

producebusiness

MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT



Connecting Fitness With Produce



INSIDE:

THE PUNDIT LOOKS AT THE FIRST LADY'S SESAME STREET INITIATIVE
PB INTERVIEW: SAGARPA'S BALTAZAR HINOJOSA OCHOA
SYSCO & US FOODS DEAL • CHILE'S PRODUCE GROWTH
MEXICAN PRODUCE TRENDS • SPECIALTY CITRUS SALES • FUTURE OF TOFU
FSMA RULE GUIDE • WINTER MUSHROOM SALES • ROUSES SUPERMARKETS
NEW YORK PRODUCE SHOW AND CONFERENCE POST-SHOW REVIEW



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THIS MONTH'S WINNER



Byron Bellows
 Produce Merchandising
 Colemans Food Centre
 Corner Brook, Newfoundland

Byron Bellows has been working for over 20 years at The Coleman Group of Companies in Newfoundland, Canada. The independent grocery chain has 12 stores and is family-owned since 1936. Bellows is the produce merchandiser and director for all the stores. "I'm responsible for all the produce operations," says Bellows. Bellows established his career in produce

by working his way up the company ladder with the Coleman Group.

"I started as a produce clerk and then a store manager," Bellows says. "Then I moved into my current role about 15 years ago."

Bellows says he's been reading *PRODUCE BUSINESS* for the past 10 years, and he likes "keeping up with the trends." Bellows adds, "I like to learn about new products and discovering items from the articles. The magazine keeps me in the loop."

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.

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QUESTIONS FOR THE JANUARY ISSUE

- 1) What is the date for the 2014 New York Produce Show and Conference? _____
- 2) What is SunFed's website address? _____
- 3) What type of orange is promoted in the Sunkist ad? _____
- 4) How many phone numbers does LGS Specialty Sales list on its ad? _____
- 5) What culinary herb is featured on the ad for Green Giant Fresh? _____
- 6) How many generations has Wholesum Harvest been growing fresh fruits and vegetables? _____

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

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

Photocopies of this form are acceptable. Please send answers to:
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A PRACTICAL GUIDE TO THE PROPOSED FSMA RULES

By Dr. David Gombas,
United Fresh Produce Association
Senior Vice President of Food Safety and Technology

The FDA has proposed two rules under the Food Safety and Modernization Act (FSMA) that will have far-reaching impacts on the produce industry, the Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption (Produce Safety Rule) and the Current Good Manufacturing Practice and Hazard Analysis and Risk-Based Preventive Controls for Human Food (Preventive Controls Rule).

Walter Ram, vice president of food safety at Los Angeles, CA-based The Giumarra Companies and immediate past Chair of United Fresh Produce Association's Food Safety and Technology Council, believes these proposed rules "will fundamentally and permanently change the way that the produce industry operates." During the past 10 months, Ram and other members of the Council worked extensively with United's staff to review the proposed rules and craft comments for the FDA. United Fresh submitted these comments to the FDA on November 15, 2013.

"The Council crafted comments that promote risk-based food safety regulation based on the best available science to protect public health without unnecessary damage to the industry," says Ram. The Council's current Chair, Bob Elliott, director of food safety at Sherman Oaks, CA-based Sunkist Growers, agrees. "The recommendations to FDA will help make the final rules workable for the very diverse produce industry growing hundreds of different commodities while ensuring a safe supply of healthy produce to the consumer."

The association's nearly 100 pages of comments on both the Produce Safety and the Preventive Controls rules raise several key issues worth a closer look.

One-Size-Fits-All Approach

While FDA has shown willingness to

recognize different risk profiles by proposing exemptions for thermally processed fruits and vegetables, and certain commodities rarely consumed raw, the proposed rule fails to take into account the potential for substantive differences in risks because of the commodities themselves.

United agrees with the FDA that certain practices can pose more or less inherent risk of contamination but, as pointed out in FDA's Qualitative Assessment of Risk that accompanied publication of the proposed rule, there are likely commodity attributes that also influence risk. Those attributes were not included in the proposed regulation because they are not well understood today. United recommends that FDA include provisions in the rule that allow for future science to identify those attributes, and then allow for modified requirements that work with those attributes.

Irrigation Water Testing Requirements

The Produce Safety rule proposes specific metrics, target organisms and testing intervals for irrigation water, which are arbitrary and not based on sound science. The FDA did not provide a scientific basis for these requirements, and United contends there is currently too much scientific uncertainty underlying the proposed requirements. Until science can identify reliable testing criteria, such requirements should not be written into a rule. Instead, United recommends all quantitative metrics be published in accompanying FDA guidance that can be updated as science evolves in the future.

Alternatives and Variances

FSMA anticipated that differences among commodities, growing regions and practices would require some flexibility in application of appropriate regulatory standards. While FDA attempts to address this need with sections proposing two specific avenues for "Alternatives" and "Variances" to the rule's requirements, these opportunities are unnecessarily restricted and not likely to be effective as proposed. Provided that they are supported by sound science, Alternatives should be allowed to requirements for any of the risk factors, and Variances should be accepted from any knowledgeable body (such as associations and commodity boards).

Provided that they are supported by sound science, Alternatives should be allowed to requirements for any of the risk factors, and Variances should be accepted from any knowledgeable body (such as associations and commodity boards).

Definition Of Farm And Farming Activities

The two proposed rules include a new regulatory term, "farm mixed-type facility," designating operations that would have to comply with both the Produce Safety and Preventive Controls rules. United believes this designation is overly complicated and not risk-based. It also would have severe economic consequences to raw produce-handling operations without enhancing public safety.

United recommends that packing and holding raw, intact fresh produce be adequately covered by compliance with the Produce Safety rule — regardless of the size of the produce owner's operation or the distance from where the produce was grown. United also communicated to FDA that its definition of farming activities, which is based on a definition of farm adopted from FDA's facility registration regulations, is too limited to be used to separate "farms" from "facilities" for the purpose of determining which is best regulated by the rules.

The FDA dedicated extensive work to drafting these proposed rules, which represent the most significant change to food safety law in more than 70 years. United agrees with much of what FDA has proposed in both rules, and these proposals are a good first step — but there is room for improvement. These rules can be significantly enhanced to be more effective in protecting public health and to allow produce growers and distributors to continue providing an abundance of healthy and affordable fresh produce to consumers.

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TRANSITIONS

MARKET FRESH PRODUCE NIXA, MO



Market Fresh Produce (MFP) recently hired **Rosie Conde** for internal accounting at the tomato repack facility in Tampa, FL. Conde, who has 12 years of internal accounting experience in the produce industry, will report to Jordan Jackson, senior director of finance.



Additionally, MFP hired **Stephanie Sanchez** for business development in Tampa, FL as MFP Florida looks to grow the tomato category as well as other items the company offers.

Also joining the team is **Windsor "Windy" Hall** as general manager for MFP Florida. In his new position, Hall will oversee operations of the newly acquired tomato repack facility in Florida.



ANNOUNCEMENTS



SEALD SWEET WELCOMES FIRST URUGUAYAN CITRUS TO U.S.

Various representatives from Vero Beach, FL-based SealD Sweet greeted the first arrival of Uruguayan citrus during a reception with the agriculture and fresh produce industries, along with Holt Logistics and other imports officials. After nearly a decade of efforts between Uruguayan and U.S. agriculture officials, the first shipments of citrus from Uruguay arrived at the port of Philadelphia.

PROGRESSIVE/MISSION ASPARAGUS DEAL CREATES YEAR-ROUND PROGRAM

Commerce, CA-based Progressive Produce's acquires Oxnard, CA-based Mission Produce. Jim Leimkuhler, president of Progressive, said that the company's plan was to increase acres every year in order to be a solid year-round grower, and the addition of Mission's growers will help to accelerate that plan.

In photo from left to right: Cruz Carrera, (standing) Don Hessel, Cory Stahl, and Gary Meadows.



MCKAY TRANSCOLD LAUNCHES 'TRANSCOLD EXPRESS'

McKay TransCold, Minneapolis, MN, a third-party logistics provider of multi-modal solutions, launches "TransCold Express," as a dedicated, refrigerated train offering a bi-directional service between the California Central Valley and the Midwest. Inaugural service will start in spring of 2014, with McKay TransCold operating a dedicated 50-car unit train between Selma, CA, and Wilmington, IL.



SUN WORLD NEW GRAPE MARKETER LICENSEES

Sun World International LLC, Bakersfield, CA, appoints two additional grape marketer licensees — Fresh Produce Group — Western Australia and Freshworld — to distribute the California company's licensed grapes. In addition to distributing fruit from new seedless grape varieties developed by Sun World, both companies were given licenses to use Sun World's brands, including Midnight Beauty, Scarlotta Seedless and Sable Seedless in the marketplace.

FIRST SHIPMENT OF PERUVIAN GRAPES

Complejo Agroindustrial Beta of Chincha Baja, Peru, a grower of Peruvian grapes, and Alpine Fresh, Inc. of Doral, FL, a packer, shipper, and distributor of grapes, made history in December when it became the first time a company imported grapes through the port of Miami. Prior to December 2013, the ports of New York and Los Angeles were the only ports authorized by the USDA to import grapes from Peru into the U.S.



KAISER PERMANENTE DONATES 7 SALAD BARS TO D.C. SCHOOLS

Kaiser Permanente of the Mid-Atlantic States (one of the nation's largest nonprofit health plans) donated salad bars to seven Washington D.C. public schools in Wards 7 and 8. Kaiser Permanente's donation builds on its commitment to improving the health and wellness of children in Wards 7 and 8 communities and supports Let's Move Salad Bars To Schools. The salad bars will benefit 2,300 students by increasing their access to fresh fruits and vegetables at school lunch.



CALIFORNIA GIANT & CONCORD FOODS FINISHES BLUEBERRY PROMOTION

The berry promotion with California Giant Berry Farms of Watsonville, CA, and Concord Foods of Brockton, MA, known as the "Berry Sweet Baking Promotion," a winter baking fresh blueberry promotion, recently came to a close. The focus was on the winter baking season and opportunities to include fresh blueberries as a key ingredient in holiday and winter baking recipes using Concord Food products. Winners of the baking contest will receive gift cards and fresh product from both partnering companies, and their recipes will be shared on all social media outlets following the promotion period.





COASTLINE CELEBRATES COMPLETION OF SOLAR POWER INSTALLATION

Coastline Produce (an independent, privately held, vertically integrated, year-round shipper of more than 25 top quality fresh vegetable products farmed on premium growing land in California, Arizona, and Mexico) has completed its Solar Power initiative at its corporate office in Salinas, CA. The installation, which became operational in October 2013, is in addition to Coastline's decision to use LEED approved materials in the construction of its new building.

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PACIFIC TOMATO GROWERS PROVIDES EMPLOYEES FREE HEALTH RESOURCES

Pacific Tomato Growers, the cultivators of the Sunripe and Suncoast labels from Palmetto, FL, hosted a health fair on its Immokalee Farm providing employees with community health resources and free preventative services. The Health Fair was included as part of the company's holiday celebration for its employees, and more than a 1,000 people recently attended.



PERUVIAN IMPORTERS ELECT NEW ASSOCIATION CHAIRMEN

The Peruvian Asparagus Importers Association (PAIA) recently elected its new association chairmen for the 2014-2015 term. Elected by member vote at the October 2013 meeting were West Coast co-chair, Brian Miller of Gourmet Trading, headquartered in Los Angeles, CA and re-elected East Coast co-chair, Walter Yager of Alpine Fresh, Miami, FL.

Peruvian Asparagus



Importer's Association

MISIONERO VEGETABLES OPENS NEW FACILITY

Misionero Vegetables, Gonzales, CA, recently opened its new state-of-the-art 70,000 square foot processing facility in Brantford, ON, Canada. The new facility has begun supplying customers daily in the Northeast markets.



PURE FLAVOR UNVEILS IMPROVED ECO-FRIENDLY PACKAGING

Pure Flavor, Leamington, ON, Canada unveils a new version of its Aurora Bites — mini peppers and Beefsteak slicer tomatoes — packaging and design. In the new version, everything from its colors to the layout is more dynamic and vibrant.



BROKERAGE FIRM BECOMES THE FIRST TO CLEAR COLD TREATED GRAPES

Advance Customs Brokers & Consulting, Miami, FL, is the first customs brokerage firm to clear fresh cold-treated grapes for admissibility into the port, for Peruvian grape producer Camposol out of Lima, Peru — the first grower to successfully export product into this region of the U.S.



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JANUARY 8 - 10, 2014
POTATO EXPO 2014

Conference Venue: Henry B. Gonzales Convention Center, San Antonio, TX
 Conference Management: National Potato Council, Washington D.C.
 Phone: (202) 682-9456 • Fax: (202) 682-0333
 Email: hollee@nationalpotatocouncil.com
 Website: potato-expo.com

JANUARY 9 - 12, 2014
SOUTHEAST REGIONAL FRUIT & VEGETABLE CONFERENCE 2014

Conference Venue: Savannah International Trade & Convention Center, Savannah, GA
 Conference Management: Georgia Fruit & Vegetable Growers Association, LaGrange, GA
 Phone: (877) 994-3842 • Fax: (706) 883-8215
 Email: gkey@asginfo.net
 Website: seregionalconference.com

JANUARY 15 - 17, 2014
PMA EXECUTIVE LEADERSHIP SYMPOSIUM 2014

Conference Venue: Omni Orlando Resort at ChampionsGate, Orlando, FL
 Conference Management: Produce Marketing Association, Newark, DE
 Phone: (302) 738-7100 • Fax: (302) 731-2409
 Email: lfisher@pma.com
 Website: pma.com

JANUARY 19 - 21, 2014
SWEET POTATO CONVENTION 2014

Conference Venue: Royal Sonesta Hotel, New Orleans, LA
 Conference Management: United States Sweet Potato Council, Columbia, SC
 Phone: (803) 788-7101 • Fax: (803) 788-7101
 Email: ThornhillFarms@hotmail.com
 Website: sweetpotatousa.org

JANUARY 22 - 24, 2014
TPIE - TROPICAL PLANT INDUSTRY EXHIBITION 2014

Conference Venue: Broward County Convention Center, Ft Lauderdale, FL
 Conference Management: Florida Nursery Growers & Landscape Association, Orlando, FL
 Phone: (407) 295-7994
 Email: shaines@fn gla.org
 Website: fn gla.org

JANUARY 25, 2014
PRODUCE FIRST!

A one-day foodservice leadership program
 Conference Venue: Culinary Institute of America's Greystone campus, St. Helena, CA
 Conference Management: Culinary Institute of America, St. Helena, CA
 Phone: (707) 967-2439
 Email: s_orem@culinary.edu
 Website: ciachef.edu

FEBRUARY 5 - 7, 2014
FRUIT LOGISTICA 2014

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: central@messe-berlin.de
 Website: fruitlogistica.com

FEBRUARY 9 - 12, 2014
NATIONAL GROCERS ASSOCIATION (NGA) SHOW 2014

NGA show — where independents gather
 Conference Venue: The Mirage Hotel and Casino, Las Vegas, NV
 Conference Management: National Grocers Association, Arlington, VA
 Phone: (703) 516-0700 • Fax: (703) 516-0115
 Email: ccunnick@nationalgrocers.org
 Website: nationalgrocers.org

FEBRUARY 12 - 14, 2014
BIOFACH 2014 INTO ORGANIC

Conference Venue: Exhibition Centre, Nuremberg, Germany
 Conference Management: NurembergMesse GmbH, Nuremberg, Germany
 Phone: +49 (0) 9 11.86 06-89 96
 Website: biofach.com

FEBRUARY 19 - 23, 2014
NATIONAL WATERMELON CONVENTION 2014

Conference Venue: Marriott Riverfront Resort & Spa, Savannah, GA
 Conference Management: National Watermelon Association, Inc., Lakeland, FL
 Phone: (863) 619-7575 • Fax: (863) 619-7577
 Email: bmmorrissey@tampabay.rr.com
 Website: nationalwatermelonassociation.com

FEBRUARY 27 - MARCH 1, 2014
SOUTHERN EXPOSURE 2014

Conference Venue: Caribe Royal Resort & Conference Center, Orlando, FL
 Conference Management: Southeast Produce Council, Inc., East Ellijay, GA
 Phone: (706) 276-4025 • Fax: (866) 653-4479
 Email: info@seproduceouncil.com
 Website: seproduceouncil.com

MARCH 2 - 4, 2014
CANADIAN RESTAURANT AND FOODSERVICES ASSOCIATION (CRFA) SHOW

Conference Venue: Direct Energy Centre, Toronto, Ontario, Canada
 Conference Management: Canadian Restaurant and Foodservices Association, Toronto, Mississauga
 Phone: 416-649-4237 Fax: 416-923-6164
 Email: nmestnik@crfa.ca
 Website: crfa.ca

MARCH 2 - 4, 2014
INTERNATIONAL RESTAURANT & FOODSERVICE SHOW OF NEW YORK

Conference Venue: Jacob K. Javits Convention Center, New York, NY
 Conference Management: Reed Exhibitions, Norwalk, CT
 Phone: (203) 840-5841 • Fax: (203) 840-9841
 Email: rhomola@reedexpo.com
 Website: internationalrestaurantny.com

MARCH 4 - 7, 2014
FOODEX JAPAN 2014

39th International Food & Beverage Exhibition
 Conference Venue: Makuhari Messe (Nippon Convention Center), Tokyo, Japan
 Conference Management: IMEX Management, Charlotte, NC
 Phone: (704) 365-0041 • Fax: (704) 365-8426
 Email: erich@imexmanagement.com
 Website: imexmgt.com

To submit events to our Forward Thinking calendar, please e-mail info@producebusiness.com.



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TAKING A CUE FROM ARISTOTLE WHEN MARKETING PRODUCE AND HEALTH

By James Prevor
President & Editor-in-Chief



The produce industry has long sought a marketing message that would resonate with consumers — thus increasing consumption and sales. To many in the trade, indeed to most of the top executives, it often seemed that this message should play on the healthfulness of fresh produce and how a diet rich in fresh produce is likely to lead to healthier living. More broadly, produce executives and industry

leaders yearn to tie produce to fitness and health. Yet many such efforts, over many years, have not succeeded in moving the needle on produce consumption.

In fact, the question isn't even about the produce industry's marketing efforts. There is substantial and sustained data indicating that the healthfulness of fresh produce is widely known, a consequence of parents and public health, more than industry efforts. This explains the limitations of many health-oriented marketing efforts. If fresh produce is already recognized as healthy, then marketing in this vein can do little more than reinforce the point. That hardly seems likely to dramatically change consumption patterns.

In the face of low levels of consumption, the widespread recognition that produce is healthy raises the question of why people don't act in ways that would seem to be in their best interest. The short answer is we don't read enough Aristotle.

The whole concept of happiness has changed since Aristotle wrote the *Nicomachean Ethics*. We think of happiness as a mental state. You can be happy today and unhappy tomorrow based on subjective factors. It is about how you happen to feel. Aristotle saw happiness as an objective end goal that temporary fluctuations could not speak to. As Aristotle explained: "... for as it is not one swallow or one fine day that makes a spring, so it is not one day or a short time that makes a man blessed and happy."

Aristotle thinks happiness is important; it is the end that meets the criteria he sets out as "that which is always desirable in itself and never for the sake of something else." As humans we all pursue pleasure, wealth and reputation not as goals in themselves but because we believe they will make us happy.

Aristotle sought to understand human happiness by identifying what was distinctively human. His answer was rationality. Humans have the

ability to reason, so we can hold them responsible for their choices.

Since the unique ability of humans is the ability to reason, we could use this capability to assess our situation and obtain our goals — especially happiness. Aristotle defined happiness this way: "... the function of man is to live a certain kind of life, and this activity implies a rational principle, and the function of a good man is the good and noble performance of these, and if any action is well performed it is performed in accord with the appropriate excellence. If this is the case, then happiness turns out to be an activity of the soul in accordance with virtue."

