consumption levels in the absence of FFVP.

No increase in total energy intake was found. If an increase in total energy (caloric) intake had been found, we might have been concerned that FFVP could contribute to weight gain. Instead, increased fruit and vegetable consumption appears to have replaced consumption of other foods.

Conclusion

An increase in fruit and vegetable consumption of one-quarter of a cup per day is within

Because children in low socio-economic status households are more likely to have the lowest intakes of fruits and vegetables, increasing fruit and vegetable intakes in this population even by small amounts is likely to confer a health benefit.

the range observed in various other interventions to increase fruit and vegetable consumption in school children. Although there is no standard consensus as to what constitutes a meaningful change in fruit and vegetable intake, it is generally accepted that children with the lowest intakes are at greatest risk of poor health outcomes, and that the greatest benefit would be conferred by increasing intakes of fruits and vegetables among this group.

In this context, the fact that FFVP targets poorer schools is potentially significant. Because children in low socio-economic status households are more likely to have the lowest intakes of fruits and vegetables, increasing fruit and vegetable intakes in this population even by small amounts is likely to confer a health benefit.



The Food and Nutrition Service (FNS), formerly known as the Food and Consumer Service, administers the nutrition assistance programs of the U.S. Department of Agriculture. The mission of FNS is to provide children and needy families better access to food and a more healthful diet through its food assistance programs and comprehensive nutrition education efforts.

Is An 'Exchange Effect' Taking Place?

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

One can only be pleased that this research indicates that, at least under some circumstances, giving away free produce manages to boost produce consumption. One can only be disappointed that it only does so by a quarter cup per day on the day the free produce is distributed. This study doesn't go into cost/benefit analysis, but one suspects that it will be difficult to prove that a 1/4 cup increase in produce consumption on certain days really reduces health care costs sufficiently to justify the expenditure.

The study seems to have a significant flaw in its design. The key line is this:

The study collected information on student food intake using diary-assisted 24-hour recall interviews. In FFVP schools, the diary was completed on a day on which FFVP fruits and/or vegetables were offered to students, allowing us to estimate the impact of FFVP on intake on FFVP days.

The problem is, of course, that by limiting the study to days in which free fruits and vegetables are distributed, you open the possibility that what we are seeing is actually an "exchange effect." Think of it this way: imagine that, mindful of your health, you decide to limit yourself to one Big Mac each week and, typically, you go to McDonald's on Wednesday to eat it. The other six days of the week, you go to McDonald's and eat a salad. Now imagine that McDonald's promotes Free Big Macs on Tuesday.

Quite probably you would switch your Big Mac Day to Tuesday from Wednesday to take advantage of the promotion. Now if McDonald's studies its Tuesday customers — "The day on which free Big Macs were offered" — one will think it had a successful promotion, i.e., the promotion increased consumption of Big Macs because it would observe that the customers who used to buy a salad on Tuesday now buy Big Macs.

But that would be a deceptive interpretation of the success of the promotion. In fact, the promotion did not increase Big Mac consumption at all. It just switched dates of consumption.

With the USDA's study, only looking at the actual date the free produce is distributed

leaves open the possibility that the children's annual produce consumption did not change at all or, for that matter, even went down.

We don't know a lot about produce consumption and its motivators. If we give children free apples on Wednesday, this might serve as a sampling tool and get the children excited about apples. They might, therefore, eat more apples than had they never been given the free apples. It is, however, also possible that children have a kind of natural set point for certain foods to avoid boredom. So if given their druthers, the children might enjoy oranges three times a week. If given some in school, they may not eat oranges on Sunday.

One reasonable supposition might be that the nature of the free produce distributed might have a real impact on the overall effect. If the produce distributed is, for example, composed of novel items the students have not tried before — either new varieties of well known items such as apples or completely new items — one might expect a greater long-term sampling effect. However, this might result in less short term consumption as some children will reject the novel items.

Quality would quite probably have an impact as well. We would love to see some research on how students perceive the quality of what they are given. If the apples purchased are nice and crisp, and the schools maintain proper refrigeration, the sampling effect may promote produce consumption. If the apples are low quality and/or the schools don't maintain an optimal cold chain and the apples turn out to be mealy, the sampling effect may turn negative.

Another area we don't know much about is the impact of free food distribution in school on parental purchases. If you know that your child gets free apples every day, does that make a budget-stressed parent buy more apples or buy fewer? Indeed, especially if one thinks of produce purchases for children as being motivated by parents' desire to see their children eat healthy — might not the knowledge that the children are getting their "medicine" in school lead parents to shift spending to other foods? Maybe to other

Only looking at the actual date the free produce is distributed leaves open the possibility that the children's annual produce consumption did not change at all...

items in general? The thought might be the school is now providing the produce so we can spend the family budget on meat or shoes.

What about during school breaks? Does the distribution of free produce in school create fans for produce or does it create a mental association with a burdensome environment and lead children to want to avoid the product during summer vacation?

We just don't know. This is all speculation, but it is reasonable speculation and it is not addressed at all by this research. The key question, quite obviously, is not whether on the days we give away fresh produce does produce consumption increase. The key question is: If we follow a free produce distribution of X frequency in the schools, what is the impact on children's annual produce consumption?

This is a fairly obvious point, and the fact that the study was designed as it was makes one suspect that the bureaucrats chose a study design that would tend to support their initiative rather than give us valuable information on the impact of free distribution of produce on children's produce consumption.

producebusiness

TO GET AHEAD IN THE
PRODUCE BUSINESS, YOU
NEED TO STAY AHEAD OF
THE PRODUCE BUSINESS.



PRODUCE BUSINESS
IS THE INDUSTRY'S
NUMBER 1 SOURCE FOR
INSIGHTS AND ANALYSIS.

FOR SUBSCRIPTION
INFORMATION, PLEASE VISIT
WWW.PRODUCEBUSINESS.COM

OR
CALL 561-994-1118

JANUARY 15 - 17, 2012

NASFT WINTER FANCY FOOD SHOW

The 37th Winter Fancy Food Show is the West Coast's largest specialty food and beverage event.

Conference Venue: Moscone Center, San Francisco, CA

Conference Management: NASFT, New York, NY

Phone: (212) 482-6440 • **Fax:** (212) 482-6459

Email: erivera@nasft.org

Website: www.fancyfoodshows.com

January 16 - 17, 2011

NJDA/VGANJ CONVENTION

The 2012 New Jersey State Agriculture Convention will be held in conjunction with the State Vegetable Growers Convention the week of January 16.

Conference Venue: Taj Mahal, Atlantic City, NJ

Conference Management: NJDA/VG

Phone: (609) 439-2038 • **Fax:** (609) 826-5254

Website: www.nj.gov/fAgriculture

January 18 - 20, 2012

TPIE - TROPICAL PLANT INDUSTRY EXPOSITION

The Tropical Plant Industry Exhibition (TPIE) is the trade event showcasing the latest trends in foliage, floral and tropicals in warm and inviting South Florida.

Conference Venue: Broward Convention Center, Fort Lauderdale, FL

Conference Management: Florida Nursery Growers & Landscape Association, Orlando, FL

Phone: (407) 295-7994 • **Fax:** (407) 295-7994

Email: info@fngla.org

Website: www.fngla.org

January 18 - 20, 2012

PMA FIT LEADERSHIP SYMPOSIUM

This two-and-a-half-day program is designed for decision makers who currently drive strategy and growth in an organization. The Symposium addresses today's leadership challenges from unique global perspectives and formulates innovative strategies.

Conference Venue: Omni Dallas Park West, Dallas, TX

Conference Management: Produce Marketing Association, Newark, DE

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

Email: solutionctr@pma.com

Website: www.pma.com

January 22 - 24, 2012

SWEET POTATO CONVENTION

California Sweet Potato Council, the main national organization for the promotion and marketing of sweet potatoes, hosts the 50th Annual United States Potato Convention.

Conference Venue: St. Regis Resort, Dana Point, CA

Conference Management: California Sweet Potato Council, Livingston, CA

Phone: (209) 394-7311 • **Fax:** (209) 394-4232

Email: info@cayam.com

Website: www.cayam.com

January 24 - 26, 2012

HOTEL, MOTEL & RESTAURANT SUPPLY SHOW SOUTHEAST

Conference Venue: Myrtle Beach Convention Center, Myrtle Beach, SC

Conference Management: Leisure Time Unlimited Inc., Myrtle Beach, SC

Phone: (843) 448-9483 • **Fax:** (843) 626-1513

Email: hmrss@sc.rr.com

Website: www.hmrss.com

FEBRUARY 8-10, 2012

FRUIT LOGISTICA

The world's leading trade fair for the fresh fruit and vegetable business.

Conference Venue: Berlin Exhibition Fairgrounds, Hall 1 - 25, Berlin, Germany

Conference Management: Messe Berlin GmbH,

Berlin, Germany

Phone: (493) 030-382048

Email: berlin@exhibitpro.com

Website: www.fruitlogistica.com

MARCH 1- 3, 2012

SOUTHERN EXPOSURE

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: Tampa Convention Center, Tampa, FL

Conference Management: Southeast Produce Council Inc., East Ellijay, GA

Phone: (813) 633-5556 • **Fax:** (813) 653-4479

Email: info@seproducecouncil.com

Website: www.seproducecouncil.com

March 14 - 16, 2012

WORLD FLORAL EXPO

Conference Venue: Jacob K Javits Convention Center, New York, NY

Conference Management: HPP Exhibitions, Amsterdam, The Netherlands

Phone: (312) 066-22482

Email: jasper@hhp.nl

Website: www.worldfloralexpo.com

March 21 - 23, 2012

AMERICA TRADES PRODUCE CONFERENCE 2012

FPAA hosts the 2012 America Trades Produce Conference in Southern Arizona

Conference Venue: Rio Rico Resort & Tubac Golf Resort, Rio Rico, AZ

Conference Management: Fresh Produce Association of the America, Nogales, AZ

Phone: (520) 287-2707 • **Fax:** (520) 287-2948

Email: info@freshfrommexico.com

Website: www.freshfrommexico.com

March 29 - 31, 2012

PRODUCE FOR BETTER HEALTH ANNUAL MEETING

Conference Venue: Monterey Plaza Resort & Spa, Monterey, CA

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

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

Email: fruitsandveggiesmorematters.org

Website: www.pbhfoundation.org

APRIL 11 - 13, 2012

CANADIAN PRODUCE MARKETING ASSOCIATION

The annual convention and trade show provides a unique opportunity for industry leaders to connect with peers and enhance business opportunities in Canada, while also offering an exceptional combination of education and networking opportunities.

Conference Venue: Stampede Park BMO Centre, Calgary, Alberta, Canada

Conference Management: Canadian Produce Marketing Association, Ottawa, Ontario Canada

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

Email: info@cpma.ca

Website: www.cpma.ca

April 19, 2012

NORTHERN CA EXPO

Since 1965, the Fresh Produce & Floral Council has been providing unique networking and business growth opportunities for professionals in the produce and floral industries in California.

Conference Venue: Alameda Fairgrounds, Pleasanton, CA

Conference Management: Fresh Produce & Floral Council, La Mirada, CA

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

Email: info@fpfc.org

Website: www.fpfc.org

To submit events to our Forward Thinking calendar, please email info@producebusiness.com



SAVE THE DATE
DECEMBER 4-6, 2012



FOR MORE INFORMATION:
PH: 212-426-2218 • www.nyproduceshow.com



CELEBRATING FRESH



Auditing And Food Safety: California Agencies Weigh In On Cantaloupe Crisis

FROM JIM PREVOR'S PERISHABLE PUNDIT 01.04.2012

Now that the "cantaloupe crisis" has passed — though not without significant costs to the trade and a horrid death toll of 30 — it is important to reflect on lessons learned. We wrote extensively about the cantaloupe crisis and have received an important letter from the leadership of two organizations at the forefront of industry food safety efforts.

Many of the scenarios regarding industry food safety efforts have revolved around the question of audits and what is reasonable for the world to expect from audits. So we were very pleased that this joint letter was from two men involved with innovative efforts to use audits successfully as part of food safety programs:

Jim, thank you for your very thoughtful analysis of the tragic Colorado listeria outbreak. We felt it was appropriate for us to take a moment to share what we've learned over the last five years of our programs' existence. First, an audit and score are only one piece of any overall program. A comprehensive program should instill a culture of food safety that permeates throughout an entire operation.

And, to your point, Jim, that really begins with a rigorous set of industry-wide standards developed through a transparent and inclusive process. Verifying compliance comes next through announced and unannounced audits. In the case of both the California Tomato Farmers and the California Leafy Greens Marketing Agreement, those announced and unannounced audits are mandatory for our members and conducted by USDA-certified government auditors, not private auditing companies.

We want to be clear that we are not saying our auditing systems are perfect, and we are constantly working with USDA to refine and improve these systems. But, what we are saying is that our members strongly believe that the government auditors are ideally positioned to conduct effective and independent food safety audits, as neither the buyer nor the seller hires them directly. The auditors report only to their government supervisors. Most importantly, if these auditors identify an imminent health risk during an audit, he or she is required to inform local, federal or state health authorities of the situation.

Another aspect of a comprehensive program is a system for handling corrective actions. For both CTF and LGMA, any member who does not pass every facet of the audit must take corrective actions to not only correct violations but to enact measures to prevent their recurrence. Follow-up audits validate these corrective actions.

In some cases, we have been criticized for allowing members to "retake the test" until they pass. That's not accurate. We require necessary improvements in their food safety practices with all employees and contractors focused on achieving across-the-board compliance. Again, this helps create a culture of food safety throughout an operation.

For members who fail to achieve 100 percent compliance,

they are decertified from the programs and buyers are informed. For LGMA, buyers are notified directly of the decertification action and the company's name is posted on the LGMA website. CTF customers have online access to audit history and compliance. This level of transparency is also a crucial element of a food safety program.

For any food safety program to be successful, it must evolve. And to do that we must listen to what our customers are saying — constantly. Jointly, our members have conducted food safety tours for buyers, and we have personally met with customers to hear how we can do better; we have attended food safety summits, seminars and meetings throughout the country.

And what we've heard is that buyers want rigorous industry-wide standards, quality auditors inspecting operations and they want transparency — but they also want continuous improvement and refinements in each of those

Many retailers would prefer to always buy the best stuff produced under high food safety standards, but competitive retailers buy cheap stuff and consumers accept the product, thus creating competitive pressure to both buy and sell cheap.

areas. Both of our programs are working hard to deliver these attributes to buyers. As the Perishable Pundit has already pointed out, the next step in the evolution of food safety in the produce industry is for procurement divisions to recognize and accept these comprehensive systems.

— Ed Beckman, President, California Tomato Farmers

— Scott Horsfall, President and CEO, California Leafy Greens Marketing Agreement

We appreciate this letter and think it important as it raises eight key points:

1) An Audit Is Not Enough

We received so many calls from consumer media suggesting that the idea that a firm passed an audit and yet still had a food safety issue was somewhat incredulous. This incredulity makes no sense as almost all food safety outbreaks involve audited firms because the vast majority of industry volume is audited by somebody for something.

Obviously if a firm or its employees do food safety just to pass an

Ready... Set... Go!



Brand New State-of-the-Art Distribution Center

- Committed to Providing the Best Quality and Safest Produce Available
- Responsible and Sustainable Energy and Waste Management Systems

Maurice A. Auerbach, Inc.

Our Goal is to Provide a Safe and Healthy Work Environment for Our Associates and Superior Product for Our Customers

Call 888-Auerpak

Paul Auerbach • Jeff Schwartz • Ian Zimmerman
Bruce Klein • Jim Maguire • Josh Auerbach

www.auerpak.com

audit, they will not do a lot of important things when the auditors aren't watching. Therefore the game is clearly to change people's motivations from "passing the test" to "doing the right thing."

2) Industry-Wide Standards Properly Developed

A prerequisite for any successful audit scheme is that the standards against which the audit are done must be meaningful and acceptable. This letter argues that they best be industry-wide standards as well.

There are many reasons to think this point is true. Most notably that it creates a level playing field for producers and for retailers. Many producers in the world don't want to stint on food safety, but they feel compelled to avoid costs because their competitors don't incur them and buyers will still accept the product.

Many retailers would prefer to always buy the best stuff produced under high food safety standards, but competitive retailers buy cheap stuff and consumers accept the product, thus creating competitive pressure to both buy and sell cheap.

Maybe the real lesson of the Cantaloupe Crisis is that since such food safety outbreaks affect everyone in the business, the mechanisms we use to deal with them need to encompass not only the large well-capitalized players but smaller more regional players — like Jensen Farms in Colorado.

3) Announced And Surprise Audits

It is an open secret in the industry that people prep when they know the auditor is coming. This is not so terrible as it gives a moment in time for everyone to take stock and make sure everything is up to snuff. It is, however, obviously not sufficient.

Although true "surprise" audits are rare — and we note that Ed and Scott use the term "unscheduled" in their letter — the fact that an auditor might show up at any time is useful in keeping people on their toes and in building a food safety culture.

4) USDA-Certified Government Auditors

This is a controversial point. Do government auditors produce better food safety outcomes than private auditors? The research on this subject is scanty. It is not obvious to us that if the CLGMA, for example, chose to hire Primus auditors that the audits would be worse or that food safety would decline.

Still, one can see the appeal. The government is somewhat of a neutral standard whereas different people have different opinions about different auditing organizations. The image of people denying access to government officials seems less credible than denying a private business, and the assumption is that the government auditor

will have job security and thus be willing to be tough, whereas a private auditor may have fears about being displaced — although there is a lot of political theory about how private interests capture regulatory bodies and bend them to their will.

5) Corrective Action

One of the big flaws with audits is that the corrective action mechanism is deeply flawed. Although some companies use audits as self-assessment tools and work hard to make sure they are doing everything right, the Jensen Farms cantaloupe situation clearly shows the need for an automatic mechanism to force corrective actions.

The requirement that everyone score 100 percent on an audit is a good start. Completely aside from the substance, the requirement to get 100 percent is a way of building a culture that says that compromises on food safety are not acceptable.

Of course, we are still not certain this is enough. Many of the flaws identified in Colorado were not the subject of an audit. For example, there was no requirement to have a pre-cooling facility. Buyers still can't look at an audit, see the producer got 100 percent and assume that nothing else can be done. That is not often the case.

6) Transparency

What happens if someone fails an audit or gets a low score or gets comments? This needs to be immediately communicated to all buyers and be available to all prospective buyers. So many buys today are program buys that run through continuous replenishment models. Audits must be circulated in such a way that a computer will stop these programs as result of a problem.

7) Continuous Improvement

Obviously, audit metrics can't remain static as science advances. Note, though, that the Europeans and programs such as GFSI seem to prefer stability over continuous improvement.

8) Procurement

None of this, of course, matters if it doesn't impact the behavior of the actual buyer.

These are all more than valid points for consideration, but it is worth noting that both of these organizations, California Tomato Farmers and California Leafy Greens Marketing Agreement, have several advantages. As state-focused organizations, they have a relatively homogenous environment to consider and they both have a concentrated industry to support their efforts.

The California cantaloupe industry does not have the same structure — government auditors, etc. — but it has had few food safety issues.

And neither the CLGMA or CTF would have protected their industries against a problem with leafy greens or tomatoes from Colorado.

The Leafy Greens effort was expanded to Arizona and there is an effort afoot to make it national.

Maybe the real lesson of the Cantaloupe Crisis is that since such food safety outbreaks affect everyone in the business, the mechanisms we use to deal with them need to encompass not only the large well-capitalized players but smaller more regional players — like Jensen Farms in Colorado.

Many thanks to Ed Beckman and Scott Horsfall for weighing in on such an important industry issue.



Helping Hands: “Broker Networks” Delivering Value

PHOTO COURTESY OF EDGE SALES & MARKETING

Retailers and manufacturers increase their reliance on sales and marketing agencies. **BY JULIE COOK RAMIREZ**

For most consumers, little, if any, thought goes into the time, expertise and funding that goes into planning, acquiring and staging a produce department. In fact, it's safe to say most people take for granted that the products they desire will be there when they want them.

What they don't realize is the business of getting products into stores is a carefully choreographed dance. Everything has to come together in the right place at the right hand, and there are a number of people involved in making it happen.

For decades, the Consumer Packaged Goods (CPG) industry has relied on brokers to help place, promote and manage their products at store level. These experts work on behalf of a manufacturer or supplier to sell and support particular products, usually in a specific region of the country. They are the middlemen who strive to keep both sides of the equation happy — the manufacturers, whose products they are seeking to place, and the retailers, who are constantly on the lookout for products that will meet the expectations of their customer base.

“We have to balance the needs of our clients with the needs of our customers and work between those two extremes,” says Bob McGowan, client team leader at Advantage

Sales & Marketing LLC, based in Foxborough, MA. “It's a delicate balance and it makes for an interesting dynamic.”

While CPG companies have been on board with brokers for decades, the produce industry came to the concept rather late in the game. In fact, it was only with the advent of packaged salads some 20-odd years ago that brokers were brought into the produce scene at all. “That was really the genesis of the industry because the packaged salads were UPC-driven and there was a need for retail coverage,” explains McGowan. “It was a big move for companies like Dole and Fresh Express to go that way.”

Michael Stephan knows firsthand what a “big move” it was for Dole to begin enlisting the services of retail brokers. Currently director of sales for the central and Eastern regions at Watsonville, CA-based Monterey Mushrooms Inc., Stephan spent eight years, from 1991 to 1999, running a produce brokerage department, with Dole Salads as its initial line. Dole then brought him onboard to manage its broker network. “When Dole Vegetables first started enlisting the services of retail brokers in 1991, the company approached the businesses that had been representing its sister company, Dole Packaged Foods, and said, ‘Are you involved in produce? If you are, we would

like you to consider representing our bagged salads as we introduce them to the marketplace,’” says Stephan.

In the two decades that followed, brokers' role in the produce industry grew substantially, as manufacturers/suppliers and retailers alike came to rely on them to provide a wide array of services and support. Since 1990, Salinas, CA-based Mann Packing Co Inc. has utilized brokers for everything from category management to re-shelving to store level execution of promotions and headquarters' support, according to Lorri Koster, vice president of marketing and co-chairman of the board.

“Brokers are playing a larger role because a lot of these companies are cutting back on the help that they have,” acknowledges Bill Weimer, president and CEO of O'Mara Sales & Marketing, headquartered in Cliffside Park, NJ. “They allow the brokers to get involved and take care of a lot of the work that needs to get done.”

That work includes everything from simply bringing product to the attention of retailers to intensive in-store support. According to Weimer, his company helps develop sell sheets, shelf talkers and price tags and works with retailers on where to merchandise product. He also coordinates demos for in-store sampling events.

Likewise, ESM/Ferolie Metro NY, based

Fully Integrated Online Produce Software
NEW From dProduceMan Online

- Work from the office, home, or road
- No software to install. Simply sign in from any Internet-connection
- Create and print or email orders right from your dProduce Man Online
- Your data is safe and secure. We use the same data-encryption technology as leading banks
- Your data is safe on our redundant servers and is automatically backed up every day.
- 24 / 7 Tech support is included in your monthly fee
- NO long term contract or annual support fees.
- Evaluate dProduce Man Online FREE
- Yes, try it ALL; a full working version! For 30-days FREE



Fully integrated online produce software

Let us show you

Call: 888-776-3626 • Fax: 650-712-9973
sales@dproduceman.com

Visit us at: PMA food service Monterey booth 106

#1 Executive Search
Firm In Produce

**MIXTEC
GROUP**



Leonard Batti

Jerry Butt

Chris Nelson

709 E. Colorado Blvd • # 250
Pasadena, CA 91101
626-440-7077

9825 Blue Larkspur Lane
Monterey, CA 93940
831-373-7077

mixtec@mixtec.net
www.mixtec.net

“We don’t own any products, we don’t warehouse it, we don’t ship it, but we are their sales force. We provide efficiencies that they could not have if they had hired their own sales force.”

— Bob McGowan, Advantage Sales & Marketing LLC

in Montvale, NJ, offers a full spectrum of services through a three-pronged approach. According to produce director Terri Abrams, the company utilizes business managers, who strategically plan with manufacturers to create optimum programs and continued brand building; account managers, who call on the trade; and a team of retail representatives Abrams dubs ESM’s “soldiers on the street.” She says they bring ESM full-circle at the store level, working on merchandising, new item cut-ins, tag intensity, pre-selling and display-building.

“Brokers fill in the gaps in the supply chain,” says Bruce Peterson, president of Peterson Insights Inc., located in Bentonville, AR. “They do a lot of things that either end of the supply chain may not want to do internally. They may not have the ability to do it or they may not want to put the resources against it to do it.”

Advantage’s services range from representing new products and engaging in promotional planning to category management and plan-o-grams, to financial matters such as invoice processing and production management. “We don’t own any products, we don’t warehouse it, we don’t ship it, but we are their sales force,” says McGowan. “We provide efficiencies that they could not have if they had hired their own sales force.”

For some manufacturers, especially small regional players, hiring their own sales force is not an option in the first place. The only way they can get their products into the retail setting — and have them managed properly once they are there — is by utilizing the services of a broker. “A lot of [our clients] these guys don’t have the resources to have their own direct sales teams, retail merchandising teams and category management skill sets, so that’s a big part of our business,” explains Lee Deminski, president of Deminski Van Valkenberg, a produce-specific broker headquartered in Corona, CA.

Naturally, some manufacturers utilize brokers more than others. Monterey Mushrooms, for example, relies on brokers in a limited capacity, simply because it is the company’s culture to handle as much as

possible internally. However, Stephan says there are specific instances in which a broker’s assistance is invaluable. “They provide an enormous amount of value to us in markets where we just can’t commit the resources because we don’t have a huge market share or business to support it or we just can’t navigate our way around the independent natures of those marketplaces,” he details. “In the right market, it can be the most efficient money you spend.”

Irwindale, CA-based Ready Pac Produce Inc. primarily deals with brokers who have been hired to support the private label products it supplies to retail customers, according to Michael Celani, senior vice president of sales and marketing. In those instances, the retailers rely on brokers for a “full portfolio of services.” He adds, “A given customer may want the broker to do everything from category management to working with their suppliers, representing them on further analysis of the category, new product development, quality benchmarking, packaging and graphics. Obviously, we interface with them, supplying our interpretation and recommendations. They really help us day-in and day-out to make sure that we are in total alignment with the customer, in terms of private label strategies in the categories we supply them.”

On the branded side, Ready Pac’s broker usage has traditionally been “fairly limited,” according to Celani. That’s because the company engaged in direct selling and maintained its own merchandising force. More recently, however, Celani says the company has increased its reliance on brokers, primarily when it comes to “tactical, in-store execution” in smaller markets where “it’s not likely you have as much business to warrant either having somebody reside there or travel there.”

Specifically, Ready Pac looks to brokers to ensure that products are on the shelf, put up tags, inquire about the cause of out-of-stocks, put up POS information, and ensure schematic integrity. In some instances, the company even looks to brokers to help them get their products into new markets. “It’s really been in the last five years that we’ve used them much more on the merchandising side,” says Celani. “We also rely on brokers sometimes



800-223-8080 • 718-991-5900
www.darrigony.com

Fresh...
...Like It's From
Our Own Backyard

“They provide an enormous amount of value to us in markets where we just can’t commit the resources because we don’t have a huge market share or business to support it or we just can’t navigate our way around the independent natures of those marketplaces... In the right market, it can be the most efficient money you spend.”