The key here is two things: First, there is a link between happiness and virtue and, for our purposes we can think of virtue as behaving well, doing the right things, such as eating properly. Second, happiness is an active, not a passive, state. So one must strive to do the right things.

Aristotle explained it this way: "He is happy who lives in accordance with complete virtue and is sufficiently equipped with external goods, not for some chance period but throughout a complete life."

In other words, for Aristotle, happiness exists in achieving all the things that lead to the perfection of a human being, the attainment of human potential — this includes friendships, knowledge, wealth and, yes, health.

So rational humans, assessing the world and their situation in it and desiring to obtain happiness, will note the healthfulness of produce and will eat it. It is not enough to contemplate what the right thing is or even to intend to be virtuous; one has to actually do the right thing.

In our modern world, so many have become slaves to what Aristotle called *akrasia*, roughly translated as "weakness of the will." Our culture has become so focused on finding shortcuts and instant solutions that Aristotle would not be pleased. Do people really want to eat healthy? Or do they want to eat whatever they want and take LIPITOR?

The produce industry needs to sell produce now. Focusing on health and association with beautiful physical specimens, such as athletes, may help with those portions of the population striving to act rationally. But it would be foolish to neglect the far larger market of those looking to indulge.

In the background we, as part of society, can keep in mind that the information is out there — we just need to help people process it better. Aristotle thought it to be possible. He thought the big issue was keeping the end in mind. As Aristotle believed: "Even an awkward archer can get better if he keeps practicing and aiming at the target."

pb

In our modern world, so many have become slaves to what Aristotle called *akrasia*, roughly translated as "weakness of the will." Our culture has become so focused on finding shortcuts and instant solutions that Aristotle would not be pleased. Do people really want to eat healthy? Or do they want to eat whatever they want and take LIPITOR?

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Prepared Potato Images Increase Promotional Volume For Retailer Circular Ads

DON LADHOFF, RETAIL PROGRAMS CONSULTANT, UNITED STATES POTATO BOARD

Retail promotions are very important to the fresh potato category, with the share of category volume sold on feature ads hovering around 27 percent. As the marketing organization for the U.S. potato industry, the United States Potato Board (USPB) has a keen interest in determining what can make retailers' circular ads more effective. To that end, the USPB has been working with Nielsen Perishables Group in recent months to examine the characteristics of the most successful retailer feature ads. The results presented findings that retailers can easily adopt to increase fresh potato sales.

This opportunity initially caught our attention during the post-analysis phase of a Category Optimization program that the USPB implemented with a Midwestern retailer when Nielsen evaluated the promotional lift from a series of feature ads that ran over the course of the program. To our surprise, Nielsen reported that the most successful circular ads were ones that included images of prepared potato dishes as opposed to others, which depicted raw potatoes or showed bagged product.

Intrigued, we commissioned Nielsen to undertake a full-scale study to analyze the performance of two classes of retailer circular ads, separating out those using prepared potato images from those using images of raw or bagged potatoes. Nielsen examined examples of both classes of fresh potato circular ads from 10 different retail chains across the U.S., matching up their ads to align potato type & package, discount levels, and circular ad placement and calculating the aggregate lift on promotion generated by more than 40 matched sets of circular ads. After all the results were tabulated, Nielsen came to a straightforward conclusion: ads that feature prepared potato images are decidedly more effective!

Nielsen's analysis determined that circular ads showing images of prepared potato dishes delivered incremental volume lifts that were a full 23 points higher than



raw or bagged ads (156 percent versus 133 percent respectively). The analysis also determined that prepared potato ads proved to be much more effective for bagged potatoes than bulk potatoes, and that this effect was even more pronounced for Red bagged potatoes. While the improvement for Russet 5-pound bags using prepared potato images was similar to the overall differential for the entire potato category — a 24-point improvement, which is 134 percent compared to 110 percent — Red 5-pound bags experienced a performance boost of nearly twice the norm, a whopping 62 points (188 percent versus 122 percent incremental volume lift).

With Nielsen's help, we went a step further to consider why this effect was occurring. Ultimately, we agreed that we could attribute the strong performance of prepared image ads to three primary factors:

1) Prepared potato images look more appetizing, and consequently do a better job of attracting consumers' attention.

2) Prepared circular ads illustrate the desirable "end state" — the reason that shoppers want to purchase potatoes in the first place.

3) Delicious potato photographs provide consumers with ideas for new and interesting potato preparations — a proven influencer for increasing potato consumption.

Retail meat departments clearly discovered this same relationship long ago, as fresh beef is almost always shown in circular ads as a delicious cooked item. However, the produce department generally prefers to showcase "fresh" offerings — which works fine for berries, peppers, apples and the like, but less so for potatoes. Since fresh potatoes, like fresh beef, need to be cooked before serving, our research would indicate that a simple approach for improving feature ad performance is to treat potatoes like beef and always show them prepared.

The USPB is assisting food retailers in taking advantage of this opportunity to increase fresh potato sales by making hundreds of mouth-watering photographs of potato dishes available at absolutely no charge. Any image found in the USPB's recipe database located at potatogoodness.com/recipes can be requested as a high-resolution image file; interested retailers should contact don.ladhoff@uspotatoes.com for more information.



The United States Potato Board (USPB) is the nation's potato marketing and research organization. Based in Denver, Colorado, the USPB represents more than 2,500 potato growers and handlers across the country. The USPB was established in 1971 by a group of potato growers to promote the benefits of eating potatoes. Today, as the largest vegetable commodity board, the USPB is proud to be recognized as an innovator in the produce industry and dedicated to positioning potatoes as a nutrition powerhouse — truly, goodness unearthed.

Turn The Vision Into Consumption Reality

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

This study is fascinating and important — not just for the potato industry.

There is nothing particularly surprising in the results. Why wouldn't a photo of a beautifully cooked potato dish lead to more attention and purchasing than a picture of some bulk potatoes? As the analysis recognized, the food is beautiful and eye-catching. People are not actually interested in the ingredient, the potato. They are interested in the benefit, a simple baked potato overflowing with toppings or a complex potato au gratin, and, of course, photos suggest usage that consumers might not have come up with on their own.

I am not certain about the comment in the piece that simple photos are fine for commodities such as berries, apples and peppers, etc. That would be giving up too much too fast. Beautiful photos of these items in mouth-watering dishes — say peppers of several colors over a sizzling steak or beautiful apples in a wonderful Waldorf salad, or berries in ice cream — might well boost the effectiveness of these promotions. For similar reasons, a consumer who wasn't thinking of buying bell pepper sees the picture, gets a hankering for steak prepared that way and puts it on his or her shopping list.

As always, great research raises additional questions. For example, why stop at the circular? If photos of prepared potatoes boost sales, why not have in-store signage with a "potato dish of the week" next to each in-store display? Isn't it likely that for the same reasons that attractive photos of finished potato dishes in the circulars boost sales — won't similar photos in store drive consumer interest and purchasing?

Another interesting question is whether driving the cooking theme home wouldn't boost sales more. Photos are beautiful, but what about adding recipes? How about making it convenient by selling all the ingredients in a little paper bag or box right next

to the potatoes? We sell lots of salad kits that attract consumers because they make the job of making salad easy. Why wouldn't making the job of making a fully loaded baked potato easy also sell well?

Also, we probably need to define things further. Surely not all recipes are created equal. With further research, we might find that certain types of dishes — say entrees versus side dishes — have differential effects on sales as a result of a circular ad.

One also wonders whether in-store demos — with the dish in the circular — might not pay off in high volume stores. And here might be a win for the produce industry: Because these cooked dishes often involve non-produce ingredients, perhaps those other items will pay for the demo and other promotions.

It is wonderful, of course, to have found a much more effective promotional technique, and kudos are owed to the United States Potato Board for being willing to break convention, invest in research and follow its implications. The growers that fund the operation will receive a big payoff from the organization's efforts to facilitate advertising that will be more effective. Retailers, who will see bigger returns on their circular investment, also benefit as do consumers who get ideas for more delicious meals. So it is win-win-win.

What we don't yet know, however, is whether the boost in promotional response actually translates into higher annual sales and consumption. If the beautiful photos of prepared dishes excite consumers to buy potatoes — but the consumers don't make the dishes and eat the food — then the excitement of the photo might simply steal sales from the weeks following the promotion.

So the challenge for the industry has to be how to not merely entice the consumer with a vision of what can be — but also the industry can benefit if we help turn that vision into a reality. We now know that a photo of a prepared dish can boost

sales in a promotion, so now we have to ask how we can actually get consumers to make the potato dish, thus use up the potatoes and keep purchases high in subsequent weeks. Unfortunately we don't yet know exactly how to do this.

Now we have to ask how we can actually get consumers to make the potato dish, thus use up the potatoes and keep purchases high in subsequent weeks.

More recipes seem like a good idea; easy-to-access apps and websites, QR codes, etc., all seem likely to help. Still, there is a challenge here.

In fact, this is really *the challenge*, not just for the potato industry but the entire produce industry. What techniques will increase usage and consumption, not just promotional sales? This is important because it is only increased consumption that can ultimately sustain higher sales of potatoes or any produce item.



Imagine-Nation: Will The First Lady's Sesame Street Campaign Reduce Produce Consumption?

FROM JIM PREVOR'S PERISHABLE PUNDIT 11.12.2013

When the White House says it wants to promote your products, you say yes. So it is most wonderful and fortuitous for the produce industry that First Lady Michelle Obama wanted to promote this new initiative in which the Sesame Street characters will be made available — royalty-free — to the produce industry.

It is also most decidedly a feather in the cap for the Produce Marketing Association, its CEO Bryan Silberman, and Jan DeLyster, Vice President of Marketing for the California Avocado Commission (and immediate past chairman of PMA's Board of Directors), that the association was the selected partner for this initiative.

This opportunity paves the way for great possibilities, but there is a little confusion in the messaging.

First, the press release issued by PMA says, "the agreement allows PMA's community of suppliers and retailers to take advantage of the strength and influence of the Sesame Street brand and characters like Big Bird, Elmo, Cookie Monster, and Abby Cadabby to help deliver messages about fresh fruits and vegetables." Although this is true, the statement is incomplete. In fact, the White House insisted that anyone in produce, PMA member or not, must have access to the characters royalty-free.

Second, although Sesame Street is making the characters available royalty-free, it is the intent of PMA to charge an administrative fee. This fee may differentiate between members and non-members. We are not sure about the scale of this fee, but one wonders if it is necessary or just a nominal fee for legal reasons.

Third, it is also unclear what will happen to those members of the produce industry who had already contracted for the use of the Sesame Street characters. In the past, these ranks have included Stemilt and California Giant. It is not clear if any of these arrangements are in effect at this time.

Beyond the details though, and acknowledging that having the First Lady interested in promoting consumption of fruits and vegetables is a win for the industry and PMA, there is something unsettling. The key line in Michelle Obama's speech at the press conference was a simple one: *"Just imagine what will happen when we take our kids to the grocery store, and they see Elmo or Rosita and the other Sesame Street Muppets they love up and down the produce aisle."*

The reason we have to "imagine" is because we have no evidence of any positive movement on consumption due to the presence of Sesame Street characters on fresh produce in grocery stores.

The reason we have to "imagine" is because the First Lady did not propose a two-year pilot program done in a small geographic area with a comparable control group. In other words, she didn't propose hard and serious work to determine if this plan will do any good.

Another key line from the press conference that raises eyebrows among anyone who knows the score: *"Imagine what it will be like to have our kids begging us to buy them fruits and vegetables instead of cookies, candy and chips."*

Alas, we have written extensively about the use of cartoon characters on fresh produce, and though there are pros and cons, there is zero reason to believe that the result of placing stickers on produce is children "begging us to buy them fruits and vegetables instead of cookies, candy and chips."

The very fact that we have to ask whether the Stemilt or California Giant projects with Sesame Street are still active or whether Grimmway is still doing Nickelodeon characters is revealing. Crunch Pak is still doing Disney, but isn't it a small fraction of its sales? All this shows how low impact these things are. It is highly unlikely that these promotions dramatically boosted sales and stopped or deemphasized solely because of the license fee. The truth is, they didn't move the needle on sales — much less consumption.

This is not to say that cartoon marketing can't work. It certainly can. Some have posited a distinction between authentic equity and borrowed equity. So Bugs Bunny might help with carrots, Popeye with spinach and Cookie Monster with, well, cookies — but simply slapping characters on rutabagas is unlikely to boost sales or consumption.

And, of course, individual companies can still profit with this technique. Crunch Pak was unusual, as a market leader, to seize the rights to the Disney characters. It can sometimes be useful to a leader to have a second brand. Maybe Crunch Pak can give Publix an exclusive on its other products if it can give Winn-Dixie the Disney label. Still, we suspect that it mainly took on the Disney line to avoid any competitor from getting it, which would be smart because if one is a secondary brand, it is hard to get an audience with retailers. Having Disney is something to talk about. So it is probably a win for companies that don't have the strongest brand in the category to get some well-known brand equity by licensing it.

But these are reasons why individual companies might find value in licensing cartoon characters, not evidence that they increase overall sales and certainly not evidence that they increase consumption. Plunging ahead without research is not just putting the industry in danger of losing money; it is putting the country in danger of reducing consumption.

We asked our 10-year-old son if this idea of putting Sesame Street characters on produce would encourage kids to eat more, he quickly replied: "Well, maybe it will help with really little kids, but it will make kids my age want to stay away from produce."

Now that is anecdote, not research, and he could be wrong, but so

The reason we have to "imagine" is because the First Lady did not propose a two-year pilot program done in a small geographic area with a comparable control group.



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could Michelle Obama.

The First Lady referenced a certain study in her speech. The study, titled "Can Branding Improve School Lunches," was completed by several researchers, including the famed Brian Wansink of Cornell University. It was conducted as follows:

After obtaining institutional review board approval at Cornell University and parental consent, 208 children (99 female) ranging from 8 to 11 years old were recruited from seven ethnically and economically diverse schools in suburban and rural upstate New York. The study occurred during lunchtime on five consecutive days at each location. After selecting their lunch, children were individually offered their usual opportunity to take one or both of these items: an apple and/or cookie.

On the first day of the study, both the apple and the cookie were offered without a sticker, as a pretest control. This enabled us to calibrate a baseline preference for each child. On the last day of the study, both the apple and cookie were offered without a sticker as a posttest control to help us determine if the presence of stickers on the apple had any carryover.

The remaining 3 days were intervention sessions. On one day, children were offered a choice between an unbranded apple and a cookie that had a sticker of a familiar popular character (i.e., Elmo) on it. On another day, children were offered a choice between an unbranded cookie and an apple that had a sticker of the Elmo icon on it. On another day, their choice was between an unbranded cookie and an apple with a sticker of an unknown character.

On each day of the study, each child's choice was unobtrusively recorded. Children were accustomed to knowing they could not take any lunch food home with them. The majority of children who selected a food ate at least a portion of the food.

Although they gave Professor Wansink a couple years as head of the USDA's Center for Nutrition Policy and Promotion, this particular study is a very slight foundation on which to build an initiative such as the one announced at the White House.

A quick look at this Elmo, apple and cookie study and one quickly sees why it is not the kind of research that can be properly used to defend the First Lady's initiative. The first problem is that the study claims more for itself than the text establishes.

In a bar graph the researchers published with the study, there was a mistake in the labeling of the bars. The graph asserts that it is a study of apple versus cookie CONSUMPTION, but no research was done on consumption at all. This was a study of SELECTION. There is a vague claim that the "majority of children who selected a food ate at least a portion of the food," which only tells us that, assuming accurate measurements, perhaps 49.9 percent of the children didn't eat the food at all, and the ones who did might have eaten almost nothing of the food. It certainly tells us nothing at all about how consumption changed when Elmo was placed on the apples.

This is a big problem. Anyone who has gone through a store with children knows they want lots of things for lots of reasons: The packaging, the TV commercial, what their friends have, etc. — none of which has any necessary connection to what the children will eat.

Second, the use of apples is limiting. Let us assume for a moment that children really will select and eat products they like more

frequently if they have Elmo stickers on them. That might apply to half a dozen fruits. Where from this insight do we rush to assume that covering the whole produce department in Sesame Street characters will increase consumption of arugula?

Third, there was no attempt to study reactions in a supermarket or purchasing environment. Even if all of this is true and meaningful, not being a study of how people react at retail stores means that an inference as to behavior at retail is quite a leap. If this is the study on which the First Lady wishes to hang her hat, the initiative should be about school lunch programs, not supermarket produce departments.

Fourth, the study is over too quickly to determine if all this is a "novelty effect." The Hawthorne Works was a Western Electric plant near Chicago. They did experiments with lighting as well as other environmental changes and found that the change itself altered worker behavior. Some research has indicated that it takes eight weeks before a novelty effect decays to a small level: "Clark & Sugrue (1991, p.333) in a review of educational research say that uncontrolled novelty (i.e. halo) effects cause on average 30 percent of a standard deviation (SD) rise (i.e. 50 percent to 63 percent score rise), which decays to a small level after 8 weeks."

Fifth, consumption is more than just a one-moment decision. Surely it is not beyond the realm of possibility that a child who used to eat an apple after school every day, if somehow persuaded to eat one at lunch, might choose to switch her afternoon snack to a brownie or cheese sandwich. In other words, if you want to study how a particular intervention impacts consumption, you can't just look at the immediate impact on one meal occasion.

It is pretty obvious that there is no research support for the belief that putting Sesame Street characters all over the produce department will lead to, as the First Lady hopes, "our kids begging us to buy them fruits and vegetables instead of cookies, candy and chips." So why are we doing this?

We have no doubt that the First Lady really wants to improve the health of Americans, especially children. Since we don't actually know of a very good way for the government to do this, the right public policy response would be to support research in this area.

But this is slow and boring. Announcing a test in Albany doesn't really merit a White House press conference. Yet the fact is that we have precious little reason to think that putting Sesame Street's characters on produce will do any good and some realistic reasons to think it might hurt consumption.

It is hard to be angry at anyone over this. It is more sad that, somehow, our society has come to yearn for the quick fix.

The Jr. Pundit Segundo plays basketball and likes football. We support him in these interests, but, truth be told, we wish he liked baseball better. Basketball is fast, it's pretty fun to watch every minute, but George F. Will wrote of baseball in his book, *Bunts*, "Baseball is a habit. The slowly rising crescendo of each game, the rhythm of the long season — these are the essentials, and they are remarkably unchanged over nearly a century and a half. Of how many American institutions can that be said?"

Not many. But the temperament to win slowly is an important one for a democracy, and it is one we are losing.

The First Lady's dream are good, but without baseline studies and control groups, we will never know if this initiative does any good.

We have precious little reason to think that putting Sesame Street's characters on produce will do any good and some realistic reasons to think it might hurt consumption.



CONNECTING FITNESS WITH PRODUCE

Industry experts discuss marketing strategies to strengthen the relationship between produce and fitness and how to support sales efforts.

BY
CAROL BAREUTHER, RD

Tackling the obesity epidemic is more complex than simply suggesting consumers eat more fresh fruits and vegetables. Exercise or fitness activity should also be a key component of the messaging. However, while most produce marketers tout the nutrient content and healthfulness of their products, few discuss how nutrition supports physical activity and enhances overall well being. We reached out to various members of the produce industry to learn where these promotional opportunities are and how to make fitness and produce a money-making alliance.

Target The Message

There is no question that nutrition and physical activity are important for a healthful lifestyle. These two topics are fundamental pillars of influential programs such as the White House's *Let's Move!* and the Walt Disney Company's *Magic of Healthy Living* campaigns.

Kathy Means, vice president of government relations and public affairs for the Produce Marketing Association (PMA), in Newark, DE, explains, "First, there has been no dearth of health marketing, yet instead of selling more produce, consumption has declined. That's because people already know produce is healthful. Taste, or eating experience, is also important to sell more fruits and vegetables. Secondly, it's not the produce industry's responsibility to sell fitness any more than it is for a sweater company to promote antifreeze although both are necessary for survival in the winter.

"There is a disconnect that jumps way ahead of traditional principals of marketing, which is knowing your product, its benefits, your target audience and selling your product in the best way possible," adds Means. "The opportunity lies in a targeted approach. It's not for produce companies to sell fitness, but to sell the advantage of produce as the best fuel for athletes and physically active people."

These mover and shaker consumers are a great group on which to focus. That's because people who are more physically active tend to eat

more fruits and vegetables, according to an article published in the November/December 2013 issue of the American Journal of Health Promotion.

There are a couple of other excellent points to make in favor of marketers and retailers zeroing in on active people as a central segment in which to promote produce.

One is the fact that “companies which market not-good-for-you foods have linked their products to active living and sports for the past decade trying to gain the ‘health halo’ that produce has already,” says Lorelei DiSogra, Ed.D. RD, vice president of nutrition and health for the United Fresh Produce Association, in Washington, DC. “We’ve all seen this in commercials for soft drinks, candy and chips. There’s duplicity there.”

Another is the ability of consumers to remember compound marketing messages. For example, “Eat at least two to three cups of fruits and vegetables daily,” and “exercise for 30 minutes at least five days a week.”

“It’s confusing,” says Elizabeth Pivonka, Ph.D., RD, president and chief executive of the Produce for Better Health Foundation in Hockessin, DE. “That’s why for produce, where there are limited advertising funds compared to other types of food companies, it’s best to

Hy-Vee ensures customers shopping at select stores in Iowa have a built-in secondary basket with signage specifically for fresh fruits and vegetables as part of Iowa’s Governor Terry Branstad’s Healthiest State Initiative.

market the virtues of the product to the customer, how to use it and what to do with it.”

Produce Marketers And Retailers Make The Connection

Industry consensus shows that fitness-minded consumers tend to fall into one of three categories: dieters, healthy lifestyle devotees and athletes. Each of these groups offer

ripe opportunities for produce companies and its retail partners to strategically market fresh fruits and vegetables.

TARGETING DIETERS. This season, Sunkist Growers, headquartered in Sherman Oaks, CA, is joining forces with NBC’s hit series, *The Biggest Loser*, through a promotional licensing agreement with NBCUniversal Television Consumer Products and Shine America to inspire consumers to make healthier choices, like incorporating fresh citrus into their diet. *The Biggest Loser*, now in its 15th season, is a motivational weight loss competition reality series in which overweight contestants compete to reach a healthier weight through the adoption of a healthier lifestyle that includes nutrition and fitness components.

“Obesity is one of the most serious health issues facing our nation today,” says Julie DeWolf, Sunkist’s director of retail marketing. “To help curb the obesity epidemic, Sunkist is proud to be joining forces with *The Biggest Loser* to encourage consumers to make healthier choices. Fresh citrus offers many health and weight loss benefits, making this relationship a natural fit for Sunkist.”

Sunkist will encourage viewers’ motivation to live healthier by bringing *The Biggest Loser*

Use Sports Science To Boost Produce Sales

Produce marketers have worked hard to translate results from scientific studies into simple consumer-oriented health messages. Now, there is an equal opportunity to do the same on the physical activity front by citing research that shows how specific fruits or vegetables offer a direct and relevant benefit to the fitness experience. The groundbreaking study in this area, *Bananas as an Energy Source during Exercise: A Metabolomics Approach*, was conducted by researchers at the Human Performance Laboratory of Appalachian State University at the North Carolina Research Campus in Kannapolis, NC. The scientists showed that bananas provided fuel to the working muscles of elite cyclists just as well as commercially available sports drinks.

“This study reinforced those direct benefits bananas provide that sports drinks can’t: improved blood antioxidant capacity and the vitamins, minerals and fiber needed by athletes to maintain their performance,” says Bil Goldfield, director of corporate communications for Dole Fresh Fruit in Westlake Village, CA.

Dole rooted its summer-long national marketing campaign in 2012 on this study, and the company positioned bananas as “Nature’s Original Energy Bar.” Elements of the program included digital advertising, radio, in-store, public relations and social media elements that reinforced the proven energy- and recovery-inducing qualities of the fruit. A highlight of the program was a series of Nature’s Original Energy Bar stickers that adorned the hundreds of millions of Dole bananas sold nationally throughout

the campaign. The stickers, which included a QR code linking to the campaign’s website, provided a vital in-store element.

“We did see a small sales lift during summer 2012 in those local markets where we were able to apply all the elements to generate critical mass,” says Goldfield. “Having said that, we also found that it was important to supplement the physical activity messaging with recipes, serving suggestions and other more traditional messaging for those consumers not as concerned with fitness. To them, we focused on the simple idea that beyond the fact that bananas provide important health, nutrition and energy benefits, they are also a fun, affordable, versatile fruit that tastes great.”

Scientists have now expanded their research from how fruits and vegetables work as a fuel prior to exercise to their effectiveness as a post-exercise recovery tool.

Nicholas Gillitt, Ph.D., vice president of nutrition research and director of the Dole Nutrition Institute, in Kannapolis, NC, explains, “Compounds like polyphenols can aid in recovery. New thinking is that eating plenty of foods containing polyphenols can help the body better deal with and recover from the inflammation, muscle damage and oxidative stress that follows high-intensity exercise. Faster recovery means that an athlete can train harder with a shorter recovery period and advance more quickly. Berries and apples are two polyphenol-rich fruits that we are studying to discover specific recommendations. After all, people need a bit more today than ‘Eat it, it’s good for you!’”



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California Giant Berry Farms supports a professional cycling team. Members of the team help with in-store events when traveling for races and meet consumers face-to-face in produce departments to demo fruit.

brand to grocery stores nationwide, inspiring them to make better, more nutritious choices while shopping. Starting in January, customized packaging for Sunkist citrus will incorporate *The Biggest Loser* logo and an opportunity to win a valuable trip to any of the four Biggest Loser resort locations. The point of entry for the sweepstakes (at peelawaythepounds.com) will provide unique, delicious recipes and information about the health and weight loss benefits of citrus. The promotion will place a particular emphasis on Sunkist lemons and grapefruit, as both of these citrus varieties are known for their weight loss benefits.

Sunkist Growers is not the first produce company to partner with *The Biggest Loser*. In July 2012, the Sage Fruit Company, in Yakima, WA, was selected as the exclusive supplier of apples, pears and cherries for the hit reality TV show and showcased the brand at retail on packaging, secondary display bins and point-of-sale (POS) marketing materials. Later in 2012, Bakersfield, CA-based Grimmway Farms showcased baby carrot packaging with *The Biggest Loser* brand. Last year, the carrot company expanded its brand relationship via social media promotional efforts and hosted past contestants on a farm tour. The tour concluded with a group workout at the Grimmway Fitness Center. Other companies that united with *The Biggest Loser* brand are Duda Farm Fresh Foods out of Oviedo, FL and Mastronardi Produce headquartered in Kingsville, ON.

APPEAL TO FIT-MINDED CONSUMERS. “Millions of people make New Year’s resolutions about getting healthy,” says Diane Smith, executive director of the Michigan Apple Committee (MAC), in Lansing, MI. “It’s an easy fit for apples, since

they have always been a symbol of good health. Our job is to help consumers make the mental connection.”

The MAC will change its decade-old health- and fitness-oriented promotion this year and rename it Healthy Living. “Our program is stepping away from the idea of losing weight and emphasizing healthy choices,” says Smith.

Specialty Crop Block Grant funding, which was extended from 2012 due to Michigan’s crop loss last year, will enable the MAC to tie its messages at store-level into similar messages and visual elements at family-friendly health venues and events, as well as health clubs.

“We are hoping that consumers who have made a commitment to a healthier lifestyle will make a connection between healthy activities and positive choices in the produce department,” says Smith.

For many years, Mann Packing Co., Inc., in Salinas, CA, has also been involved with “sponsorships, programs and activities that encourage physical fitness and activity, as well as supporting local schools and children’s programs that support physical fitness and a healthy lifestyle,” says marketing manager, Lori Bigras. “We know a healthy lifestyle is important to our consumers, and we bear that in mind with all new value-add products that we develop. Our Snacks on the Go! trays and triplet packages — which include silhouettes of active playing children in the graphics — convey a healthy, active lifestyle in the visual messaging that’s a perfect fit for these ‘grab and go’ healthful snacks.”

Hy-Vee, Inc., a 235-store chain headquartered in West Des Moines, IA, ensures customers shopping at select stores in Iowa have a built-in secondary basket with signage specifically for fresh fruits and vegetables as part of Iowa’s Governor Terry Branstad’s Healthiest

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PHOTO COURTESY OF PRODUCE FOR KIDS

Marketers are exploring opportunities to promote produce with sports celebrities as well as TV personalities from beloved childrens' shows to gain the attention of kids early on.

State Initiative. The Initiative challenges the state's residents to make Iowa the healthiest state in the nation by 2016 as measured by the Gallup Healthways Well-Being Index. One component of this is the Blue Zones Project. Fifteen Iowa communities were selected to receive support from experts to implement Blue Zones principles, called the Power 9. Two of the Power 9 principles involve physical activity (move naturally) and produce (plant slant).

Allison Yoder, MA, RD, LD, Hy-Vee's health and wellness supervisor, says, "Hy-Vee stores in Blue Zones communities are working hard to become designated Blue Zones Grocery Stores. Criteria include creating a Blue Zones checkout lane, including fresh produce; making water available in all checkout-lane coolers; designating space in shopping carts for fruits and vegetables; offering taste testing of fresh produce; and creating Blue Zones parking spaces that are farthest away from the store. In addition, Hy-Vee's 185 supermarket dietitian's work to promote both physical activity and produce in-store and throughout the community through presentations and signage."

TAP INTO THE SPORTS CRAZE.

Marketers are exploring more opportunities to promote produce with sports celebrities as well as TV personalities from beloved childrens' shows to gain the attention of kids early on. One example of this is Produce for Kids' (PFK) fall and spring campaigns featured athletic superhero Sportacus from Sprout TV's *LazyTown* at in-store appearances. Not only does the character pose for photos, but he also does push-ups and jumping jacks in-store. Sportacus also calls fruits and vegetables "Sports-Candy."

"We alert each of our produce sponsors ahead of time so they can send coupons or other giveaways to retailers. Each participating retailer gets one in-store appearance each season," says Trish James, vice president of Orlando, FL-based PFK. "To maximize these meet-and-greet photo opportunities, we suggest retailers pick an ideal store — one that has a high penetration of produce to store sales. At a new store opening, pick the right day of the

week — a Friday, Saturday or Sunday, and take full advantage of the extra traffic generated by the character appearances by sampling produce and having produce staff actively engage with customers. The benefit is an opportunity to sell more produce without lowering margins."

Produce marketers and retailers also teamed with the Fuel Up to Play 60 (FUTP 60) program, founded by the National Dairy Council and National Football League in collaboration with the U.S. Department of Agriculture. This platform is another way to tout produce as the ideal fuel for physically active kids. As of 2013, more than two-thirds of all schools in the U.S. were participating.

"We test-marketed three regions using Fuel Up to Play 60 logo mesh bags, totes, display ready cartons and POS in 2011," says Mac Riggan, vice president of marketing for Chelan Fresh, in Chelan, WA. "Retailers said it moved the needle on apple sales. In fact, one Southeast retailer said both bulk and bagged Galas increased in sales, so the overall gross numbers went up rather than losing bulk sales when bags were promoted. We attributed that to Moms buying the larger bulk apples for themselves and smaller bagged for their kids. We took our program nationwide last year. This year, we're running it from new crop harvest in the fall through the Super Bowl."

In September 2012, the Turbana Corporation, headquartered in Coral Gables, FL and the fourth largest importer of bananas in the U.S., partnered with FUTP 60 and Shaw's Supermarkets, Inc., a 169-store chain based in



Idaho Potato Commission promotes its brand image and nutritional messages by sponsoring the Famous Idaho Potato Bowl Game, an ESPN-televvised game played in Boise each December.



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The Fuel Up to Play 60 program is another way to tout produce as the ideal fuel for physically active kids. As of 2013, more than two-thirds of all schools in the U.S. were participating.

West Bridgewater, MA, to feature POS signage, radio announcements and signage at the produce department's banana display. Shoppers were able to use their Shaw's Reward Card to buy three items, including at least 1 pound of bananas, and are entered to win an Xbox 360 gaming system with Kinect (a line of motion sensing input devices by Microsoft for Xbox 360 and Xbox One video game consoles) that allows for full body playing.

Football has long been a promotional focus for the Idaho Potato Commission (IPC), in Eagle, ID. The commission sponsored signage in the end zones and sidelines as well as TV ads during key games for Boise State, Idaho State and the University of Idaho's football programs. Plus, the IPC is the title sponsor of the Famous Idaho Potato Bowl Game, an ESPN-televized game that is played in Boise each December.

"We communicate a strong brand image for Idaho plus drive home the nutrition message that the complex carbohydrates and potassium in potatoes make them a perfect fuel food," says Frank Muir, the IPC's president and chief executive. As a result, the number of consumers that thought potatoes were fattening and not part of a nutritious diet fell from 35 percent in 2003 to 18 percent in 2011, according to the U.S. Potato Board's 'Attitudes and Usage' survey."

The IPC has played title sponsor to the YMCA Famous Idaho Potato Marathon for more than 30 years. The May event features a full marathon, half marathon, 10K- and 5K-course along the Boise River Greenbelt trail. Over 3,000 runners participate and are treated to a potato bar at the finish line where healthful toppings such as salsa, seasonings and low-fat sour cream are available.

In similar fashion, the New York Apple Association (NYAA), in Fishers, NY, and New York City Marathon have joined forces for more than 15 years, explains Linda Quinn, MS, RD, the NYAA's spokeswoman. "Apples are the perfect fuel before the run and good food to eat to hasten recovery afterwards. Each runner receives a goodie bag where we place an apple and a New York apple variety guide. We hand out over 90,000 apples during race week. As a result, we've experienced strong apple sales even during a bumper year."

The Marine Corps Marathon, which takes place each fall in Arlington, VA, was one of many stops on Turbana's new "Growing Smiles, Sharing Goodness" campaign road trip, aimed at inspiring Americans to live actively, eat healthy, and get involved in their communities, asserts director of marketing, Marion Tabard. "Runners were greeted with high-fives and 43,000 Turbana bananas."

Retailers have jumped on the fitness trend by championing marathons as well as triathlons. Since 2007, Hy-Vee has held an Olympic-distance triathlon in Des Moines, IA, Yoder explains. "In 2011, the race started serving as the World Triathlon Corporation's 5150 U.S. Championships, which attracts many of the top professional triathletes in the world, as well as offering competition for amateur athletes," she says. [The 5150 comes from a 1.5K swim + 40K bike + 10K run = 51.5K, which is often called a 5150.]

"Our company's commitment to health and wellness is an ideal link to fitness and fresh produce. Hy-Vee registered dietitians have a presence at both the Hy-Vee Triathlon and Iron Kids Triathlons each year, promoting

optimal nutrition to the athletes, and in-store promotions for the race and displays in our produce departments."

Sponsoring local hikes and walks while partnering with suppliers to sample fresh produce with participants is embraced by Bashas' grocery stores, a 132-store chain based in Chandler, AZ. For example, Chiquita donated 10 cases of bananas for Bashas' to distribute at the chain's Eat Smart tent at the Phoenix Summit Challenge, an event of vast physical challenges over 31,000 acres of the Phoenix desert preserves. Eat Smart is Bashas' customer-oriented comprehensive nutrition education program, created by the chain's registered dietitian, Barbara Ruhs, MS, RD, LDN. Over the past few years, Ruhs says The Oppenheimer Group donated Jazz apples, Sunsweet donated dried plums and the Chilean Fresh Fruit Association donated grapes as samples for athletic events. In fact, over 25 cases of Chilean green grapes were sampled, and recipe brochures were distributed at the American Heart Association's 21st Annual Phoenix Heart Walk. Simultaneously, Bashas' tied in a 97-cents-per-pound front-page ad on Chilean green grapes and sampled the grapes in-store.

"I'd love for produce companies to make me aware of fitness messaging, so we can help to amplify their efforts in-store, plan in advance for ads, and strategize to create out-of-the-box ways to promote fitness and their fresh produce products," says Ruhs.

California Giant Berry Farms, in Watsonville, CA, has backed a professional cycling team for many years, says director of marketing, Cindy Jewell. "Our team members serve as moving billboards every day showing the commitment we have to physical fitness. They also help with in-store events when traveling for races across the country and meet consumers face-to-face in the produce department to demo our fruit. They talk to consumers about easy ways to incorporate our berries and exercise into daily life."

In other sports, Stemilt Growers, in Wenatchee, WA, will again donate apples to the Live 4 Adventure Race, a fitness event where teams of three compete in a series of games, sports and activities to raise funds for new playground and/or sports equipment at area schools. Plus, Sunkist Growers will continue its collaboration with Canada's Okanagan Hockey School by offering a consumer sweepstakes advertised on themed 10-pound cartons and multiple sizes of net bags with thermal labels at retail that provide kids the chance to attend a weeklong camp at the prestigious school in Penticton, British Columbia.

pb



PHOTO TO LEFT IS COURTESY OF SUNFED. PHOTO TO RIGHT IS COURTESY OF VISION IMPORTS.



Census data shows the growth rate of Mexican protected agriculture over the past several years averages 3,000 to 4,000 acres per year.

Evolving Trends Keep Mexico A Top Supplier

Continuous progress in crucial areas of supply and consumer demand promises a bright future for our neighbor to the south. **BY JODEAN ROBBINS**

As a consistent supplier of quality produce to the U.S. market, Mexico continues to evolve to meet market expectations. “Mexico is leading the way in production of high quality produce throughout the winter,” says Danny Mandel, president and CEO of SunFed in Rio Rico, AZ. “Mexico is blessed with fertile land, purified irrigation water and far less weather uncertainty than many other production areas.”

“Investment in technology and a geographical position that’s naturally favorable for agriculture position Mexican growers among the biggest exporters in the world,” concurs Alfredo Díaz Belmontes, CEO of AMHPAC in Culiacan, Sinaloa, Mexico. “Sourcing from Mexico allows for a constant supply that meets all quality standards.”

Mexico’s climate and proximity to the U.S. yields a distinct advantage. “The country’s warm climate provides a stable and consistent growing cycle,” says Alicia Martin, CEO of Wilson Produce LLC in Nogales, AZ. “This keeps fresh vegetables and fruit in stock even during the coldest times.”

“As a vertically integrated asparagus grower,

we see a big advantage for us in supplying customers with our own product,” says Gary Caloroso, director of marketing for Giumarra Agricom & Giumarra Borquez in Escondido, CA. “Mexico’s proximity to the U.S. gives our company tremendous flexibility in also sourcing fresh avocados for our customers.”

“Sourcing from Mexico allows for fast shipping, which equates to the freshest product,” says Raul Millan, executive vice president for Vision Import Group LLC in River Edge, NJ. “Product is harvested and, depending on the area it’s coming from, it can be in the U.S. in 24 to 72 hours.”

Despite a long tradition of production, Mexican producers embrace trends and new technology. “Mexico has been very aggressive in developing ag production areas,” says Bret Erickson, president of the Texas International Produce Association (TIPA), in Mission, TX. “We’ve seen a tremendous growth in protected ag programs. They’re providing high quality product almost year-round and doing a good job of filling U.S. demand.”

“The buying community has held Mexico to a very high standard in terms of food safety and quality,” says Lance Jungmeyer, president

of the Fresh Produce Association of the Americas (FPAA) in Nogales, AZ. “This has raised the bar across the board. Excellent food safety is the price of admission to export Mexican fruits and vegetables.”