— Michael Stephan, Monterey Mushrooms Inc.

when we are looking to penetrate a new market where geographically and relationship-wise, it makes more sense to use a broker than to hire a direct person.”

While some brokers specialize in produce — or manage produce-only divisions — the majority of brokers represent a wide variety of categories. That can be extremely beneficial in terms of building cross-promotions — a full meal solution, complete with pasta, pasta sauce, grated cheese, a bagged salad and salad dressing, for example.

With 65 locations throughout the United States and Canada, Jacksonville, FL-based Acosta Sales and Marketing is one of the largest full-service brokers in the consumer packaged goods industry. Working across the grocery channel, Acosta represents more than 1,000 CPG companies. Through its fresh foods platform alone, Acosta manages a number of categories — meat, bakery, deli, and produce — that tend to call the perimeter of the store home. That gives Acosta tremendous power in terms of coming up with strategic cross-merchandising initiatives. “With the breadth and depth of portfolio that we have, we have the capability of putting together the types of promotions that really drive consumers from department to department,” says Jerry Flippin, national client services and business development director for fresh fruits and produce. “We basically manage the entire scenario from the inception of ideas all the way through to execution.”

According to Flippin, retailers are increasingly recognizing that price alone is not enough to generate the kind of traffic they need to see in their stores. As a result, they are looking to “alternative means by which to promote products.” Produce managers, in particular, are keenly interested in promotions that will drive traffic across different channels of the business and ultimately sell more produce.

“If we can generate ideas and promotions that ultimately send consumers back to the produce department, both to purchase a particular

product and to purchase other synergistic products across the store, that can be very effective,” says Flippin. “We’ve seen some very strong lifts generated by some of these larger promotions.”

EYES AND EARS

One of the broker industry’s biggest selling points is its ability to provide local market expertise. Because they typically hail from the regions in which they work, brokers bring a deep knowledge of the specific consumer base they serve. That allows them to essentially be the eyes and ears of the market, an invaluable resource for their clients. “Living in the market, we just by default know the customers,” says McGowan of Advantage. “That enables us to serve them very well.”

Monterey Mushrooms’ Stephan agrees: “They know the lay of the land, the consumers, and the competitive landscape,” he says. “That brings a tremendous amount of value to the business relationship that can’t be replicated with sales managers who are handling four or five states.”

Brokers also have the ability to give voice to smaller companies that otherwise would not be able to garner an audience at the grocery level. While their offerings have been shown to enhance overall produce sales, Flippin says smaller companies often find it difficult to secure time with key decision-makers during which they could extol the virtues of their products. By aligning themselves with a broker, they are able to enjoy the same benefits as a major vendor. “That’s where we really shine because we have the ability to take multiple lines in at one time,” says Flippin. “We are able to get the details they need to see in front of them without spending too much of their time on one individual item. That’s an important service.”

A number of factors have driven the trend toward full-service brokers in the produce industry. Among the most significant have been the advent of category management and the increasing reliance on technology to drive

key decisions. “In today’s environment, where information technology is being used more readily in the produce department than ever before, I’ve seen it go from a relatively unsophisticated gut-feel business to one that is very much managed through category analysis and a better understanding of the role of fact-based information in making the right kind of decisions,” says Flippin.

According to Stephan, the flow of information from supplier to retailer can also be greatly enhanced through the use of brokers. With brokers on-site in the stores every one to three weeks, that provides the ideal opportunity to communicate seasonal messages, “so everybody understands what the focus is.” In the summer, for example, that message may be that it’s time to push portabellas since they play a tremendous role in boosting incremental sales during BBQ season.

“As with any business, there are so many cost pressures that we can’t afford to wastefully spend sales and marketing dollars,” says Stephan. “If we have a promotion that doesn’t get executed at store level, it’s a waste of our money and a waste of the retailer’s time.”

INFORMATION EXCHANGE

The economy has certainly played a role in the growth of the broker business, as many retailers have found themselves trying to do more with less labor in their stores. As a result, they are increasingly relying on brokers for retail support. Kings Supermarkets, an upscale retailer based in Parsippany, NJ, has a “great relationship” with its brokers, according to Paul Kneeland, vice president of produce and floral. In addition to relying on its brokers for new product introductions, Kings also depends on them to bring data from Chicago-based Information Resources Inc. to their attention. The brokers then assist them in mining and managing that data as Kings strives to figure out what products they should — or shouldn’t — be carrying. “They are vital in providing information to help us position our departments to grow sales,” says Kneeland.

Pleasanton, CA-based Edge Sales & Marketing conducts business reviews for many of its clients, although the nature of the review varies depending on the size and sophistication of the client, according to Brad Raffanti, president and owner. “We go in and talk about the state of the business — what’s working, Best Practices, things like that,” he says. “If the business is not as sophisticated, we don’t have to do a business review every quarter or as comprehensive a business review, but the characteristics of what we do are pretty similar

“In today’s environment, where information technology is being used more readily in the produce department than ever before, I’ve seen it go from a relatively unsophisticated gut-feel business to one that is very much managed through category analysis and a better understanding of the role of fact-based information in making the right kind of decisions.”

— Jerry Flippin, Acosta Sales & Marketing

across the board.”

Monterey Mushrooms, meanwhile, relies on Johnson O’Hare (JOH), a Billerica, MA-based full-service broker, to attend every one of the company’s business reviews with its retailers. Not only that, but JOH actually does much of the review work for those meetings. “If there are analytics we can get from IRI or Nielsen, we will help put together the presentation and certainly present the new items from the manufacturers we represent,” says Tom Casey, executive vice president and regional director of JOH’s produce division. “It’s just part of staying on top of the business.”

Occasionally, brokers bring data on such issues as out-of-stocks to the attention of a retailer. While that may result in a less than cordial relationship between those brokers and the individual produce managers and store managers who are being singled out, such information can be quite helpful, as it may provide invaluable insights into execution at store level. In addition, it can draw produce directors’ attention to matters that might otherwise have remained below their radar.

“There may be a particular SKU that I haven’t done any analysis on in quite some time and if I get a broker report that says 10 stores are out of that item, that may cause me to do some analysis,” says Peterson of Peterson Insights. “In that respect, it is drawing my attention to something that may have otherwise been missed with all the multitude of responsibilities that I have.”

IN THEIR BEST INTERESTS

While pioneering new items and getting chains to carry them is an exciting proposition, a good broker also understands the value of running the business with integrity. For that reason, Raffanti says, Edge actually turns down many of the potential new clients who approach them. “Before we take on a new client, we need to make sure they are aligned

with our strategy so we have credibility with the customer,” he asserts. “I don’t want to be working with somebody just for short-term gain if it doesn’t really make any sense.”

Likewise, a good broker continually keeps its retail customers’ best interests in mind when seeking out new products to bring to their attention. According to Kneeland, Kings’ brokers are “very supportive of the brand, very supportive of the strategy.” Together, they build a mutually beneficial relationship that ensures the retailer is never pressured to take on products that are not in line with what their upscale clientele would expect from them. “We try to dial them in to what we believe so they don’t waste their time or our time bringing in products that don’t make sense for Kings,” says Kneeland. “They understand Kings’ position as an upscale niche market, so they are not going to bring me something that wouldn’t be sold in an upscale niche market.”

While some retailers would rather not be bothered by brokers, particularly when they are pointing out faults or drawing attention to product that is consistently out-of-stock, Kneeland remains a firm defender of the profession. “Every relationship is what you make of it,” says Kneeland. “Brokers may seem like an intrusion on your time, but if you use them for the support that they offer, it fosters a relationship that helps you grow sales and helps them grow their sales. It’s really a two-way street.”

With so many new items flooding the produce industry every month, it can be tempting to try to get as many chains as possible to carry the latest and greatest offerings. However, the broker business is all about building strong relationships, says Casey of JOH. So while it may be possible to convince a retailer to take on a particular product, that doesn’t mean it’s the best move. “Produce is always coming up with new items and there’s a genuine sense of excitement that goes along

with that,” says Casey. “However, it’s not always in our best interest to ask a chain to consider taking in a product if we suspect it might not work for them. We have to walk a fine line between manufacturer and our customer base, remembering that honesty and transparency are what will win out in the long run.”

“You just have to accept that there are some things that just don’t work for some retailers,” says Deminski of Deminski Van Valkenberg. “Instead of promoting failure, we try to take the high road whenever we can.”

CHALLENGES ABOUND

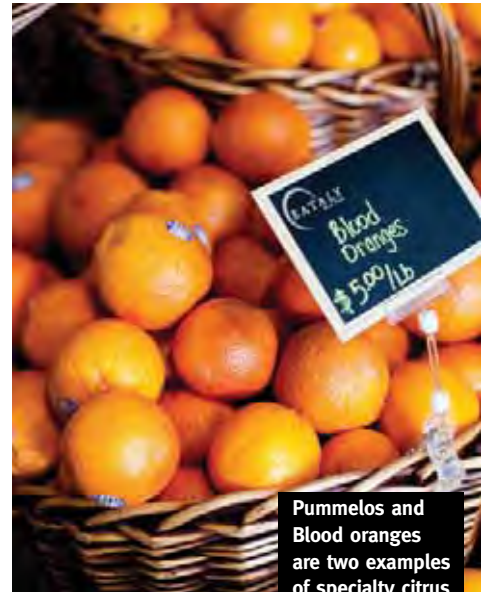
Despite the increasingly important role that brokers are playing throughout the produce industry, there remains a general sense of confusion with regard to exactly what these talented individuals do. When many people hear the term “broker,” they mistakenly think the discussion is about commodity brokers who buy and sell goods, says Monterrey’s Stephan. “The association with brokers is the guy who buys a railcar load and then divvies it out into pallet quantities or truckload quantities to the different distributors in the terminal market,” says Stephan. “I think brokers have an opportunity to change their identity.”

Advantage’s McGowan also fears the term confuses people. In an attempt to better describe what his industry does, he went so far as to list his profession as “sales provider” on his badge at the most recent PMA show. “Ever since the salad business started, people have called us brokers, but the preferred term is sales and marketing agency,” he says. “The business continues to evolve and ‘broker’ no longer applies to what we do.”

Looking ahead, Edge Sales’ Raffanti expects the produce industry to remain as dynamic, rewarding, and challenging as it always has been — if not more so. With competition increasing from alternate channels, like Wal-Mart, Costco, Whole Foods and Target, and a growing number of retailers centralizing their operations — including their purchasing — that challenges brokers to continue to add value through a wide array of sales and marketing support.

“The goal is to stay out in front of it to help the retailers in terms of growing the category and growing the brand,” says Raffanti. “If you can really add value, you truly have a team that is professional, and you’ve got all these different aspects from a business management, from an analytical approach, and from a retail marketing perspective, you’ll remain a tremendous resource for the retailers and for the industry as a whole.”

pb



Pummelos and Blood oranges are two examples of specialty citrus that have recently gained a following.

Specialty Citrus: Market And Merchandise To Sweeten Sales

With plenty of new varieties hitting the market, retailers should take the time to educate consumers with plenty of signage and smart marketing techniques. **BY CAROL M. BAREUTHER, RD**

Consumers are always looking for that “something different.” Likewise, retailers continually search for that hot new product that will blacken their bottom line. When it comes to fresh produce, breeders and growers are happy to oblige. Just look at varietal development and SKU proliferation in categories such as apples, tomatoes and potatoes. Citrus is also exploding, and it’s a category that offers unique marketing strategies and merchandising opportunities in both niche and newer specialty varieties.

Specialty Citrus Defined

What exactly is specialty citrus? There is no industry definition. For example, according to Perishables Group, a West Dundee, IL-based fresh food consulting firm, specialty citrus means homli, kumquats and ugli fruit, and represents only 0.1 percent of category dollar sales for the 52 weeks ending September 24, 2011. Navels, Valencias, Cara Cara Navels, Moro or Blood oranges and Temple oranges are grouped together, and they represent the largest slice of the citrus category, contributing

38.4 percent of dollar sales during the same time period. Mandarins, which include Clementines and Satsumas, are next at 23.1 percent of dollar sales. Lemons, which include both everyday Eureka and Meyer varieties, round out the Top Three dollar share category contributors at 15.2 percent.

Mark Luchak, director of produce and floral for Rice Epicurean Markets, a 5-store chain based in Houston, TX, says, “There’s no easy definition because there is so much that is mainstream today. For example, Cara Cara Navels are getting to be an everyday seasonal item. Clementines are pretty much available and promotable year-round. Even kumquats are around for much of the year.”

On the other hand, David Mixon, senior vice president and chief marketing officer for Seald-Sweet International, headquartered in Vero Beach, FL, contends, “Specialty citrus is anything that doesn’t qualify as a Valencia or Navel orange or grapefruit.”

Some don’t classify the group of Tangerine, Mandarin and Clementine varieties as specialty, while others do. Mark Bassetti, senior vice president of Duda Farm Fresh Foods Inc.,

based in Oviedo, FL, explains, “Three to four years ago we would have included Mandarins and Clementines under the specialty definition in that they are something that is managed and seasonal. Today, however, they are mainstays. To me, specialty means more local or regional, like a Florida Navel that you’ll see primarily sold in the south. Or, something more limited in volume and availability such as a variegated pink lemon.”

Similarly, Joe LoBue, managing partner of LoBue Bros. Inc., in Lindsay, CA, says, “We break down the citrus category into Navel oranges, Mandarin oranges, lemons and specialty. Under specialty we include Cara Caras, Moro oranges, Minneolas, Pummelos and grapefruit.”

“In Florida, for assessments through the state agencies, we refer to specialty fruit as a broad category that includes Tangerines and Mandarin hybrids as well as Tangelos and Tangors,” says J. Peter Chaires, executive director of the New Varieties Development & Management Corporation (NVDMC) in Lakeland, FL. “However, for many people, specialty fruit is non-tangerine-type fruit —

OUR FAMILY TREE IS RICH WITH CITRUS GROWING HISTORY.

Today, we've become experts at making sure our customers enjoy a year-round supply of citrus fruit, anytime, anywhere.



Meet the faces of Dandy® citrus.

For 85 years, Duda Farm Fresh Foods has been providing farm fresh fruits and vegetables to businesses and consumers. Our commitment to quality and availability holds true today now more than ever, as we aim to provide our customers with a year-round supply of the most sought after citrus products. With a trusted network of growers, both domestic and international, Duda Farm Fresh Foods provides a consistent and high quality citrus supply all year long.

PHONE 559-627-1337

FAX 559-627-3665

www.DudaFresh.com

SCAN TO VIEW OUR CITRUS VIDEO

Duda
farm fresh foods



Get the free mobile app at <http://gettag.mobi>

JOIN OUR COMMUNITY.

Dandy Fresh Fruits and Vegetables

@Dandy_Fresh

dudafreshproduce

“Customers are better informed today and very educated about the names of different citrus, just like they are when it comes to apples, and this is a selling point.”

— Mark Luchak, Rice Epicurean Markets

orange to gold in color — and generally an easy peel type. This crowd would consider Tangelos and Tangors specialty fruit. However, it gets more interesting. Now that breeders are making very interesting grapefruit/Pummelo hybrids, and lemon/lime/orange hybrids, we will either end up with a larger ‘catch-all’ category, or more individually defined fruit and less general families.”

Marketing Opportunities: Families And Individuals

The challenge in the future is how to move new citrus products into the market without confusing the customer. According to Chaires, there are three models. “First, is the old model of general families where you have Navel oranges available for a 7- to 8-month window. They are sold as Navels, not as Atwood Navels

or Glen Navels,” he explains. “Secondly, you have families of similar looking citrus such as Mandarins or Clementines that are merchandised throughout the season not by individual variety, but under the umbrella of a brand name. Cuties are a good example of this, and I think we’ll see more of it. The third marketing model is to distinguish each individual by its own identity like the apple shippers have done,” he continues. “I believe there is a lot of room for stand-alone and unique varieties of citrus that have seasonal merchandising opportunities and that grower/shippers and retailers will team up to identify and promote to their customers.”

Seald-Sweet’s Mixon agrees. “It’s all about individual or niche varieties and windows of opportunities,” he says. “Retail advantages in calling out specific varieties are to offer a

point of distinction over competitors and give consumers a reason to shop at their store. In addition, the more SKUs offered, the better the chance to fit a greater number of shoppers’ needs.”

New this season, Booth Ranches LLC, in Orange Cove, CA, will be offering a limited volume of Mandarins, in addition to its traditional line-up of Navel and Valencia oranges. Neil Galone, vice president of sales and marketing, explains, “Historically, we’ve only marketed fruit we’ve grown ourselves. But, our retail customers are looking to add variety with something that offers an incremental sale to oranges, so this season we will market about 100 loads of Mandarins during a 10-week window from January to April. We’ll be selling them under the brand name Buckaroos.”

Varietal development at LoBue Citrus is focused on new and different varieties of truly seedless Mandarins, says LoBue. “We have some promising trials going and are optimistic we can improve upon even the excellent fruit we’re offering today.”

“Similarly,” says Duda’s Bassetti, “trials are ongoing in Florida on seedless Clementines.”

“In addition,” says LoBue Citrus’ LoBue,

Good Then...

...Great Now

www.FreshFromFlorida.com



Bringing You The World's Best



**DARLING
CITRUS**

**DARLING
CLEMENTINES**
Nature's Sweet Temptations

SUAVO
AVOCADO

LGS Specialty Sales, Ltd.

718-542-2200 • 800-796-2349 • Fax: 718-542-2354

www.lgssales.com

“while specialty citrus requires some advance planning, we think a short window is an advantage; it brings real energy to the citrus category. Throughout the season, retailers can count on having something new to promote, and each item brings unique flavor and visual characteristics as strong selling points. Traditionally, specialties do not have to be discounted. So specialty offers a one-two punch: the citrus category gets a nice lift, at pretty good margins.”

The NVDMC’s Chaires agrees and offers

this example: “In Florida, there are three main tangerines: Fallglo, Sunburst and Honey. Each is available in different windows: October for the Fallglo, November for the Sunburst and February for the Honey. Some retailers will market these as just a Florida Tangerine; others call out the individual name to differentiate.”

Luchak, at Rice Epicurean Markets, is one produce director who directs staff to sign each of these tangerines by their varietal names. “Customers are better informed today and very educated about the names of different citrus,

just like they are when it comes to apples, and this is a selling point.”

The Minneola Tangelo, also called Honey-Bell, and the Sugar Belle are two examples of popular specialty citrus marketed by varietal name, says NVDMC’s Chaires. “The Sugar Belle is now entering the market from Florida, and within a few years, will be produced in California. In Florida, the Sugar Belle comes into maturity in early December and can carry to mid-January. California’s more arid climate may extend this window.”

Golden Nugget Mandarins and Pixie Tangerines are also well suited to being sold as distinctive. Claire Smith, public relations manager for Sunkist Growers Inc., in Sherman Oaks, CA, says, “The Golden Nuggets and Pixies are high end items with high Brix, excellent flavor and both are 100 percent seedless.”

Many retailers, such as Randy Bohaty, produce director for B&R Stores, a 15-unit chain headquartered in Lincoln, NE, are looking for the next best piece of specialty citrus. “The Melo Gold is a real sleeper,” he says. “I think as supplies become steadier, this fruit will catch on with customers.” The Melo Gold is a cross between a white grapefruit and a Pummelo.

The seedless lemon will be another future hit predicts Duda’s Bassetti. “I really think this has the potential to take off similarly to seedless grapes and seedless watermelon. It makes a lot of sense. Who wants seeds in their ice tea or fish?”

Two of the newest specialty citrus fruits to hit the market are the Sumo Citrus and Jeju Mandarins. This marks the second season that the Suntreat Packing & Shipping Co., in Lindsay, CA, will market its Sumo Citrus, a Mandarin-orange cross developed in Japan and grown exclusively in California’s San Joaquin Valley. The fruit is seedless, sweet and juicy, says marketing coordinator, Seth Wollenman. “Harvest begins in February and will have it available until we sell out, or likely to the end of March. The real selling point is its flavor. It brixes at 14 to 16.”

Suntreat Packing marketed 90 percent of its first crop last year within California, but hopes to venture out of the state and possibly to the East Coast with this year’s harvest. The fruit is naturally soft, similar to the feel of a tree-ripe peach and is therefore packed in a single-layer box to avoid bruising. Sumo Citrus will also be marketed by the company as part of a larger program for 2012 called Suntreat Reserve. Varieties selected for this label meet certain criteria for quality and flavor and also include Oro Blancos, Seedless Lemons, Navels and

LIMONEIRA®
WORLD OF LEMONS

California: Jan, Feb, Mar
Chile / Argentina: Apr, May, Jun
Mexico: Jul, Aug, Sep, Oct, Nov, Dec

Argentina, Chile, Northern California, Mexico, Southern California

- Global integrated supply chain
- Flexible go-to market strategies
- Leader in solar, soil and water management
- Rated superior for both GFS and for Global GAP

Delivering the freshest lemons to you

866-321-8953
LIMONEIRA.COM

want to know more about our company?
use your smartphone to scan

Quality has an old family name.



Experience the Booth Ranches legacy.

A descendent of one of California's oldest families, Otis Booth, Jr. started Booth Ranches in 1957 with 40 acres in the foothills of the Sierra Nevadas in Central California. Today, Booth Ranches is still family owned and operated, farming 8,300 acres from Orange Cove to Maricopa. Our customers have known Booth Ranches as a consistent supplier of premium California oranges. We take great pride in delivering only the best from our family to yours.

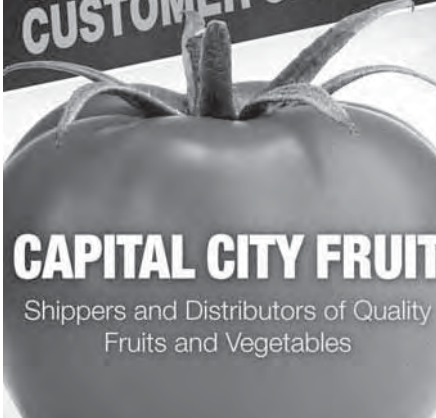
Call 559.626.7653 or email info@boothranchesllc.com to learn more.



Booth Ranches, LLC
Orange Cove, CA 93646
559.626.7653
www.boothranches.com





**EXCEPTIONAL
FRESH PRODUCE.
UNPARALLELED
CUSTOMER SERVICE.**



CAPITAL CITY FRUIT
Shippers and Distributors of Quality
Fruits and Vegetables

Capital City Fruit
1505 North Avenue,
Norwalk IA 50211
515-981-5111

producebusiness
MARKETING • MERCHANDISING • MANAGEMENT • PROMOTION



To get ahead in the produce business, you need to stay ahead of the produce business.

The International Business Magazine Serving the Fruit, Vegetable and Floral Industries.

For subscription information, please visit
www.producebusiness.com
or call 561-994-1118

“Specialty citrus is displayed either as in-line or in-and-out items. In-line items are Cara Cara Navels and Blood oranges, Pummelos and whatever is the current Tangerine or Tangelo. An in-and-out specialty might be Meyer lemons. Either way, all of the specialties are displayed with the rest of the citrus category and next to high demand items so that consumers can see them and hopefully trade up their purchase.”

— Randy Bohaty, B&R Stores

Gold Nuggets.

Jeju Mandarins will be imported for the first time this season by Melissa’s/World Variety Produce Inc., a Vernon, CA-based specialty produce supplier. Robert Schueller, director of public relations, shares, “These Mandarins are grown exclusively on the Jeju Island, in South Korea, and are available in December and January. This means they go head-to-head in the market with domestic Tangerines, but they have a really spectacular flavor, plus the attributes consumers want such as being seedless and easy-to-peel.”

Five Best Ways To Merchandise Specialty Citrus

Newer or less familiar varieties of specialty citrus won’t gain trial or repeat sales without the help of creative merchandising.

1. Educate Consumers: It’s important to educate customers about why a piece of fruit is special or different, says Duda’s Bassetti. “That is what makes specialty merchandising different than for a commodity. POS materials, such as price or recipe cards, in-store TV, informative packaging and even social media such as a Facebook and Twitter can all help. For example, we ran our Merry Meyer Lemon contest on Facebook and asked customers to share with us their favorite Meyer lemon recipes. Not only did we engage the customer directly, but their responses provided us with important feedback.”

Recipes are especially helpful for “oddball” citrus, says Lance Walheim, vice president of variety development for California Citrus Specialties Inc., in Springville, CA. “Many people don’t know that you can pickle the rind of a Buddha’s Hand or that Yuzu is used in Asian sauces.”

At Rice Epicurean Market, specialty citrus is prominently displayed and signed, says Luchak. “If there is any POS available from the shippers we’ll add it to the display.”

LoBue Citrus’ LoBue adds, “We recommend using POS that explains the unique properties of each variety. For example, the Pummelo literally bursts with flavor and Cara Caras have lower acid than navels, etc.”

2. Use Packaging As POS: There is increased retailer demand for bags, says LoBue. “We now offer specialties in color-coded, 2-, 3- and 4-lb. bags and even 1-count bags of Pummelos.”

Small versus large bags offer a more enticing price point to the customer on a premium product like specialty citrus. Plus, the packaging provides a way to differentiate specialty from commodity citrus and a platform for education. “For example,” says Melissa’s Schueller, “Tangerine varieties all tend to look alike. Our bagged specialty tangerines have a header card that shares information about the variety and usage tips.”

The Combo Bag, which is constructed of half poly-plastic and half mesh, is popular for specialty citrus. Dean Troxell, director of packaging for Sunkist Growers, details, “The poly side allows for branding and product information while the mesh provides open ventilation for the fruit. Artwork on packaging is now incorporating QR codes that can be scanned with Smart Phones. This allows us to provide additional information on the product and to also connect to the consumer with fun activities like videos and games.”

3. Let ‘em Taste: “We always sample a new citrus variety when we bring it in,” says B&R Store’s Bohaty.

“Usage ideas are helpful,” says LoBue Citrus’ LoBue, “but describing the flavors and showcasing the items through sampling are the most important tactics.”

Kathy Hearl, marketing promotions manager for DNE World Fruit Sales, in Fort Pierce, FL, agrees. “Enticing customers to

sample fruit before purchasing will help to boost sales. Studies show that 84 percent of people say they remember the product they received during sampling, and 42 percent have a more favorable impression of the product after tasting it.”

4. Display Front And Center: “Specialty citrus is displayed either as in-line or in-and-out items at B&R Stores,” says Bohaty. “In-line items are Cara Cara Navels and Blood oranges, Pummelos and whatever is the current Tangerine or Tangelo. An in-and-out specialty might be Meyer lemons. Either way, all of the specialties are displayed with the rest of the citrus category and next to high demand items so that consumers can see them and hopefully trade up their purchase.”

“Specialty citrus should be displayed prominently and early in the produce department traffic pattern”, says LoBue Citrus’ LoBue. “They are an impulse purchase — while Navels, Mandarins and lemons might be on the shopping list, consumers often don’t plan to purchase specialty citrus, so you need to position it well.”

Hearl recommends, “Create multiple



displays throughout the produce section of the same item. As produce departments get larger, consumers may not go through the entire section so it is beneficial to have multiple locations of the same product.”