Buyers recognize the important contribution Mexico adds to a viable produce offering. “We must have consistency in meeting customer expectations all year-round,” says Alfonso Cano, produce director for Northgate Gonzalez Markets, a 38-unit chain in Anaheim, CA. “A good retailer must have a diverse sourcing situation.”

Awareness of key trends and changes in the Mexican equation may provide insight into the coming seasons. “In the end it’s about providing a safe, high quality, low cost product to the final customer,” asserts Erickson. “By understanding shifts and trends in Mexican production, buyers can better source from whomever they use and better understand what suppliers are doing.”

Flourishing Greenhouse

A significant portion of Mexican produce production continues in protected agriculture practices. “Mexico has grown its protected agriculture area to soon approach 25,000 hectares

DON'T MISS A "SUPER" OPPORTUNITY

January presents an opportune time to promote Mexican-sourced items for game day. BY JODEAN ROBBINS



PHOTO COURTESY OF AVOCADOS FROM MEXICO

Mexico delivers abundant, peak-of-season items in January that are perfect for game-related promotions. Avocados, watermelon and mangoes top the list and provide ample opportunity for additional ring. “Most of our watermelon recipes involve several different ingredients from the produce aisle and are a great way to cross-promote,” says Juliemar Rosado, marketing communications manager for the National Watermelon Promotion Board (NWPB) in Orlando, FL. “Our watermelon Fire and Ice Salsa is a very popular item among watermelon lovers.”

“Avocados are No. 1 for game-day parties and snacks,” says Maggie Bezart Hall, vice president of trade and promotion for Avocados from Mexico (AFM) in Bath, MI. “Stores can create an “Ultimate Game Day Spread” with guacamole staples of avocados, tomatoes, onions, jalapenos, limes and lemons. Tie-in items across the store include chips, tortillas, and Cholula hot sauce.”

“Give a tropical twist to game day guacamole with the delicious flavor and beautiful color of mangos,” suggests Megan McKenna, director of marketing for the National Mango Board (NMB) in Orlando, FL. “Options like Mango Avocado Salsa or Mango and Black Bean Salsa are great additions to any party.”

Easy promotional aids are readily available. AFM’s “Ultimate Game Day Spread” integrated promotion tackles in-store display, television and print advertising, cross-promotion and POS for a complete win. “Create spectacular home-gate displays with complementary items,”

advises Bezart Hall. “Request your secondary bins from AFM early, as the demand is high and they go fast. Contact your AFM regional director for all your Ultimate Game Day needs.”

“The NMB offers customized POS materials for use during the Super Bowl and all year round,” says McKenna.

“The NWPB has recipe cards and printable items available on our website,” asserts Rosado.

As additional support, Avocados From Mexico will host a retail display contest. “We’ll award \$250 for the best displays featuring Avocados from Mexico POS, Mission Chips or Tortillas and Cholula Hot Sauce,” reports Bezart Hall.

Retailers can improve the odds by making it about more than just one game. “Our Game Day promotion starts at the end of December to take advantage of not only NFL playoffs but College Bowl games too,” says Bezart Hall. “Football is an American institution and will be on almost every day. College kids are out of school, and families are getting together to continue their holiday celebrations.”

Providing variety will encourage extra sales. “Make sure you have plenty of ripe fruit every day, but also break fruit for those shoppers who are planning ahead,” says Bezart Hall.

“Educating consumers on variety and level of ripeness is a great way to teach consumers about mangos and empower them to know how they like the fruit best,” asserts McKenna. “Offer multiple varieties with information on those available, and offer suggestions on how to use them at different ripeness levels.” **pb**

“Growth of organic farming in Mexico is consistent with overall growth of the category.

Estimates have organics growing at a rate of 5 to 12 percent. Mexico is estimated to have more than 100,000 organic farmers — the greatest number in any country in the world.”

— Jim Guido, PDG Produce

(61,775 acres),” reports Mandel. “SunFed’s protected agriculture production has been growing between 15 percent and 20 percent annually. The consistency of supply allows retailers to promote with confidence and set effective promotions throughout the winter.”

“According to the last census from Mexico’s Department of Agriculture, the growth rate of Mexican protected agriculture over the past several years averages 3,000 to 4,000 acres per year,” says AMHPAC’s Díaz Belmontes. “It’s gone from 2,000 acres in 2000 to over 53,000 acres in 2012, positioning the country as the seventh largest greenhouse grower in the world.”

“A great percentage of products from Mexico are from protected ag,” says Aquiles Jaime Garza, president at Bebo Distributing Company Inc. in Pharr, TX. “Most of the changes now are in high tech hydroponic infrastructure. Products include tomatoes, colored bells, cucumbers, and eggplant. We’re also supplying some processors with tomatillos.”

Mexico’s protected ag industry offers a growing diversity of products. “Major products produced in protected ag include tomatoes, peppers and cucumbers,” says John Backer, operations manager for Ayco Farms Inc.’s Mexican Import Division based in Donna, TX. “Newer products coming onboard include mini peppers, eggplant, squash and zucchini.”

“There are three products accounting for the majority of protected agriculture acreage in the country,” reports Díaz Belmontes. “First is production of tomatoes with approximately 70 percent of the surface. Bell peppers have 16 percent and cucumbers have 10 percent. The remaining 4 percent is mostly used for chili



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peppers and berries.”

“SunFed has continuous supplies of both organic and conventional American and European cucumbers, and colored bell peppers, as well as increasing amounts of eggplant,” says Mandel.

Though this sector continues to grow, it may be under more analytical parameters. “More production is being put into protected ag — though it may be less aggressive than years ago,” explains George Gotsis, president of Omega Produce Company Inc. in Nogales, AZ. “The investment in protected ag can be expensive, so many are looking at the payoff.”

Shifting Logistics

Improved infrastructure, including an Inter-Oceanic highway and the Baluarte Bridge, will allow more efficient entry points into Texas. “The new highways and bridges will improve logistics from Mexico and result in easier access to fresher product with longer shelf life,” asserts Ayco’s Backer.

“The Baluarte Bridge from the West of Mexico crossing into Texas is going to save time and freight,” reports Bebo’s Garza. “Estimates put East Coast markets at least 24 hours earlier via this entry point.”

“Once the Inter-Oceanic Corridor is fully functional, product coming up to the South Texas ports of entry from the West Coast of Mexico can save six to eight hours alone,” explains TIPAs Erickson. “That translates into \$600 or \$700 in cost savings per load, not to mention time savings in relation to perishability.”

Improvements in accessing Texas ports have already led to some shift in product movement.

“At one time, limes were imported primarily from the state of Veracruz. Now limes are imported from Michoacán, Tabasco, Nayarit, Jalisco, and other areas. More territory dedicated to limes allows for lime promotions to be available for more months per year.”

— Raul Millan, Vision Import Group


“We’re seeing a shift in product moving from Arizona to the Texas border,” reports Erickson. “South Texas is right in the middle of this tremendous new pipeline that feeds produce coming out of western Mexico destined for the Midwest and East Coast markets in the U.S.”

“We are seeing a shift in loading in McAllen versus Nogales,” says Joseph Bunting, business manager of produce for United Supermarkets, LLC., which is based in Lubbock, TX, and currently operates 51 stores. “This is a benefit for us because we have better logistics options in McAllen.”

But Nogales still holds its own advantages as well. “Nogales’ benefit is in handling multiple items in one truck,” says Omega’s Gotsis. “When someone needs two pallets of one thing and two of another, Nogales has all the items.”

The Mariposa Port of Entry in Nogales is expanding to more than double its previous capacity. “The reconfiguration will be complete in the middle of 2014,” says FPAA’s Jungmeyer. “Upon completion, it will be the country’s most modern and most efficient land port of entry with capacity to process 4,000 to 5,000 commercial trucks a day. It will have eight commercial processing lanes, expanded dock spaces for secondary inspections, and the latest in inspection technology.”

The entire border is challenged to work together as an industry. “Whether you’re in California, Arizona, or Texas, we have to work together to push for more federal resources at our ports of entry,” says Erickson. “We’ve been working on these issues for quite a while now, as have groups like the Border Trade Alliance



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and our friends at the FPAA. We have to work together to create a better business environment for the entire industry, and the urgency is growing as the volumes increase.”

Looking To The Future

The popularity of products Mexico excels in producing translates to more production

well into the future. “A wide variety of items has shown steady growth including tomatoes, peppers, garlic, cilantro, onions, limes, and avocados,” explains PDG’s Guido. “This trend has generated numerous opportunities for growers and shippers.”

“We see increased production of conventional and organic Mexican avocados as a

result of increasing global demand,” says Caloroso. “There will be a significant increase of Mexican avocado supplies to the U.S. once USDA approves Jalisco, Mexico as an additional growing region to Michoacán.”

Mexican growers continue to expand their farm territories. “At one time, limes were imported primarily from the state of Veracruz,” says Vision’s Millan, adding, “Now limes are imported from Michoacán, Tabasco, Nayarit, Jalisco, and other areas. More territory dedicated to limes allows for lime promotions to be available for more months per year.”

Packing and resource usage advances also offer additional selling opportunities. “Packing facilities continue to improve, providing more options for a wide variety of items,” says Millan. “Today, Mexico can pack product exactly the way retailers and end users need it.”

“We’ve made some major improvements to our packing facilities to handle our increased tonnage in growing regions,” asserts Giumarra’s Munguia. “We have also made great strides in soil and water conservation, like a new centralized water filtration and distribution system that will allow us to increase acreage and production with less water usage.”

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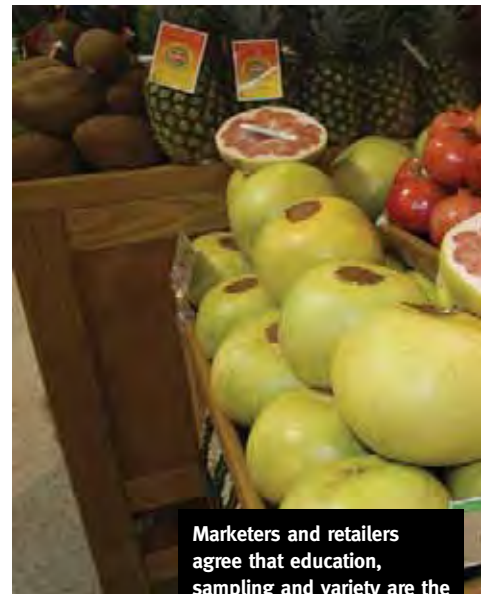
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Marketers and retailers agree that education, sampling and variety are the best strategies for increasing specialty citrus sales.

Specialty Citrus

A look at the latest trends and how to increase sales. **BY KEITH LORIA**

Specialty citrus is defined by its varieties. They are unique, small production varieties with distinctive taste profiles that are of particular interest to the culinary community and adventurous consumers.

Lance Walheim, co-founder of California Citrus Specialties (CCS) out of Springville, CA, which is dedicated to introducing new citrus to American consumers, works closely with the University of California and California citrus nurseries to stay abreast on the latest variety developments.

“To me, specialty citrus is best defined as something that’s new and that people don’t see on the shelves in every supermarket in the country,” he says. “It has to do with volume, how new it is, and how familiar people are with it. Things that were considered specialty 20 years ago may not be considered that anymore. A perfect example of that is a Clementine mandarin.”

Varieties Abound

Melissa’s/World Variety Produce, Inc. of Los Angeles, CA, is one of the largest distributors of specialty produce in the United States, with more than 1,000 items available at any given time — that includes plenty of specialty citrus varieties.

Robert Schueller, director of public relations for Melissa’s, reports that key limes from Mexico remain the top-selling specialty citrus year after year, but California-grown kumquats, pummelos, oroblanco, blood oranges, Cara Cara oranges and Ojai Pixie tangerines were all top sellers for the 2012-13 citrus season.

“Most of these varieties have been around for almost 15 to 20 years. Ojai Pixie have been in the market for just about 11 years, and it is the most seasonal, starting in March and tapering off in June,” he says. “We have more than 1,500 different varieties of fruits and vegetables, but I don’t think the average American could even name 20. Education is important in getting these specialty varieties out to the public.”

In 2013, one of Sunkist’s (headquartered in Sherman Oaks, CA) more popular specialty citrus offerings was its Cara Cara Navel orange, which is grown in California and in season from December through mid-May. This unique variety of Navel orange, branded “The Power Orange” by Sunkist for its amazing nutritional benefits, is seedless and has a distinctive rich pink pulp that results from the natural presence of lycopene, a powerful antioxidant. They are also a good source of both folate (15 percent RDV) and



PHOTO COURTESY OF SUNKIST

fiber (three grams per serving).

“They offer 20 percent more vitamin C and almost 30 percent more vitamin A than conventional oranges and are an excellent source of both vitamins,” says Joan Wickham, Sunkist’s manager, advertising and public relations. “Cara Cara navels are also exceptionally sweet with lower acidity than conventional oranges.”

Moro (blood) oranges are also popular for Sunkist and are in season from December through mid-April.

“Moro oranges are known for their deep maroon interior and reddish-blushed skin. They are easy to peel with few seeds and are unique for their rich orange flavor with hints

“We are always looking for things to grow in small quantities. A lot of what we grow is very tender, and it has to be quickly picked and shipped.”

—Lance Walheim, California Citrus Specialties

of berry,” says Wickham. “They are just as fantastic as freshly squeezed juice and a vibrant addition to salads and desserts. They contain more than 100 percent of daily vitamin C requirements and are a good source of folate and fiber.”

Then there’s the pummelos, the largest of all citrus fruit and native to Southeast Asia, which have a thick, dark green peel that fades to yellow as the season progresses. Less acidic than traditional grapefruit, they have a zesty, tropical scent with a sweet and tangy flavor.

Among Sunkist’s other top specialty citrus sellers are: Clementine mandarins are a flat-round, medium-sized fruit filled with apricot nectar flavor that are part of the seedless and easy-to-peel segments; Minneola tangelos have a unique knob-like formation at the stem; Gold Nugget mandarins are a late-season, deliciously sweet variety with a bright orange and seedless interior.

Over the years, CCS has introduced a cornucopia of new citrus varieties, including: Moro, Tarocco and Sanguinelli blood oranges, an Oroblanco pummelo-grapefruit hybrid, Cara Cara pink navels, Buddha’s Hand citrons, Page mandarins, Italian lemons, and Bergamot sour oranges.

“I’ve always been interested in learning about what growers go through to choose a variety to plant, the risk they take, and why. As a grower, we’ve tried more than 30 different varieties. Some of them work and some don’t, and it’s interesting to understand why there are successes and failures,” says CCS’s Walheim. “You have to do your homework and find a variety you really love. We grow a Page mandarin, and I’ve always thought it’s one of the best flavors out there. It has its challenges with growing, but it’s a variety we have stuck by, and it’s caught on.”

Up and Coming

The finger lime, which was first introduced in the market four years ago, is one up-and-coming specialty citrus that Melissa’s Schueller advises to keep an eye on.

“We now anticipate this will be the first year we carry them year-round,” he says. “Up until last year, they were highly seasonal from July to

January. It’s a variety that is probably the least commonly bought variety and has limited distribution in major metropolitan areas throughout the U.S. It’s very high-end.”

Additionally, tangerines were highly seasonal from November to June, but because of the popularity of tangerines, mandarins and Clementines, 2014 will be the first year the fruits will be offered year-round.

Other varieties that may gain traction in the 2014 market, and in years ahead, include Kieffer limes, Sudatchi citrus, Yuzu and Kushi tangerines.

“Restaurants are the No. 1 way for people to get these new varieties into the marketplace. People are more likely to try these specialty items, not from curiosity, but by experiencing it,” says Schueller. “The influence of the media, the cooking shows and cookbooks help bring awareness as well.”

CCS tried a lot of varieties over the years, and found success with blood oranges and specialty mandarins. As a matter of routine, the company continues to look for that next “big thing.”

“We are growing some unusual Asian specialties — for example, Yuzu and Sudatchi, and we’re also growing items like Bergamot sour oranges,” says CCS’ Walheim. “We are always looking for things to grow in small quantities. A lot of what we grow is very tender, and it has to be quickly picked and shipped.”

Marketing Matters

Mayda Sotomayor, CEO of Seald Sweet, a Vero Beach-FL citrus marketing company, says criteria for anything being called “specialty citrus” includes when it’s not strictly volume-oriented, when it’s not widely grown, when its taste is unique or when availability is limited.

While every customer knows what an orange or Navel is, not everyone knows the characteristics of a blood orange or a Cara Cara, so it’s up to the retail stores to demo, promote and let customers taste them.

“Everything is about space in the retail store, so specialty citrus has to sell, which means you need positive word of mouth,” says Sotomayor. “Some people may have tried the food in a restaurant and they come searching for it, but a



lot of the introduction is partly the responsibility of the retailer to get people talking.”

Educating the consumer is vital, and it’s a responsibility that is shared by everyone in the specialty citrus process — from the grower, to the distributor, to the retailer.

“It’s really our job to advise retailers and to help them know the timing for promoting the correct specialty citrus, because many [of the fruits] are not around all the time. People are impressed when they find citrus you can’t find in other places,” says Sotomayor. “You want to help retailers differentiate themselves from others by having that citrus versus something else.”

Jeff Fairchild, lead produce buyer and merchandiser for New Seasons Market, a 12-unit chain of privately owned grocery stores operating in Oregon and Washington, defines specialty citrus as produce items that people don’t commonly see in a standard grocery store setting, but ones they might run across at a local farmer’s market. It’s his job, therefore, to get customers interested in seeing them in the New Seasons Market stores.

“Specialty citrus doesn’t begin with us until November when you start seeing some of the Meyer lemons, different varieties of kumquats, and some of the more unusual tangerines. They peak in early January and start tailing off by mid-March,” he says. “These are all great items to keep customers interested in produce at a time of year that doesn’t always have a lot of draw.”

One great way New Seasons Market promotes specialty citrus items is with an annual citrus festival, which is held every January on location at the stores. Shoppers can sample about 25 different citrus varieties at



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“We draw attention to items by bundling them together in a couple of spots, so people see them. It’s a mass of yellows and oranges, and the specialty stuff bundled together in a front-of-center display space is a great eye-catcher.”

— Jeff Fairchild, *New Seasons Market*

each festival. The stores also host in-store demos throughout the year.

Julie DeWolf, Sunkist’s director of retail marketing, says education should be a primary objective for merchandising specialty citrus.

“A recent study found that consumers are often confused when shopping in the produce department,” says DeWolf. “As new specialty items are being introduced, retailers need a method of ensuring that consumers can find these new items easily, describe them or explain their unique taste, and know their nutrition or recipe usage.”

Displays and header cards can provide solutions to better educate consumers. Sunkist offers interchangeable header cards for point of purchase displays that present all the information a consumer needs, including QR codes that allow smartphones web access to recipe suggestions.

“When specialty citrus varieties are in season, we recommend highlighting them to build consumer awareness and excitement during this timeframe,” says DeWolf. “Sunkist offers secondary display units that allow retailers to highlight specialty citrus varieties without giving up shelf space.”

Melissa’s Schueller says that savvy retailers will offer customized signage and recipe cards to bring attention to the newest specialty citrus varieties to keep people from getting sticker shock.

Additionally, providing demonstrations with the newest citrus varieties in store is a win-win for both the consumer and retailer.

“One of the things we can do is to provide retailers with as much information as possible, and that’s what we try to do on our website to give people the background on where the citrus comes from and the different ways it can be used,” says Walheim. “We also encourage stores to offer different varieties.”

CCS included fliers in every box, added QR codes, and worked with retailers to educate them about its offerings. Still, flavor is the No. 1 selling point that convinces a retailer to add an item to the store.

“It’s all about quality and freshness, and we send out different samples so buyers can taste

what makes these specialty produce items so noteworthy,” says Walheim. “We also try to coordinate different stories with the press and do anything we can to support the stores with marketing efforts.”

On Display

New Seasons Market’s Fairchild admits that specialty citrus doesn’t always sell a lot, but can bring people into the department. He also points out the benefit that a lot of specialty citrus doesn’t need large display shelves.

“You want people to notice the uniqueness, but you only need about a one-foot footprint to effectively sell, so you can do well selling specialty citrus without investing much real estate,” he says. “We draw attention to items by bundling them together in a couple of spots, so people see them. It’s a mass of yellows and oranges, and the specialty stuff bundled together in a front-of-center display space is a great eye-catcher.”

Secondary displays offer retailers a way to highlight specialty citrus varieties. The goal of these display units is to provide a vehicle for off-shelf placement, making it easier for retailers to showcase new products without giving up shelf space, which is already very limited.

“Bright and colorful specialty display units also grab customers’ attention and make it easy for them to identify the product as a new

offering as well as help them learn more about the product,” says DeWolf. “To provide another opportunity to drive trial, we also strive for placement in high-traffic areas like the registers.”

Melissa’s Schueller recommends that retailers use end caps with exciting varieties like blood and Cara Cara oranges during peak months, and also offer exciting varieties between commodity citrus like Buddha’s Hand, kumquats, mandarinquats, Yuzu, sour oranges, etc., as good color breaks between commodity citrus varieties.

Schueller also thinks cross merchandising specialty citrus next to like commodity items (for example key limes next to common limes; blood oranges next to Navel oranges; Meyer lemons and sweet lemons next to common lemons) is important.

“It just makes sense. If you put like items together, you get customers thinking of what they can do with them,” says Schueller. “In some markets, retailers may have an exotic fruit category they may place them in as well, but we always recommend retailers put them with like-citrus items.”

Premium Price

Specialty citrus is seasonal and also comes from a smaller production, making them a premium offering for consumers who are looking for a healthy, delicious, unique snack or ingredient.

“Stores should be looking to differentiate from the competition, and a great way to do that is by highlighting its specialty citrus,” Schueller says.

“Shrink among the commodity citrus varieties is a good indicator of how much room should be allocated for specialty citrus,” he says. “Typically, the specialty citrus can be



Year-round availability is increasing for finger limes. They have limited distribution but a high-end price point.



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sold at a premium, and higher prices mean higher profits. Retailers should focus on the exciting flavor profiles of the fruits, and the uniqueness of why to charge more for that item.”

The main problem with finding notoriety for the newer varieties is that until you cut them open and show them, most people don't know what they are and why they are special — and that makes it hard to set a higher price.

“What I've seen be successful is when a retailer cuts open a blood orange, or Cara Cara, and puts it in a cellophane wrap, then displays it,” says Seald Sweet's Sotomayor. “They see the color and the uniqueness — that alone gets people interested, and they end up purchasing it.”

The Future Is Now

Every year, more and more specialty citrus items are making way from growers (coming from as far as Europe, Asia and Latin America) to markets all across the U.S.

It's not an easy process, as new varieties sometimes take a long time to perfect and require a big commitment. In fact, Walheim says CCS is planting produce this year that may not be available for another four or five years



PHOTO COURTESY OF COURTNEY DUDLEY

down the road.

“With the citrus family in particular, there are hundreds of varieties that are not being utilized. The University of California is always coming up with new varieties,” says Walheim. “We are always on the lookout for the newest and most exciting things.”

There is constant talk in the industry about what's next, and Sotomayor is hearing a great

deal lately about the seedless lemon.

“The Meyer lemon is very unique and special in the culinary world. There will be a time when you can squeeze a lemon and you won't have to remove the pits,” says Sotomayor. “You also have a lot of new varieties of Clementines from Florida being tested that will provide retailers with longer seasonality. I predict great things continuing in specialty citrus.” **pb**

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Mexico Expands Opportunities

AN INTERVIEW WITH BALTAZAR HINOJOSA OCHOA, DIRECTOR IN CHIEF, SAGARPA, MEXICO CITY

By Jodean Robbins

PRODUCE BUSINESS explored Mexico's continued growth and development of produce exports and its orientation toward the future for both sides of the border with Baltazar Hinojosa Ochoa, the director and chief of SAGARPA (the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food, a unit from the Federal Executive Branch of the Mexican government that promotes the execution of policy of supports producers).

PB: Does Mexico continue to represent a growing force in produce production?

Hinojosa Ochoa: Mexico possesses a treasure of natural resources and production potential. We have a diversity of climates, proximity to the U.S., a skilled and hard-working labor force, and very smart, entrepreneurial farm managers and owners. In 10 years, our agricultural exports have practically tripled, reaching a value of over \$22 billion in 2011. Currently, worldwide, one in every three avocados comes from Mexico and 15 percent of limes are Mexican-grown. We export to over 123 countries, but of course our biggest trading partner is our neighbor next door.

PB: Describe Mexico's agricultural trade portfolio with the U.S. right now.

Hinojosa Ochoa: We currently export over \$17 billion of agricultural products to the U.S. and saw a 3.3 percent increase from 2011 to 2012. So far in 2013, we have seen a 5.6 percent growth over the same first semester time period in 2012. This shows that Mexican agricultural products continue to occupy an important place in the U.S. market. In 2012, 91.5 percent of our vegetable exports and 86.1 percent of our fruit exports went to the U.S.

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

Hinojosa Ochoa: This is a great question because historically our top exports were malta and tequila. In recent years, we've seen a shift in produce items taking the top spots in our ag export line-up. Currently, our No. 1 product is tomatoes. It has dropped malta down to No. 2. Bell

peppers and avocados are No. 3 and No. 4. Tequila now holds fifth position. Raspberries, cucumbers, watermelon, strawberries, asparagus and onion are all in the Top 20 ag export products now.

PB: What can we look for in Mexico's produce future?

Hinojosa Ochoa: We are seeing more and more Mexican producers interested in the dynamic of the U.S. marketplace and providing a wider variety of products. Our participation in the MexBest Pavilion at PMA's Fresh Summit last October is evidence of this. We had over 130 producers there representing over 50 fresh products. The pavilion continues to grow every year — not only in numbers but in product diversity. Our protected ag sector continues to develop new products that can be grown year-round. We see more producers in many different production areas of Mexico looking northward and expanding the availability of products like guava. We are also looking more and more to organic and Fair Trade products. You're going to see a significant availability in these value-added sectors in the near future out of Mexico.

PB: What else do you want buyers to know about doing business with Mexico?

Hinojosa Ochoa: Mexico is committed to producing high quality, safe fresh fruits and vegetables to meet consumer demand. Because of our diverse climate, we can produce products in optimum conditions. We are not trying to extend a season where it's not feasible. Many of our exporters utilize different micro-climates that allow them to grow the product during an extended length of time in different areas. Our producers also continue to invest in new technology and systems to improve quality and food safety. Mexican operations rival any in the world in their sophistication, knowledge and safety. We invite interested buyers and companies to get to know our producers and exporters better, and to see how we can mutually benefit each other.



*Baltazar Hinojosa Ochoa
Director in Chief
SAGARPA, Mexico City*



Experts Discuss Produce In Restaurants

Foodservice heavyweights discuss menu planning, produce procurement and partnerships.

BY PAUL FRUMKIN



Richard Dachman, Sysco Corp.



Tim York, Markon



Michael Muzyk, Baldor



Joel Panagakos, J. Kings

Vegetables and fruit are no longer considered second-class citizens by chefs and restaurant menu planners, and many in the produce business maintain a significant opportunity exists to boost consumption even further by working more closely with the foodservice industry.

While progress has been made, obstacles nevertheless persist in the supply chain to increasing produce consumption at restaurants, Jim Prevor, president and editor-in-chief of *PRODUCE BUSINESS* magazine, told attendees at the IDEATION FRESH Foodservice Forum during The New York Produce Show and Conference.

Chefs, distributors and other industry experts gathered recently at the third annual Forum to discuss topics such as menu-to-plate planning, produce procurement and partnerships as well as exploring ways the produce and foodservice industries can work together to merchandise fruits and vegetables more profitably.

One difficulty Prevor cites is that while an increasing number of chefs at white-tablecloth restaurants are indeed transitioning away from featuring meat as the lone center-of-the-plate star, the fine-dining sector itself only accounts for about 1 percent of all U.S. foodservice purchases, “and produce is still not that important in many [other] foodservice venues.”

“We hear that 90 percent of restaurant customer comment cards have to do with the

entrée — the protein on the plate,” Prevor says. “So restaurateurs feel they need to focus on protein because that’s what the customer is interested in. That’s a fundamental problem to increasing produce consumption.”

At the same time, he says suppliers historically have interacted with chefs and foodservice operators differently than they do with retailers. “Supermarkets wait for vendors to come and tell them what they should try to sell,” Prevor says. “In the restaurant sector, a chef decides to put asparagus on the menu. Procurement interfaces with sales in different ways.

“You can’t convince McDonald’s to sell peaches with one phone call,” he says, adding that the vast majority of suppliers have no one on their staff to work with restaurants.

Prevor also notes that when a producer finds himself stuck with a surplus of a particular item, he can reach out to a retail customer and offer a deal. “It’s just difficult for most foodservice operators to take advantage of that,” he says. “It really is a great challenge for producers to interact with foodservice operators.”

Another hurdle is the lack of consumption data. “The industry talks about doubling consumption of produce in 10 years, but we don’t know what the consumption figures are today,” he says. “There are no statistics.”

Nevertheless, experts at the conference agree that produce has made significant inroads in menu development at restaurants and stands to make more. Chandra Ram, editor of *Plate* magazine, observes, “so much is going

on in the produce world as pertains to chefs and restaurateurs. There is a new focus on vegetables — the attention is moving away from the big piece of meat.”

Ram cites such produce-related trends as meatless Mondays, chefs forming closer relationships with farmers, the growth in the number of restaurant gardens, pickling and preserving, leaf-to-stem cooking, vegetable cocktails, savory desserts and more exciting vegetable main courses.

Ram also believes that “farmers’ markets are influencing everyone. We’re seeing farmers as rock stars these days.”

Nutrition and dietary concerns also play into how produce is perceived today, but Ram cautions restaurateurs not to play the “health” card when menuing produce-centric dishes. “Putting those dishes in the ‘healthy section’ is like saying, ‘We never want to sell those items,’” she says. “People should eat a carrot because of the flavor, the texture, the color. Not because it’s healthy.”

Menu expert Nancy Kruse — whose presentation, “Veggie Chic: Why Produce is the Hottest Thing on the Menu,” was delivered by Prevor because Kruse was unable to attend — observes how improved flavor, health considerations, value perception and competitive advantage are motivating independent and chain restaurants to step up their usage of fresh fruit and vegetables.

“Fresh is a driver of menu R&D,” Kruse says. In fact, seasonality has emerged as a key driver

for chain operators seeking to promote fresh produce on their menus, adds Kruse. Examples include Shari's Restaurant (a chain of 24-hour dining restaurants in the western United States) promotion of fresh Northwest blackberries in its Blackberry Pulled Pork Salad, Panera Bread's summer Tomato & Fresh Mozzarella Salad, and Noodles and Company's (fast-casual restaurant headquartered in Broomfield, CO that offers international and American noodle dishes) springtime asparagus promotion.

But while fresh produce in general is becoming more important to seasonal menu planners, certain items such as avocados, corn, and crucifers — notably kale — are driving sales throughout the year. "Avocado is everywhere on menus," says Kruse, adding that it is the ingredient of the year for many fast food chains like Togo's, Chick-fil-A, Burger King and Whataburger, which have found ways to incorporate avocados into sandwiches and burger presentations.

Corn is also showing up on an increasing number of menus, such as California Pizza Kitchen's white corn guacamole appetizer, and Cracker Barrel's Shrimp & Grits with Roasted Corn Bread. Nightwood Restaurants even incorporates corn into a dessert, Sweet Corn-Vanilla Cake with Sweet Corn Ice Cream, while Big Jones in Chicago works it into a cocktail in its Summer Manhattan with Corn Cob syrup.

Cruciferous vegetables, such as kale, broccoli and cauliflower, also are having their day in the sun, Kruse says, citing Brennan's of Houston's center-of-the-plate treatment of its Chicken-fried Cauliflower Steak. Other operations, such as No. 7 Subs, are featuring Brussels sprouts on sandwiches. Meanwhile, kale appears to be everywhere, as evidenced in The Cheesecake Factory's Fresh Kale Salad and Starbucks' Turkey Rustico Panini with baby kale.

Savory dishes featuring fruit are also

beginning to appear on menus, Kruse says. For example, Olive Garden menued its Moscato Peach Chicken dish with spinach, tomatoes and Mafalda pasta, while Chicago's UNO Pizzeria and Grill offers Watermelon & Blueberry Salad with greens and red onions. Pizza My Heart features a Watsonville Apple Pizza with green apple, pepperoni, sausage, bacon and Gorgonzola.

"Produce offers multiple menu solutions and is accessible to the broadest range of operators," Kruse says. "And expect those opportunities to multiply."

Experts participating on the panel, "Partnerships in Procurement for Chain Restaurants," — led by former Nation's *Restaurant News*' editor Ellen Koteff — also discussed how suppliers and chain operators can work together more efficiently and profitably. Richard Dachman, vice president of produce for Sysco Corp., discussed how the Houston-based distributor works closely with casual-dining operator Brinker International to help in the development of menu items.

"Cathy [Leffingwell, Brinker's director of produce supply chain] and I do what we can to influence [Brinker's] culinary team when it comes to menu development," Dachman says. "She depends on us and will call and say, 'I need information on heirloom tomatoes — in a specific time and place.' We try to educate people about when to use products."

"Our R&D folks know trends," Leffingwell says. "But whatever they're looking at, we have to find out if there is enough supply out there and what the distribution channel looks like."

Jeremy Leech, executive chef for Fresh & Co., the nine-unit fast-casual chain based in New York, agrees that menu makers "need to keep up with what's available and seasonal. I come up with ideas and send them down the line. But we have to find out whether there is

enough supply, because as an item becomes more popular, demand goes up."

Peter Grannis, director of produce for Maines Paper & Food Service, the broadline distributor in Conklin, NY, notes that suppliers and operators must establish good communications, particularly when it comes to the cost of products. "You have to bring cost into the equation," he says. "You have to get the right produce at the right price."

Brinker's Leffingwell notes that because there is "a multitude of issues" with regard to menuing produce, "having a good partnership [with a supplier] is critical. You may have a gap in supply, but by working together you're able to manage cost and continuity of supply" more efficiently.

Chefs also are increasingly partnering with farmers to help ensure they can procure produce that meets their specifications. Paulette Satur, co-owner of Satur Farms on New York's Long Island with her husband (a former chef at Lutèce in New York), says her farm's connection to chef friends helped to fuel its growth since it was founded in 1998. "Now we're also working with distributors," she says.

And while panelists discussed other changes in the produce business — notably the availability of prepackaged items such as shredded lettuce and extended shelf life of many products — Leech cited honesty and full disclosure of a food's provenance and how animals are treated as being important developments. "We [chefs and restaurateurs] can now make better decisions," he says.

Dachman agrees, "The biggest change is transparency. We need to communicate — to promote partnership from A to Z and have no fear about communicating."

The topic of communication extended into a second panel titled "Partnerships in Procurement for White Tablecloth Restaurants." Led by



(L - R) Richard Dachman, Sysco Corp.; Cathy Leffingwell, Brinker; Paulette Satur, Satur Farms; Jeremy Leech, Fresh & Co.; Peter Grannis, Maines Paper & Food Service

Caroline Perkins, president of The Foodservice Content Company, the panel examined a range of issues impacting upscale restaurants and produce suppliers. "Our responsibility is to know what goes into that [restaurant order]," says Tim York, CEO of Markon out of Salinas, CA. For example, "Blueberries may not be as good as we would want them to be, but the operator may want them. So it's our responsibility to communicate that. The operator has to trust us."

And while produce has been garnering more respect in restaurant kitchens over the past several years, many panelists' cautioned attendees that time had not yet come to discard protein as the main component in menu development. "Produce is generally important, but it is still a supporting element," says Ben Pollinger, executive chef of Oceana, a luxury seafood restaurant in New York. "It's important to have vegetarian items on the menu — we have at least two vegetable-based items in the appetizer category. But vegetable main courses don't really sell, probably because Oceana is a seafood restaurant and that's what people come in for."

"Produce is an important accompaniment," Pollinger says. "But seafood is still the center-of-the-plate for us."

Maricel Presilla, chef-owner of the Latin American-flavored Cucharamama, Zafra and Ultramarinos operations in Hoboken, NJ, agrees, "My experience is similar." However, she adds, "We always have vegetable sides for the protein course — like yuca. When we're planning menus, we try to feature vegetables in different ways."

But while vegetables and fruit have yet to supplant protein in the all-important center-of-the-plate position, experts say white-tablecloth chefs and chain operators are nevertheless casting a wider net when it comes to ordering and preparing produce — which can make more demands on suppliers.

"We do everything to get it right on our end," says Michael Muzyk, president of Baldor, a specialty produce distributor based in New York. "When Ben [Pollinger] calls and asks for something [that is not in stock], I have to hustle. An item may be [at the Los Angeles airport] this morning, [in New York] at JFK later in the day, and in his kitchen tomorrow morning. It takes a lot to get it there. But he doesn't want to know about my issues. He has his kitchen to worry about."

Joel Panagakos, executive vice president of business development for J. Kings Foodservice Professionals, a distributor based in Holtsville, NY, agrees, "When our customer calls and that

produce he ordered isn't in stock ... we have to move on a dime and be flexible."

Panelists also discussed long-term changes in the produce and restaurant industries. For example, York says he has observed major growth in the availability of semi-processed items. "Labor is a big issue in the back-of-the-house," he says. "So we're seeing growth in value-added convenience items, such as whole, peeled onions. It also helps reduce waste."

And as a greater diversity of fruit and vegetables are appearing on menus today,

restaurants have to take the time to familiarize their employees with the new items. "A lot of education takes place in my restaurants," Presilla says. "I talk to [servers] constantly. It helps to market the menu."

Pollinger echoes a similar message. "The waitstaff has a meeting everyday. I might bring out a particular dish with the whole vegetable [it contains] because they might not be familiar with it. The education comes from me, but I need to get someone at the supplier level to explain the item to me first." **pb**

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Clamshell producers are taking manufacturing up a notch by creating improvements to safeguard produce.

The Next Generation Of Clamshells

The race is on to create leaner, lighter and greener clamshell options. **BY BOB JOHNSON**

Clamshells have become so widely accepted in the produce department that the industry is entering the next generation of products. Some new clamshells can hold and display two or three complementary produce items in a single package while others are designed to protect produce from heat. And the race is on to create leaner, lighter, and literally greener clamshells using bioplastics that will shrink the carbon footprint.

“The pie has been growing for rigid plastic clamshells since 1987. I know there are more products out there, and more retailers are asking for them, so shippers are packing more of their product in clamshells,” says Jim Scatini, vice president for marketing at Sambraio Packaging, Watsonville, CA.

The driving force behind the category remains the superior presentation and protection of the produce, protection against both physical bruising and against contamination by tampering fingers.

“The retailers want them because the produce is not loose, like in a bag. There is more protection for the product,” says Kurt Zuhlke Jr., president and CEO of Kurt Zuhlke & Associates Inc., Bangor, PA.

To answer the call, clamshell producers are taking manufacturing up a notch. By creating improvements to safeguard the produce with a container that makes for beautiful presentation, producers are evolving the product.

Keep It Fresh

With food safety front and center in the minds of many consumers, a clamshell should show off its superior ability to shield produce.

“The trend in produce is toward tamper-evident; I think that started around two years ago,” says Fran Rizzo, director of marketing and communications for D&W Fine Pack, Elk Grove Village, IL.

Part of consumers’ concerns regarding food safety is tamper resistance for packaging in their local grocery stores.