The best way to create space for specialty

citrus is through the use of secondary display units, says Julie DeWolf, director of retail marketing for Sunkist Growers. “These items need more explanation than just throwing them on the shelf, and these units are designed to give the consumers the information they crave. We offer a number of different display units that fit anywhere from one to three cartons of fruit, so they are versatile for both smaller stores and the large chains.”

5. Promote: Rice Epicurean Markets runs themed ‘Uncrate the Sun’ ads throughout the winter. “We have a specialty box in the ad that is just for citrus,” describes Luchak.

“Spotlighting specialty citrus in the chain’s ad circular has the advantage of drawing customers into the store for this particular item,” says Melissa’s Schueller. “Simply letting shoppers know you have something new and different can oftentimes be as effective in promoting sales as a price discount.”

“Do price promote as well,” suggests Duda’s Bassetti. “A good price point encourages retailers to build bigger displays, add POS, or even run interactive events such as contests and demos. This all drives trial.” **pb**

Enjoy the Fruits of our Labor!

Sweet, Juicy and Delicious Texas Red Grapefruit and Oranges



Edinburg Citrus Association

956.383.6619

www.txcitrus.com



Packaged salads and berries are two of the most common uses for clamshells.

Clamshell Marketing: Saving Money By Reducing Shrink

Be it berries, potatoes or apples, clamshells are proving their worth and showing up all over the produce department. **BY BOB JOHNSON**

There is a lot to like about clamshell packaging in the produce department. They provide the feeling of safety that comes from knowing that other customers and store personnel have not been fingering the food. Clamshells cut down on shrink by protecting against bruising of the fruit, and with a snap-seal by reducing spoilage. They also provide an efficient use of space in shipping produce and storing it at the warehouse and in the store. This combination of convenience, safety and reduced spoilage has led to increased use of clamshells and their unhinged cousins in the rigid clear plastic container family.

"Absolutely, clamshells are being used more," asserts Steve Langdon, vice president for sales at Precision Packaging Products Inc., headquartered in Holley, NY. "According to our customers, there's an expansion of rigid clamshells, especially in pre-washed organic produce."

The expanded use of clamshells in recent years is probably just the beginning, as new products and new uses figure to grow the cate-

gory. "We expect to see another 15 to 20 percent increase in clamshells because of interest by the consumers and the retailers," predicts Kurt Zuhlke, president and CEO of Kurt Zuhlke & Associates Inc, headquartered in Bangor, PA.

The producers are keeping demand for clamshells on the rise by responding with new designs when users have questions or complaints. "People had bad experiences with clamshells that didn't conveniently stack on top of one another for the shelf, clamshells that didn't fit well in spring-loaded shelves, and clamshells that were not specifically designed to be tamper-evident," explains Jim Scattini, vice president of sales and marketing at Sambrailo Packaging, in Watsonville, CA.

The ongoing improvements in design are creating a continuing increase in the use of clamshells for produce. But the one fly in the ointment that could prevent increased use of clamshells is the environment: Almost all clear rigid containers are petroleum-based, and even though almost all of them could be recycled, many of them are not.

How Green Is Your Shell?

The reason very few clamshells are recycled has mainly to do with the sorting process. Different types of plastic material have to be separated from each other before they are recycled. But a key step in the recycling process is manual separation in which workers use their eyes to painstakingly sort items that can be recycled together. The challenge is that the different materials used to make clamshells and other hard plastic containers look very much the same.

According to David Stanton, North American head for brand owners and retailers at NatureWorks LLC, headquartered in Minnetonka, MN, "The predominant technique in recycling is manual separation. You can make clamshells out of many different materials that look the same, so you cannot separate them automatically."

The other issue in recycling clamshells is making sure that the labels come off easily during the recycling process. "All plastics are recyclable, but they are not recycled to any extent in North America," Stanton adds.

“Consumers like to be able to see exactly what they’re buying with the added comfort of knowing that their fruits and/or vegetables haven’t been handled by multiple people.”

— Kate Proos, Monte Package Co.

“Bottles, milk containers and detergent containers are about all that is recycled.”

This issue is being addressed in Canada by an initiative among Wal-mart, Loblaw and other major retailers to require that their suppliers adhere to standards that would allow them to recycle their clamshells and other hard plastic containers. Ben Miyares, president and founder of Bay Village, OH-based Packaging Management Institute, has been following the Canadian retailers’ push to accept nothing but thermoform PET for clamshells. “Most of the clamshells made from other materials are not recycled because they contain contaminants for the recycling process,” he explains. “Any product supplier that was using PVC or any other material other than PET will have to shift.”

The Canadian retailers are working the label adhesive issue, too, by developing standards for adhesives that will facilitate recycling. This move toward uniform materials that will facilitate recycling is starting in Canada, but it could move quickly to the United States if it works north of the border. “Although it is starting in Canada, the U.S. operation of Wal-mart is very interested in this,” says Miyares.

The Canadian initiative already has the enthusiastic support of some suppliers here in the United States. “It’s a great program,” says Mark Spencer, business manager for sustainability at PWP Industries, in Vernon, CA. The choice of PET as the standard material for clamshells makes sense insofar as PET is already, by far, the most widely used material. “The majority of the clamshells are PET or No. 1 resin, mostly because of the performance. The clamshell goes through a range of temperatures and the PET stays soft and strong through the process.”

The standard for adhesives that facilitate recycling is already in play with plastic bottles, which are already widely recycled. “The key for the labels is that when the adhesive goes through the recycling process it

doesn’t stick to the PET,” notes Spencer. “The standards are similar to those for soda pop bottles or water bottles.”

Another approach to the recycling issue is to develop methods of separating materials that can distinguish among the recyclable materials used to make clamshells and other plastic containers. “We have to go beyond PET and look at all plastics to see how they can all be recycled better,” contends NatureWorks’ Stanton. “That means using technology to sort them. There’s lots of work going on out there.”

Stanton points out that other than his firm’s

plant-based Ingeo, even if the other plastic package materials could be recycled, they are still all petroleum-based, “except Ingeo, which is made from plant sugars that are fermented and made into polymers. Ingeo costs more, but the stiffness of Ingeo lets you use less material. Target and Wal-mart are both using Ingeo.”

There are also significant constituencies out there who see clamshells and other plastic packages as another unnecessary strain on the environment. “We don’t market in clamshells,” asserts Robert White, produce manager at The Living Earth, an independent single-unit

Improve Productivity & Increase Profitability with PRODUCE TRAYS from Continental Plastics.

Our produce trays offer many advantages over other packaging formats:

- ✓ **Reduce labor costs;**
- ✓ **Lower cost material;**
- ✓ **100% biodegradable and compostable;**
- ✓ **Multiple styles and sizes available;**
- ✓ **Direct from the manufacturer savings.**

	3jt 9 oz. 3-6x7.5		CD 18 oz. 4-6x6L		4T 16 oz. 4-6x6L		6XL 38 oz. 6-5x6
							2XL 14 oz. 2-5x6
							3L 16 oz. 3-6x6
							4L 14 oz. 4-6x7M

For more information, please call 866-811-6510 or visit www.conplastics.com.

CONTINENTAL PLASTICS & PACKAGING, INC.

Lincoln, RI 02865 USA • 866-811-6510 • www.conplastics.com



health food store located in Worcester, MA. “We have an all-organic produce department; our customers are very green and they don’t want clamshells. Some places will put things in clamshells, but we don’t.”

Clamshells have become so ubiquitous in shipping and displaying produce, however, that they show up even in the greenest markets. “We get salad mixes in clamshells. The berries come in clamshells and there’s nothing you can do about that, but we generally sell our produce in bulk,” White acknowledges.

The Feeling Of Security

While the produce industry works toward a solution to the sustainability of clamshells, the industry already benefits from the widespread belief that clamshells fit with the strong interest in food safety. The clamshell lets you see the produce, and lets you know other customers and store personnel have not put their hands on it. “Consumers like to be able to see exactly what they’re buying with the added comfort of knowing that their fruits and/or vegetables haven’t been handled by multiple people,” says

Kate Proos, head of customer service at Monte Package Co., based in Riverside, MI.

The knowledge that the food has not been handled in the store leads to a greater comfort that it is safe. Langdon from Precision Packaging agrees, noting, “Consumers want to know the food has been untouched. There also is a perception produce will last longer in the clamshell than in the bag.” Precision Packaging has a patent pending on a new tamper-evident design. Other suppliers are also coming out with new clamshell designs that are more tamper-proof or tamper-evident.

However, Herb Knutson, director of marketing at Shelton, CT-based Inline Plastics Corp., counters, “I don’t believe that there is any truly tamper-proof packaging. Tamper-resistance and tamper-evidence are an important consideration in choosing packaging. These packages can reduce in-store shrinkage and spoilage. Many containers accomplish this through the application of a separate heat shrink band applied around the lid during the packing procedure. These are effective, but subject the produce to unnecessary heat and require additional cost and time to apply. Our Safe-T-Fresh containers do not require added shrink bands,” he adds. “The

Field-Packed for Freshness
ARTISAN BOSTON
 CRYSTAL FRESH - LIGHT REFRESHING FLAVOR

DOWN

with **shrink**

Keep your shrink volume down with Tanimura & Antle Artisan® Boston lettuce. Field packed for freshness in a custom-designed clamshell, the packaging protects the delicate butter leaves, extending shelf life and reducing shrink. Yielding large heads, this select seed variety is an exciting new addition to the Tanimura & Antle Artisan® family.

Grow your sales with the Tanimura & Antle Artisan® Family!

“The visibility of the produce is the biggest advantage with clamshells. We are using them more than we did in the past. The bagged salads are one item. Nothing singles itself out as a problem with using clamshells.”

— Robert Backer, Giant Food Stores

tamper-resistant / tamper-evident feature is built into our clamshell containers. Once the lid is closed, the patent tear-strip hinge must be removed by the consumer to gain access to the contents of the package.”

This feeling of safety and security is a major reason for consumer acceptance of clamshell packaging. “Retailers started using more clamshells years ago,” points out Zuhlke of Zuhlke & Associates. “The main reason is the security in the package; an individual can buy a cleaner item. It appeals to more people.”

Reduce Shrink, Save Money

Clamshells are a value-added item designed, ironically, to save money by saving space and reducing shrink. “The clamshell market has continued to grow even in the current economy,”

notes Knutson. “Clamshells and other clear rigid packaging provide better protection for produce and reduce spoilage, and consumers still prefer this type of packaging.”

For a clamshell to provide this package of economic advantages, it must save space, close well and display the produce. “You want a clear package at a good price and an efficient use of space both at retail and for shipping,” says Precision Packaging’s Langdon. This combination of benefits has many suppliers and retailers dropping flexible packaging in favor of clamshells and other rigid clear plastic packages.

“We continue to see a shift of retail produce packaging away from flexible to rigid applications,” reports Roman Forowycz, corporate chief marketing officer at Clear Lam Packaging Inc., in Elk Grove Village, IL. “The rigid pack-

aging protects the fruit and vegetables better than flexible packaging, allows for better in-store merchandising, provides simple reseal-ability, and, with fresh-cut fruits and vegetables, creates a ready-to-serve option for consumers.”

The key to merchandising is a large window to let the consumer see the produce. “For merchandising, most of the time you’re looking at a larger window, and not a lot of ribs,” says PWP’s Spencer. This window into the produce is the one greatest advantage clear rigid packaging has over opaque packaging.

According to Robert Backer, vegetable merchandiser at Giant Food Stores, in Carlisle, PA, “The visibility of the produce is the biggest advantage with clamshells. We are using them more than we did in the past. The bagged salads are one item. Nothing singles itself out as a problem with using clamshells.”

Another key to economy is a firm snap, which keeps produce fresh longer, and makes it easier for retailers and consumers alike to handle. “I’m seeing that an increasing percentage of clamshells used for produce are manufactured in a way to snap closed,” notes Miyares of the Packaging Management Institute. “People started complaining three or four

UP

with profits

Boost your sales with Tanimura & Antle Artisan® Romaine, a unique version of the popular variety. These Romaine heads have tightly formed and hardy cupped leaves that offer new and exciting ways for consumers to enjoy lettuce—like filling, dipping and grilling!



1 Harris Rd • Salinas, CA 93908
1.800.772.4542 • taproduce.com



Call today and
request a sample case
on your next order!

years ago that gifts packaged in clamshells were too hard to open, so new products have been developed in response.”

A clamshell that closes effectively can help to streamline the retail operation. “Companies are looking to combine steps, and with clamshells, you can build tamper-proofing into the container rather than band it afterward,” NatureWorks’ Stanton says.

These characteristics come together in a good clamshell product. “Clarity, consistency and ingenuity are the keys to good clamshell prod-

ucts,” reminds Zuhlke of Zuhlke & Associates.

And a handful of characteristics sum up a good clear rigid container. According to Clear Lam’s Forowycz, “There are five main characteristics that make one clamshell/rigid container better than the other. They are: Maximizing visibility to enhance product being packaged; providing physical protection of the product to prevent bruising; ease-of-use for consumers; helping to improve shelf-life; and creating brand differentiation through easily recognizable design.”

“You need different clamshells for different uses. If I’m using them for tomatoes, I may want a little air, but if I’m using it for cut fruit, I am concerned about losing juices.”

—David Stanton, NatureWorks LLC

The Right Shell For the Job

Clamshells became a standard in the produce department as a way to ship and display berries. Their use expanded to include cut and even whole fruit, tomatoes and greens. “You need different clamshells for different uses,” notes Stanton. “If I’m using them for tomatoes, I may want a little air, but if I’m using it for cut fruit, I’m concerned about losing juices. Is the venting good? Is the seal tight?”

The range of clamshell types, sizes and shapes keeps expanding as the uses for clamshells keep expanding. Stanton says, “Clamshells are used so widely there is hardly a category that doesn’t use them.”

One area in produce where clamshells are becoming more important is single-serve cut fruit. “You’re seeing more and more cut fruit, and more single-serve ready-to-eat produce,” Langdon of Precision Packaging says.

Cut fruit needs a clamshell that is tight enough to prevent the juices from leaking. Giant Food is finding that clear rigid containers can help with other produce display issues. “It definitely works with potatoes,” Backer states. “Sometimes, the clamshells help with the greening problem.”

Most of the specifications for a good clamshell depend on what you are displaying. “Clamshells come in all shapes and sizes: vented/non-vented; button lock/hinge lock; 4.4 ounces up to four pounds,” details Monte’s Proos. “For example, we stock around eight varieties of pint clamshells, each one with something different to offer the customer. Clamshells can be used to package produce from apples to zucchini and everything in between.”

The first question to ask is whether the shell needs vents to keep the produce fresh, or a tight

ProducePackaging.com®
for all your produce packaging needs

Kurt Zuhlke & Associates, Inc.
Keeping it Green - Made of 100% Recycled PETE
Call 1-800-644-8729 or Visit www.ProducePackaging.com

seal to keep the juices in. "In the produce industry we see two distinct types of containers," notes Inline's Knutson. "Those for whole fruit and vegetables are usually rectangular or square and heavily vented to allow rapid cooling of the product after it is picked in the field. Containers for cut fruit, salads, leaf lettuce and other products can be in any number of shapes and usually are not vented. In fact, for cut fruit, leak-resistant containers are preferred so they don't make a mess in the supermarket displays."

Strawberries are among the leading produce item in clamshells, and they must be well vented to stay fresh. "We make a lot of the clamshells for berries, and you would also see us doing clamshells in the bakery department or to-go packages in restaurants and delis," says PWP's Spencer. "With us, closure and venting are probably most important, along with merchandising. The clamshells need to vent correctly and the label needs to be visible. It's important to vent them correctly because the berries have to stay fresh."

The design of the clamshell can improve opportunities for venting. "Instead of ridges, the MIXIM clamshells have smooth-wall siding, which reduce mechanical damage because ridges can sometimes cut into the fruit; enhance consumer appeal by showing off the product in the clamshells," details Sambrailo's Scattini. "Arched bottoms and hinge-venting are strategically aligned with the vents in the trays, allowing for more efficient air flow, faster cooling and increased shelf-life. They have a reliable and tight friction lock closure. All are made from recycled and recyclable No. 1 PET."

Most clamshell containers are standard sizes for different particular produce items. "There is some standardization," states Knutson. "Some containers, like those used in the field for products like strawberries or blueberries, have standard square or rectangular sizes such as pints and quarts, and their dimensions are basically the same so they fit in the corrugated flats in which the filled containers are transported. For products like cut fruit, there are many standard volumes, like 16 fluid ounces and 24 fluid ounces, but the dimensions and shape of the containers differ from one manufacturer to another."

But the key to sizes and shapes is economy of space on the truck, in the warehouse and on the shelf. "There are a number of non-conforming clamshells on the market," acknowledges Knutson. "It depends on where the container is going to be used. For product packed in the field, most conform to the

common footprint boxes. We developed our rectangular Safe-T-Fresh line of tamper-resistant / tamper-evident clamshells to conform to the Euro Flat carton, which is one of the common standards. They allow better shipping density to reduce transportation costs from processor to supermarket, and fit perfectly on a 40 x 48 GMA pallet."

One firm has developed a strawberry clamshell configured to save nearly 6 cents per clamshell in cross-country shipping costs. "Sambrailo also developed a separate MIXIM


line called the 'MIXIM Standard,'" reports Scattini. "The MIXIM Standard is a 9-down configuration, which maximizes pallet space, thus saving on transportation expense. For example, the industry norm for 1-lb. strawberries is an 8-count in a 6-down tray at 18 tiers high (864 clamshells per pallet). Conversely, the MIXIM Standard is a 12-count in a 9-down tray at 10 tiers high (1,080). This is an increase of 25 percent. If it costs \$250 to ship a pallet across the country, then this represents a savings of about \$.058 per clamshell."

Safe-T-Fresh[®]

crystal clear Δ PET packaging

Discover the Difference New 10" Tamper Resistant Bowls

Tamper evident packaging
improves your bottom line.



Safe, Crystal Clear, and 100% Recyclable.

Call for your FREE Samples
1-800-826-5567 ext 7035
Mention Promo PB0112

Inline Plastics Corp.

Good Things Come In Our Packages[®]

42 Canal Street, Shelton, CT 06484
800.826.5567 • www.inlineplastics.com

“What’s better depends on the needs of the users. In most cases, clarity is very important so consumers can see what they are buying.”

— Herb Knutson, Inline Plastics Corp.

The clamshell must also stack easily on the retail shelf. The answer to the question of what makes for the best clamshell is ... it depends. “What’s better depends on the needs of the users,” acknowledges Knutson. “In most cases, clarity is very important so consumers can see what they are buying. But, a container that allows blueberries to cool faster than some other container could be considered ‘better’ if cooling fruit is important. A tamper-resistant container could be considered ‘better’ if shrinkage is a problem. Leak-resistant is better



Clamshells for cut fruit need to provide a leak-free, tamper-resistant environment.

for juicy products.”

The bottom line on clamshell priorities is it depends on what you are selling, and how you are displaying it. “The priorities completely depend on what the customer’s needs are — what they are packing, how they are packing, how they want to present their product, what type of master they are using,

etc. It all comes down to personal preference,” Monte’s Proos says.

This is an area worth keeping an eye on, because suppliers are constantly working to bring out new clamshell options. “Delivering fresh food products to the marketplace is dynamic right now. New products are always coming out,” say Langdon of Precision Packaging. **pb**

Clearly Efficient





- Faster cooling system increases shelf life
- Excellent clarity enhances consumer appeal
- Smooth walls reduce mechanical damage
 - Lock tight closure
- #1 Recyclable PET clamshells



Watsonville, CA | 800-563-4467 | www.Sambrailo.com



Peppers, squash, mangos, beans, tomatoes and cucumbers are just a few of the products grown in Mexico.

Mexican Growth and Opportunity

New developments in products, logistics, and market positioning allow for expansion of successful relationships and business-building with Mexico. **BY JODEAN ROBBINS**

Mexico currently exports around \$5 billion in fresh fruits and vegetables to the U.S. market, according to U.S. Department of Agriculture (USDA) statistics, and the country accounts for about 15 percent of all U.S. fresh fruit and vegetable imports. “Mexico provides consistent, fresh supply that is closer to the market than other options, and in many cases, is available year-round,” says Mayra Velazquez de Leon, president of Organics Unlimited Inc., based in San Diego, CA.

USDA statistics further show that in the past decade, Mexico’s produce exports to the United States have grown over 150 percent, from just over \$2 billion in 2000. The figures indicate the crucial role Mexico has grown into in supplying consistent product year-round. “Supply from Mexico allows us to provide produce to customers 365 days of the year without the thought of where it is from or what it took to get to our sales floor,” says Alfonso Cano, produce director for Northgate Gonzalez LLC, a 29-store chain headquartered in Anaheim, CA.

Promotable volume and the one-stop shopping aspects of sourcing from Mexico are real benefits. “The consistent supply of readily available product out of one shipping area makes it very attractive, versus running across

multiple growing areas,” agrees Stephen Yubeta, vice president of sales for Farmers Best International LLC, in Nogales, AZ.

“Products that cannot be grown cost-effectively in North American greenhouses during the winter months due to limited light and heat are available from Mexico at a reasonable price,” says Aaron Quon, greenhouse category director for The Oppenheimer Group, in Coquitlam, British Columbia, Canada. “This enables retailers not only to have a 12-month supply of preferred items, but it also makes promotions possible at virtually any time of year.”

“With proper planning and coordination you can procure almost anything,” acknowledges Cano. “You don’t need to speak Spanish to buy from Mexico. You don’t have to buy volume either. Most of the sales are done on the U.S. side, which really facilitates things.”

Abundance Of Product

According to the Nogales, AZ-based Fresh Produce Association of the Americas (FPAA), top produce items entering through Nogales from Mexico include tomatoes, watermelons, cucumbers, squash, bell peppers, grapes, mangos, honeydews, chili peppers, eggplant and green beans.

“We carry numerous items from Mexico including green squash, yellow squash, avocados, peppers, beans, tomatoes and

cucumbers,” says Paul Kneeland, vice president of produce and floral for Kings Super Markets, in Parsippany, NJ, with 24 Kings and 6 Balducci’s stores. “All the stuff we usually get from Florida just shifts over to Mexico during the season.”

Avocados and bananas are other significant export products as well. Sandra Aguilar, marketing manager for Ciruli Bros. LLC, in Rio Rico, AZ, explains, “Throughout the year, Mexico is the United States’ leading provider of tropical items such as mangos, avocados and papayas. During the off-season, Mexico is also the second leading provider of grapes.”

Through a partnership with Divemex, Oppenheimer focuses on sweet bell peppers, tomatoes and long English cucumbers grown in high-tech greenhouses in Etzatlan and Culiacan. “We also market greenhouse slicer cucumbers, which have a similar appearance to the field-grown cucumbers, but because they are greenhouse-grown they are typically superior in quality and shelf-life,” says Quon.

Mexico is also the world’s largest producer, consumer and exporter of Hass avocados. “Unlike avocados from any other region, avocados from Mexico are available year-round,” reports Emiliano Escobedo, marketing director for APEAM, the Mexican avocado association in Michoacán, México. “Since Hass avocado trees can have two blooms each season

rod c r ic ad o cc

ADVERTISEMENT

PDG Produce Inc. imports and distributes a wide variety of produce grown in Mexico. The company's primary items include tomato, peppers, squash, eggplant, and cucumbers as well as watermelon, honeydew, and grapes. In addition to product from Mexico, PDG also carries product from Holland and Canada. Sales are primarily to the East Coast (east of the Mississippi River) however an expanding sales team is increasingly focusing on sales throughout the country.

FROM HUMBLE ROOTS

PDG Produce began in the fall of 1985 in Nogales AZ, as a one man operation by Paul Douglas Guy. Originally from Cleveland, Ohio, Guy worked the produce market there since he was a kid as part of his family's business. Employment with a produce company out of Rio Rico brought him to Arizona where he has now resided for nearly 30 years. After several years with the Rio Rico company, Guy was encouraged and supported by his personal customers to start his own business.



The last 25 years of business has provided an opportunity for growth moving the company from a one man show to a highly efficient operation now employing over 30 people, working out of 3 warehouses and owning 7 bobtail trucks. Guy began the business in a small rented office space with simply a desk and a phone. Computers were not yet available and all orders, record-keeping and billing were done the old fashioned way ---by hand! Guy still holds some of "the books" to remember what it was like to do business then.

"It has been a slow but consistent growth for PDG," says Guy. "After 13 years in business I was able to purchase land and build my own warehouse with PDG office space and additional space to rent out. Over time PDG has acquired more business and 11 years after building the first warehouse, I was able to purchase and refurbish a second warehouse."

A DEDICATED TEAM



PDG's people are a valued asset and the company has not seen many employees come and go over the years. Guy's first salesman/inspector was his first cousin, Max Allen who came out west from Ohio as well in 1990 and after 21 years is still with PDG today. More than 90 percent of PDG's crew has been with the company since its early years. Two of the salesman, Javier Esquivias and Enrique Heredia as well as several on the administrative staff have worked with Guy for 17 years. PDG's Warehouse Foreman and several warehouse employees have been on board for 14 years.

Yet, PDG is looking for infusion of new talent as well. Among the newer employees, more family members are joining Guy including his nephew, Paul Hunter. Guy's brother in law Gerardo Bracamonte, and Guy's sons, Adann Rojas and Andre Rojas, have also been welcomed aboard. PDG's newest employee is Guy's sister, Chris Haskins who moved to Arizona from Ohio upon retiring as a police lieutenant after 30 years of dedicated service to the police force. Guy hopes to have his other seven children join the team one day.



Guy himself is known for his commitment and dedication to the business and his customers. His wife, Olivia says, "He's like a doctor on call working round the clock and taking phone calls at all hours! It shows how passionate he is about his work and that he truly loves what he does."

SERVICE ORIENTATION

PDG's success is attributed to its service orientation. Guy's intent from the beginning of his produce career has been to service his customers in every way possible. He has been known to go above and beyond to ensure his produce transactions provide a positive experience for every client and thus has created long term business relationships.

PDG's modus operandi is known as not only to be fair but also to respect people and the business itself. "There is a great deal of competition out there and everyone wants a piece of it if not all of it," says Guy. "I believe there's enough to go around if you are not greedy, if you're honest and if you compromise."



Among PDG's services is the facilitation of the pickup of product for customers by consolidating all products to a PDG warehouse so delivery can be done at one place at one time. "This service greatly benefits our clients since they are able to save a great deal of time by not having their drivers picking up product all over town," says Guy. "Other constructive services we provide include our 'IN and Out' services for other companies. We're currently doing this for six other produce companies throughout the year."

PDG Produce looks forward to continued growth and to remaining dedicated in providing the excellent service they are known for. "Having more people and family on board now opens the door for an abundance of opportunity for our company," says Guy. "Though we're not all blood relatives, PDG functions as a family and I feel very fortunate to be surrounded by loyal, reliable, hard working people who seem to enjoy working for PDG almost as much as I do."

PDG PRODUCE INC.



12 Kipper Street
Rio Rico, Az.
Tel: 520-281-2605
Fax: 520-281-4306
Email: paulguy@pdgproduce.com

in Mexico versus just one bloom in other countries, growers can pick avocados when the fruit is at the right maturity level to provide consumers with optimum taste and quality all year long.”