“Food safety is the No. 1 priority,” says Aaron Daniel, value-added vegetables manager at Fry’s Supermarkets in Tolleson, AZ. Fry’s operates more than 100 supermarkets throughout Arizona, and is a subsidiary of Kroger.

A quality clamshell must be tamper-evident, but there are different tamper-evident designs best suited for safeguarding items within the produce department.

“Produce can be whole fruit, such as blueberries and strawberries. It can be cut fruit, such as a mix of melon, pineapple, etc. Or it can be vegetables,” says Herb Knutson, director of marketing for Inline Plastics Corp., Shelton, CT. “Whole fruit will typically require a vented container. Cut fruit is best in a leak-resistant container. Vegetables, depending on the type, may need some venting in the clamshell, but not as much as whole fruit.”

“A lot of the things in produce are managed on a specific category level. There are a lot of strategic decisions involved,” says Daniel.

Many produce items are displayed under refrigeration. But some clamshell designs subject this fruit to heat long before it reaches the store. Inline developed a clamshell that is particularly suited for extending the shelf life of these produce items, because the tamper-evident tear strip can be sealed without exposing the produce to heat.

“When Inline was doing market research during the development of the Safe-T-Fresh product line, we often saw open produce clamshells on the store shelves, as well as clamshells with rubber bands around them to keep them closed. Cut fruit containers often had a heat shrink band applied to keep the lids

on, and provide a measure of tamper resistance. Cut fruit is usually packed cold and displayed in the refrigerated section or on ice. Applying heat to the filled container shortens the shelf life of the fruit. We designed Safe-T-Fresh clamshells to be leak-resistant, tamper-resistant, and they don't require a shrink band," says Knutson.

The tear strip also makes the securing process for each clamshell easier for the packer.

"The Inline plastic container with the tamper-evident tear strip is a very popular container. The packers don't have to use a shrink band, which lets them save a step and spares the product from being heated," says Tom Gautreaux, national sales director for Maxwell Chase Technologies, Atlanta, GA.

Maxwell Chase makes absorbent pads that can be a key ingredient in reducing damage to vegetables as they are cut, rinsed and packed in clamshells.

"If you wash and cut vegetables, then you have to spin dry them. If you use our product, you don't have to spin dry, because you can pack the product wet and let the pad absorb the moisture. When you spin dry, you mash the product and lose natural moisture. You get about an 8 percent increase in weight with the pad, because you're not spinning out natural moisture — and it looks better," says Gautreaux.

This technology is catching on in a big way. Demand for the absorbent pads has increased around 50 percent over the past year-and-a-half, according to Gautreaux.

To Protect and Display

If a clamshell is to protect and display produce, it must be durable and clear.

"A good clamshell needs to have clarity and strength," says D&W's Rizzo.

The superiority of clamshells begins with the safekeeping they provide produce on the trip to the store as well as the trip from the produce department to the kitchen.

"All clamshells are not created equal! First, no matter what type of clamshell it is, it should have a secure closure so that it does not pop open during shipping or on the way home from the market," says Inline's Knutson.

Producers are competing in their ability to develop clamshell designs that clearly show the produce has not been tampered with.

"Tamper-resistant/tamper-evident containers are very important in the produce market. Inline developed the Safe-T-Fresh line of tamper-resistant containers to discourage product sampling in stores and to assure consumers that the product they are

buying has not been tampered with since it was packed," says Knutson.

"A good clamshell is one that operates properly with no issues closing and protects the product properly. You want a clamshell with smooth walls that do not damage the product. You also want a clamshell that doesn't collapse under its own weight if you have to stack them," says Sambrailo's Scattini.

"It's protection. If you put leafy greens in a bag they get squashed," says Stan Ahl, produce director at Piggly Wiggly Carolina,

Charleston, SC, which operates nearly 60 stores in South Carolina and Georgia.

"The design is important; it has to be rigid and protect the product," says Zuhlke of Zuhlke & Associates.

No produce item has proven more amenable to clamshells than berries, which will never again be widely displayed in the green plastic baskets that some younger people have never seen.

"Most berries are displayed in clamshells that are delivered in reusable plastic containers,"

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says Jerry Welcome, president of the Reusable Packaging Association (RPA), Arlington, VA. "Strawberries, raspberries and blueberries are delivered to the store in a rigid container that won't damage the product. They [shippers] would take the consumer package, which is the clamshell, and put it into a larger reusable plastic container. You're not going to get berries coming in bulk."

Salad greens are also widely shipped and displayed in clamshells. "About six years ago, organic salads started coming in clamshells.

Not much has changed since then," says Piggly Wiggly's Ahl.

"Clamshells are continuing to grow because they protect the produce, and they are good for merchandising," says Roman Forowycz, corporate chief marketing officer at Clear Lam Packaging Inc., Elk Grove Village, IL.

"Clarity of the container is important for merchandising. Consumers like to see what they are buying. Leak-resistant containers for cut fruit, olives, etc., keep store shelves neat and clean, as well as prevent spills in the shopping

bag," says Inline's Knutson.

In addition to the material, the design of the clamshell can also impact the view of the product.

"We feel it's nice if the produce inside is visible, so we make ours with smooth walls," says Sambraillo's Scattini.

When it comes to the quality of the display in a clamshell, size matters.

"You can see the product in a clamshell, and the graphics on the container are a plus. But it is easier to see the produce in a larger clamshell. With the 4-ounce container of blueberries all you can really see is the label; but with a larger container you can see the berries," says Ahl.

One producer is tackling this visual approach with a new line of clamshells that displays several complementary produce items in a single package.

"We just introduced two new varieties of clamshells — a two-compartment and a three-compartment. It gives variety to the consumer. Instead of buying two varieties or three varieties, you can get them in one product," says Zuhlke of Zuhlke & Associates.

Many of the newest innovations in clamshells have to do with sustainability. Clamshells made of recycled material already have a story that can be merchandised. Producers are working to make it a better story.

"Our clamshells are made of 100 percent post-consumer plastic that is itself recyclable. It's a positive story to tell. There are some new things that may be coming out in the area of sustainability," says Scattini.

Keep It Green

Because nearly all clamshells are petroleum-based, it helps to have answers to questions that can come from green-minded consumers.

A consumer base that chooses not to purchase produce in clamshells for environmental reasons still exists.

"Because of the business we're in, our customers don't want clamshells. We're doing organic, all natural produce, and our customers are very environmentally conscientious," says Robert White, produce manager at Living Earth Natural and Organic Foods Market, a 43-year-old independent health food and grocery store in Worcester, MA.

Many customers at this store even prefer to avoid using plastic bags for their produce, according to White.

"We don't have an extensive clamshell program, but some items only come in clamshells, like cherry tomatoes or grape tomatoes. I often have a choice. For example, I can get Brussels sprouts in clamshells or by

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bulk in a 12-pound box. I prefer them in the box,” says White.

One response to sustainability comes from NatureWorks, a Cargill subsidiary headquartered in Minnetonka, MN, that uses a plant-based material to manufacture clamshells.

“It is clear that consumers prefer renewably sourced packaging,” says David Stanton, North American marketing manager at NatureWorks.

Ingeo, the plant-based plastic material, also weighs less than conventional clamshells.

“Because of its stiffness, Ingeo bioplastic can produce clamshells that are 20 to 30 percent lighter than fossil-carbon-based packaging,” says Stanton.

Bioplastic is, if anything, more stable in price than petroleum-based containers.

“If we are doing our jobs successfully, the consumer will not be asked to pay a premium for renewably sourced packaging,” says Stanton.

“We’ve talked about using the plant-based clamshells, but we’d rather go more with bulk produce and keep the costs down,” says White.

In general, the demand for plant-based clamshells remained strong even during difficult economic times.

“Demand for Ingeo renewably sourced clamshell packaging is strong. There are three reasons for this demand: performance, reduced cost volatility, and the desire to move away from fossil resources. NatureWorks has not seen clamshell resin sales impacted by the economic downturn,” says Stanton.

Producers of petroleum-based clamshell products, however, are also working toward product sustainability.

One route is to make the clamshell with post-consumer material that is itself recyclable.

“They need to be sustainable. The material should be recyclable and made out of recycled material. It should be made of PET material,” says Zuhlke of Zuhlke & Associates.

Another part of a solution is to generate clamshells that use less plastic, and require less fuel in transport.

Clear Lam has moved to packaging that attempts to blend the best of clamshells with the best of flexible packaging.

“We’re doing more flexible packaging now, and I think the industry will see a hybrid technology that combines the advantages of clamshells and flexible packaging. Hybrids exist for commodities such as apples, cut broccoli and cauliflower, tomatoes, and carrots,” says Clear Lam’s Forowycz.

The advantage of this hybrid is largely in the economy of space on the truck and in the distribution center.

“It’s a box made on a bagging machine. You can flatten them out when you’re done with them, so they don’t take as much space on the truck or use as much fuel to transport,” says Forowycz.

Clear Lam was awarded a PMA Impact Award for Excellence in Packaging for a package developed in collaboration with Ready Pac Foods, Inc. The award-winning design is a Peel and ReSeal lidding film on a lettuce tray, which uses about one-third less plastic than trays with preformed rigid lids and shrink bands.

The PrimaPak rollstock includes the Peel and ReSeal lid that opens easily and reseals itself to the package with a light touch. The Peel and ReSeal lid is recommended for select fresh-cut produce, dried fruits, nuts and other food products with little to no particulates.

The technology creates a hinged lid that snaps down tight when resealed. The snap lid was developed to handle products with a lot of particulate. Snap lid applications include fresh-cut produce, salad toppings, powders, and spices. **pb**



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Winter is when the mushroom category can reach 2.1 percent of department dollars, according to FreshLook Marketing Group's Fresh Mushroom Topline Report.

Heat Up Mushroom Sales In The Winter

Multiplicity in taste, texture, and variety make mushrooms a strong force to generate produce sales during the winter season.

BY CAROL M. BAREUTHER, RD

Cold weather often creates that craving to cozy up at home and enjoy the familiarity of hardy comfort foods, many of which feature mushrooms in center plate.

“Mushrooms are high in umami, the ‘fifth taste,’ which is savory in itself and also makes other ingredients taste better,” says Bob Engel, who is chef liaison and in public relations for Gourmet Mushrooms, Inc. in Sebastopol, CA. “In the kitchen, they behave more like meats than vegetables; and much like meats, they are highly adaptable. It’s easy to see why mushrooms are used in every type of cuisine around the world.”

Mushrooms are unique items in produce departments because there is no seasonality to supply. Yet, farmers ramp up production in the coldest months of the year. As a result, winter is when the mushroom category can reach 2.1 percent of department dollars, according to FreshLook Marketing Group’s Fresh Mushroom Topline Report, for the 52-week period ending October 6, 2013, compared to a contribution as low as 1.7 percent during the

summer. For retailers, this winter boom offers major opportunities for heating up mushroom sales even more.

‘Srooms Rule In Winter Dishes

The wintertime popularity of soups, stews and casseroles “is a big reason for the increase in mushroom sales we see in January and for the proceeding two to three months,” says Joe Caldwell, vice president of Watsonville, CA-headquartered Monterey Mushrooms, Inc.

So savvy marketers know sales can spike if retailers make it easier for customers to cook with mushrooms.

“Mushrooms can be used in every-day cooking and in every course,” says Kathleen Preis, marketing coordinator for the San Jose Mushroom Council out of San Jose, CA. “They are versatile, whether used as a topper or a filling, and available both whole and sliced to appeal to the convenience shopper. Retailers can convey this in a variety of ways: signage, cross-merchandising, demos, recipes, and featuring farmer profiles in store.”

“The two fastest category movers at Kings

Food Markets, a 25-store chain based in Parsippany, NJ, are sliced baby bella or crimini and sliced shitake,” says Paul Kneeland, vice president of produce, floral and meat.

Maria Brous, director of media and community relations for Publix Super Markets, a 1,000-plus-store chain headquartered in Lakeland, FL, which operates in six southeastern states, also says sliced mushrooms are big sellers. “Overall, our best-selling mushrooms are the sliced white and the sliced baby portabella mushrooms.”

“The 8-ounce sliced white is the No. 1 selling SKU in the mushroom category at retail,” says Monterey’s Caldwell. “Now we’re seeing more demand for different size sliced packs such as 12-, 16- and even 24-ounce. At the same time, the 5-ounce sliced shiitake is the fastest growing exotic pack.”

“Cross-merchandise sliced mushrooms next to frozen meals and soups,” recommends the Mushroom Council’s Preis. “Use signage to call out to customers that they can make these entrees heartier by tossing in mushrooms.”

Rick Watters, manager of operations for

TAP INTO NEW YEAR'S RESOLUTION

Weight loss is the No. 1 New Year's resolution, according to statistics published in December 2012 in the Journal of Clinical Psychology by University of Scranton researchers.

"Studies show that regular substitution or inclusion of mushrooms in diet, in place of meats, can have a significant effect on weight," asserts Bob Engel, chef liaison and in public relations for Gourmet Mushrooms, Inc. in Sebastopol, CA.

In a 2013-published study, researchers at the Weight Management Center at Johns Hopkins Bloomberg School of Public Health found that obese adults who ate a cup of mushrooms per day, in place of meat, lost an average of 7 pounds in one year. Considering that half a pound of fresh button mushrooms equals 1 cup of sliced and cooked mushrooms, this research suggests that if shoppers were made aware of these results — via point-of-sale, supermarket RD's, retail blogs or other retail communication vehicles — they may be encouraged to purchase up to 3.5 pounds of fresh mushrooms each week.

Earlier work by these same researchers revealed that study subjects successfully

lost weight when they replaced a portion of meat in recipes with an equal amount of mushrooms. This landmark research is the basis of the Mushroom Council's "Swapability" campaign.

"Retailers can promote The Mushroom Council's 'Swapability' efforts by providing 'blended' recipes for popular items that feature a 50-50 mix of meat and finely chopped mushrooms as the main protein, including burgers, tacos, and meatballs," says Bill Litvin, national account manager for Giorgio Foods, Inc., in Temple, PA. "According to the Council, this will help consumers continue to eat the iconic foods they love while allowing them to eat healthier and providing the great taste that they expect. No other vegetable looks, tastes, acts or performs as much like meat as mushrooms."

The Mushroom Council offers collateral materials such as recipes, full-color photography, fact sheets and short instructional videos that pair well with in-store demos, which promote the concept of "Swapability." Retailers can contact their suppliers to obtain these resources.

Staying fit and healthy was ranked fifth

among New Year's resolutions in the survey by University of Scranton researchers.

"Over the past five years, we saw increasing research about the health benefits of mushrooms," says Jane Rhyno, director of sales and marketing for Highline Mushrooms in Leamington, ON. "Mushrooms are a nutrient-dense superfood, yet few consumers know that. Communicating the amazing benefits of mushrooms and how easily they add nutrition to any dish is a key focus."

Mushrooms are popular for virtually every diet such as Weight Watchers, Mayo Clinic, South Beach, DASH, Best Life, Macro-biotic and Glycemic Index, according to The Mushroom Council. Additionally, those with specific dietary restrictions such as gluten, sodium, casein, eggs and sugar are also commonly consuming mushrooms.

Also, Kathleen Preis, marketing coordinator for the San Jose Mushroom Council out of San Jose, CA, suggests promoting vitamin D-enhanced mushrooms in the winter "when there's a minimum sunlight during the day."

pb

Champ's Mushrooms, in Aldergrove, British Columbia, recommends alternate pairings. "Merchandise fresh-cut mushrooms with spice packets for an easy side dish, filling or steak topping."

To-Jo Fresh Mushrooms LLC Inc., in Avondale, PA, retails a microwavable pack that contains 7-ounces of pre-cleaned sliced white mushrooms and a 1-ounce herb seasoning pack. "This product can easily be merchandised in the meat department to make a meal," says director of marketing, Peter Wilder.

All About Positioning

"Research shows customers need to be prompted to purchase mushrooms," asserts Gary Schroeder, president of Oakshire Mushroom Sales LLC, in Kennett Square, PA. "The best way to accomplish this, and add incremental sales, is by display in secondary locations both within and outside of the produce department. For example, we've seen our Dole-branded mushroom sales increase 15 to 20 percent when just positioned next to Dole-branded salads."

"At Kings, steak sliced mushrooms are

merchandised next to steaks when, for example, grass-fed beef is on sale. We'll also tie in organic chickens and organic mushrooms," says Kneeland. "In addition, we'll put recipes on our website as well as send out recipes to customers who request them in a weekly e-blast."

Brous says Publix offers customers menu ideas as well. "We offer recipe cards in our produce department for mushrooms."

A good recipe program "takes the consumer's fear out of new usage ideas," says Kevin Donovan, national sales manager for Phillips Mushroom Farms Inc., in Kennett Square, PA.

"Consumers can find recipes printed directly on our environmentally friendly corrugated mushroom tills," says Bill Litvin, national account manager for Giorgio Foods,



Inc., in Temple, PA. “In addition, we’ve made the recipes on our website easy for consumers to access by including QR codes on our product labels. Customers scanning the QR code with their smartphones will be sent to the website’s recipes page where they can access our large database. The selection includes wintertime favorites such as creamy sausage stuffed mushrooms and grilled portabella quesadillas.”

Monterey’s Caldwell recommends taking a cue from casual dining chains, such as Chili’s and Applebee’s, by including images of the finished dish along with recipes. “Images are very powerful,” adds Caldwell.

When looking to cross merchandise mushrooms, “retailers should think about a meal option,” says Jane Rhyno, director of sales and marketing for Highline Mushrooms in Leamington, ON. “We know that mushrooms are one of the most used toppings on pizza, so think about cross-merchandising sliced mushrooms alongside of the fresh pizza dough and pepperoni. Also, adding a display of pasta and Alfredo sauce beside your mushroom section will give the customer an instant and easy meal idea.”

“Over the past five years, we saw increasing research about the health benefits of mushrooms. Mushrooms are a nutrient-dense superfood, yet few consumers know that. Communicating the amazing benefits of mushrooms and how easily they add nutrition to any dish is a key focus.”

— Jane Rhyno, Highline Mushrooms

Publix does just that by incorporating mushrooms in its Aprons Simple Meals program, explains Brous. “In this program, we offer our customers at least one meal solution per week where they are able to taste the meal, pick up a recipe card to recreate the meal at home, and reach into the adjacent bunker for all the items needed.”

A few examples of recipes showcased in the Aprons Simple Meals program that feature mushrooms include: Beef Stew with Barley and Mushroom Cheese Rolls, Mushroom Soup with Focaccia BLT, and Mediterranean Scallops

with Artichoke-Mushroom Pasta.

Promote Mushrooms For Meatless Meals

The focus on health and nutrition this time of year coincides with the trend for Meatless Mondays and vegetarian-friendly meals. According to a 2012 National Harris Poll commissioned by the Baltimore, MD-based Vegetarian Resource Group, while only 4 percent of Americans are vegetarian (do not eat meat) or vegan (do not eat meat, dairy, poultry or fish), 43 percent eat one or more vegetarian meal per week.




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“Mushrooms provide a meaty texture and savory taste to dishes without the added fat, calories and cholesterol of meat,” says To-Jo’s Wilder.

Lent, which starts March 5, 2014, is another time people skip eating meat one or more days a week.

It’s A Ripe Time To Feature All Mushrooms

Mushroom sales increase in the winter “because there is less competition from seasonal fruits and vegetables,” says Monterey’s Caldwell. “Therefore, it’s a good time to promote a variety.”

At Publix, Brous says they do just that. “We offer a white, portabella, baby bella or crimini, shitake, oyster and mushroom blends during the winter.”

White mushrooms continue to be the No. 1 seller, but we saw excellent growth in crimini mushrooms over the past few years, explains Highline’s Rhyno. “This mushroom variety has a heartier flavor, so we see consumers trying it and then making it their mushroom of choice.”

Monterey’s Caldwell agrees. “Brown mushrooms, crimini and portabellas are used more now in casseroles, stews, omelets and sautéed due to its rich flavor. Browns currently represent about 25 percent of category sales. I think that will grow to 35 to 40 percent in the next few years.”

“As the popularity of Asian cuisine continues to increase, we also see the growth in exotic varieties of mushrooms — such as shitake and king oyster,” says Highline’s Rhyno. “Consumers are becoming more familiar with its taste and usage options.”

“Shiitake and oyster mushrooms are displayed in the Asian vegetable set at Kings in addition to the destination mushroom display,” says Kneeland. “This makes it easy for customers to buy all their ingredients for a stir-fry.”

To encourage customers to trade up, “recipes found on our website and on our packaging indicate that customers can use ‘mushrooms of their choice,’ and we list a variety of mushroom options for consumers to consider,” says Giorgio’s Litvin.

“Retailers can also showcase recipes that have multiple mushrooms in the ingredients like a Wild Mushroom Sauce with portabella, crimini, shiitake, morel and chanterelle mushrooms. This tactic offers consumers an opportunity to experiment with different mushrooms, and it opens opportunity for retailers to increase the sales of different types of mushrooms,” adds Litvin.

Gourmet Mushrooms’ Engel agrees. “Mushroom flavors are synergistic, they support one another. A dish with several types of mushrooms is more interesting than one with a single variety.”

Kings’ Kneeland runs multi-variety ads to encourage customers to purchase more than one type.

For single variety ads, Monterey’s Caldwell says, “A multi-week promotion on one item is not as effective as rotating through the

entire category.”

Finally, “while 60 percent of mushrooms sold nationally are grown in Pennsylvania, there are also farms in Florida, Illinois, Texas and California as well as in Canada,” says the Mushroom Council’s Preis. Therefore, Preis says that certain markets can promote its mushrooms as local. “Mushrooms can make a great addition to a retailer’s locally-grown section in the winter when there isn’t much else in many parts of the country.” **pb**

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Because of tofu's neutral taste and its ability to absorb flavor from other ingredients, marketers are creating products that work with a variety of cooking methods to meet consumer demand.

Tofu: New Possibilities For An Ancient Food

With consumer demand growing and marketers increasing product diversity, retailers now have a wide platform to step up sales. **BY BOB JOHNSON**

Tofu is gaining popularity as a heart-healthy source of vegetable protein without animal fat or cholesterol that can be prepared and served with lots of vegetables and fruits.

For those retailers shooting for repeat sales or to expand the category options in Produce, it's important to introduce these neophytes to preparation choices for this soy-based nutritional powerhouse because tofu offers numerous meal options.

Fortunately, many suppliers are providing the first step in this education by creating a variety of interesting flavored tofu products. "We're always bringing something new into the marketplace," says John Roberts, general manager of Marjon Specialty Foods, Inc. in Plant City, FL. "We have tofu products with salsa in them, as well as sliced and marinated tofu items. For the past year or year-and-a-half, our brand has been expanding. People were down on soy for a while. Now they seem to be excited for it because it's heart healthy."

A Food Of Many Flavors

Marjon, which specializes in healthy items for the produce department, launched grilled or crumbled tofu in a variety of flavor profiles including garlic and herb, hickory sizzler, and

mesquite pepper.

Other producers are also coming out with products that give the cook a leg up on making flavorful tofu-based dishes.

"We have some ideas that we are experi-

Tofu offers retailers countless ways to help consumers prepare meals.



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“A lot of tofu-based desserts, dips, and sauces are blended and assembled without any cooking or baking, which makes them very convenient for samples.”

— Hiroyuki Imanishi,
Morinaga Nutritional Foods, Inc.

menting with regarding flavored tofu,” says Andrew Yap, president of LEASA Industries Co., Inc., in Miami, FL. “We already have cilantro, vegetable and spicy tofu. We cook the cilantro right into the tofu.”

LEASA Industries started in the 1970s when George and Einez Yap began growing and selling sprouts. Today the company is a large producer-shipper of healthy food products for retailers throughout the Southeast.

Although tofu can be effectively merchandised next to vegetables, there are also tofu products that include cut vegetables for stir-fry meal convenience.

“Tofu should be cross-merchandised with fresh vegetables such as prepackaged stir-fry mixes,” Yap says. “LEASA offers a Vegetable Stir-Fry Mix, and consumers can simply add tofu in order to create a healthy vegetable tofu dish that has a delightfully appealing taste. Today’s consumers are not only seeking more healthy ideas but also desire simplicity

and convenience in their meal preparation.”

This segue into flavorful tofu is important because a wide net of consumers is still unfamiliar with it and many think of tofu as being bland or unappetizing.

“Tofu is a very healthy product that many consumers want to experience. However, if not prepared correctly, the taste of plain tofu is not very appealing. It is very important for consumers to be educated on the effective preparation of tofu,” Yap says.

There are also new tofu products that are

particularly amenable to use in salads, smoothies or even desserts.

“A lot of tofu-based desserts, dips, and sauces are blended and assembled without any cooking or baking, which makes them very convenient for samples,” says Hiroyuki Imanishi, president and CEO of Morinaga Nutritional Foods, Inc. in Torrance, CA. Morinaga produces a range of tofu products, including a Silken Soft Tofu that is particularly suited for dips, sauces and smoothies. “Some of the most popular recipes on our website are the

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simplest: a blended Easy Chocolate Dessert, Eggless Egg Salad, Low-Fat Spinach Dip, and Strawberry Banana Shake. Seasonal and holiday recipes are also popular with consumers, such as dairy-free pumpkin pie for Thanksgiving or eggnog for the holiday season.”

Other suppliers are enhancing tofu products by making them even more nutritious.

“While we cannot comment on new products that are still in development, we are continuing to expand distribution of our most recent tofu launch, Nasoya TofuPlus,” says Tim Kenny, vice president for marketing at Vitasoy USA, Ayer, MA. “This premium line of tofu contains added nutrients (B vitamins, calcium and vitamin D) for people who are reducing meat and dairy products for a variety of reasons — including lowering cholesterol and saturated fats. The Nasoya TofuPlus line also has a Black Soybean variety, which Dr. Oz recently touted as the newest superfood that can help you lose weight, lower cholesterol and fight inflammation.”

Nasoya is a subsidiary of Vitasoy, a major producer of tofu in China, where soy has been the most important source of protein for more than 4,000 years.

“The Nasoya TofuPlus line offers retailers the opportunity to drive category growth with a tofu line that commands premium pricing. The line is supported by Nasoya’s broad web and social media campaign that educates consumers about how to use tofu in everyday recipes,” Kenny says.

Cross-Merchandising In Produce

The range of intriguing uses and the number of curious new consumers drawn to health messaging make tofu ideal for in-store demonstrations.

“We’ve been talking with a few cut-veggie companies for cross-demoing,” says Yoko Difranca, manager of public relations and

marketing at House Foods America Corporation out of Garden Grove, CA.

House Foods America produces a range of tofu products, including organic, as well as other Asian health foods. Although Asian stir-fry is the most popular use for tofu, chefs are now creating tofu entrees from other culinary traditions.

“Our Wok Me Up tofu plus sauce starter kit can be demoed in stir-fries. For plain tofu, salad may be the easiest for demos. “By retailers cross-promoting tofu with cut veggies, they can encourage new users; people who never tried tofu, or didn’t know how to prepare it, may be converted,” says Difranca.

“Tofu can also be prepared in non-Asian cuisines. We work with actress Debi Mazar and her husband Gabriele Corcos, stars of Cooking Channel’s *Extra Virgin* cooking show. Corcos is an Italian chef from Tuscany, and they’ve been developing Tuscan-inspired tofu recipes,” adds Difranca.

“Our newly redesigned website features creative recipes for common dishes including tacos, spaghetti, lasagna, pizza and quiche as well as sweet items including cheesecake, mousse and smoothies,” says Kenny from Vitasoy.

“Tofu is traditionally associated with stir-fries, but it can be a healthy substitute in almost any dish made with meat or dairy,” Kenny adds. “Tofu can be cross-merchandised with vegetables including broccoli, scallions and garlic that are commonly included in stir-fry. Tofu can also be cross-merchandised with salads where it is often substituted for meat or cheese as a healthier protein topping. It can also be cross-merchandised with fruit to make high protein dairy-free smoothies.”

According to Morinaga’s Imanishi, tofu and fruit is great for blending smoothies. Popular combinations are strawberry and banana, or mango and pineapple.

GMO OR NOT

Tofu has particular appeal to vegetarians and other consumers looking for natural foods as a healthy alternative. But there are, by far, more acres of genetically modified soy than of any other crop grown for human consumption according to the USDA Agricultural Research Service. The question is if it matters to your customers whether the soy in the tofu is genetically modified or not. The answer can vary.

“We make organic tofu with non-GMO soy,” says John Roberts, general manager of Marjon Specialty Foods, Inc. in Plant City, FL. He also explains that if your company is trying to put tofu into a Whole Foods Market, consumers will be looking for non-GMO product. If you are talking to Publix, Target or Wal-Mart, consumers might not be as concerned with the product’s GMO status.

Many tofu producers believe this question is important

enough to say non-GMO prominently on the label.

“All Nasoya tofu products now carry the Non-GMO Project certification logo,” says Tim Kenny, vice president for marketing at Vitasoy USA, Ayer, MA.

Because GMO-free really matters to many tofu consumers, you can get a premium if you offer this guarantee.

“We are currently developing an organic Nigari tofu to be sold in Tetra Pak packaging,” says Hiroyuki Imanishi, president and CEO of Morinaga Nutritional Foods, Inc. in Torrance, CA. “The organic market is growing, and there has been consumer interest in traditional and culturally authentic foods. Tofu made with nigari, or magnesium chloride, has a mild, sweet taste that best replicates traditional Japanese tofu made with seawater. The unique concept of this product allows it to be sold at a higher price point for a larger margin.”

pb

“We always embraced versatile uses for tofu beyond stir-fry,” says Imanishi. “Silken tofu works particularly well in desserts, replacing dairy and egg in pies, mousse, and flan. It can also be blended into creamy sauces and dips, which are easy to prepare and serve.

“Lately we’ve been developing recipes for tofu beyond East Asian cuisine and into Latin American traditional recipes, such as enchi-

ladas, migas (a Spanish or Portuguese breakfast meal), and horchata (a Mexican drink typically made with rice) by using tofu in conjunction with — or in place of — meat, egg, or cheese. We also suggest using tofu as a binder for Italian meatballs. We encourage retailers to challenge consumers’ expectations of what tofu can be used for.”

The best time to try cross merchandising

with tofu may be just around the corner. “Chinese New Year, which is in January or February — depending on the year, promotion is a big sales period for retailers. This year, the New Year will be on January 26. We usually do TPR (temporary price reduction), coupons, FSI (free standing inserts) newspaper ads, and other things,” says House Foods’ Diffrancia.

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PHOTOGRAPHS BY DEAN BARNES

Rouses Supermarkets

A chain grounded in family roots merges innovation and authenticity into to each location. **BY CAROL M. BAREUTHER, RD**

If one section of the produce department could exemplify an entire supermarket chain's corporate mission, it's the fresh-cut display at Rouses Supermarkets, a 37-store family-owned chain headquartered in Thibodaux, LA.

The 12-foot semi-circular refrigerated case in the downtown New Orleans location features such an inspired assortment of in-house fresh-cut fruits and vegetables that a quick peek just won't do. You need to take a second and third look to appreciate the creativity and convenience. For example, there are over-wrapped packs of combo white and red onion rings; trimmed asparagus spears topped with lemon slices; and a tri-pack of sliced red, green and yellow bell peppers.

What's more, there's a colorful assortment of pre-skewered veggies ready for the grill and newly introduced chef creations, such as hand-stuffed portabella mushroom caps. The fresh-cut section screams service, value, professionalism and cleanliness, as does the entire chain of stores.

The Rouse family's vocational roots were founded in the produce industry. Patriarch J.P. Rouse, great-grandfather of the present generation of operators, founded the City Produce Company in 1923. The business shipped fruits and vegetables bought from Louisiana farmers nationwide as far as Alaska to some of the country's first self-service markets and supermarkets. J.P.'s son, Anthony, and his cousin, Ciro DiMarco, opened the first Rouses Supermarket in 1960. Today, Rouses is one of the largest independent grocers in the U.S. with more than 5,200 employees. The chain will grow even larger in February with the addition of five stores in Alabama.

The opening of Rouses' Baronne Street store in November 2011 marked the first time in more than 50 years that there was a full-service supermarket in downtown New Orleans. The move is strategic.

The Greater New Orleans Community Data Center reports that the area experienced notable growth in knowledge-based industries, including higher education and insurance services, while maintaining older industrial strengths. Heavy construction and engineering also expanded significantly. *Forbes* recently named New Orleans the fastest growing city since the recession. According to *Forbes*, New Orleans grew 28 percent in the past five years, and young professionals are the



Joe Watson started working for Rouses in 1984 as a produce manager. For the past 20-plus years, he served as produce director.



largest growing segment.

Adding to this growth is a construction workforce, which is building a new 34-acre, \$1.2 billion, state-of-the-art medical complex. When it opens in late 2014 to early 2015, it will attract hundreds of affluent medical professionals to live, work and eat in the city.

Poised For Growth

The Rouses team is ready and excited to supply the influx of new residents with their busy lifestyles. The produce department features melon and a juice bar in addition to its distinctive selection of fresh-cuts. Past the produce section is a vast foodservice department with chef stations that include chef-inspired entrees, Pho bar, burrito bar and sushi made on-site. The wine department also has its own sommelier on staff.

The building that houses the Rouses Baronne Street store served as the state's first Cadillac dealership for 70 years until Hurricane Katrina struck in 2005. The property was designated a historical landmark by the New Orleans Historical Society. As a result, there were certain elements that had to remain intact when Rouses remodeled.

Two of these elements in the produce department are the large chandeliers above the display area and the original mahogany lining on the upper perimeter of the sales area. In addition, as an homage to the buildings past life in auto sales, delivery trucks can drive right inside the building to the direct-store delivery receiving area — thanks to the lack of street-side shoulders on the

“We have to be careful not to raise margins to a point where we erode sales, therefore lowering overall dollars. There is an understanding that produce has to be sold within a few days or we lose it forever.”

— Joe Watson, Director of Produce

busy thoroughfare of Loyola Avenue that borders the rear of the store. Rouses receives two to three direct-store and four to six wholesale produce deliveries each week.

Stores have both coolers and controlled temperature preparation rooms for middle temperature items such as bananas and tomatoes. Main coolers average 550-square-foot and prep rooms about 224-square feet. All produce is taken into the produce department immediately after coming off of the trucks in order to maintain the cold chain.

Produce commodities are all on dedicated trucks, which eliminate the possibility of cross contamination from items such as meats, poultry and seafood. Produce employees complete a food safety training and handling module that includes information on crisping and trimming, cold chain management, proper rotation practices, country of origin labeling and customer service best practices. Additionally, the company is developing a program to use PTI (Produce Traceability Initiative) in its receiving process.

Produce is one of the chief profit generators at Rouses. The Baronne Street location is

40,000 square feet, and the produce department occupies 1,400 square feet, or just fewer than 4 percent of the entire store area, yet generates 14 percent of total store sales.

Challenges And Opportunities

While produce continues to be a large contributor to total gross profit dollars within the store; at the same time, margin expectations continue to go up, and this can be a challenge when it comes to delivering both on customer needs and corporate goals, says Joe Watson, who started working for Rouses in 1984 as a produce manager. For the past 20-plus years, he served as director of produce. “We have to be careful not to raise margins to a point where we erode sales, therefore lowering overall dollars. There is an understanding that produce has to be sold within a few days or we lose it forever. Inventory turns at a competitive price and margin is the key.”

A second industry challenge Watson identifies is training and retaining a strong team of skilled staff. There are 250-plus produce associates working for the chain, or an average of 14 produce employees at each



In May of 2012, Rouses' Baronne Street store created "Roots on the Rooftop" — its own aeroponic urban farm with 60 vertical towers of herbs.

PHOTO COURTESY OF VERTIFARMS

Rouses Supermarkets location.

Obtaining the proper budget to allow for the extra labor needed in order to manage the increased amount of items desired by today's

customers can also be a hurdle. On average, some 600 to 700 fresh items are stocked at each Rouses produce department and offer more than 1,000 items annually.

The Top 5 selling produce items by category at Rouses are: fresh-cuts (an average of 80 to 100-plus SKUs seasonally), berries, fresh cooking vegetables, packaged salads (conventional and organic), and potatoes. Organics average 75- to 100-plus SKUs seasonally. Locally grown fruits and vegetables typically run 60 to 80 SKUs seasonally, or from September to June, and represent 10 to 12 percent of total produce sales.

"Local for us means grown or produced within the states where we operate," Watson explains. "That means Louisiana, Mississippi and now Alabama. The Alabama stores are close to the Florida Panhandle, so we anticipate working with the Fresh from Florida program. In that case, local will be considered within a 200-mile radius east, north and west of Alabama. Food safety requirements are a minimum GAP on all local vendors."

"One of the biggest local crops is citrus. This means Satsuma mandarins starting early to mid-September with Navels, kumquats and Meyer lemons beginning harvest later in the fall and early winter," says Watson. "Strawberries are a second, huge and locally grown

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seller. Last year, due to a mild winter, the crop ran a near record 27 weeks or from November to mid-April."

Creole tomatoes round out the trio of largest volume locally produced items. These tomatoes are grown from an heirloom seed variety in the rich riverbank soil south of New Orleans. They are firm, meaty vine-ripe tomatoes with a rich 'true tomato' flavor. Creole tomatoes are available for a six-week season in the fall from mid-October to the end of November, and a longer spring season from the first or second week of May until the end of July.

"Kale is now the No. 1 selling green at Rouses," says Watson. This is somewhat surprising, given that varieties such as mustard and collard greens have traditionally been most popular in the South. The chain carries an average of nine SKUs of kale — including baby, lacinato and organic as well as different sizes and style packs. Watson says they all sell well.

"Juicing is big business. Kale, beets (golden, red, organic and conventional), apples, pineapple, celery and carrots are popular for juicing," Watson says. "We sell a lot of produce to customers who like to juice, for example, 25-pound bags of carrots. This trend really helps to bump up the percentage of total produce sales."

Innovations Above

Rouses Supermarkets jumped into the

"We sell a lot of produce to customers who like to juice, for example, 25-pound bags of carrots. This trend really helps to bump up the percentage of total produce sales."

— Joe Watson, Director of Produce

hyper-local arena starting in May 2012, when it became the first grocer in the nation to develop its own aeroponic urban farm. The chain contracted with a local purveyor of aeroponic towers to build an herb garden on the rooftop of the Baronne Street store. Sixty-four vertical towers stand on a 40-foot by 80-foot raised deck. The garden uses water, rather than soil, and allows the herbs to grow up instead of out.

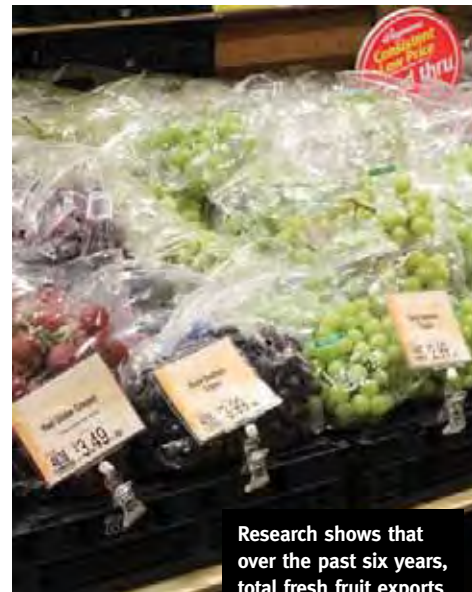
In the fall, the garden is fragrant with selections such as sage, thyme, rosemary and oregano, while chives, Italian parsley, cilantro, opal and Thai basil are cultivated in the spring. The herbs are from the store's aeroponic urban farm are marketed under "Roots on the Rooftop," which last fall sold for a price promotion of \$5 for two, 2-ounce clamshell packs. The chain plans to expand this cutting-edge technology to other rooftops of Rouses stores. In addition, Watson says the Baronne Street location will experiment with growing a small crop of four to five baby lettuces this spring.