New Opportunities

Newer items in the tropicals and organics categories present increasing interest. Companies like Organics Unlimited supply organic bananas, organic plantains, organic red bananas and organic coconuts on a year-round basis. “I am handling Mexican guava and it’s doing well,” says Kneeland. “Specialty products do well in our stores.”

“As a company, we have some value-added products that cater to many Mexicans including *Los Elotes de la Esquina* (grilled corn), *Ponche Navideño* (the traditional warm Christmas punch), fresh-cut coconut and many more,” says Roger Gay, president of Cocanmex SA De C.V. in Cuautitlan, Mexico. “We are also marketing a drinkable coconut.”

New developments in technology and variety will continue to affect Mexico’s product availability. “There will be a lot of new products coming out of Mexico since an irradiation plant has been built,” adds Gay. “In addition to guavas,

“With proper planning and coordination you can procure almost anything. You don’t need to speak Spanish to buy from Mexico. You don’t have to buy volume either. Most of the sales are done on the U.S. side, which really facilitates things.”

— Alfonso Cano, Northgate Gonzalez LLC

we’ll see tree-ripened mangos, *Chicozapote*, lychees, rambutan and other citrus products.”

“Mexico continues to focus on growing better varieties of tomatoes like round and roma/saladette varieties,” reports Aguilar. “This is to produce better tasting, quality products for the consumer.”

Mexican producers are also continually looking for new, innovative packaging and branding ideas. Aguilar says, “We ship a lot of fresh green beans in various containers, from a traditional 30-lb. case to smaller, plastic bags that are preferred by retail customers. This year, we are experimenting with a clamshell pack to market organically grown beans. We invest in new packaging and research to provide our customers and the end consumer with fresher produce without

compromising on quality or taste.”

“We believe the Divemex Fair Trade certified organic and conventional pepper program can create a high level of excitement this winter,” reports Oppenheimer’s Quon. “Despite the post-recessionary conditions, consumers continue to gravitate toward products that align with their beliefs. The Fair Trade Certified label achieves this from a sustainable perspective. Divemex Fair Trade certified organic and conventional peppers are available in bulk and three-count bags.”

Shifting Logistics

Mexico’s proximity to the United States results in affordable and efficient transportation. “The logistics of shipping from Mexico is

Providing you a complete innovative solution for your fruit and vegetable needs!



COMPANY OBJECTIVE: to establish a product line available to all facets of the produce industry- from brokers to retailers. The idea of a more specialized product line will intrigue and supply all levels of markets: Brokers, terminals, wholesalers, food service, food processors, and retailers that exists in the U.S. and Canada. We want to be flexible to customers at the packing point. Examples would be packing RPC’s, clamshells, or specific weight packs. We want to be able to establish a steady supply for all of our main items, eliminating production gaps through the Nogales season. We also want to be flexible to have production in other districts such as California and Texas.

Grower Alliance, LLC

12 Avenida Acajoneta • New Warehouse Nogales AZ

520-761-1921 • FAX: 377-9189

Warehouse: 520-761-1771

Jorge Quintero, Sr - jorge@groweralliance.com

Jorge Quintero, Jr - jqintero@groweralliance.com

Frank Hernandez II - fhernandez@groweralliance.com

Luis Caballero - lcaballero@groweralliance.com

Saul Gonzalez - saul@groweralliance.com

MAILING ADDRESS: P.O. BOX 4404 • RIO RICO AZ 85648

beneficial,” states Kings’ Kneeland. “It’s not far away and in most people’s minds closer can mean fresher.”

“From Nogales, we can order into our place for the next day,” agrees Northgate’s Cano. “We also have strong relationships with shippers out of San Diego, from whom we can actually get same-day FOB pick up or deliveries.”

Purchasing decisions should take into account the shorter transportation time of Mexican products. “Most Mexican tomatoes are grown one or two days’ travel from the border,” states Oppenheimer’s Quon. “It is wise to take this into account while ordering so the tomatoes arrive in the preferred condition.”

“Our bananas from Mexico mainly enter the United States through San Ysidro/San Diego,” reports Velazquez of Organics Unlimited. “Most produce from Mexico is shipped via truck, and arrives quickly. Bananas from other areas come by boat, and take much longer to get to market.”

“Avocados from Mexico get from tree to market in four to five days,” reveals APEAM’S Escobedo.

Though historically, Nogales is the busiest port of entry for fresh produce crossings from Mexico, more product is increasingly crossing through other points, especially McAllen, TX. “Consistency in deliveries and availability is a major benefit,” says Lance Jungmeyer, president of the FPAA. “As buyers’ needs evolve, importers will adjust their volumes accordingly, sometimes even on a seasonal basis. The fact that imports are growing through Texas only shows the increased preference among East Coast retailers to source their produce from Mexico.”

Ciruli’s Aguilar adds, “The further south a shipment originates in Mexico, the easier it is to ship through either entry point. This is particularly true if the shipment is originating below the Sierra Madre Occidental Mountains, which separate Mexico’s northwest region from the southeast. We ship a lot of mangos from southern Mexico, so the Texas port allows us to get that product to the U.S. faster and with a little cost savings on freight.”

“We see a shift toward increased crossing in Texas this season and in the future,” reveals Yubeta with Farmers Best. “The freight advantages of picking up there versus loading in Nogales are making it more advantageous for receivers in the Northeast, Southeast and Midwest. Currently, a new highway is under construction that will make the driving time between one of the main growing areas in the state of Sinaloa and the Texas border almost identical to the time to cross in Nogales.”

“We carry numerous items from Mexico including green squash, yellow squash, avocados, peppers, beans, tomatoes, and cucumbers. All the stuff we usually get from Florida just shifts over to Mexico during the season.”

— Paul Kneeland, Kings Super Markets

Building Relationships

The best Mexico deal is built on solid relationships and good communication. “The first step to success is to align yourself with the best growers and suppliers,” advises Kings’ Kneeland. “You rely on them to ensure the quality standards are there. We inspect at the warehouse, but we expect our standards to be met.

We’re working with trusted suppliers.”

“Retailers and buyers should have a consistent, ongoing relationship with their U.S. suppliers of Mexican produce,” says FPAA’s Moore. “That relationship allows companies to build a program together throughout the season, taking into account times when items should be promoted, and when new supplies and



Professionalism
Reliability
Expertise

Offering the Finest Produce,
Transportation & Marketing
for an Expanding Midwest Market

Jeff • Dan • Tom • Andy • Mariola
815-372-9300 • 800-323-3730
www.produceplus.com
8 Greenwood Ave. • Romeoville, IL 60446

LISA Inc.
DISTRIBUTOR OF
FRUITS & VEGETABLES

Gala, 7 L'S, & La-Mor Brands

Pickling Cucumbers, Roma Tomatoes,
Jalapenos, Banana Wax, Hungarian Wax,
Anaheim & Pasilla Peppers

John Lichter
520-281-1863
Fax 520-281-2848
www.lisainc.us
P.O. Box 456
Nogales, AZ 85628

**ATTENTION
ALL BUYERS**

USE
producebusiness

directories when you are ready to buy.
For additional copies of this
directory or any other, please call

561-994-1118
and ask for
Directory Sales Department
Email: info@producebusiness.com

Add another 100 shippers to your
buying arsenal with one call

Full Product Line
On-Ground Inspection

novaproduce.com

Buying Offices:
Florida/Offshore
239.444.1140
Nogales
520.281.0011



ΩMEGA
PRODUCE CO.
Nogales, Arizona

Omega Produce Company, Inc.


"Omega", "Fontana",
"Roberts", "5-Reyes",
"Tri-Nations", "Elena" & "Makio"

520-281-0410

George Gotsis, Nick Gotsis,
Mickey Bachelier & Toru Fujiwara

Bell Peppers, Color Bells,
Cukes, Eggplant, Grapes,
Jalapeños, Kabocha, Persian,
Pickles, Roma Tomatoes,
Tomatillos, Watermelons
& Poblanos

891 E. Frontage Road
Rio Rico, AZ 85648



producebusiness
MARKETING • MERCHANDISING • MANAGEMENT • PRODUCTION

To get ahead in the produce business, you need to stay ahead of the produce business.

PRODUCE BUSINESS is the industry's Number 1 source for insights and analysis.

For subscription information, please visit
www.producebusiness.com
or call 561-994-1118

COMMITMENT TO A FAIR AND BETTER FUTURE

Social responsibility, sustainability and Fair Trade are powerful marketing terms these days. "The majority of consumers care where their products come from," reports Hannah Freeman, director of produce and floral business development for Fair Trade USA in Oakland, CA. "Many are willing to pay 5 to 10 percent more for Fair Trade Certified products, according to Globescan 2010 and Harvard and MIT studies on actual purchase behavior in a retail setting."

Produce companies in Mexico have been engaged in Fair Trade and/or sustainable farming programs for several years. "You can now find the various Fair Trade Certified products from Mexico," says Freeman. "These include Divemex bell peppers from Oppenheimer, organic bananas from Organics Unlimited, grapes, peaches, cucumbers, melons and watermelons from Divine Flavor, and avocados from Del Cabo, Earth Source Trading and Pacific Organic."

Farmer's Best has been practicing sustainable agriculture since the 1970's. "We did this long before it became an industry buzzword," says Stephen Yubeta, vice president of sales for Farmers Best International LLC, in Nogales, AZ. "Our social responsibility efforts ensure our employees and workers are well taken care of and include such factors as clean water, recycling, protecting species and the environment, alternative pest management, and worker housing and services. We're proud to say that we were recently recognized as the most socially responsible in Mexico, competing against

growers of all sizes across the country."

"Growing companies are paying more attention to sustainable farming and social programs for the people working in their fields to help them progress," says Sandra Aguilar, marketing manager for Ciruli Bros. LLC, in Rio Rico, AZ. "Among the benefits they offer are housing, meal programs, medical aid and education. Ciruli Brothers is currently working with its growers in Mexico to develop a Fair Trade program for mangos. Other commodities that are Fair Trade certified in Mexico include bell peppers and avocados."

Growers are working diligently to find solutions to crucial environmental and production issues. "In the state of Michoacán, there has been detection of reduced groundwater levels, which is essential to stabilizing the fragile ecosystem on which the avocado industry and people of Michoacán depend," explains Emiliano Escobedo, marketing director for APEAM, the Mexican avocado association in Michoacán, Mexico. "Given this need, APEAM has initiated a regional reforestation project that will plant 220 hectares with 220,000 trees that can naturally grow in these regions."

Allison Moore, communications director for the Fresh Produce Association of the Americas in Nogales, AZ, adds, "Mexico is leading the way in protected agriculture, to better control water use and mitigate environmental fluctuations such as temperature changes or rain. All of these steps and more are part of the way that Mexican farmers improve their stewardship of the land." **pb**

commodities are coming into the supply chain."

"Organics Unlimited producers work closely with the customers," says Velazquez. "Our goal, first and foremost, is to take care of their customers in the best way we can. Relationships like this are important to Mexican producers, and considering it a relationship versus a quick one-time purchase is important for future satisfaction on both sides."

Flexibility in sourcing and promotion is another profitable tool. "Our plan is to not make plans until it reaches the U.S. side of the border," reports Cano. "If we buy anything from Mexico, we condition our buyers as well as those selling to us to get us real-time information from the point of sale, not from the

point of harvest."

Overall, the Mexican industry should be treated as the professionals they've become. "Understand that the Mexican growing areas are very well developed and mature," states Kneeland. "They should be trusted and respected."

"Continuing to hold growers and marketers to a high standard, and showcasing product from Mexico presents the best advantage," says Oppenheimer's Quon. "Growers in Mexico are doing a good job with quality by using better technology and evolving growing methods, like growers anywhere. They want access to the U.S. market, and will do what it takes to successfully sell their products there." **pb**

CPS CENTER for PRODUCE SAFETY

THANK YOU!

The Center for Produce Safety would like to thank all of its contributors for their support of its mission to provide ready-to-use, science-based solutions that prevent or minimize fresh produce safety vulnerabilities. All contributions go directly to support research; Produce Marketing Association funds all of the Center's administrative costs and also provides technical leadership.

The Center for Produce Safety was founded in 2007 at the University of California, Davis, as a produce industry-driven enterprise to set supply chain research priorities, fund research projects as quickly as possible, and communicate best practices back to the industry. It is a collaborative partnership that leverages the combined expertise of industry, government and the scientific and academic communities to focus on providing research needed to continually enhance food safety. The ability to work together gives testimony to the commitment of the fresh produce industry and its partners to safeguard public health and increase consumer confidence. This is further enriched by CPS' commitment to scientific rigor and industry relevance.



FOUNDING \$2,000,000 CONTRIBUTORS

Produce Marketing Association
Taylor Farms

2011 CPS PRODUCE RESEARCH SYMPOSIUM SPONSORS

PLATINUM

Produce Marketing Association

GOLD

CHEP

SILVER

Castellini Group of Companies
Chiquita Brands / Fresh Express
Darden
Ecolab
The Giumarra Companies
Monsanto
Northwest Horticultural Council
University of Florida, IFAS
Yum! Brands

2010 CPS PRODUCE RESEARCH SYMPOSIUM SPONSORS

PLATINUM

Produce Marketing Association

GOLD

IGPS

Taylor Farms

SILVER

Castellini Group of Companies
Chiquita Brands / Fresh Express
C.H. Robinson
Ecolab
Florida Fruit & Vegetable Association
The Giumarra Companies
Microsoft Corporation
CAES, UC Davis
University of Florida, IFAS

CAMPAIGN FOR RESEARCH CONTRIBUTORS

\$250,000 - \$499,999

Taylor Farms
Wegman Family Charitable Foundation

\$100,000 - \$249,999

Castellini Group of Companies
Driscoll's® - Driscoll Strawberry Associates, Inc.
Fresh Innovations / J-V Farms
Markon Cooperative
Tanimura & Antle

\$50,000 - \$99,999

Produce Business The Produce News

\$25,000 - \$49,999

The Kroger Co. Progressive Grocer

<\$25,000

Ecolab

CPS SPECIAL EVENT SPONSORS

2010 RESEARCH PRIORITIES MEETING

California Leafy Greens Marketing Agreement
Produce Marketing Association
Taylor Farms

PARTNERS IN RESEARCH

California Department of Food and Agriculture
Washington State Department of Agriculture

Almond Board of California
California Cantaloupe Advisory Board
California Leafy Greens Research Program
California Melon Research Board
California Pistachio Research Board
California Strawberry Commission
California Walnut Commission
Florida Specialty Crop Foundation
Florida Tomato Committee
Grocery Manufacturers Association
Northwest Horticultural Council
Taylor Farms
Washington Tree Fruit Research Commission

CPS SPECIAL EVENT SPONSOR

2009 LEAFY GREENS INDUSTRY MICROBIAL DATA/TRENDS AND PRACTICES SYMPOSIUM

Markon Cooperative

Contributor list as of December 5, 2011

HOW YOU CAN HELP

Over the next four years, based on unanswered produce safety questions, we need to triple the output of quality, industry-focused research; broaden the scope of the research both geographically and throughout the supply chain; expand the depth and usage of the CPS research database; and continue educational offerings to further translate research into immediate application. This creates a need for more funding. CPS needs your support.

As an industry leader, we ask you to consider a financial pledge to the Center for Produce Safety.

Your monetary gift is an investment in your business and your industry. To discuss a donation to CPS, please contact Bonnie Fernandez-Fenaroli, Executive Director, at +1 (530) 757-5777 or bfernandez@cps.ucdavis.edu.

UC DAVIS
UNIVERSITY OF CALIFORNIA



The new mix of pepper varieties has made it possible to turn displays into colorful works of art.

Merchandising Peppers: Taste The Rainbow

The popularity of peppers continues to grow, as consumers experiment with a variety of colored peppers, and minis, too. **BY BOB JOHNSON**

Long gone are the days when sweet peppers meant only the familiar green bell pepper that can be sliced for a salad topping, or split and filled with some protein treat. The green bell pepper is still the king of the category in many locales, but it has been joined by its red, orange and yellow cousins, and by the versatile and newly popular mini peppers.

Dan Sutton, vice president of produce at Albertson's Inc., based in Boise, ID, reveals, "We sell more colored peppers than we ever have. Reds have been especially popular since Sun World came out with Le Rouge Royale. The greenhouse orange and yellow took off two or three years ago," he adds.

Le Rouge Royale brand of peppers started a revolution in the pepper category after Sun World International LLC of Bakersfield, CA, brought it over from Israel two decades ago. This pretty, bright red pepper has a mild, sweet flavor, an elongated shape and minimal seeds.

"Red has become more popular than green, because it's a sweeter pepper," acknowledges Jim Cathey, general manager of Del Campo Supreme Inc., headquartered in Nogales, AZ.

"In the Northeast and Canada, the elongated red pepper is popular."

This revolution has since made the category more colorful and complicated, as the optimum combination of peppers shifts and varies depending on store location and demographics. But the new mix of varieties also has made it possible to turn the pepper display into a colorful work of art, and maintaining this fresh attractive display is a key to merchandising the category.

Keep The Rainbow Fresh

The vibrant and colorful pepper varieties make the entire category stand out in the sea of green that is the vegetable section. "The display brings color to the produce section, as well as to what you're cooking," says Steve Yubeta, vice president of sales at Rio Rico, AZ-based Farmer's Best International LLC. "Green is the most popular color, and red is close behind. Yellow is perceived as a specialty item in many places."

The varied bright colors are unique to peppers, and are the key to an inviting display. Mike Aiton, director of marketing at Prime Time International, in Coachella, CA, asserts,

"Peppers are one of the most visually appealing items in the produce department. When merchandised together, the contrasting colors create an eye-catching rainbow affect."

Many suppliers, including Scott Seddon, brand manager for Delray Beach, FL-based Pero Family Farms Food Co. LLC, repeats the theme that contrasting colors is the key to merchandising peppers effectively. "You've got every color in the rainbow, so make sure you have color breaks in your display," he says.

Retailers should be able to count on their suppliers for the full range of colors every week of the year. "Peppers are no longer a seasonal category, and people know this by now," emphasizes Chris Jacobs, president of Clifford Produce Sales Inc., located in Kingsville, Ontario, Canada. "Stop using 'seasonal' when referring to peppers; if a supplier only has colored peppers available for eight months, they should close up shop."

Daniel Whittles, director of grower programs and FOB sales at Rosemont Farms, headquartered in Boca Raton, FL, recognizes, "It takes constant filling and rotating to maintain a great looking display, and it must be



stacked and presented in an artistic manner.”

“Having the different colors out there piques the customers’ interest,” agrees Chris Barnhart, assistant produce manager at Foodland, in Lebanon, PA, where red peppers have doubled in volume over the past few years.

Lee Anne Oxford, director of marketing at Raleigh, NC-based L & M Companies Inc., stresses, “It is of utmost importance to display fresh peppers! Properly manage the cold chain at 45 to 50°, maintain high humidity, rotate product and remove any shrink so that your display is always fresh and bright.”

A well-merchandised display of the pepper rainbow is so unique and inviting that one producer has come up with a way to bring this spot of cheer to a second location within the produce department. Gordon Robertson, senior vice president for sales and marketing at Sun World International, reveals, “We’ve developed a pepper bin that merchandises perfectly as a secondary display location, especially at the front of the store or entrance to the produce section. It’s great for big blowout sales.”

The New Rainbow

If there are two things to be said about the evolving pepper category they are that the red sweet peppers are leading the colorful charge, and that the resealable packs of minis have led peppers into the healthy snack and appetizer category.

But the most important bit of information to consider about the new category it is that the optimal mix of varieties depends on store locale and demographics. “Carrying a variety of peppers is important; the bells alone have six or seven varieties,” Albertson’s Sutton says. “The number you should carry depends on the demographics you’re serving.”

The extent to which consumers have moved on from the traditional green bell pepper also

depends on demographics. “Older recipes call for green peppers, so it’s smart to stock some, but the ratio of colors really depends on customer demographic,” says Pero’s Seddon.

Geography also matters when it comes to which pepper varieties customers prefer. “There are definitely regional preferences,” recognizes Prime Time’s Aiton. “In the Southeast, green is still predominant, but in the Northeast, red rules. Red and green are about the same in the Midwest and West. The green peppers are less expensive so they are perceived as a value, but many people prefer the red because they are sweeter. The red and green are tied at the top, and then comes the yellow, and then the orange,” he details.

There are promotional possibilities to entice even more new customers to try the red and yellow peppers, which offer a sweeter flavor, but come at a somewhat higher price. “We are working on ideas on merchandising red and yellow peppers that allow retailers to sell them both by the each or by the pound,” reveals Sun World’s Robertson. “It provides retailers an opportunity to create an image of offering value. We’ve been doing this for six or seven months and there has been a significant increase in sales. We’re hearing they are experiencing a tremendous turn, and coming back to order more for their stores.”

Mini Peppers: A Growing Trend

Another growing trend is toward the versatile mini peppers in bags that can be resealed for future use. “Our sweet mini pepper program has been growing in demand since we launched a couple years ago,” reports Robertson. “The peppers fit nicely with consumer behavior because you can use them for snacking, a dipping appetizer for a social event, or cooked in meals. We have done well with our bagged product in club stores and will reach out to the supermarkets with a similar item that fits their format.”

So far, the mini peppers have done far better in Costco and other club stores than in major supermarkets. “We sell the mini peppers, but it’s not a big deal,” admits Sutton of Albertson’s.

Mini peppers, however, are benefiting from the growing desire for nutritious snacks. “The mini peppers are an increasing commodity,” recognizes Pero’s Seddon. “I think snacking fits in with that. The mini peppers are a great, sweet snacking pepper.”

But like most new trends, the demand for mini peppers can vary from location to location. “We have tried the mini peppers and they have not caught on yet,” says Foodland’s Barnhart. “They’re something of a niche item, but

we’re not giving up on them.”

One of the reasons mini peppers have come on so strong in some markets is that plant breeders have developed some exceptional new varieties, “and as they become more refined, people start thinking about how to market them,” states Rosemont’s Whittles. “We’ve seen the emergence of seed varieties of mini peppers with great flavor and good yields.”

While the mini peppers generally do very well in bags, which can be sealed and reopened for later use, according to Robertson, for Sun World, the larger peppers almost always do best in bulk displays.

One incentive to carry packaged pepper products is that they are less subject to shrink. “Shrink is a retail priority today and pepper shelf-life is vital to controlling shrink,” Jacob adds. “Packaged peppers have longer shelf-life than bulk because anything in bulk form is exposed to more variable air temperatures and customer handling.”

The Informed Consumer

Peppers have become a category that can be effectively promoted virtually any time of the year. “Well positioned fresh displays of green bell peppers combined with solid ad pricing will provide a lift in sales,” L & M’s Oxford says.

Recipes and cross-promotions with natural companion items can help increase turn. “Merchandise peppers with other salad items such as cucumbers, tomatoes, lettuce or packaged salads,” suggests Oxford. “Offer simple recipes like dips, fajita spices and grilling tips.”

There are many uses for this versatile vegetable and pointing these out can be part of a promotion campaign. “Peppers are a natural addition to stir fries and salads, and the green ones can be stuffed,” says Farmer’s Best Yubeta.

Although a very large number of consumers have come to know and love peppers, a little information can expand the circle of consumers who know what the buzz is all about. “Signage that informs people about peppers can help. Some people think red peppers are hot, which is far from the truth,” Prime Time’s Aiton says.

This is a growing category, and retailers should be able to count on their suppliers for the promotional materials and information needed to maximize that growth. “Peppers have become a growing category over the past 10 years,” recognizes Jacobs. “If produce directors are given an exciting merchandising program filled with ideas of selling displays, the allocations will expand. Consumers respond to ideas, too. They want to learn about nutrition, types of use, and multiple ways to prepare them.” **pb**



Mature Organic Category Continues To Grow

As more traditional supermarkets bring organic produce into the mix, these departments are refining merchandising strategies. **BY LISA WHITE**

There is still plenty of opportunity in the organic segment for traditional supermarkets. Despite the lengthy recession and continued conservative consumer spending, organic produce is thriving, and in a survey by the Organic Trade Association (OTA), based in Arlington, MA, 97 percent of respondents say they chose organic produce at least sometimes in 2011, up from 94 percent in 2009.

The fruits and vegetables category represented the strongest growth of any organic category, with sales climbing 11.8 percent to \$10.6 billion in 2010, according to the OTA. Organic fruits and vegetables captured over 11 percent of total fruit and vegetable consumer sales in 2010, having gained about 9 percent market share since 1997.

Organic produce companies point to staple fruits and vegetables, such as potatoes, onions, leafy vegetables, broccoli and carrots, as major growth categories, saying that consumer knowledge of the health and wellness benefits of organics was on the rise, reports OTA. Especially strong organic sellers are spinach, arugula and spring mix.

An increasing number of traditional super-

markets are capitalizing on this trend by incorporating more organic produce into stores. These retailers are providing added visibility of these products by utilizing a number of marketing and merchandising strategies.

In terms of traditional supermarkets, Publix Super Markets is a trendsetter. The 1,000-plus store chain has created a destination for organic products by establishing a department within a department. "Customers expect a good selection and variety of fresh product that is reasonably priced," says Maria Brous, director of media and community relations for the Lakeland, FL-based chain. "The markers for success in marketing organic produce are an increase in sales, key performance indicators and happy customers."

The Evolution Of Organics

More supermarkets are incorporating organic produce to differentiate their departments from those of their competitors. One of the biggest challenges they are facing is trying to convince shoppers to pay more for these products. "Continuing research by the USDA and others is not showing that consumers are significantly concerned about the quality of fruit they

are eating, certainly not to the point where they actively pursue organics across the board," says Tom Tjerandsen, the Sonoma, CA-based North American managing director at the Chilean Fresh Fruit Association (CFFA).

Consequently, as the margins of organic product growers shrink, it becomes less supportable for mass-market suppliers of these products to pay the additional money needed to farm organically. "This is becoming a real problem," Tjerandsen continues. "Why should a grower take land out of production for three years then use other bio-pest control tactics if they can't get a price to cover their additional costs?"

The slow-growing rate of the organic category also is a factor. If only about 10 percent of the total produce sold is organic, how long will it take to comprise 20 percent of the fruit and vegetables that are selling?

Evidence of the organic produce category's potential is that it is now common for medium and large shippers to integrate organic products into their lineup. "It has become another kind of offering," says Allison Moore, communications director at the Fresh Produce Association of the Americas (FPAA), based in Nogales, AZ. "Although it's not a big percentage,

the idea of organic is less novel for people.”

The greater influx of organic produce is due to the maturing marketplace. In the past, when organics was still in its infancy, there was lag time with people learning to grow these items and converting agricultural space into designated organic areas. This resulted in a shortage of product and, in some cases, poor quality.

“In many cases, year-round organic produce cannot be offered and that has been a problem in the industry,” acknowledges Robert Schueller, director of public relations for Melissa’s/World Variety Inc., in Vernon, CA.

Now, the learning curve and balance that growers and suppliers were trying to figure out have been largely overcome. By the same token, more retailers now have a better idea of what commodities they should carry and how much space to dedicate to these items. It’s become easier to provide the volume to match the demand. “Retailers understand more about the customer demand for these products, so the industry has stabilized,” Moore says. “There are now more projectable expectations. Those in the industry have more of a grasp on how much organic produce they can realistically move, how much people will pay and what commodities will sell.”

Organic food hasn’t always looked appealing or held up very well, however organic seed and production have come a long way over the years. The added media attention about pesticides also has given this segment a boost. “Public awareness and opinions about pesticide residues in our food struck a chord, and co-ops, natural food stores and specialty high-end independent retailers have expanded their organic selection to keep up with demand,” explains Rachel Pagano, organics category director at The Oppenheimer Group, based in Coquitlam, British Columbia, Canada. “The consistency, quality and appearance of organics are now good enough for conventional retailers to sell with confidence.”

Volumes have also increased adequately to better support the category. “In the past, larger retailers couldn’t dedicate a section to organic or run ads because there simply wasn’t enough volume available, but now there is abundant supply for those who want to support it,” Pagano says.

Consumer Shifts

On the consumer side, even though shoppers are becoming more deliberate and more cautious in how they spend their dollars, they are not automatically reaching for the cheapest, least expensive products.

“What we are seeing is a shift away from the

rampant consumerism that we saw prior to the recession, with a movement toward more value-driven purchases having to do more with the connection shoppers feel with their products as opposed to the actual cost of the product,” says Simcha Weinstein, director of marketing at Albert’s Organics Inc., located in Bridgeport, NJ.

Still, the challenge for retailers is that they can only sell what the industry grows. “Retailers can’t get behind marketing until they know it’s a product they can get on a year-round basis,”

says Steve Lutz, executive vice president of West Dundee, IL-based Perishables Group.

The increased availability of organic produce in the past five years has been key in driving the distribution and allowing the expansion around stores like Whole Foods. Now, more mainstream retailers can make the commitment to carry these products because they know they’re available to put on the shelves.

Much has to do with pricing and comparability, especially with organic produce sold in conventional stores. “A lot of organic products,



The advertisement for Wholesum Harvest Organic Produce is a vertical layout. At the top, a photograph shows several ripe, red tomatoes with green stems on a wooden surface. Below this is a white banner with the Wholesum Harvest logo (a green leaf) and the text "wholesum HARVEST" in a dark brown box. To the right of the logo, the tagline "simple, natural & wholesome..." is written in a cursive font, followed by "ORGANIC PRODUCE" in large, bold, green letters and "THE WAY IT SHOULD BE" in smaller, green, all-caps letters. Below the banner is another photograph showing a variety of fresh vegetables: green cucumbers, dark purple eggplants, and green bell peppers. At the bottom of the ad, the text "growers of wholesum organic produce" is written in a cursive font. Below this, a list of products is shown: "TOMATOES · CUCUMBERS · PEPPERS · EGGPLANT · SQUASH · MANGOS". The bottom section contains contact information: "P. 520 281 9233 | F. 520 281 4366", "sales@wholesumharvest.com", and "www.wholesumharvest.com". On the right side of the bottom section, there are three logos: the USDA Organic logo, the Primus Labs logo (with the tagline "what food safety counts"), and the Certified Organic logo.

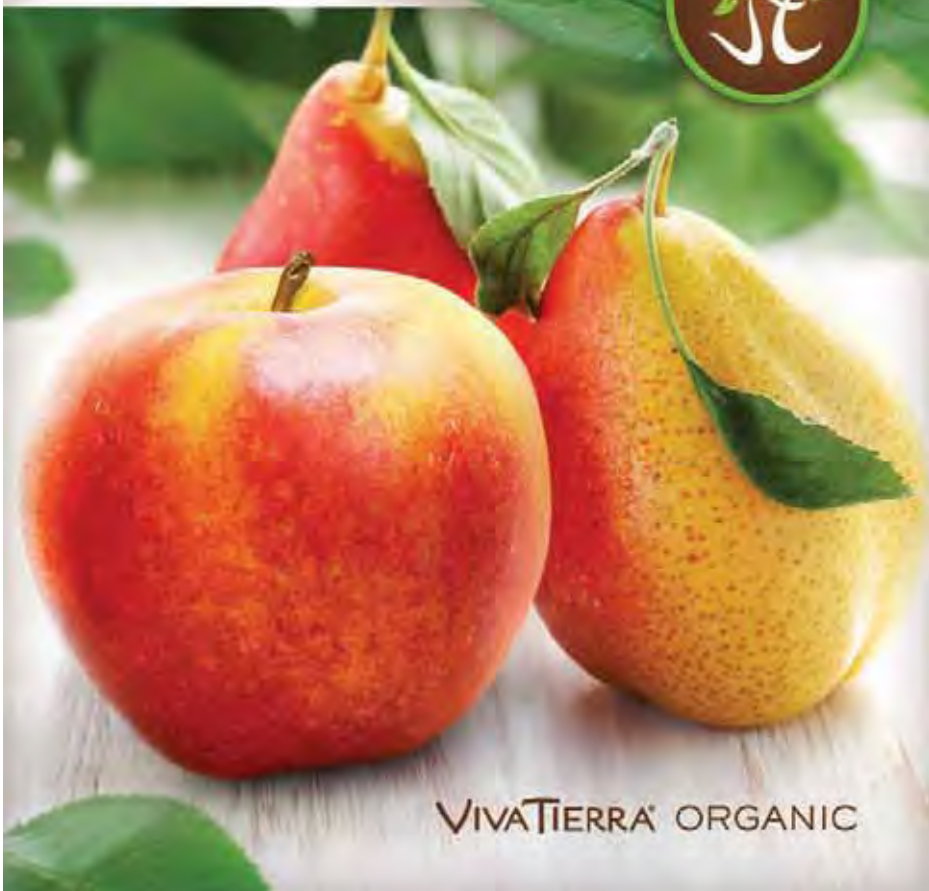


Summer Flavor all year long.

No matter what the season, your customers expect fresh organic apples and pears. CF Fresh's extensive South American import program combines superior selection with unparalleled industry expertise — keeping your organic apple and pear program going strong, day in and day out.

To put our team of organic experts to work for you, call 360-855-0566 or visit:

www.vivatierra.com



VIVATIERRA ORGANIC



like apples, strawberries and packaged salads, have come close to doubling [in sales] in the past five years," Lutz says. "We know that 20 percent price premiums are the magic number and what consumers continue to tell us. If organics are substantially more than a 20 percent price premium, then the likelihood a product will struggle increases."

With the maturing of the market and stabilization of supplies, organic produce has gone from being an exotic category to one that most shoppers expect to see in their produce departments. "Early on in its trajectory, organic produce was often overlooked from a marketing perspective. But now, you see organic produce featured and celebrated several times each year, especially around Earth Day and fall harvest time," says Samantha Cabaluna, director of communication at Earthbound Farm, located in San Juan Bautista, CA.

Effective Marketing And Merchandising

Effective marketing and merchandising are necessary to provide added visibility to organic produce, especially when it's sold in conventional supermarkets. New Leaf Community Market, a six-store chain, headquartered in Santa Cruz, CA, has a color-coded signage program that denotes which produce items are organic, local, conventional or local/conventional so customers can more easily distinguish between the different products. "We merchandise our conventional produce in a separate section from organic items," says Sarah Owens, marketing director. "With our signage program, shoppers can easily tell if a product is organic, without looking for the word."

There is much dispute about whether it is best to segregate organic items or integrate them with conventional produce. Separating organic and conventional produce can make organic displays more attractive to customers who are not dedicated to these items.

“We merchandise our conventional produce in a separate section from organic items. With our signage program, shoppers can easily tell if a product is organic, without looking for the word.”

— Sarah Owens, *New Leaf Community Market*

“It’s important for retailers to know the demographic of their customers,” says Addie Pobst, who oversees import integrity and sustainability for CF Fresh in Sedro Wooley, WA. “Stores may want to start with an integrated produce section, then have an area that’s more of a targeted organic section. The main goal is turning over inventory and having it look good.”

The logistics of merchandising organic items by conventional products may be impacted by inventory control and store layout. “Some retailers have a dedicated area to make the organic section a destination,” Moore of the FPAA says. “It also may be logistically easier to keep track of products when they’re separated like this.”

Retailers that do well with organic produce make it a focal point rather than a side note. They keep their displays bountiful and abundant, and they usually pursue a strategy of integrating these products versus segregating them. “Most shoppers, with the exception of the truly core organic shopper, prefer to have organic integrated with non-organic items so they can more easily assess the value proposition,” Cabaluna says. “And they also promote it regularly to reward the regular buyers and attract new ones to the category.”

“Chains like Safeway put organic specialty items like herbs together and put organic apples adjacent to conventional apples,” CFFA’s Tjerandsen says. “There is no conclusive research in how to market these items that I’ve seen. It even varies within chains.”

Some contend that traditional stores dedicated to organics make it a point to provide the space, necessary resources and effort for marketing and merchandising these products. “Organics needs to be seen as a viable category that can stand on its own,” asserts Oppenheimer’s Pagano. “The stores that are pacesetters give this section the visibility needed to sustain itself.”

There is no question that a dedicated organic section comprised of an expanded number of items visually stands on its own. Large, attractive displays that showcase high-quality fruit will most likely help drive sales in this segment.

“We think the formula for success is

sampling on a regular basis, supporting ads with demos to interact and engage with customers and cross-promoting with other complementary items that result in an impulse buy,” Pagano says.

When marketing these products, it’s also important to appeal to the aspirations of organic consumers’ desire to buy local and support sustainability. In addition, retailers should recognize that organics are demographically driven. “There are locations in most cities that have the capacity to succeed with organics; identifying those niches and then meeting the needs of those customers with an assortment of 50-60 items can lead to good results,” Pagano explains.

For an in-store organic section to be successful enough to stand on its own, an investment in strategy and promotion is necessary so the category will sustain itself and add to the bottom line.

“What challenges many companies when it comes to marketing organic foods is in-store messaging,” says Weinstein of Albert’s Organics. “Most stores could do a better job of telling the organic story using in-store signage.”

Shoppers who purchase organic produce at a conventional supermarket are different than those consumers who shop at specialty food stores who are committed to buying organic. In general, consumers who purchase organic products are seeking healthier items for themselves and the environment. “A shopper going into a Whole Foods Market is seeking organic products and will go elsewhere if they can’t get it,” states Lutz of the Perishables Group. “Traditional shoppers are more price-sensitive and attuned to product quality. They are most likely to switch from conventional products to organics due to convenience or value.”

One of the biggest shifts in the segment has been traditional supermarkets that are substituting organic items for conventional produce. “Some of these organic categories are getting large enough that retailers are making the strategic decision to substitute items that are organic if consumers will pay the extra cost,” Lutz says. These are mainly in stores where the demographics support those decisions and, for larger chains, it is on a case-by-case basis, depending on the store location.

Even with consumers who shop conven-

tional stores where the commitment to buy organic is less fixed, there is an opportunity for retailers to trade these shoppers up. The focus needs to be on price, selection, quality and merchandising, in addition to proper location.

Like conventional produce, marketing organics is also dependent on appearance. “Whether people buy it because it’s healthier or because it helps save the planet, success in organic marketing has to do with handling and displays at the retail level,” says Caroline Hogue, sales manager at Lakeside Organic Gardens LLC, based in Watsonville, CA.

Those seeking organic food also may be looking for something unique. Displays that are different and new stand out. CF Fresh’s Pobst says. “It’s the interest factor that drives organic sales. It’s great if conventional stores can combine a half-dozen lesser-known varieties with gourmet or Heirloom products.”

Retailers need to focus on communication with these products, utilizing marketing tools such as weekly store ads. “Communicating through ads is important, along with extending signage throughout the produce department,” Melissa’s Schueller says. “Instead of hiding organic in the corner, the breadth of the category should be extended.”

Looking Ahead

Some are predicting that in the years ahead, conventional and organic horticultural practices will become more closely aligned. “Conventional growing is much different today than 10 years ago,” Publix’s Brous says. “As growers learn better ways to grow with fewer ingredients, they will do so.”

Perhaps the biggest challenge that lies ahead will be a demographic shift. Baby Boomers, who have fueled consumer consumption in the organic and natural foods industry over the years, will not be in a position to lead the way out of this recession as they near retirement and conserve savings. “Instead, the up-market segment of Generation X, people aged 29 to 45, and the leading edge of the young Generation Y, those between 18 and 28, will lead the recovery,” Weinstein predicts. “Retailers will have to adapt their organic marketing plans and approaches to appeal to this new generation of consumers.”

The fact that the organic segment has continued growing in a down economy is a positive sign that is hard to ignore. “As the green movement gets stronger, we will see more national retailers putting more emphasis on offering organic produce, the selection will become broader and they will do more advertising in their weekly specials to include organic produce,” Hogue says.

pb



Six Ways To Cook Up More Profits This Winter With Mushrooms

Play to every demographic with smart marketing, tasty demos and powerful POS. **BY CAROL M. BAREUTHER, RD**

Suggest customers boost the flavor of their favorite wintertime soup, stew and casserole recipes by adding fresh mushrooms. Bigger sales of this profitable ingredient are also a potent way to boost the produce department's bottom line. According to the USDA's National Agricultural Statistics Service's *Mushrooms Crop Report*, published August 19, 2011, fresh mushroom sales totalled \$1.02 billion during the 2010-2011 crop season, which represented a 10 percent increase of the sales value over the prior year.

"What customers like about mushrooms are their versatility," says Randy Bohaty, produce director for B&R Stores Inc., a 17-unit chain headquartered in Lincoln, NE. "They can be used in everything from a salad topping to an entrée ingredient."

1. Merchandise As An Ingredient

Mushrooms sell well year-round. However, October to May are especially strong months, according to Harvey Mitchler, director of sales and marketing for Champs Mushrooms Inc., in

Aldergrove, British Columbia, Canada. "People cook more in the winter."

Mushrooms are most used as an ingredient, according to the 2011 *Fresh Mushrooms Attitude & Usage Survey*, conducted by Rose Research, on behalf of the San Jose, CA-based Mushroom Council. Garnish/topping was the most popular ingredient application cited, followed by salads second and center-of-the-plate entrées third.

What's more, this same survey showed that mushrooms are used in myriad ways by different-age shoppers. For example, dishes in which mushrooms take longer to prepare such as sautéed, with beef or steak or in casseroles, are favored by older shoppers, while 18 to 24-year-olds used mushrooms as a meat substitute, in ethnic dishes and in sandwiches.

Flavor and versatility are key mushroom sales drivers. These culinary attributes are two reasons why dollar and pound sales of mushrooms grew 2.5 percent and 2.2 percent, respectively, during the 52-week period ending September 11, 2011, according to Perishables Group, a West Dundee, IL-based fresh food

consulting firm.

According to Joe Caldwell, vice president of Monterey Mushrooms Inc., headquartered in Watsonville, CA, "There is no question that what consumers look for in mushrooms is taste. Mushrooms offer a flavor enhancing sensation called umami, and they have a satisfying meaty texture."

Bart Minor, president and CEO of the Mushroom Council, comments on the versatility of mushrooms, "Whether it's breakfast, lunch, dinner or hors d'oeuvres, mushrooms add flavor to everyday meal staples."

"In addition," says Paul Frederic, senior vice president of sales and marketing for Avondale, PA-based To-Jo Fresh Mushrooms Inc., "Mushrooms can 'upscale' a basic recipe. For example, mushrooms in meatloaf or as a topping for boneless skinless chicken breasts brings those dishes to the next level. Mushrooms are also an important ingredient across cultures from Asian and Latin to Mediterranean cuisines."

Bill Litvin, national account manager for Giorgio Foods Inc., in Temple, PA, acknowledges, "The more often mushrooms appear in

“Recipes are the driving force in mushroom sales. We offer a recipe destination in each of our stores and several call for mushrooms. The recipes change with the seasons to give customers new ideas.”

— Mark Luchak, Rice Epicurean Market

cooking shows, the more consumers will become aware and interested in cooking with them. For example, on the *Rachael Ray Show* in late September, a segment aired featuring Big Beefy Mushroom Cheddar Melts. This recipe was also included in Ray’s monthly magazine.”

2. Spice Up Variety

Mushrooms’ many varieties provide different flavors and textures, points out Minor. “Recent sales data shows that a wider variety of mushrooms are seeing higher sales, moving past the staple white button mushroom to include brown and more specialty varieties.”

Nonetheless, white mushrooms remain king of the category. This variety accounted for 74.8 percent of pounds and 69 percent of dollars sold during the 52 weeks ending September 11, 2011, according to Perishables Group data.

B&R Stores Bohaty agrees, “White mushrooms are still the best-sellers.”

“The ‘meatier’ flavor of brown mushrooms makes them popular with customers,” states Bohaty. “We cycle white and brown varieties such as portabellas and creminis in our ads on a regular basis to encourage trial of the browns.”

Line pricing of white and brown mushrooms on ad is also a good way to boost sales of the brown variety, recommends Champ’s Mitchler. “Retailers who promote both for, for example, \$3.99 per pound, are seeing brown sales increase and they’re giving them more shelf space, too.

Brown mushrooms accounted for 24 percent of total mushroom category sales in pounds, up 2.1 percent from the year prior, and 27.6 percent of dollars, an increase of 2.8 percent from the year before, for the 52 weeks ending September 11, 2011, according to the Perishables Group.

Specialty mushroom sales are rising at Rice Epicurean Markets, a 5-store chain based in Houston, TX. Mark Luchak, director of produce and floral reveals, “We’ve started to carry more variety over the years, and sales of shitake and oyster mushrooms have increased as a result.”

Specialty mushrooms represented 1.2 percent of mushroom category pound sales, up

4.5 percent from the previous year, and 3.4 percent of dollars sold, an increase of 8.4 percent, during the 52-weeks ending September 11, 2011, according to the Perishables Group.

Jane Rhyno, director of sales and marketing for Highline Produce Ltd., in Leamington, Ontario, Canada, notes, “Exotics are becoming more important in the everyday mix as the population diversifies and ethnic cuisine becomes more mainstream.”

The flavorful nature of shitake is its chief selling point, according to Gary Schroeder, president and CEO of Oakshire Mushroom Sales LLC, in Kennett Square, PA. “Don’t make the mistake of thinking the shitake is only for the Asian market; most uses aren’t Asian-inspired, in fact, but are used to add more flavor to a dish. For example, most wild mushroom soups use shitakes and oysters as the wild mushrooms.”

Demos are an effective way to entice customers to buy specialty mushrooms, says Champ’s Mitchler. “We saw a 220 percent increase in sales when we demo’d oyster mushrooms sautéed with a little olive oil, salt and pepper at Costco earlier this year.”

Blends are another good way to introduce less familiar mushrooms. Giorgio’s Litvin says, “We offer a blend that includes baby bellas, shiitakes and oysters. Tying these newer mushroom varieties to recipes in store ads or to recipes appearing on the various cooking channels is a good way to encourage more experimentation.”

Phillips Mushroom Farms LP, in Kennett Square, PA, offers a new twist with its bite-sized whole white and brown mushrooms in 6-oz. packages under the names ‘Petite White’ and ‘Petite Baby Bella’, reports national sales manager, Kevin Donovan. “We currently offer these on a small scale. The advantage is that customers can add them whole to any sauce.”

“Merchandise all mushrooms together,” suggests Oakshire’s Schroeder. “Display high margin varieties like portabellas, creminis, shitakes and oysters at eye level so customers see them first.”

3. Make Meal-Making Easy

Promote fresh-cut and value-added mush-

rooms as jump-starters to meal preparation. “Sales of sliced mushrooms, as well as larger packages of sliced varieties, are increasing,” says the Mushroom Council’s Minor. “Retailers can take advantage of this by providing more options that highlight convenience and variety, especially in winter months when recipes such as soups, stews, and stir-fries tend to call for sliced mushrooms.”

Whole white mushrooms saw higher sales than white sliced during the 52 weeks ending September 11, 2011, according to the Perishables Group. However, sliced brown mushrooms increased in dollar sales by 5.2 percent compared to an increase of only 0.6 percent for whole, while sliced specialty mushrooms grew 18.4 percent in dollars sold, compared to whole with only 5.3 percent growth.

To-Jo Mushrooms introduced its Traditional Mushroom Sauté microwavable mushrooms this fall. The new product contains seven ounces of pre-cleaned, sliced mushrooms with an all-natural sauce that is ready to eat in four minutes. A line extension is planned. Frederic suggests customers serve these fully cooked mushrooms over steaks, green beans or potatoes.

In the value-added arena, pre-stuffed mushrooms sell well in the winter for entertaining and snacking holidays such as Super Bowl. Gregory Sagan, senior vice president of sales and marketing for Avondale, PA-based Modern Mushrooms Farms Inc., which offers a line of stuffed portabella caps in four flavors including Spinach Artichoke and Crab, says, “As consumers are eating at home more frequently, we have seen a desire for products that deliver a chef-quality experience at a reasonable price point. We have many retailers that have gone beyond merchandising the stuffed product in their produce departments to displaying in their meat and deli departments.”

4. Educate With Recipes

“Recipes are the driving force in mushroom sales,” asserts Rice Epicurean Market’s Luchak. “We offer a recipe destination in each of our stores and several call for mushrooms. The recipes change with the seasons to offer customers new ideas.”

“The popularity of white mushrooms stems from consumers’ familiarity, while brown and specialty mushrooms require education,” says B&R Store’s Bohaty. “White mushrooms are simple to cook so people stick with the basics. The exotics don’t sell as well because I don’t think customers know what to do with them. That’s why education is so



important. We like to use supplier-provided POS materials, especially the shelf tags with QR codes that customers can scan with their Smart phones right at the display and get recipe ideas and other information.”

“Consumers continue to need inspiration at point of purchase,” acknowledges Modern Mushroom’s Sagan. “Mushrooms, for most consumers, are probably not on their shopping lists unless they are preparing something specific. Therefore, they need to be inspired to create an impulse purchase in the store. POS

materials that feature prepared dishes and recipe ‘take-ones’ are helpful ways to provide consumers with ideas.”

Sagan continues, “We provide many vehicles to assist our retailers in communicating key messages for mushroom usage. For example, we have a color-coding system that communicates a mushroom variety with a recipe, a complete shelf-management system, and most recently, QR codes to provide another venue to encourage mushroom use. Our new web site also includes over 80 recipes plus information on nutritional and health benefits of mushrooms.”

For retailers that want a less uncluttered look, Monterey Mushrooms is introducing new packaging that offers on-pack recipes. Caldwell details, “Fifteen different recipes will be printed on the bottom of our new 8-oz. sustainable corrugated tills and rotated through the year.” Recipes include winter favorites such as Mushroom & Bacon Pasta, Mushroom & Sausage Soup and Mushroom Chicken Piccata.

Retailers can teach customers how to enjoy mushrooms through in-store cooking classes or demos, adds the Mushroom Council’s Minor. “The simpler the better. For example, we’ve recently focused on teaching a technique rather than an entire recipe. Caramelize mushrooms in a pan with a little butter or olive oil, sugar and soy sauce. They develop a flavor and crunch that even kids enjoy.”

Offer meatless mushroom recipes to cater to vegetarians or flexitarians. Flexitarians are those who eat meatless a couple of times per week. According to the *Fresh Mushroom Attitude & Usage Survey*, 3-in-10 respondents between the ages of 18 and 24 consider themselves vegan or vegetarian, a perfect demographic for mushroom purchases.

5. Cross-Merchandise A Meal Solution

Cross-merchandise mushrooms with other ingredients so that shoppers can make a single dish or a complete meal. Monterey’s Caldwell recommends, “Take facings of 8-oz. whole white mushrooms and put a facing in the bagged salad section.”

Try sliced mushrooms packs by the eggs to inspire breakfast usage, suggests Highline’s Rhyno, “Also, try putting a display of pasta sauces beside the mushrooms to give the customer an easy meal solution.”

One creative way to cross-merchandise mushrooms is by promoting them as a meat enhancer and extender, suggests Minor. “The *umami* in mushrooms makes them an excellent addition to meat dishes, as cooking the two together provides a major flavor boost, while

PHILLIPS GOURMET MUSHROOMS

ASK ABOUT OUR NEW STATE-OF-THE-ART FACILITY FOR WHITE MUSHROOM PRODUCTION

FOR MORE INFORMATION CALL PHILLIPS MUSHROOM FARMS • KENNETT SQUARE, PA
800 722-8818 • FAX 610 444-4751
 VISIT OUR WEBSITE AT
www.phillipsmushroomfarms.com

fruits & veggies **more matters.**

“The popularity of white mushrooms stems from consumers’ familiarity, while brown and specialty mushrooms require education... We like to use supplier-provided POS materials, especially the shelf tags with QR codes that customers can scan with their Smart phones right at the display and get recipe ideas and other information.”

— Randy Bohaty, B&R Stores Inc.

also increasing the volume of dishes and helping to reduce sodium and calories.”

Consumers are gravitating to the ‘semi-homemade’ idea where they take something store-bought and dress it up with extras to give it a more personal touch. Modern Mushroom’s Sagan asserts, “It is critical for retailers to think ‘outside the box’ in this direction. Adding QR codes to shelf-talkers and shelf-strips in different departments encourages mushroom use from non-traditional areas of the store.”

“At Rice Epicurean Markets, we combine a recipe with all the ingredients to make the meal in a special display,” describes Luchak. “When

mushrooms are an ingredient, this display might be in the produce department or in the meat department.”

“Good ideas for a display such as this,” recommends Monterey’s Caldwell, “are pasta, marinara sauce and chicken or beef with mushrooms; tortillas, cheese, pre-cooked chicken strips and sliced white mushrooms; or pre-cut onions, pre-cut peppers and sliced mushrooms with beef or chicken for a stir-fry.”

6. Take A Cue From Foodservice

“Foodservice is fortunately always stretching the vision of consumers, introducing them to

new products and cooking ideas,” says Giorgio’s Litvin. “These ideas benefit the retailer by encouraging at-home chefs to try new and exciting varieties of mushrooms.”

Trends in foodservice expected to continue into 2012 include artisan foods, convenient and easy-to-make foods and comfort foods. Pizza is a comfort food that is economically friendly. There have also been many new mushroom-inspired pizzas at fast casual restaurants over the past few years, points out Sagan. “Mushrooms are a popular pizza topping, providing an economical, satisfying, meaty texture, with the added benefit of nutritional value,” he says.

The foodservice industry continues to see growth in the demand for ethnic food, adds Minor. “Consumer palates are changing and more Americans are being exposed to ethnic foods at a young age. In fact, ethnic dishes are among the most popular at college campuses nationwide. As this trend continues, consumers may be seeking opportunities to make these dishes in their own kitchens. Retailers can help by offering simple recipes and cross-promoting mushrooms with marinades and spices native to South American, Mexican, Japanese, Thai, Indian and Chinese cuisines.” **pb**



“Providers of Premium Quality Fresh Mushrooms”

We provide overnight service to the Pacific North West and Western Canada

PREMIUM BC MUSHROOMS are only a call away...

1-866-CHAMPS1

**hnm@champsmushrooms.ca
www.champsmushroom.ca**



AT GIORGIO, WE HAVE IPM DOWN TO A SCIENCE.

At Giorgio, all of our mushrooms are grown using certified IPM (Integrated Pest Management) techniques which significantly reduce our pesticide usage. We are industry leaders in the use of non-chemical and natural biological pest-control techniques to limit the use of synthetic pesticides. It's part of our commitment to sustainable agriculture and to maintaining our position as America's favorite mushroom.

Equal Opportunity Employer

**Giorgio Fresh Co. | 347 June Avenue, Blandon, PA 19510
800.330.5711 | www.giorgiofoods.com**



Jonagold, Braeburn and Fuji are just a few favorite winter apple varieties.

Maintain A-Plus Apple Sales After The First Of The Year

Controlled-atmosphere apples are a welcome addition to the winter produce department.

BY CAROL M. BAREUTHER, RD

There's a growing trend that can spice up apple category sales long after the excitement of the fall harvest finishes. Improved controlled-atmosphere storage, coupled with varietal development, is creating a chance to sell high quality favorites as well as that 'something new' into the winter and rest of the year. Consider the opportunity gap. Total apple category dollar sales were highest in the fourth quarter of 2010 at \$476 million, according to Perishables Group, a West Dundee, IL-based fresh food consulting firm. However, sales dropped to \$458 million in the first quarter of 2011, followed by a decrease to \$384.8 million and \$337.6 million in the second and third quarters, respectively.

Rick Steigerwald, produce director for Lunds and Byerly's, a 21-store chain owned by Edina, MN-based Lund Food Stores, says, "In our area, local apples are top-of-mind in the fall. Displays are crowded with many different varieties. When these finish, shelf space opens

up. This is about the time grower/shippers are breaking some of the newer varieties out of storage. These apples give us an opportunity to add excitement with something new, and thereby maintain strong category sales after the first of the year."

A New Marketing Niche

During November and December the marketplace is flooded with many different apple varieties, reports Chuck Sinks, president of sales and marketing for Sage Fruit Co. LLC, in Yakima, WA. "There are countless local apples, Michigan apples, New York apples and Washington apples."

The fall season is especially dominated by the Honeycrisp variety. Bob Mast, vice president of marketing for Columbia Marketing International Corp., (CMI), in Wenatchee, WA, reveals, "Honeycrisp accounts for up to 30 percent of apple category sales in the fall for some retailers."

According to Lee Peters, vice president of

sales and marketing for Fowler Bros. Inc., headquartered in Wolcott, NY, "By January, varieties such as Honeycrisp, Sweet Tango and Zestar, for example, finish up, and industry-wide, about 50 percent of the crop is sold. We still have good availability of plenty of other varieties such as Braeburn, Fuji, McIntosh and Empire. It is the time period from January to September that we look to sell this remaining crop."

Two ways the industry is enabling retailers to capitalize on this sales opportunity is by providing high-quality versions of best-selling varieties longer into the season and by offering brand new varieties that store well and are ideal for introduction after the first of the year.

Favorites Expand Season Thanks to Technology

Retailers look to maintain their apple sales into the winter quarter and extend the run into the spring and summer, says Kevin Precht, marketing program director for the Cameo



LET YOUR CUSTOMERS TAKE THEIR PICK OF NY APPLES

A great harvest for eating, baking, sauces & cider!

We've picked a bountiful crop of NY Apples and now's the time to let your customers take their pick of great varieties: Empire, McIntosh, Honeycrisp, Golden Delicious, Crispin, Jonagold and many more.

NY Apples are perfect for snacking, packing, baking, recipes, salads and sauces. Grown nearby, NY Apples get to you and your customers quicker, to assure the freshest, crispiest, tastiest flavor. It's good business to promote all the ways NY Apples deliver delicious, healthy benefits. And don't forget it's apple cider season – the perfect drink for families and fall gatherings.



Make your picks now, so your customers
can take their pick of New York Apples.

Millions of local branches near you.



WWW.NYAPPLECOUNTRY.COM



Apple Marketing Association (CAMA), in Wenatchee, WA. “One way to do this is to keep a fresh new apple variety out there longer. This is a push we started with Cameo last season. It’s a variety that does especially well in controlled-atmosphere storage. We now sell 80 percent of the crop after the first of the year.”

Technological advancements in controlled-atmosphere storage have enabled many best-selling apple varieties to remain in the market longer and in a high-quality state that encourages repeat sales. “For example,” says Sinks, “both Jonagold and Gala were originally thought to be able to store in controlled-atmosphere only up to March or April. Today, harvesting at the correct condition for longer term storage, along with SmartFresh application, means we can store and ship both varieties with exceptional eating qualities through August.”

Red Delicious is another variety that responds well to SmartFresh or MCP (a compound marketed by AgroFresh Inc., in Yakima, WA, that slows ethylene production and ripening of fruit in CA storage.)

Roger Pepperl, marketing director for Stemilt Growers LLC, in Wenatchee, WA, laments, “People don’t realize that Red Delicious is the best in June and July. That’s because we take the best and strongest fruit with the highest starch content to put into long-term storage,” he explains. “The negative is that in the heat of the summer, retailers need to make sure the apples stay refrigerated and customers should be educated not to leave them out in a fruit bowl in 95° heat to maintain the best eating experience.”

Some apple varieties not only maintain

quality, but also improve, with controlled-atmosphere storage. According to Jim Allen, president of the Fishers-based New York Apple Association (NYAA), “Crispkins toughen up in cold storage and become better able to handle with fewer bruises in packaging.”

“Pink Lady mellows in flavor in storage,” says Alan Taylor, the Yakima, WA-based marketing director for Pink Lady America LLC. “The starches turn to sugars in storage and the sugars then balance with the acids to produce a sweet, less tart and more complex-flavored piece of fruit. That’s why the bulk of shipments begin in the first quarter of the year.”

Controlled atmosphere storage techniques have improved tremendously over the last 15 years. Suzanne Wolter, director of marketing for the Rainier Fruit Co., headquartered in Selah, WA, acknowledges, “This has been due in part to the introduction of Smart Fresh.”

Sage Fruit’s Sinks agrees, adding, “Smart-Fresh technology has revolutionized controlled-atmosphere storage from the respect that the ripening process is completely shut down until the fruit is exposed to higher levels of oxygen out of storage. Once out of storage, an apple ‘wakes up’ over a longer time frame as the effects of SmartFresh diminish. This means a piece of fruit will maintain optimum eating quality not only in refrigerated storage, but also on the shelf at store level and on the kitchen counter weeks longer than when SmartFresh was not used.”

Harvista is a new SmartFresh-based technology that works pre-harvest. Pepperl states, “Harvista works in the field to allow better harvest management, such as aligning picking schedules with the available workforce. It

works best on early and mid-season apples.”

In addition to SmartFresh, there has also been an increased understanding of apple physiology and the varying needs of each individual variety. For example, Wolter notes, “Computer technology, such as automated controlled-atmosphere room monitoring has also resulted in more constant room conditions.”

Sinks adds: “Computerization has enabled the industry to monitor and control oxygen and carbon dioxide levels along with temperatures much more accurately. This close monitoring prevents fluctuations that cause fruit condition to deteriorate in storage.”

New Late Season Varieties

“The ability to offer customers a new variety of apple in the winter brings new life to the category,” asserts Jon Clements, director of produce for Kuhn’s Market, an 8-store chain based in Pittsburgh, PA, “For example, we brought in the Lady Alice apple from Rainier Fruit in March. We introduced it through sampling and mass displays to pique customers’ interest. We also had the advantage of an exclusive on this in our area for ad promotion. This was so successful that we’re going to work with Rainier again to bring in the new Junami variety in February and repeat the same strategy.”

“This trend of finding a particular new variety’s niche may continue as growers search for optimal times to sell different apple varieties,” says Sinks.

Rainier’s Wolter agrees. “The advantage to holding back a new variety is that as the other varieties finish their season, retail space becomes available,” she points out. “Additionally, it provides the retailer with a ‘new item’ for the apple category, generating additional dollars for the department. We have specifically invested in new apple varieties that respond well to controlled-atmosphere storage because it made business sense. Our strategy to withhold Lady Alice and the Junami until later in the season, which will make its debut in January with a limited volume of around 30,000 cases, was very effective, and other growers have followed in our footsteps.”

Late storage, as well as the desire to have something distinctly different, are big factors in breeding development today, says CMI’s Mast. “We introduced the Kanzi last season. It’s a bi-color apple with Gala and Braeburn lineage that is intensely flavored, almost like a sweet tart. We harvest the Kanzi in October, and put the majority in storage until January.”

“Similarly, the Autumn Glory is a new

spicy-flavored apple that stores extremely well,” reports Loren Queen, marketing and communications manager for Domex SuperFresh Growers LLC, in Yakima, WA. “It maintains 17 pounds of pressure from October to April. We could easily sell it into July because it retains its flavor and crunch so well.”

“Eighty-five percent of Piñata, an exclusive variety to Stemilt Growers, ships after the first of the year,” reveals Pepperl.

Make Introductions

What’s the best way to introduce new varieties? According to Lund’s Steigerwald, get the word out and tell the story. “We did this for the Opal apple last winter,” he says. “It’s a yellow apple that looks different from the rest and is only available for a short time. We made sure all the produce managers had tasted it and knew one or two talking points they could share with consumers about the apple when they sampled it.”

The biggest challenge with new varieties is getting consumers to try them, says Rainier’s Wolter. “On the other hand, the most successful introductions include a combined strategy of retail advertisement, prominent display location, creative signage and in-store demos.”

Domex’s Queen agrees. “Newer varieties should be well signed with information at point-of-sale on price cards or posters,” he details. “We offer these materials for the Autumn Glory, which have QR codes that take consumers directly to the apple’s website where they can watch a video of the variety being harvested.”

There are QR codes prominently positioned on the side of pop-up display bins offered by Stemilt Growers for its Piñata variety, which primarily markets after the first of the year. “In addition to the code,” says Pepperl, “we have a big social media program for the Piñata, including a Facebook page.”

High-graphic cartons can help to spotlight a new variety as well as be used for building bountiful waterfall displays, suggests Wolter. “One of the hottest trends this year is secondary display bins, which serve the dual function of providing additional display space and eye-catching signage.”

Six Ways To Promote Apples In Winter And Spring

David Nelley, apple, pear and pineapple category director for The Oppenheimer Group, headquartered in Coquitlam, British Columbia, Canada, acknowledge the “unlimited opportunities to market apples during the winter months.”

Mid-winter and spring are strong periods for apples, agrees Stemilt’s Pepperl. “There is not a lot of produce available in the fruit category except citrus.”

1. Health is Wealth: New Year’s weight loss resolutions to lose weight are a good promotional hook to sell apples, says Fowler Farm’s Peters. “We encourage retailers to advertise apples as a diet supplement and promote 5- and 8-lb. bags. This year, we’ll push the weight loss verbiage in ad features even more, especially with our key customers.”

As consumers look for more healthy snack

and menu addition items, the apple industry is perfectly positioned with multiple new flavor options to satisfy any palate, says Rainier’s Wolter. “This means retailers cannot look to last year’s ad calendar to develop a successful apple category strategy for this season. They need to adjust their plans by taking advantage of promoting new varieties.”

“In the spring,” adds Pepperl, “Promote apples in honor of March’s National Nutrition Month.”

Last spring, 41 participating supermarket chains teamed up in a promotion with the

Bite into a healthy lifestyle!

Fowler Farms
150 Years

The Fowlers.
Six generations of experience growing one of the healthiest foods you can serve your family!

HEALTH

- ✓ Boost weight loss.
- ✓ Diminish symptoms of Alzheimer's.
- ✓ Reduce risk of cancer.
- ✓ Lowers blood pressure.
- ✓ High in fiber.
- ✓ Boost immune system function.

For more information visit:
www.usapple.org

www.fowlerfarms.com
Call Today! 800-836-9537



New York Apple Association that saw \$25,000 donated to the American Cancer Society. This promotion is part of an ongoing annual effort to help fight cancer and raise awareness of the cancer-fighting benefits of eating apples. Grocers placed themed posters next to McIntosh, Empire and other New York apple varieties in the produce departments of more than 3,000 retail locations. The signs, showing three New York State apple varieties with pink ribbons, alerted consumers to the Cancer Society fundraising effort.

2. Second Back to School: January is fast becoming recognized as the second back-to-school time, says Stemilt's Pepperl. "We'll be doing a big push on our Lil Snappers at this time as a great addition for Moms to put in their kid's lunchboxes."

Lil Snappers are a bagged apple concept where Stemilt sells small-sized varieties such as Gala, Granny Smith, Pink Lady and Piñata apples in 3-lb. stand-up re-sealable bags with handles. These can be merchandized in a themed display carton or in a shipper that can be used as a satellite display.

3. An Apple Variety A Month: Late season apple varieties such as Pink Lady, Sonya, Jazz, Lady Alice and Junami present a great opportunity for retailers to feature a variety or two each month, suggests Rainier's Wolter. "These apples should be rotated on the front display tables to encourage trial and impulse purchases by consumers. Displays should be built with a combination of point-of-sale options such as posters, display bins, high graphic boxes for waterfall displays and 7 x 11-inch signs."

Wolter adds, "Larger national or regional chains that want to introduce a new variety, but the volume available isn't enough for a print ad in all stores, may want to consider promoting a different variety in each region. Given the multitude of new varieties available, it should be easily accomplished."

4. Recipe Features: Seasonal recipes targeting spring and summer are one way

CAMA is promoting its apple, says Precht. "We're offering retailers a tri-wall bin sleeve with a QR code that will take customers to two different recipes: a Cameo apple and Brie Crepe in the spring and a Chile Rubbed Salmon with Cameo Apple Salsa in the summer."

A projected 400,000 to 500,000 million cartons of Ambrosia, another variety that stores well, plus an additional volume from imports in the summer, has led CMI to create a unique shipper that will offer customers a free 12-month kitchen calendar with recipes.

5. Holiday Promotions: Build themed promotions by pairing spring holidays with particular varieties of apples. For example, Red Delicious for Valentine's Day, Granny Smith for St. Patrick's Day and Pink Lady for

Mother's Day.

"Or, try Pink Lady for Valentine's Day," says Pink Lady USA's Taylor. "We provide our shippers with a Valentine's Day poster designed to make available to retailers. In addition, we'll also have a 'Leap Day' promotion based on February 29th being an extra day to enjoy Pink Lady. These two promotions offer a good two week marketing window to promote Pink Lady in February."

Retailers typically like to merchandise large fruit around the holidays, says Sage Fruit's Sinks. "Knowing this, shippers will store their large fruit to where it will come out of storage and be available to sell at this time. This year, we are seeing all apple varieties peak on smaller sizes such as 88s and 100s. While the large and

CONTROLLED ATMOSPHERE APPLES SHOWCASE

Quality Since 1957

BelleHarvest
SALES, INC

APPLES

Shipping August — June
Consistent supplies
and quality

Over 15 varieties from
across the state

800,000 CA storage

800-452-7753
Fax: 616-794-3961

Tom Pletcher, RJ Simons
Belding, Michigan

Email:
sales@belleharvest.com

★★★★ XXXX

BORTON FRUIT

Established in 1912

Premier Grower/Shipper of Premium
Apples, Pears and Cherries.

Supplying our customers with superior
quality, selection and service
for 100 Years!

Yakima, WA 98903
509-966-3996 www.bortonfruit.com

CONTROLLED ATMOSPHERE APPLES SHOWCASE



Premium Eastern Grown Apples
From These Fine Growers

Bear Mountain Orchards
Bream Orchards
El Vista Orchards
Turkey Knob Growers

KEYSTONE FRUIT MARKETING, INC.

GREENCASTLE, PA USA 1722
717.597.2112

Email: lisa@keystonefruit.com

HESS BROS. FRUIT CO.



RED DELICIOUS • McINTOSH
GOLDEN DELICIOUS • STAYMAN
EMPIRE • GALA • FUJI • ROME

- Export & Domestic CA Storage
- PLU Labeling Available
- Shipping August - June

Fred & Jerry Hess
717.656.2631
Fax: 717.656.4526

500 BECKER RD.
LEOLA, PA 17540

PAVERO COLD STORAGE

Growers • Packers • Distributors

NORTH ROAD, HIGHLAND, NY 12528
PHONE: 1-800-435-2994 FAX: 845-691-2955



*Champlain Valley Mac, Ginger Gold,
Crispin/Mutsu, Red Delicious, Spartamac,
Empire, Jonagold, Law-Rome, Fuji,
Golden Delicious, Paula Red, Cortland,
Stayman & Ida Reds plus Bosc Pears,
Bartlett Pears & Seckel Pears*

PAVERO COLD STORAGE

has evolved into a major apple and pear
producer in New York's Hudson and
Champlain valleys. Over 60 years of
success indicates our positive acceptance
by the consuming public and our
constant care ensures your
♥ at first bite,

1-800-435-2994
www.paverocoldstorage.com



The East's largest and most
modern facilities featuring
our state-of-the-art
presizer, packing lines
and cold storages.

CONTACT US FOR THE FINEST EASTERN APPLES
PACKED FRESH TO YOUR SPECIFICATIONS.

Contact Brenda Briggs, Keith Thomas,
Valerie Ramsburg, Kim Shull, or John Rice

800-627-3359

Fax: 717-677-9842

Email: sales@ricefruit.com
www.ricefruit.com



RICE FRUIT COMPANY

P.O. Box 66, GARDINERS, PA 17324-0066

SEE US AT THE NEW YORK PRODUCE SHOW AND CONFERENCE

NIAGARA
FRESH FRUIT CO.

DIV. OF BUCOLO COLD STORAGE

PACKING, STORAGE AND
SHIPPING OF FRESH FRUIT
FOR OVER 36 YEARS

Packing all size polybags, trays
and specialty packs
"NIAGARA FRESH BRAND"

FOR THE BEST OF THE
WESTERN NEW YORK APPLES



Call: Jerry Bucolo,
Chris Bucolo & Richard Hite

716-778-7631
FAX: 716-778-8768

5796 WILSON BURT ROAD
BURT, NY 14028

Pennsylvania
Apples

For a list of Pennsylvania Apple
Shippers, visit our website at
www.pennsylvaniaapples.org

Karin Rodriguez, Executive Director

Phone - (717) 783-5418
Fax number - (717) 783-4262
Harrisburg, PA

RIVERIDGE[®]
Exceeding Expectations

1.800.968.8833

Representing 4th, 5th, 6th
Generation Apple Growers



Riveridge Produce Marketing Inc.
Sparta, Michigan 49345

dawngegers@riveridgeproduce.com



“The ability to offer customers a new variety of apple in the winter brings new life to the category.”

—Jon Clements, *Kuhri's Market*

extra-large fruit is there, it is not as plentiful as past years.”

6. Sports Themes: Sledding, football and car racing are all sporty themes shippers are using to help retailers to promote their apples. For example, CMI will once again offer retail partners the opportunity to run a contest where customers can purchase a Kiku apple with their loyalty card and be automatically entered to win a limited edition BMW sled,

explains Mast. “We suggest building a large display of the apples with our high-graphic boxes to create a billboard effect, and then include one of the sleds in the display.”

Chelan Fresh Marketing, in Chelan, WA, is test-marketing a football-themed promotion that features bagged apples, display bins, price cards and posters tying in with the “Fuel Up to Play 60” program, a childhood obesity prevention initiative sponsored by National Dairy

Council and the National Football League that encourages kids to get 60 minutes of exercise a day. Mac Riggan, vice president of marketing, says, “The point-of-sale materials position apples as a healthy component of the of the ‘Fuel Up to Play 60’ theme.”

Chelan Fresh’s third test marketing period will take place from January 7 to February 15 in the markets of Jacksonville, FL; Denver, CO; and Seattle, WA.

Finally, Sage Fruits will again sponsor race car driver, Kasey Kahne, and offer several different point-of-sale materials incorporating Kahne, says Sinks. “Race Days’ promotions are popular in February as the Daytona 500 is at the end of the month.” **pb**

Side Note

WHAT DOES A LONGER WASHINGTON APPLE SEASON MEAN FOR IMPORTS?

State-of-the-art controlled-atmosphere storage facilities, the use of ethylene-inhibitor SmartFresh and new fungicide management that allows for better storage are enabling Washington apple shippers to offer a number of apple varieties later into the year.

Rick Austin, director of sales and marketing for B.C. Tree Fruits Ltd., headquartered in Kelowna, British Columbia, says, “Imports are a bit of a challenge now. Before controlled-atmosphere and SmartFresh, there was a large window for imports in the summer. That’s shrunk now.”

Still, fresh apple imports to the United States in 2010 totaled more than 188.5 metric tons or \$168 million, a dollar value increase of 22 percent over 2009, according to the USDA’s Foreign Agricultural Service. Nearly \$96 million of the apples originated from Chile.

Tom Tjerandsen, the Sonoma, CA-based spokesman for the Chilean Fresh Fruit Association (CFFA), says, “Apples are the No. 2 fruit shipped out of Chile, second only to grapes. They typically start in February and run through November. Gala, Red Delicious, Granny Smith and Pink Lady are the top varieties. However, Chile has an aggressive breeding program for both early and late season varieties.”

“In the past and to some extent still today, when offshore apples arrived, there was a large spread in pricing with imported fruit being higher,” reports Chuck Sinks, president of sales and marketing for Sage Fruit Co. LLC, in Yakima, WA. “The demand at retail moved from domestic to offshore due to the ‘new crop’ thought process retailers had for offshore product.”

The ‘freshness’ of new crop versus controlled-atmosphere stored apples is a matter of debate. David Nelley, apple, pear and pineapple category director for The Oppenheimer Group, in Coquitlam, British Columbia, Canada, says, “It depends on the growing season, but controlled-atmosphere stored apples are still generally old — up to 10 months old compared to two week old imported apples from March through August.”

However, Suzanne Wolter, director of marketing for the Rainier Fruit Co., in Selah, WA, counters, “Our apples are packed-to-order, which, when compared to imported apples are fresher due to the fact they have been in the box less time than their imported coun-

terparts by the time they arrive to the retail shelf. Today’s storage techniques allow us to deliver a crisp, juicy, shiny, flavorful apple with better shelf-life than the imports, which have traveled about a month before reaching U.S. import facilities.”

“In reality,” says Sinks, “Washington controlled-atmosphere store apples and imported apples are very comparable in appearance and flavor. Flavor may, at times, have a slight difference due to the fruit being grown in a different part of the world. This is comparable to how a Washington Honeycrisp can taste slightly different from a Minnesota, New York or Nova Scotia Honeycrisp.”

According to Mac Riggan, vice president of marketing for Chelan Fresh Marketing, in Chelan, WA, “Many retailers will stay with domestic fruit as long as the quality is there. If the quality of the apples changes, then they will switch to imported fruit.”

“The advantage to staying with domestic apples is the local and locavore movement,” says Loren Queen, marketing and communications manager for Domex SuperFresh Growers LLC, in Yakima, WA.

On the other hand, the benefit of merchandising Chilean apples is an increase in dollar ring, says the CFFA’s Tjerandsen. “Research we commissioned from the Perishables Group shows that shopping baskets that contained Chilean fruit were 1.5 times larger than those with no fruit from Chile,” he reports.

Another advantage of imports is as a source of best-selling varieties when domestic sources have run dry. Sage Fruit’s Sinks says, “Although the Washington industry has the ability to store high-quality Galas, we don’t have the supplies given the demand to stretch that far into the summer months. But we’re getting close.”

The ability to offer new varieties for more months of the year is another advantage of imports, especially given the time and effort to successfully launch a new variety at retail. Bob Mast, vice president of marketing for Columbia Marketing International Corp., (CMI), in Wenatchee, WA, says, “Moving forward we’ll have a two-season program with Ambrosia, Kiki and Kanzi with imports from Chile supplementing in the summer what we grow in Washington.”

“In the end, imports tend to complement, not compete, with domestic apples,” says Jim Allen, president of the Fishers-based New York Apple Association. **pb**



Berries and stone fruit are two of the most popular items from Chile.

Maximizing Chilean Winter Fruit Sales

Combining good merchandising basics with creativity and research can add up to a profitable Chilean winter season.

BY JODEAN ROBBINS

The abundance of high quality, flavorful produce from Chile enables retailers to stock a wide range of preferred items year-round. “It can also create excitement during the times of year that fresh domestic product is not readily available,” says Karin Gardner, marketing communications manager for The Oppenheimer Group, in Coquitlam, British Columbia, Canada. “Aggressive retails and frequent promotions will move the dial for Chilean products. Creative merchandising through the winter months is effective as well.”

“In our market, we promote Chilean fruit as much as we can,” says Victor Savanello, produce category manager for Allegiance Retail Services in Iselin, NJ, a co-op with 81 stores, mainly under the Foodtown and D’Agostino banners. “When the stone fruits come in, we promote almost every other week. The increase in volume with blueberries also has allowed us to promote those even more.”

A great deal of persuasive evidence

confirms the importance of Chilean fruit to store profits. “When we researched data from sales through the front end register we found some pretty compelling results for focusing on promoting Chilean product,” says Tom Tjerandsen, North American managing director for the Chilean Fresh Fruit Association (CFFA), based in Sonoma, CA. “Our research showed the average ring at the front end was 50 percent higher if the shopper had Chilean fruit in the basket over those who didn’t. Additionally, the basket tended to carry traditionally higher margin items. So a retailer is not only getting a higher ring, but also selling more profitable items,” he explains.

By utilizing some easy and available tools, retailers can maximize sales. “If retailers promote items offered during the peak seasons, volume moves, product stays fresh and the consumer supports the programs,” asserts Brad Cantwell, vice president of North American sales with Philadelphia, PA-based Dole Deciduous. “Although this business may seem complicated for some, simple business

practices like moving supply by creating demand are a successful approach to our business. Chilean marketing campaigns are very aggressive and supportive of the business.”

Focus On Fresh And Flavor

First and foremost, any department looking to increase sales must assure quality. “Promotion is important, but the fruit needs to be of good quality and freshness to sell,” says Cantwell.

Increasingly, quality means flavor and some savvy retailers are implementing programs to return to a focus on flavor. “We’re focusing on the eating quality of the fruit,” reports Savanello. “Flavor is the best way to increase produce sales. It’s great to have the product 365 days a year, but if the consumer buys an item that doesn’t eat well, then maybe you’re better off not having it.”

Once flavor is assured, sampling is a great step to re-introduce the fruit to customers. “There is always potential to create incremental sales through sampling,” says Gardner. “In the past, some consumers have had negative

experiences with Chilean fruit — maybe they sank their teeth into a beautiful peach only to discover it didn't have the juice or sweetness they expected. Through sampling, retailers can help cultivate confidence in winter stone fruit."

The CFFA offers video products to assist store personnel in handling and quality of fruit. "We've found our video on care and handling and merchandising ideas is getting rave reviews around the country, in terms of helping retailers who have to contend with constant employee turnover," says Tjerandsen. "It helps not only reduce shrink because of better handling practices, but also shows produce managers how they can use the proven successful tools provided by CFFA to build business and increase sales."

The video is available on DVD, but can also be downloaded from the CFFA website. "Many retailers are downloading it and using it to train employees," says Tjerandsen.

Make Good Plans

Well-planned displays translate into increased sales. "Space and location definitely influence sales," says Craig Uchizono, vice president, Southern Hemisphere for The Giumarra Companies, based in Los Angeles, CA. "Fruit in larger displays at the front of the department with attractive pricing will move more volume. Retailers should allocate space according to which products are being promoted that week. Signage should also be used to highlight the fruit. End caps are another key location that can be used to highlight specific products."

Displays should be coordinated with other factors. "Space, allocation and sales go hand in hand with retail and with the quality of fruit," adds Alliance's Savanello. "If you have fruit that isn't eating well and you give it an end cap, consumers won't buy it and you'll end up with a lot of shrink. You can legitimize a big space if you've got the right fruit. If you must have a fruit that doesn't eat as well as you'd like, then you need to adjust the space accordingly."

"Retailers can highlight the fruit in store much the same way as they would during summer by creating large, colorful displays," says Uchizono. "Point-of-sale materials and promotional calendars should be planned with consideration to which holidays and events are coming up, such as the winter holidays or Valentine's Day and Easter."

Good communication with suppliers is another crucial component for a successful season. "Communication and flexibility are the operative words," says Jim Pandol, president of Pandol Associates Marketing Inc.,

"Space, allocation and sales go hand in hand with retail and with the quality of fruit...You can legitimize a big space if you've got the right fruit. If you must have a fruit that doesn't eat as well as you'd like, then you need to adjust the space accordingly."

— Victor Savanello, Allegiance Retail Services

headquartered in Delano, CA. "I spend a lot of time and effort in keeping customers updated on crop trends. When items will start, end and be at peak volume and value. My hope has always been to better coordinate product supply and pricing with retail produce section pricing, positioning and promotion."

"Like any seasonal commodity, buyers need to plan ahead," adds Matt Landi, produce director for New Leaf Community Markets, a six-store chain, headquartered in Santa Cruz, CA. "Anticipate and communicate your upcoming needs."

Stores with greater flexibility may find greater rewards as supply paradigms shift. "As the Chileans have developed more and more markets, they program less regularly to the United States," explains John Pandol, director of special projects for Pandol Bros. Inc., based in Delano, CA. "Any significant merchandising assumes certain volumes. We've always looked at supply based on harvest and we've had a paradigm shift there, but now harvest numbers don't necessarily mean that product will be shipped to the U.S. market. This is challenging when you know they're picking, but are unsure if they'll ship it here or somewhere else."

"The new paradigm in marketing is that the best promotions will go to those who can plan them on shorter timelines," continues Pandol. "The more flexible your promotion, the better promotion you're going to have. Stores with a robust wholesale market nearby like New York or Philly can really gain an advantage by accessing product and working with them to do last-minute promotions."

Use POS

Information at point-of-sale provides a tremendous opportunity to influence customers. "These days, more and more consumers are looking to increase their knowledge of the produce they are purchasing," says Steve Monson, Western region produce manager based in Plano, TX, for C.H. Robinson Worldwide Inc., an Eden Prairie, MN, company. "One of the best things

a retailer can do is to take advantage of the consumer marketing programs offered by suppliers that educate consumers about where their food comes from. These programs help create relationships that consumers come back to the next time they shop."

"Colors, trivia and information like nutrition, history and geography are all things that bring more interest to the product and make the produce department more attractive and interesting," says Pandol of Pandol Associates Marketing.

Giumarra's Uchizono adds, "POS and signage can be used to accomplish a variety of goals, including educating consumers about nutritional benefits, providing recipes and usage ideas and telling a grower story. Many of our growers in Chile have been farming for generations and several grow flavorful, proprietary varieties that are of interest to consumers."

Effective merchandising means positioning the produce to capture the sale. "Certainly, large displays will catch shoppers' attention, and solution-oriented displays like cross-merchandising with other ingredients and recipe information can help drive sales as well," says Oppenheimer's Gardner.

"POS and signage may help increase impulse sales," says Dionysios Christou, vice president of marketing for Del Monte Fresh Produce North America Inc., in Coral Gables, FL. "POS and signage can be informative on the quality of the products, introducing new products and seasonal products, etc. Del Monte offers a variety of signage showing nutritional value and benefits, and recipe cards that not only attract consumer's attention, but also educate them on the product."

The CFFA provides a full range of POS tools for retailers to use. "One of our most popular of the POP items right now is our bin wrap," states Tjerandsen. "The retailer rolls this base wrap around the bottom of the island. It showcases the variety of fruits available from Chile and gives wonderful color to the department. The bright color really attracts

ARE YOU READY FOR SOME FOOTBALL?

YOUR CUSTOMERS ARE.



DID YOU KNOW that consumers are more likely to buy avocados for football and tailgating parties than for any other sports-related entertaining?* We did. That's why we're supporting retailers all season long with football-themed and other marketing programs including:

- Sponsorship of the 2012 Tostitos Fiesta Bowl and other major sporting events
- In-store retail promotions and consumer contests
- National radio, online and outdoor billboards
- Digital and social media
- Endorsement by celebrity Chef Ingrid Hoffmann

As a result, customers will soon be rushing to stores to score big with delicious, high quality Chilean Hass Avocados. For game day and every day, be sure to have plenty on hand.

FOR MORE INFORMATION, CONTACT YOUR CHILEAN HASS AVOCADO REPRESENTATIVE TODAY.

*Source: Cooper Roberts Research, 2010 Avocado Tracking Study



SO GOOD. SO MANY WAYS.
CHILEANAVOCADOS.ORG

shoppers, especially when you have only a fifth of a second to catch their attention.”

“POS is very effective in our stores,” agrees Alliance’s Savanello. “We work with the CFFA closely and utilize all of its resources.”

“The Chileans have done a great job of providing POS materials and signage,” says Pandol of Pandol Bros. “We’re starting to see the recognition that local means seasonal, and it’s always in season somewhere.”

Be Creative

Retailers can use creative programs and ideas to drive category sales. Through its Welch’s program, C.H. Robinson is offering a Chilean Cycle & Vineyard Tour. “Consumers can enter to win an all-expense paid trip for two to Santiago, Chile, including hotel, airfare and guided bicycle tours through countryside vineyards,” says the company’s Monson. “The sweepstakes is available to retailers on our Welch’s import program and includes beautifully designed POS QR codes that allow customers to enter the contest and links from retailer websites. In an effort to increase store level participation, we’re including a produce manager’s contest as well. Produce managers simply send a photo of their Welch’s display to us and are entered to win a drawing for a free mountain bike.”

Higher volumes of cherries from Chile are anticipated this year and present a great promotional opportunity. Oppenheimer’s

“Like any seasonal commodity, buyers need to plan ahead. Anticipate and communicate your upcoming needs.”

— Matt Landi, New Leaf Community Markets

Gardner explains, “While most North Americans consider cherries a strictly summer item, sweet, juicy Chilean cherries in the winter time will be a welcome discovery for shoppers. In season, cherries contribute more sales dollars per square foot than any other item in the produce department. No doubt there are opportunities for retailers to optimize cherry sales in the winter as well.”

Research is another valuable sales tool. “It can be beneficial to retailers to focus on addressing the preferences and tastes of consumers in their particular market,” advises Del Monte’s Christou. “By understanding customer demographics, retailers can stock the Chilean products in demand in their region and showcase the products effectively. Del Monte uses sophisticated category management tools to help retailers ensure optimal product mix and to make customized recommendations that fit each individual store’s consumer profile.”

CFFA has just completed another piece of research pertaining to the blueberry industry. “This is probably our fastest growing item and

we’ll likely pass the 70,000-ton mark on blueberries this year,” reports the association’s Tjerandsen. “However, retailers had many excuses on why they didn’t want to jump on the blueberry bandwagon. Our Barriers to Sales research looked at many of these objections and came up with some solutions. For example, for the barrier, ‘blueberries don’t fit into traditional winter cooking,’ we produced a full-color recipe booklet for retailers to distribute to shoppers on how to put more blueberries into traditional winter dishes.”

Learn From Others

IRI data purchased by CFFA provides insight into the sales practices of high performing retailers in the Chilean fruit category. Tjerandsen explains, “The IRI data we purchased has proven to be very useful to our merchandisers and importers. It has allowed us to look at various cities around the United States and, based on the population of these cities, determine if they tend to buy more or less of these particular fruits.”

“We looked also at differences in the indices between the winter months when we’re in the market and the summer months when the North American shippers are in the market,” continues Tjerandsen. “Then we investigated the reasons for any big differences. In the high indices markets, we knew the retailers were doing something special to achieve those extraordinary results. We wanted to see what they’re uniquely doing to achieve those spectacular results.”

In each of the product categories, CFFA now has a list of the things the high performing retailers are doing. “We’ve captured all that information into what we call the High Achiever Best Practices Summary,” says Tjerandsen. “For instance, we now have answers in grapes about how often the high performers advertise, when they advertise, and how much a margin discount they offer the shipper. We know if they combine their ad with red and green, or even red green and black. What cross-merchandising items do they use? Do they utilize POS material? All this learning is on the Chilean fresh fruit website for retailers to download.”

pb




CANADIAN WINTER PRODUCE SHOWCASE

SINCE 1928
**POPLAR
GROVE**
Simple Goodness

Growing High Quality
Certified Organic
Potatoes, Onions, Carrots,
Broccoli, Cauliflower,
Cabbage, Beets, Grains,
Oilseeds and Hemp

204-325-4333

Garry@kroekers.com
or wayne@kroekers.com

www.kroekerfarms.com 



THEY'RE STARTING TO ASK
FOR THEM BY NAME.

 
redsun goldensun

Offering six North American
distribution centers to serve you.

Freshness Redefined
with one call 1-800-286-0691

www.jemdfarms.com

**Boncheff
Greenhouses**



*Specializing in:
Fresh Cut Herbs,
Edible Flowers,
Baby Lettuces,
Salad Mixes
and Baby Vegetables*

Call Tom or George Boncheff

416.233.6922

Fax: 416.236.3903

boncheffherbs@on.aibn.com

382 Olivewood Rd.
Toronto, ON M8Z 2Z9

**ATTENTION
ALL BUYERS**

USE
producebusiness

directories when you are ready to buy.

For additional copies of this
directory or any other, please call

561-994-1118

and ask for

Directory Sales Department

Email: info@producebusiness.com

 **Mucci
FARMS**

Sun Drops
SWEET GRAPE TOMATOES

Rustico
Small Cucumbers

bella sweets
Super Sweet Mini Peppers

cute CUMBERS
Lunch-sized Cucumbers

sapori
Small Red Tomatoes

Sun Drops
Sweet Grape Tomatoes

SALES: 1-866-236-5558 • PRODUCE@MUCCIFARMS.COM • MUCCIFARMS.COM

Tropicals Earning Their Place in the Sun

Attention-grabbing displays and educating consumers are two key points to selling more tropicals. **BY MELINDA GOODMAN**



Mangos and bananas are by far the most popular tropicals, but the category also contains cherimoyas, tamarind, yuca, boniato and plantains.

It seems there is a bit of controversy over which fruit claims the top spot as the world's most popular — bananas or mangos. Some say mangos are consumed worldwide by a factor of 3-to-1 over bananas and 10-to-1 over apples, while others note that bananas are the most exported fruit by volume.

What is clear is that along with bananas, mangos and a growing number of other fruits known as tropicals and exotics are starting to find popularity with domestic consumers and corresponding space at retailers throughout the United States. In fact, Jeff Haines, produce supervisor for Fry's Marketplace #612, in Phoenix, AZ, says, "Tropicals are a must-have, wow factor for my department and shoppers come here looking for unique items."

Traditionally, tropicals have been considered a specialty item often carried only in ethnic markets or in small quantities around peak seasons or ethnic holidays. However, today's changing demographics, continued cultural exposure to travel and ethnic cuisine, as well as an ever-increasing proliferation of cooking shows with online food content, trop-

icals are finding a mainstream audience at all types of retailers.

Trends In The Tropics

"America has always been a melting pot," notes Ronnie Cohen, vice president of sales for Vision Import Group LLC, in River Edge, NJ. "What has traditionally been a food culture influenced by European immigrants has shifted to include a wide range of ethnicities, such as Latin, Asian and Indian immigrants that bring new foods that include an array of tropicals."

But the presence of tropicals in mainstream retailers is not only influenced by the people and places from which these tasty fruits originate, but also by the shifting trends of pop culture. From the popularity of on-the-go snacks, and the appeal of health and nutrition, tropicals are winning not only hearts and minds, but also shares of stomach. One needs to look no further than Turbana's snack friendly potato chip replacement — plantain chips — or the coconut punch tool available from Melissa's/World Variety Produce Inc. that provides easy access to the low calorie, electrolyte friendly juice of the sweet young coconut. These value-added products from

companies like Turbana and Melissa's prove that when consumers speak, retailers should listen. Coconut water is a great example of the power of popular appeal and information sharing. Annual web search trends show a nearly 500 percent increase in searches for coconut water.

But clearly, coconuts or plantains alone cannot sustain the category or be the singular fuel for growth. Mary Ostlund, marketing director for Brooks Tropicals LLC, in Homestead, FL, points out that mangos and papayas are the fastest growing items in the produce department, and quickly on their way to mainstream recognition. Ostlund believes the popularity of these items opens the door for consumers to try other tropicals due to increased interest in nutritious eating. "Consumers want to make more healthful choices, and they know fresh produce is part of that choice," Ostlund notes. "As omnivores turn into vegivores — those who want more fruits and vegetables on their plates — they're tempted to try new foods and expand their fruit and vegetable palate, and tropicals really deliver."

So if consumers are talking about tropicals, how do we make sure they are buying?

FROM OUR
STARFRUIT FIELDS
TO YOUR STORES

FLORIDA Starfruit



Bring home the stars.

Brooks' Florida grown starfruit bring a refreshing, sweet-tart, crisp taste to your customers' dining tables.

Our StarPac® clamshell packaging makes selling starfruit easy and delivers:

- Longer shelf life
- Easier displays
- Less bruising
- Enhanced ripening
- Easier scanning

Brooks' starfruit are packed in food-safety-audited packing and shipping facilities with our top-notch quality control team overseeing the entire process.



**BROOKS
TROPICALS**

GROWER • PACKER • SHIPPER
800.327.4833 - Fax: 305.246.5827
www.brookstropicals.com





PHOTO COURTESY OF FRIEDA'S INC.

“For many consumers, they don’t come to the store expecting to buy tropicals, so they will not look for the tropical display. If tropicals are merchandised next to items they commonly buy, it inspires purchase.”

— Sam Chevalier, Big Y Foods Inc.

The Tropic Zone

It’s first important to note and understand the classification distinctions of the tropical category. First, tropicals are considered to be items from a tropical growing region, and typically not grown in the United States. However, it is important to note that small regions of Florida and California do produce a few tropicals. Second, the tropical category often includes items considered to be exotics — specialty items with which consumers are unfamiliar. Thirdly, tropicals are not limited to fruit, and often include tropical roots like *yuca*, *boniato* and *malanga*. Despite these distinctions, the lines of the tropical category can be a little blurry.

Blurry or not, retailers must be able to define the tropicals boundaries to develop category management strategies. For some, the tropical category may include bananas and pineapples; for others, bananas might be their own category. And even some specialty citrus like Buddha’s hand or kumquats — although a specialty citrus — might be included in the tropical category.

And that’s just assortment. Merchandising poses an additional set of challenges and varying opinions on where and how to showcase these tropical treasures. What is important is that as a retailer, you select a strategy that

works for you and execute it fully with an aggressive product mix, prominent location and promotional plan.

Product Mix

As mentioned earlier, the product mix of the tropical category is pretty diverse, but the category leaders include bananas, pineapples, mangos and papayas. Additional specialty items like coconuts, plantains and guava continue to gain market share.

Karen Caplan, president of Freida’s Inc. based in Los Alamitos, CA, says that although Cavendish bananas are often merchandised in their own category, many specialty banana varieties like *Manzano* and red bananas are growing in popularity.

Marion Tabard, marketing director for Coral Gables, FL-based Turbana Corp., agrees, noting the budding interest in baby bananas and plantains including *burros* and Hawaiian plantains.

Melissa’s World Variety Inc., headquartered in Vernon, CA, searches the globe to bring a variety of products to the marketplace, expanding the category with items including South African baby pineapple, passionfruit, starfruit, cherimoya, mangosteen, dragonfruit, rambutan and more.

But tropicals don’t stop with fruit. Mark

Vertrees, marketing director for M & M Farm Inc., of Miami, FL, points out that tropical roots play an important role in the category. Although important to the category mix, roots should be added to the assortment based on geo-profiling of store locations, as their popularity is culturally relevant and they do not have broad demographic appeal like some tropical fruits, he adds.

Merchandising Philosophies

There are two trains of thought on merchandising the tropical category — placing all tropicals in one location, or mixing things up. Regardless of location or merchandising strategy, both methods can be effective, but the standard rules of merchandising apply. Displays must be fresh and well stocked so consumers have a desire to shop them.

If you decide to take the path of creating a stand-alone tropical category, the goal is to build large displays filled with a variety of tropicals. Robert Schueller, director of public relations for Melissa’s, suggests grouping all tropicals together. “Many tropicals are used together so they should be merchandised together. Their beautiful colors and exotic looks provide for some natural color breaks.”

Fry’s Haines agrees that one large tropical section can be highly impactful. “A well thought out tropicals table showcasing unique items and offset with different fixtures, heights and layers can really draw people in — and getting them to the display is key, since 90 percent of purchase is impulse,” he remarks.

Summer themes, tropical island themes or Tastes of the Tropics bring bold colors, warm feelings and in-store excitement that draw consumers to the display. This is the perfect time to demo products and give



consumers their first taste of tropicals and encourage purchase.

Sam Chevalier, produce manager for the West Hartford, CT, store of Big Y Foods Inc., based in Springfield, MA, prefers the mix-it-up mentality of merchandising by stocking tropicals throughout the entire produce department. “For many consumers, they don’t come to the store expecting to buy tropicals, so they will not look for the tropical display. If tropicals are merchandised next to items they commonly buy, it inspires purchase.”

Charlie Eagle, vice president of business development for Pompano Beach, FL-based Southern Specialties Inc., also likes the idea of merchandising tropicals throughout the department and cross-merchandising tropicals with synergistic items like limes. “Limes are part of many tropical dishes and provide versatility and consumer awareness to help spur impulse purchases of additional tropical items,” he comments.

Regardless of merchandising preferences, everyone agrees that tropicals cannot be in the back of the department if you want to promote sales. Moving tropicals toward the front of department or featuring key items on end caps can promote sales. Chevalier remarks, “Both mangos and red papayas are must-have items year-round, and mangos have reached a level of popularity and sales significant enough for me to dedicate a front table.”

Tropicals are mainly sold bulk, but some suppliers are starting to provide packaged products, which help increase shelf-life, maintain quality and provide higher rings because it forces consumers to purchase more product. Packaged product also creates opportunities

for built in product information about taste, preparation and use — key factors in consumer’s selection of a product.

Promotion Is Key

It seems that a popular sentiment among retailers and suppliers is that education is key. Freida’s Caplan remarks, “If consumers don’t know what to do with it, they won’t buy it — POS is crucial.”

Schueller agrees, “Melissa’s has a very specific strategy for POS — highlighting flavor, season, usage and nutrition attributes that appeal to consumers’ basic needs in the product selection process.”

A great case for the importance of in-store promotion can be gleaned from looking at the rising popularity of mangos, thanks in part to the efforts of the National Mango Board, which in a few short years, has helped grow sales and awareness through its use of in-store signage and demos that have promoted how to cut a mango, ways to use a mango and the differences in varieties.

At Big Y, Chevalier believes POS is important, but the most important promotional tools are his employees. Each produce department employee has front and back of the store training and tries all of the fruits and vegetables so he or she knows what they taste like. This hands-on education allows employees to engage with consumers and suggest new items and create shared enthusiasm.

Melissa’s actively promotes peak-of-the-season products with in-store advertising. Schueller comments, “When a product is in-season, its flavor is at its prime and the cost is more attractive for consumers, especially when

tied to an in-store ad.”

Holidays are also important promotional periods for most tropicals. Christmas, New Years, Easter, and Rosh Hashanah all are excellent times to promote tropicals. Used to create new dishes or even attractive centerpieces, tropicals provide vibrant points of interest sure.

Start Spreading The Word

The in-store experience is a great opportunity to remind consumers to add tropicals to their baskets, but as mentioned earlier, winning hearts and minds is critical. The example of the growing popularity of coconut water clearly makes the case for good PR.

Accessing and sharing information both online and offline has become an important part of the information-gathering process for today’s consumer. The proliferation of online content via QR codes, YouTube, blogs, Facebook and Twitter provides a constant stream of data.

In its most traditional form, books and cookbooks continue to be a key source of information. Melissa’s understands that and will be offering its 3rd book in December of 2012, delivering additional information for fresh produce enthusiasts.

Melissa’s and other suppliers are also communicating through the web to disseminate information. Both Frieda’s and HLB Specialties of Pompano Beach, FL, have recognized the health and nutrition value of papayas and the importance of their digestive enzyme papain. Frieda’s has created an educational video on YouTube to discuss Papaya 101, while HLB appealed to consumer’s quick fix cure desires with a campaign telling consumers about papaya’s health benefits and ability to cure hangovers.

Ostlund of Brooks Tropical says, “Consumers want to share — changing one’s diet is a lot more fun when shared with family and friends via Twitter, Facebook or a blog. QR codes are allowing us to provide immediate access to how-to information at point of purchase. We also have information for recipes and story ideas on our website so food bloggers can share more information with their readers.”

It’s clear tropicals have come a long way, not just in miles from their exotic locations, but in the minds of today’s consumer. Continue to create opportunities to grow the category by crafting compelling displays, promoting health and nutrition information and sharing cooking tips and recipe ideas that will inspire consumers all year long.

pb

BERRY SHOWCASE

DIAL UP SOME DELICIOUS.

Raspberries Available Year-Round.

WELLPICT
BERRIES

831-722-3871 • 831-722-6340 Fax

Sales Manager - Don Crowley • Domestic Sales - Brad Peterson, Mark Yessya, & Adam Crowley • Export Sales - Chris Uchimoto

www.wellpict.com



Red Blossom
SALES, INC.

Beautiful Berries
Backed by Intelligent Production.
California, Florida, Mexico

Craig Casca David Lawrence
(805) 981 1839 (805) 686 4747

www.redblossom.com



**NO NEED FOR A
FORTUNE-TELLER**



**WHEN YOU CAN RELY ON
YOUR SELLER!**

Our "crystal ball" is a proprietary database, compiled across multiple shipping districts by our experienced quality assurance team. This real-time, unbiased insight enables us to execute better purchase and promotional decisions for our customers. This asset, combined with the long-term relationships we enjoy with many of the industry's most capable producers, empowers us to show you great things in your future!

West Lake
FRESH

Call: 831-724-0644 (24 Hours)

Fax: 831-724-0117

Email: sales@westlakefresh.com

Principal Office: 301 Industrial Rd.
Watsonville, CA 95076



Double D Farms

www.doubledfarms.com

**GROWER • PACKER • SHIPPER
CERTIFIED ORGANIC**

Organic Asparagus,
Blueberries, Broccoli,
Cauliflower, Celery, Cabbage,
Cantaloupe, Corn,
Garlic, Onions

SALES

559.884.2000

ddfarms@doubledfarms.com

www.doubledfarms.com

Cooling, CA

ECLIPSE

BERRY FARMS, LLC

Shipping Strawberries

Oxnard & Watsonville shipping locations



Rick Hearst & Stuart Gilfenbain

310.207.7879

ATTENTION ALL BUYERS

use

producebusiness

directories when you are ready to buy. For additional copies of this directory or any other, please call

561-994-1118

and ask for the

Directory Sales Department

Email: info@producebusiness.com

Peanuts: An American Tradition

Supply challenges will keep processors and retailers on their toes to ensure the crop stretches through the year and still provides consumers with value. **BY MEREDITH AUERBACH**



PHOTO COURTESY OF HAMPTON FARMS

In-shell peanuts play an integral role in American sports tradition, whether it's at an MLB or Little League game, or munching on them during the Super Bowl.

These days, in-shell peanuts have a number of positive attributes, but unfortunately, news about the 2011 harvest isn't one of them. "Weather hit us hard," reports Terry Williams, national sales manager at Sachs Peanuts, in Clarkton, NC, "both during the growing season and post-harvest when peanuts are dug up and turned out on the ground to air out. The varieties used for in-shell and snack nuts — different from those used for peanut butter — were up to 70 percent short in west Texas due to drought and about 20 percent short in North and South Carolina. We also have little carry-over from the previous year."

Pete Jessup, director of retail sales for Severn, NC-based Hampton Farms, admits, "There were fewer acres in production. Farmers every year must decide which crops to plant, and cotton and corn had higher prices. Peanuts are a rotational crop, so acres were either shifted or not put into peanuts. We want peanuts sold fresh as possible and, because of that, our goal is not to stockpile."

Retailers and consumers will see higher prices for in-shell peanuts, along with many other food items, in the produce department in the coming months. Supply and demand still rules.

Jessup summarizes one view of the industry, "Consumer purchase and pricing will



PHOTOS COURTESY OF SLATTERY'S PEANUT COMPANY



be tested this year like nothing in recent memory. We will all learn a lot about their habits and preferences. As a company, we're going to do everything we can to make sure the industry is not negatively impacted by this single season."

What is important to remember in challenging times is the rest of the in-shell peanut profile. Peanuts remain the lowest cost nut; they have a strong nutrition story and carry the FDA heart-healthy claim, which not all nuts do; in-shell peanuts are integral to American sports and family traditions, whether it is going to a MLB or Little League game or watching the Super Bowl with family and friends in the living room.

Retailers around the country are using strategies suited to their own local markets to help get over the hump. Processors have additional tips.

Look At Sizes, Nuts and Packages

Bulk displays at retail largely gave way to

packaged products years ago, driven by food safety and food allergy concerns. It is increasingly a UPC environment. "This year, some retailers are switching from a 24-oz. bag to a 20-oz. bag to maintain a price point," says Williams. "Others are considering downsizing from a jumbo nut with nine to 11 in-shell peanuts per ounce to a fancy with 11 to 13 peanuts per ounce. We expect fewer jumbos this year, so some may be forced to make the change anyway. With in-shell peanuts as such an impulse item, retailers will be carefully matching customer perceptions of quality against pricing needs."

Standing up for his sports-mad and peanut loving customers, Andy Klein, president and owner of seven Klein's ShopRite stores in Maryland and New Jersey, says, "I like 'em big. The shell size attracts the buyer, and most of our customers would rather pay a bit more for the biggest nuts. We do offer different package sizes to meet different needs, but the 24-oz. package is our biggest seller."

“In-shell peanuts generate good profit levels for us. We go for high visibility, using wood merchandisers, putting peanuts with other nuts and trail mix, keeping the category together. Sometimes, in smaller stores, they are on lower shelves.”

— Andy Klein, Klein's ShopRite



PHOTO COURTESY OF SACHS PEANUTS

Dave Erickson, buyer and merchandiser for Rosauers Supermarkets, a 22-store chain based in Spokane, WA, reports, “We stock three to four sizes, from 12-oz. to 16- and 48-oz.”

A good assortment of standard-sized packages selected from bags, including 8-, 10-, 12-, 16-, 20- and 24-oz. packages, along with larger sized 3- and 5-lb. bags means it is possible to put together a selection to match what local consumers want and are willing to pay for. Three to four choices will cover most retailers' needs and space allocations.

Flavor Innovation

Beyond basic flavor variations of raw and roasted, salted or not, in-shell peanuts are taking on new flavor trends which are, generally speaking, hot and spicy. Expanding displays with choices of Hot and Spicy Peanuts with Tobasco, Hickory Smoked Peanuts and Cajun Creole Hot Nuts sets the category up to establish more snack opportunities and promotions and to draw in partners such as beer and soft drinks.

Sachs' Williams contends, “Along with our Hot and Spicy Peanuts with Tobasco, we've also introduced a stay fresh seal on our 24-oz. and 3- and 5-lb. bags. It's been very successful generating 10 to 15 percent additional incremental sales.”

The flavored nuts tend to carry a higher price point. Tom Nolan, vice president of sales and marketing for Hampton Farms, in May

introduced its new Hickory Smoked Peanuts, saying, “These are available in 10-oz. packages with a suggested retail price of \$1.99. Hickory Smoked Peanuts can be found in the fresh produce departments of leading regional and national supermarket chains, including Food Lion, Giant, Kroger, Publix, Ralphs, Stop and Shop and Wegmans.”

Promotion More Important Than Ever

Sachs' Williams looks back at practices of years past. He muses, “A good everyday retail price on a 10-oz. package of in-shell peanuts was frequently 99-cents; now it could be anywhere from \$1.39 to \$1.59 — a substantial increase. A promotional level could be \$1.19.”

Stores that are part of two major Northwest chains were promoting 24-oz. bags for \$2.09, regularly priced at \$2.99. A larger 3-lb. package was promoted at \$3.49 with a regular price of \$4.99.

Processors and retailers make the most of the natural tie-in between in-shell peanuts and sports. Dennis Slattery, owner and president of Slattery's Peanut Co., in Spring Hill, FL, points to January through March as the strongest sales quarter, thanks to the Super Bowl, Final Four and Spring Training. Hampton Farms extends the best times for promotion into summer.

During baseball season, specially printed bags help draw consumer attention. Display size and location then become key measures of success. According to Williams, everyone in the industry needs to work with retailers to stretch the crop throughout the year and still provide good value to the consumer. That could be achieved through strategic messages, displays, promotions, sizing and pricing. He says, “We think consumers understand the basic situation with supply and will support moderate increases in price.”

Slattery, whose company distributes from Florida to Maine, contends, “From what I've seen, if retail pricing doesn't go much above \$3.29 for a 2-lb. bag of jumbo peanuts, customers don't mind the cost.” He continues, “Size of display is at least as important as loca-

tion, especially in softening the perception of price. What works best for us is at least three facings on each item, four shelves high, even if that means packages are merchandised on lower shelves in the produce department. Secondary displays in the beer aisle, or the snack aisle or as part of a nearby end cap, can really help build sales.”

“In-shell peanuts generate good profit levels for us,” comments ShopRite's Klein. “Our stores, and the rest of the 280 ShopRite stores, all tend to be high-volume stores that range from about 35,000 to 80,000 square feet. We go for high visibility, using wood merchandisers, putting peanuts with other nuts and trail mix, keeping the category together. Sometimes, in smaller stores, they are on lower shelves.”

Hampton Farms' Jessup says, “In the past, there haven't been these wide swings, and movement was pretty stable and predictable. This year, display and promotion will be what generate more incremental sales. We're testing some display devices, including shippers. There's new packaging in the works that we will bring to market this year. This industry has not been a fast mover due to a slower speed to market in a number of channels other than supermarkets. All our efforts are to extend shelf-life and freshness.”

In the face of a challenging season, Erickson of Rosauers pitches for more promotion support from the supply side. “In-shell peanuts have been a successful category for us, but over the past couple of years it has been dwindling. We think there's not enough promotion or backing from local brokers.”

Health Nuts

Traditional tie-ins with sports may have distracted consumers from full realization of the nutrition profile of peanuts. Sherry Coleman Collins, RD and marketing communications manager for the Atlanta GA-based National Peanut Board, confirms that peanuts have more protein than other nuts — at 7 grams per one ounce serving — more folate, more antioxidants than broccoli, carrots or green tea. Like all plant-based foods, they are naturally cholesterol-free.

The FDA imprimatur of peanuts as a heart-healthy food is an especially strong advantage and a message that resonates with consumers. The best way to drive that home? Consider demos that let shoppers associate great nutrition with fun eating and snacking.

Another promotable feature of in-shell peanuts is that they simply take a long time to crack and eat, slowing consumption and allowing sensations of satiety to kick in. **pb**

PRODUCE SALES

Produce Sales with 25,000 decision makers from the produce, retail and meat industries attending the biggest show of its kind. Be part of the only event that caters to so many top food industry executives representing unmatched produce-buying power.

That's why we call it The Produce Show.

Co-Location Partners



United Fresh 2012
THE PRODUCE SHOW DALLAS MAY 1-3

Register Today at www.unitedfresh2012.org or 202-303-3400

If you know Tony, then you know United Fresh.

Or you might know others like him. They're leaders who want to make a real difference in the produce industry, and shape their own future in the process. People just like you.

Thousands of industry leaders already know the value of working together through United Fresh. **Are you ready to make a difference?**

United Fresh *Being United
Makes All the Difference™*

www.unitedfresh.org
202-303-3400

Tony DiMare, DiMare Company, Ruskin, Florida

DISPARITIES



One of the hottest topics in 2011 has been the growing disparity among various population groups. The top 20 percent share of pre-tax income has grown from 45.5 percent in 1979 to 55.9 percent in 2007. This high-income quintile average income of \$264,700 compares with the bottom quintile average of \$18,400, and \$42,500 for the second. Approximately a

third, 100 million, has income from all sources less than 150 percent of their respective area's poverty level.

A recent study of trends from 1970 to 2007 of over a hundred metropolitan areas translates the above disparity into a middle class that has shrunk from 65 to 44 percent of the population, with the so-called "poor" now accounting for nearly a third of the population, while the affluent class doubled to 14 percent. Is it any wonder chains like Whole Foods, The Fresh Market and other upper-middle class retailers continue meeting with success while mainline operators struggle?

Similarly, there is becoming a growing disparity in the ratio among types of food retail formats. Combining the volumes of the German Albrecht family Trader Joes and somewhat smaller Aldi, the total would place them among the Top 15 retailers in the United States. These limited assortment stores — especially Aldi's, which believes its abbreviated, predominantly private label assortment fulfills most of its consumers' needs — present both an opportunity and a challenge to the produce industry. The sharp operator who can show the chain how to successfully handle an expanded offering of basic produce will also benefit its customers.

During the period of growing income inequality, retail produce departments not only expanded SKUs, but also created beautiful displays of large size fruit selling at relatively high prices, coincidental with produce margins continued increase, offsetting center-store product margins reductions.

The growing disparity between higher produce margins and declining income levels of the lower half of the population comes at a time after the long ago historic justification for high produce margins that were based on less effective post-harvest handling, slower transportation and limited sales analysis ability resulting in substantial shrinkage reducing profits.

Rather than looking at overall produce department shrink today, an analysis comparing shrink of the Top 10 and 20 percent of SKUs with

the balance of the department would probably show a significant differentiation. For a department with only 500 SKUs, while some claim upwards of 1,000, that provides 50 to 100 items for comparison not only for shrink, but also percent of sale and profit contribution.

The next step is having a selection of good value-priced items often in the form of smaller sized alternatives. Rarely is this apparent consistently in mainstream supermarkets. Recently, I found a display of tote bag smaller sized Gala apples grown in New York State in a South-eastern Super Wal-Mart. The opportunities are there, but require greater buyer effort coordinated with producers to develop marketing programs conducive to lower income purchasers.

Consumer eating habits are the most recent disparity, as snacking is becoming the new dynamic for up to a fifth of the population eating one or fewer traditional daily meals. Will the industry readdress the latest USDA illustration of food group consumption?

As major chains increased procurement directly from shipping point since World War II, reducing the volume going to brokers and terminal markets, this disparity is now taking a new twist.

Not only has Delhaize America centralized a majority of operations to various individual locations, the latest development is a Preferred List of Brokers endeavoring to make the category management process more

efficient. The Association of Sales and Marketing Companies (ASMC) oppose the program, stating, "Delhaize is attempting to assert economic power with faulty legal demands, to force manufacturers to use their designated broker when the right to select agency, which represents a seller, has always been the sellers."

This disparity has both good and bad implications. On the surface, the efficiencies are plausible. The larger question becomes what happens when a local broker to one of their chains is no longer in the picture. There is a fine line between efficiencies of centralized programming and local implementation. Granted, today's technological advances provide the potential to overcome some of the challenges.

More bothersome is the choice criteria. The business has always been as much about people as it is about product and process. Relationships individual brokerages have with employees of the chains raises a question when relatives are employed by both entities. Is the success of each interdependent or is there a level playing field?

All of these disparities are integral to coping with current economic situations. All are worth more detailed analysis if produce is going to play a larger role for healthy eating.

pb

The growing disparity between higher produce margins and declining income levels of the lower half of the population comes at a time after the long ago historic justification for high produce margins...

By Dave Diver

Dave Diver is the former vice president of produce at Hannaford, and a regular columnist for PRODUCE BUSINESS.

We Expect Growth.



"Together, dad and I have expanded our business from a small family-run operation to a multimillion dollar company. Our success in hitting our next benchmark depends on our team being able to quickly uncover opportunities with current customers and finding new, reliable markets. To do this, we need timely and accurate information on the industry; that's why we rely on Blue Book Services."

Blue Book Services' tools to help you grow:

- Real-time updates on customers and competitors
- Key account analytics
- Affordable and targeted print and online advertising
- Ways to identify and segment new markets
- Articles on specific regions and supply chain topics via Blueprints

For 110 years, companies have trusted Blue Book for the information they need to achieve safe and profitable business growth.

How can we help your company grow? Contact us today.

- Blue Book Online Services (BBOS): www.producebluebook.com
- **NEW!** BBOS Mobile (for all smart phones): m.bluebookservices.com
- Print publications: Blue Book and Blueprints journal- call to obtain your copy

Ask us how Business Reports can help you analyze your key accounts.



Blue Book Services | *Profit from Experience*

630.668.3500 | info@bluebookservices.com | www.producebluebook.com | m.bluebookservices.com

A FOCUS ON FLAVOR AND AN ALIGNED SUPPLY CHAIN (PART I OF II)

Interview conducted by Mira Slott, excerpted from the *Perishable Pundit*, October 27, 2011

It's always a special treat to highlight a supply chain that starts on a family farm and leads to the fat of a consumer in London. This example epitomizes a seamless supply chain integration and illustrates the way aligned supply chains can produce value above and beyond commodity shipping. We asked Pundit Investigator and Special Projects Editor Mira Slott to find out about a specific U.S. developed grape variety, known as Cotton Candy, that recently was marketed in Sainsbury stores in the U.K. First, Mira spoke to the American side of the deal, *Jim Beagle, CEO of the Grapery, in Bakersfield, CA*. In Part II, Slott reaches across the pond to speak with the British side of the equation, *Bruce McGlashan, technical manager of Mack Multiples*.

Q: Could you tell us the back-story behind the Cotton Candy variety and its development?

A: The real background, briefly, is that Grapery is a partnership between Jack Pandol [of Pandol Bros., Bakersfield, CA] and me, which was formed in 1989. It dawned on him that as he gave his best fruit to friends and neighbors, the feedback was always how wonderful the fruit tasted. But then they would lament: Why can't we find this in the store? I was experiencing the same reactions.

That got us thinking of how flavor is of initial importance to consumers. In our dealings with customers, however, flavor is not the main focus. Except in rare cases, flavor is not the primary attribute when selling to the shipper.

Q: What can you do to fix that disconnect? And where does the process start? What are the tradeoffs? Do you have to sacrifice other product characteristics when focusing on flavor?

A: Obviously, we have to stand by our product, and it requires an entirely different mindset. It goes way back to our breeding program.

So a big part of that breeding for flavor involved the University of Arkansas, which had started a grape breeding program 50 or 60 years ago to develop a table grape industry in the Southeastern U.S. A lot of species native to the eastern U.S. are disease-resistant to grow in that climate, but also have thick skins, decay quickly and have severe shelf-life issues. Familiar, traditional grape names were crossed with European species, but they never came up with something that worked well for the Southeastern U.S.

They decided to cross breed with varieties we grow here. Remarkably, we're getting the flavors of those grapes, combined with seedlessness, thin skin and lack of acidity that we have in California. Cotton Candy comes directly from that cross breeding...

Q: Cotton Candy grapes are uniquely novel, fun and recognizably distinctive in flavor. In this case, aren't you starting with an advantage?

A: We've got the big Cotton Candy label, but even on regular varieties, we have our flavor promise on the bag of grapes across the top... We supplement our product packaging with in-store signage and materials that tell a story about what we're doing.

Q: But getting it on the retail shelf is the first hurdle... Are you finding retailers receptive?

A: Our relationships with retailers and distributors are a critical component. We need to shift gears to the implications for the industry. When we grow out of flavor, we take on risks for the supply chain. When we harvest for flavor, we pick at ripeness. Product tends to be

higher color. Maybe on green grapes, there is yellow in them and they will tend to shatter. Retailers don't like to risk shrink. We hear from retailers that want rock hard fruit, bright colors and no shatter. I can grow those but they won't taste good, but those are the specs we get from retailers. They're looking at price and shrink and what you can measure. It's hard to measure taste.

Q: What can you do to alleviate these concerns? How do you make the case that the benefits outweigh the costs?

A: We get flooded with emails from consumers, saying, wow, I never email companies but you have the best tasting grapes I've ever eaten, and so many times they don't taste good. We don't get complaints that there was too much shatter or they were too ripe. It's a sign flavor is so important to consumers. When the industry is only driven by shelf-life and price, we miss out on sales and risk disappointing consumers... We get emails from consumers asking, "Where can I find your grapes?" That's pretty powerful for retailers because it's a competitive business.

The dilemma for retailers is they're also taking on risk buying my product. Will they have fruit that doesn't have as long a shelf life? They lose money when they have shrink. It's important to have fruit that can last on the shelf. It's a big hurdle to get over...It takes a whole different approach to buying. It requires different types of partnerships between growers, retailers and others in the supply chain. We've done things focused more on wholesale. Here's an opportunity to satisfy the consumer, to shift the focus to what the consumer wants.

Q: Are you partnering with any retailers that are willing to embrace your flavor mission and the risks that come with that because they can envision the ultimate payoff?

A: Our partnership with Mack Multiples to bring Cotton Candy grapes to the UK exclusively through Sainsbury's is a case study of what happens when a customer gets engaged. Both companies have been very committed to what Grapery has been doing for years with our breeding program.

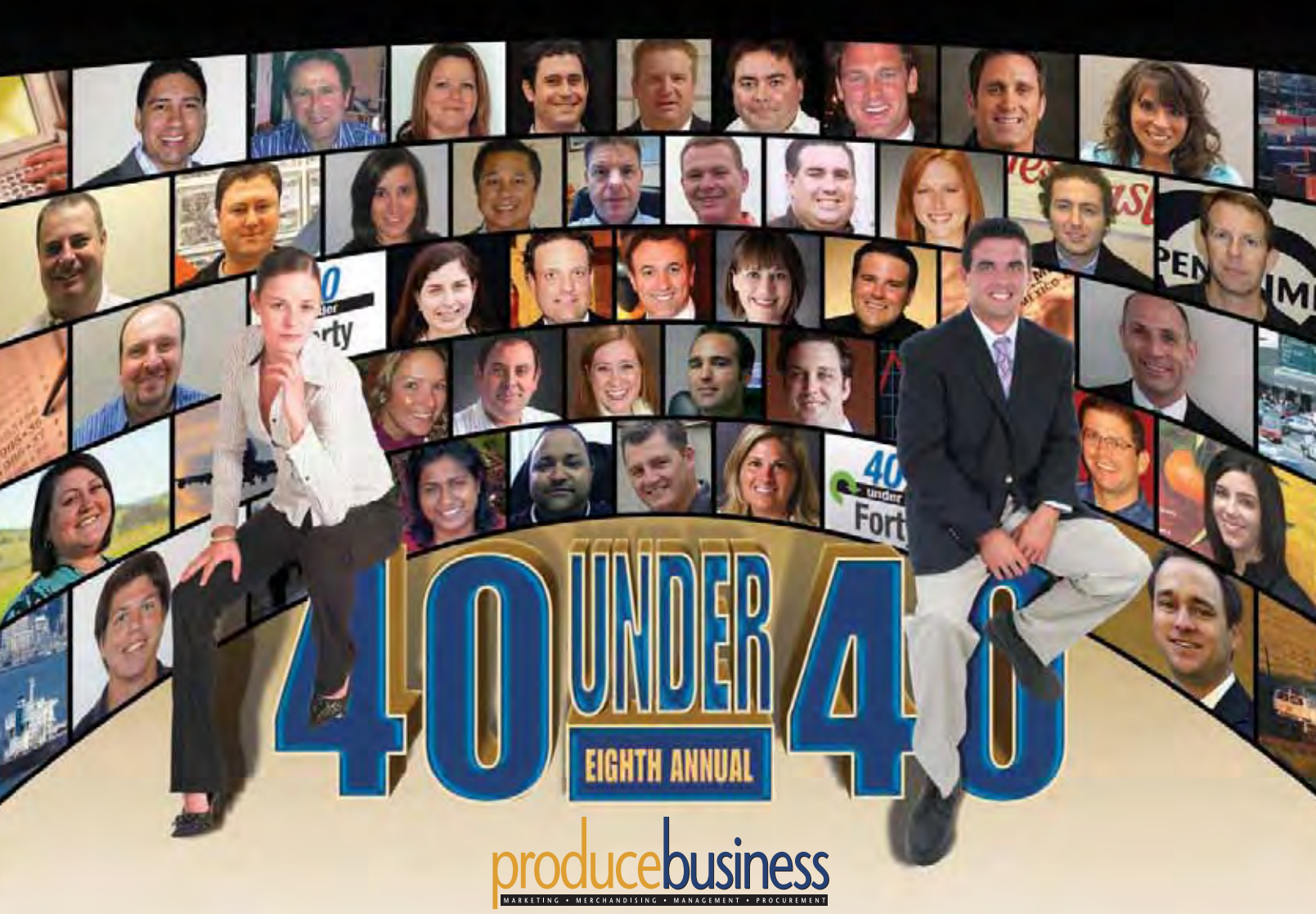
Mack Multiples has come and visited many times to see what's happening. When we have very small volumes of a new product, we'll send a sample box and they'll put it in test kitchens and evaluate flavor selections and what would fit to do a program like what I've laid out. It's taken years of developing relationships and experimenting and following through. It involves a little trial and error of what works and what doesn't. We did a great job of coordinating harvest timing and packaging for their market.

Q: Did the marketing effort change to accommodate cultural differences in the UK? Is Cotton Candy more of an American pastime?

A: Cotton Candy is called Candy Floss in the UK... It was a very well-coordinated, planned-out media campaign leading to a flurry of publicity. They did a really good job on how they launched the product. Sainsbury's ran a big promotion.

Q: When will Cotton Candy be more commercially available and in what quantities?

A: I'm still learning yield levels on Cotton Candy. This summer we planted our first commercial plot of Cotton Candy that won't be produced until Aug 2013. For the UK program, we picked the fruit in late August. There was enough quantity to cover the top stores throughout the Sainsbury chain.



PRODUCE BUSINESS is accepting nominations for its Eighth 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 January 1 (People born after January 1, 1972).

To nominate someone, please fill out this form by March 1, 2012, and fax back to 561-994-1610.

Once nominated, the candidate will receive forms from us to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

ABOUT THE NOMINEE:

First Name _____ Last Name _____
 Approximate Age _____
 Company _____
 Position _____
 Address _____
 City _____ State _____ Postal Code _____
 Country _____
 Phone _____ Fax _____
 E-mail _____

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

Nominee's Professional Achievements:

Nominee's Industry/Community/Charitable Activities:

ABOUT THE NOMINATOR:

First Name _____ Last Name _____
 Company _____
 Position _____
 Address _____
 City _____ State _____ Postal Code _____
 Country _____
 Phone _____ Fax _____
 E-mail _____

Nominator information is for our use only and will not be shared with candidate or have a bearing on selection.

For more information email: info@producebusiness.com

APPLE WRAPPER FLAPPERS

With February's Apple Month fast approaching, it's a prime time to take a look back at the history of this iconic fruit in British Columbia, with the help of this photo taken in the 1940s, provided by BC Tree Fruits, in Kelowna, British Columbia, Canada.

While the fruit industry in Canada's Okanagan Valley has seen many changes during the 20th Century, no change has been greater than that of apple packing. As the marketable quantity of apples rapidly increased with more and more orchards coming into production, men were soon taught the art of packing apples. They attended packing school to learn the proper techniques using wooden practice apples. Only then were they allowed near the packing line and the real fruit.

In a short time, however, men left their jobs in the packinghouses to fight in World War II, and conceded this occupation to the women who were left behind. Considerable skill and energy was expanded by the young ladies who wrapped and placed the apples into 50-lb. boxes, who were often known to the male employees as "apple wrapper flappers." The photo at right shows them hard at work. A good packer could wrap the apples in tissue and pack them perfectly in a wooden box so that the apples wouldn't bruise during shipping.



PHOTO COURTESY OF KELOWNA PUBLIC ARCHIVES: PHOTO NO.7822.

The *Blast from the Past* is a regular feature of *PRODUCE BUSINESS*. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, *PRODUCE BUSINESS*, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com

INFORMATION SHOWCASE

Receive supplier information fast using the Produce Business Information Showcase. Here's How: Contact the advertiser directly via the Website, e-mail, or phone listed in the ad.

JANUARY 2012

COMPANY	PAGE #	PHONE	WEBSITE
Maurice A. Auerbach, Inc.	19	201-807-9292	www.aueerpak.com
Baero North America, Inc.	11	314-692-2270	www.baerousa.com
BelleHarvest Sales, Inc.	62	800-452-7753	www.belleharvest.com
Blue Book Services	79	630-668-3500	www.producebluebook.com
Boncheff Greenhouses	69	416-233-6922	www.bonchefferbs.on.aibn.com
Booth Ranches, LLC	31	559-626-7653	www.boothranches.com
Borton & Sons Inc.	62	509-966-3996	www.bortonfruit.com
Brooks Tropicals	71	800-327-4833	www.brookstropicals.com
Capital City Fruit Co., Inc.	32	515-981-5111	www.capitalcityfruit.com
Center for Produce Safety	49		https://cps.ucdavis.edu/
CF Fresh	52	360-855-3192	www.vivatierra.com
Champ's Mushrooms	57	866-Champs1	www.champsmushrooms.ca
Chilean Avocado Importers Asso.	67	202-626-0560	www.chileanavocados.org/
Continental Plastic Corp.	35	866-811-6510	www.conplastics.com
D'Arrigo Bros. Co. of New York	23	800-223-8080	www.darrigony.com
Dole Fresh Vegetable Co.	2	800-333-5454	www.dole.com/saladkits
Double D Farms	74	559-884-2000	www.doubledfarms.com
dProduce Man Software	22	888-PRODMAN	www.dproduceman.com
Duda Family Farms	27	559-627-1337	www.dudafresh.com
Eclipse Berry Farms, LLC	74	310-207-7879	www.eclipseberryfarms.com
Edinburg Citrus Association	33	956-383-6619	www.txcitrus.com
Florida Department of Agriculture	28	850-488-4303	www.freshfromflorida.com
Fowler Farms	61	800-836-9537	www.fowlerfarms.com
Giorgio Fresh Co.	57	800-330-5711	www.giorgiofoods.com
Grower Alliance, LLC	44	520-761-1921	www.groweralliance.com
Hess Brothers Fruit Co.	63	717-656-2631	www.hessbros.com
Inline Plastics Corp.	39	800-826-5567	www.inlineplastics.com
Jem D International	69	800-286-0691	www.jemdfarms.com
Keystone Fruit Marketing, Inc.	63	717-597-2112	www.keystonefruit.com
Kroeker Farms Ltd	69	204-325-4333	www.kroekerfarms.com
LGS Specialty Sales, Ltd.	29	800-796-2349	www.lgssales.com

COMPANY	PAGE #	PHONE	WEBSITE
Limoneira	30	866-321-8953	www.limoneira.com
Lisa Inc.	45	520-281-1863	
Mann Packing Company, Inc.	9	800-884-6266	www.veggiesmadeeasy.com
MIXTEC Group	22	626-440-7077	www.mixtec.net
Mucci Farms	69	866-236-5558	www.muccifarms.com
New York Apple Association, Inc.	59	585-924-2171	www.nyapplecountry.com
Niagara Fresh Fruit Co.	63	716-778-7631	www.niagarafreshfruit.com
Nova Produce, LP	45	239-444-1140	www.novaproduce.com
Omega Produce Company, Inc.	46	520-281-0410	www.omegaproduceco.com
Paramount Citrus Association	67	213-612-9957	www.paramountcitrus.com/
Pavero Cold Storage Corp.	63	800-435-2994	www.paverocoldstorage.com/
PDG Produce	42-43	520-281-2605	
Pennsylvania Apple Marketing Program	63	717-783-5418	www.pennsylvaniaapples.org
Phillips Mushroom Farms	56	800-722-8818	www.phillipsmushroomfarms.com
Prime Time	84	760-399-4166	www.primetimeproduce.com
Produce for Better Health Foundation	83	302-235-2329	www.pbhfoundation.org
Produce Plus	45	800-323-3730	www.produceplus.com/
Red Blossom Farms, Inc.	74	805-981-1839	www.redblossom.com
Rice Fruit Company	63	800-627-3359	www.ricefruit.com
Riveridge Produce Marketing, Inc.	63	800-968-8833	www.riveridgeproduce.com
Sambrailo Packaging	40	800-563-4467	www.sambrailo.com
Southern Produce Distributors, Inc.	5	800-688-9267	www.southern-produce.com
Tanimura & Antle, Inc.	36-37	800-772-4542	www.taproduce.com
Texas Citrus Exchange	33	956-383-6619	www.txcitrus.com
United Fresh Produce Association	77	202-303-3400	www.unitedfresh.org
Well-Pict Berries	74	831-722-3871	www.wellpict.com
West Lake Fresh	74	831-724-0644	www.westlakeproduce.site.aplus.net/site/
Wholesum Family Farms	51	520-281-9233	www.wholesumharvest.com
Kurt Zuhke & Association	38	800-644-8729	www.producepackaging.com



Nurture your Professional Growth

Plan now to attend Produce for Better Health Foundation's

2012 ANNUAL MEETING

FEATURING

Golf Tournament & *Gala for Good Health* Casino Night Fundraiser

MARCH 29-31, 2012



*Join your industry colleagues for three days of networking, education,
and fun in beautiful Monterey, California!*

Experience high-impact,
high-profile speakers.

Connect with top
industry executives.

Hear exclusive PBH research about fruit and vegetable
marketing strategies that resound with consumers!

For more information and easy registration visit www.PBHFoundation.org/annual_meet/meet_info

Questions? Contact Sharese Alston at 302-235-2329 ext. 332 or salston@PBHFoundation.org.

Premium Quality Peppers 365 Days A Year.



Based in Southern California's Coachella Valley, Prime Time is the largest year-round grower, packer and shipper of colored peppers in the United States.

With a sales mix that consists of open-field and hothouse grown peppers, we are dedicated to embracing technological advances in production techniques, employing top agronomists to cultivate the perfect plants, producing in the best growing areas, and operating state-of-the-art packing facilities to ensure delivery of the safest and best-tasting produce in the marketplace.

That's why we've been known as The Pepper People for over twenty years.



THE PEPPER PEOPLE

www.primetimeproduce.com

Coachella, California USA
Sales Phone **760.399.4166**

Nogales, Arizona USA
Sales Phone **520.281.4993**