Watson notices three trends growing with consumer interest. They are greens, juicing

and how food is produced. "This market historically would lag behind in terms of trends," he says. "Now, after Katrina, it took less time to catch up. I think this is due to people from many areas and cultures moving into the city during the rebuilding process and due to an increase in tourism."

Some customers have become particularly interested in learning more about GMO products. "GMO is a challenge. If you open the topic, it can become a Pandora's box. What it is, what it's not, there's a lot of science and opinion," Watson says. "What we've done is provide information to customers who want it. For example, corn is one commodity we get questions about as to whether it's produced by GMO. We were one of the few retailers to handle a new fresh corn product last year. We had a letter from the breeder on file stating it there was no GMO used, and we showed it to any customer that asked. All stores had a copy of the letter."

The way Rouses Supermarkets handles controversial topics, its innovative spirit, and its customized merchandising practices makes this chain one to watch. **pb**



Research shows that over the past six years, total fresh fruit exports from Chile have increased 5.5 percent.

Consistent Growth And Innovations Keep Chile's Produce Front And Center

New varieties as well as packaging and production methods enhance product reputation.

BY JODEAN ROBBINS

Chile represents an important partner in year-round produce supply, and while touted as a quintessential off-season success story, it is not resting on its laurels.

"Chile is an important supplier in helping us provide year-round products to customers," says Paul Kneeland, vice president of produce, floral, seafood and meat for Kings Food Markets in Parsippany, NJ with 25 Kings and six Balducci's stores. "They continue to innovate. Each year, they have better growing practices and logistics. There continues to be consistent growth in quality from Chile."

The country offers an ample selection of items, each occupying a unique spot in the market. "Chilean exports of fresh produce to the U.S. have grown by more than 4 percent annually over the past 10 years," reports Steve Monson, senior sales representative at C.H. Robinson, headquartered in Eden Prairie, MN. "Grapes account for the largest share of imports at 39 percent, then apples for the next

largest share at 13 percent, avocados at 7 percent and peaches, nectarines and blueberries all hold a sizeable 5 percent share."

According to data from the Chilean Fresh Fruit Association (CFFA) based out of Santiago, Chile, over the past six years, total fresh fruit exports from Chile have increased 5.5 percent with the most significant and regular export increases in apples, blueberries, clementines, kiwis, and oranges. "Chilean exports have been relatively stable with numerous emerging markets for Chile around the world," says Karen Brux, managing director for the CFFA.

"Exports of certain commodities, such as blueberries, have seen significant increases. Cherries have gone down in recent years, but that's primarily due to weather conditions. We're expecting substantial growth in cherries over the coming years," adds Brux.

Weather, alternative markets and other factors influence Chilean fruit availability. "The Chilean export business is now a global

marketplace, and buyers should know they're competing with other international markets for the same fruit," says Dionysios Christou, vice president marketing for Del Monte Fresh Produce in Coral Gables, FL. "North America will always be a destination for Chilean exports; however, other parts of the world such as Asia, the Middle East, Europe, and Latin America are receiving more exports from Chile each year."

"Over the past 10 years, Chilean produce offerings in the U.S. have increased, but their profile has changed," says Mark Greenberg, president and CEO of Capespan North America in Montreal, Quebec. "Table grape exports to the U.S. have declined from around 416,000 tons (around 50 million cases) in 2003 to 390,000 tons (47.5 million cases); but over the same period, Chilean production has grown. The difference is largely due to the emergence of interesting markets in Asia. However, apple tonnage to the U.S. increased, blueberry exports increased, and the

introduction of Chilean citrus to the U.S. market during the late spring, summer and early autumn is dramatic.”

New Production Trends

Chilean growers persevere in their quest for quality through new variety introduction.

“Chile, like most other regions, is in constant planting and replanting with new varieties,” says Eric Crawford, president and CEO of Fresh Results, LLC in Sunrise, FL. “Over the past few years, it’s become evident we must have new varieties to compete. Growers are transitioning lesser-demand varieties into new

varieties more in demand.”

Del Monte’s Christou concurs that focus is on newer varieties. “Researchers are currently focusing on developing new varieties of stone fruit and grapes. There is great interest in finding stone fruit varieties that are larger, higher in color, lower acidity, and with a long

Side Note

SELLING CHILEAN PRODUCE THROUGH NETWORKING

Chile looks to utilize social networking and in-store dietitians to expand customer outreach. **BY JODEAN ROBBINS**

Chilean marketers recognize the increasing influence of social media. “A new study of 1,700 global CEOs says that within three to five years, social media will leap into the No. 2 spot as a customer interaction, following face-to-face,” reports Karen Brux, managing director for the Chilean Fresh Fruit Association (CFFA) headquartered in Santiago, Chile. “There are 31 million bloggers in the U.S. as of July 2012 — that represents a huge potential audience.”

“Social media and web-based marketing are essential to reach both current and potential customers,” says Dionysios Christou, vice president marketing for Del Monte Fresh Produce in Coral Gables, FL. “The world of social and digital media is becoming a significant source of information for many users, and it can be very influential on purchasing decisions. Retailers can utilize social and digital media to help encourage participation in their in-store promotions by creating buzz, providing information, and connecting to consumers anytime, anywhere.”

Connecting To Consumers

The Chilean industry is moving more to harnessing the power of social media. In November 2013, the CFFA participated in Food Fête in New York City, which was attended by more than 100 bloggers and journalists. “The focus was on holiday/entertaining ideas, so we showcased a few different concepts for blueberries,” says Brux.

The U.S. Highbush Blueberry Council has a blogger outreach component to its program. “The Chilean Blueberry Committee contributes to the Council’s programs, so we often join activities taking place during the Chilean Blueberry season,” explains Brux.

Social media is growing to authentically connect to shoppers. “The key is content,” says Rafael Goldberg, chief executive of Interrupcion Fair Trade in Brooklyn, NY. “You must have stories to tell that go beyond the normal price-driven communications. Invite shoppers to share unique knowledge, and take actions to empower them to play a part of the story.”

Interrupcion’s Taste Me, Do Good social media programs highlight properties of the products and social responsibility. “We communicate how a purchase generates a positive impact for people and the planet. These efforts expand the conversation and explain the power behind a purchase, which impacts nutrition and the world in which we live,” says Goldberg.

“Social media and web-based marketing growth is important to provide consumers with information,” says Drew Schwartzhoff, director of sourcing marketing at C.H. Robinson in Eden Prairie,

MN. “For example, connecting the consumer with the products’ growing regions or farmers helps them understand where items come from. Include QR codes that provide cooking instructions or that explain various health benefits of the item.”

Suppliers and retailers can work together to utilize this communications avenue. “Retailers are increasingly taking advantage of videos to educate on new products, communicate usages and connect customers with the food they sell,” says the CFFA’s Brux.

“We work with the CFFA via social media,” says Paul Kneeland, vice president of produce, floral, seafood and meat for Kings Food Markets in Parsippany, NJ. “We are e-blasting news items, peak-of-the-season notices, and other things. It helps us get information to our customers quickly. The beauty of social media is that it’s instantaneous and not dated.”

Embracing Unique Opportunity

Another unique marketing avenue is working with supermarket dietitians. “These dietitians teach people how to cook in a healthful way, provide media wellness coverage, and dispense credible nutrition information,” says Brux.

Retail dietitians are requesting product nutrition and usage information. “We’ve responded by developing new healthy, on-trend recipes with gorgeous images they can post on their websites and/or blogs,” reports Brux. “We also send frequent nutrition tidbits that are easy to post. To fill in the information gap surrounding Chile as a fruit producer, we’re heading to the orchards and producing short videos that give a quick industry overview for consumers. We had great success with a few citrus videos that major retailers posted on their websites or Facebook pages.”

The Chilean industry embraces opportunities presented by social media and the rapidly expanding roles of supermarket dietitians. “Our merchandisers are engaging with retail social media staff and retail dietitians on almost a daily basis,” reports Brux. “We know if we want to be effective working with retailers, we need to be speaking with multiple people within a retailer’s organization.”

Eric Crawford, president and CEO of Fresh Results, LLC in Sunrise, FL, concurs. “Fresh Results is looking to participate in blogs and other educational formats to help consumers better understand trends. Getting that information to the consumer is extremely important. The more educated the consumer, the better.”

pb



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PACKAGING ALTERNATIVES

Chilean shippers are also taking advantage of packaging advances to meet evolving marketplace needs. “At Del Monte, we are continuously researching and introducing new and innovative packaging for our products,” says Dionysios Christou, vice president marketing for Del Monte Fresh Produce in Coral Gables, FL. “This process not only allows us to keep up with the changing consumer demands and preferences, but it also offers sustainable solutions and helps retailers reduce shrink.”

“Chile will continue to develop convenience-sized packaging for a variety of products,” says Karen Brux, managing director for the Chilean Fresh Fruit Association based out of Santiago, Chile. “For example, the blueberry industry has been packing a small blueberry pack, made for kids to consume at school as a fresh and easy snack.”

“In the future, retailers should expect a variety of pack sizes that can accommodate all family sizes,” says Eric Crawford, president and CEO of Fresh

Results, LLC in Sunrise, FL.

Packaging can also be flexible and applied from one product to another. “The gusseted clear plastic bags are used to merchandise a majority of Chilean grapes,” explains Steve Monson, senior sales representative at C.H. Robinson, headquartered in Eden Prairie, MN. “This type of bag can also be used for high volume items such as stone fruit and avocados.”

Another innovation is the ability to package at the receiving point. Fresh Results is shipping bulk blueberries to the U.S. and packaging them state-side. “We ship from Chile in bulk 5- or 10-pound lugs, which are packed very carefully and graded,” says Crawford. “We then pack it in the U.S. in whatever pack-size the retailer wants. Within the two-plus weeks that product is traveling over water, the market can change — this allows retailers to get the sizes they want. This factor also gives everyone more flexibility and allows us a final look at quality here before the product is packaged and shipped.” **pb**



shelf life allowing for the two week trip from Chile. Grape research focuses on larger size and bridging the varietal gap. This season should see three to four new grape varieties on retail shelves that consumers will love.”

“Chile continues to test new varieties, especially those resistant to salinity, drought and adverse weather conditions,” says CFFA’s Brux. “Growers are investing heavily in research and development in terms of new stone fruit varieties that can ship well, and new grape varieties to fill seasonal gaps and provide an alternative to the already successful Thompson, Crimson and Flame Seedless varieties.”

Developments in production and cultivation have led to additional advances. “Avocados experienced rapid growth production with figures of 16 percent annual growth,” says C.H. Robinson’s Monson. “In addition, recent changes making cultivation methods in Chile safer and more cost-efficient have led to development of new varieties of several produce items such as apples, kiwifruit, grapes, pomegranates, citrus, cherries and berries.”

Increasing Organic

Increasing organic options from Chile also present additional opportunity. “There is a big

“Recent changes making cultivation methods in Chile safer and more cost-efficient have led to development of new varieties of several produce items such as apples, kiwifruit, grapes, pomegranates, citrus, cherries and berries.”

— Steve Monson, C.H. Robinson

trend toward organic production in Chile as more growers are realizing the benefits to their land, crops, and the planet,” says Rafael Goldberg, chief executive of Interrupcion Fair Trade in Brooklyn, NY.

“Chile continues to expand the offering and increase the quality of organics,” says Kings’ Kneeland.

Chilean organics provide a much-needed

source when local and domestic organic are not available. “Most of New Leaf’s shoppers prefer organic in season, but when that isn’t an option, they appreciate being able to still purchase organic product,” says Maroka Kawamura, produce director at organic-focused New Leaf Community Markets in Santa Cruz, CA, with eight stores.

Chile is developing a broader offering of organic. “Chile is a region we see expanding,” says Kawamura. “At this point, we have seen blueberries at the forefront of the Chilean organic trend. We also see asparagus, apples and kiwi.”

“Berry consumption is growing, and organic berry consumption in particular is growing,” says Goldberg. “Promoting with price and grower profiles during peak volume times can be a great way to drive sales.”

Growers are bullish yet also conservative. “There’s no doubt the organic category is still growing rapidly,” says Crawford of Fresh Results. “From a growing side, we are being careful not to create an oversupply. Growers understand it’s a great market, but they’re using a measured approach.”

Social And Sustainable

As sustainability and social responsibility factors continue to grow in the marketplace, Chile is responding in kind. “Interrupcion has been developing and expanding a new supply of Fair Trade-Certified production in Chile with the creation of our supply development and export offices,” reports Goldberg. “In addition, we are incorporating biodynamic production methods into our operations to benefit nutritional vitality in our fruits and



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1. Your name, company, address and phone.

2. Type of business.

3. Names and dates of promotion (must have taken place between June 1, 2013 and June 1, 2014).

4. Promotion objectives.

5. Description of promotion.

6. Promotion results (sales or traffic increases, media attention). What made this program a success?

7. All support materials used in the promotion – such as POP, ads, posters, TV commercials.

High-resolution images to illustrate the promotion are encouraged. (Please do not send any produce)

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**“We encourage
retailers to promote
with grower profiles
and stories of commu-
nity projects to
complement their
advertisements.”**

— Rafael Goldberg, Interrupcion Fair Trade

increase yields, and the health and sustainability of natural resources like soil and water.”

Retailers can look to capitalize on Fair Trade products. “Blueberries and cherries as well as apples, pears and stone fruits all represent excellent Fair Trade promotion opportunities,” says Goldberg. “Interrupcion has rapidly growing availability of ‘Taste Me, Do Good Fair Trade’ organic blueberries and cherries as well as other items.”

The Chilean fresh fruit industry developed a program called, Good Practices for Sustainability, a set of vigorous guidelines for protecting air, water and soil resources. “State-of-the-art drip irrigation systems and access to



real-time climate data minimize water consumption,” reports CFFA’s Brux. “Use of pesticides is strictly regulated according to international guidelines, and Chile ranks among the Top 10 countries in the world with the most GAP (Good Agricultural Practices) certificates according to both United Nations and U.S. standards.”

Linking consumers to sustainability stories adds a dimension to promotions. “We encourage retailers to promote with grower profiles and stories of community projects to complement their advertisements,” says Goldberg. “This helps differentiate their offerings and connects consumers to the people and communities growing their fresh products.” **pb**



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Farmers Are The New Rock Stars:

YOU HAVE PERMISSION TO TRASH YOUR HOTEL ROOM

By John Pandol

Produce people go to industry networking and education events to meet people and to learn new things. Unfortunately, many of these events are the “same old, same old” celebrations of the status quo. I should know. I go to enough of these events. So when a speaker at The New York Produce Show and Conference tells me I’m a rock star, my ears perk up. Guys who play in the dirt and watch plants grow for a living now need velvet ropes to keep their adoring fans out of the field!

There’s a lot of sameness in the produce business. Farmers from both coasts and around the globe grow similar crops in similar ways. Supermarkets are full of round cans and square boxes on straight shelves. Foodservice adds heat and puts it on a plate. Similarly there’s sameness when two musicians play the same song on the same instrument. Yet one musician is collecting spare change in a subway station, and the other is riding in a limo to a sold-out arena. Surely, all farmers cannot be rock stars any more than all musicians. So what does it take?

My tax return says I’m a farmer. My business card says I’m director of special projects. My job is to turn crops into value. More specifically, turning those crops into a greater value — to go from sold out to sold out at a higher price. That’s why I travel, read, listen and snoop. It takes many hours, pages and miles of sifting through much mind-numbing sameness to find a few nuggets that make a difference.

One place I always learn something is The New York Produce Show and Conference. Start with the mix of exhibitors at the expo. I come from Central California, land of large-scale production agriculture. Ever since the word “consolidation” became part of every workshop topic, press headline and strategic planning flip chart list, the conventional wisdom presented for “the new paradigm” was suppliers needed to be large scale, 52-week, category managing CPG clones with national and international scope to survive. Those types of companies are present at The New York Produce Show, but there’s plenty local, regional and seasonal firms exhibiting as well. Big or small, there is room for us all.

While my wife wandered the snowy Christmas village that is New York City in December, I cuddled up with a cup of coffee and a stack of note cards and listened to speaker after speaker, panel after panel. The New York Produce Show and Conference is a platform for informed



people with thoughtful points of view.

What is a produce panel without a discussion of “the L word”? Is “local” a trend impacting the supply chain or simply a consumer rebranding of traditional buying practices? How can an end user make connections with farmers and source these products in an economical fashion? It turns out there are major businesses in the New York area that connect small, single item growers with the grocery and restaurant trade within a few hundred miles. It’s called the Hunts Point Market. Who knew? The word is there are similar businesses in other cities.

A niche, or perhaps even micro niche, of passionate foodies exists, and there is an entire industry that caters to them. Produce is now on their radar screen. The way a sommelier might describe a wine by discussing the winery, the wine-maker, the vineyard, the location and even some of the technique, there are some restaurants featuring produce in the same way. The closest thing to “Let me tell you about our parsnip farmer” is the chalkboard at Five Guys Burgers and Fries, which educates me about the name of the farm that grew the potatoes.

I have been told about purveyors of wine, meats, fish and desserts in fine dining but never produce. That was until I met such people at The New York Produce Show’s IDEATION FRESH Foodservice Forum. Long Island farmer Paulette Satur does exactly that. Once upon a time, Satur Farms would have been described as a truck farm, a farm that delivered its products directly to end users. But like the singer in the subway and the singer in the sold out arena, not all truck farms are created equal.

Panelist Satur described how she works with her fine dining restaurant customers on the seasonal menu. This becomes the seasonal planting that she then directly delivers to those customers. “Tonight we’re offering a flight of heirloom tomatoes by Paulette. No, Paulette is not the chef; she’s the farmer, a real rock star of a farmer.”

P.S. I generally don’t make references to other publications when writing for PRODUCE BUSINESS, but a big tip of the hat to IDEATION keynote speaker and *Plate* magazine editor Chandra Ram, who told us “Farmers are the new rock stars.” I’m having a lot of fun with that observation. My tradeshow booth may even have velvet ropes and bouncers next time. For the record, I did not trash my hotel room.

John Pandol is director of special projects for Pandol Bros. in Delano, CA.



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DAY 1: GLOBAL TRADE SYMPOSIUM

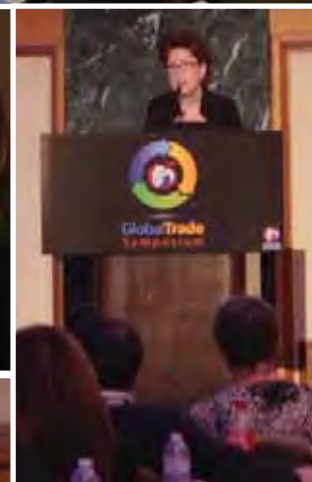


International traders, retailers, government officials, distinguished professors and guests from around the world gathered at the Third Annual Global Trade Symposium — *A View From America's Gateway To The World*. The day focused on the importance of worldwide trade with presentations from various companies such as: Capespan, Freshworld Holdings, Dawn Gray Global Consulting, Fresh Produce Marketing, and Sharp Enterprises.

The keynote presentation, *Transformational Initiatives To Boost Produce Consumption: Global Trade at the Intersection of Consumer Demand*, was given by Professor Roberta Cook, PhD, from University of California, Davis.

Top leaders from Central America and South America discussed growth, product diversity, quality, food safety, sustainability, traceability, and how their dynamic produce industries create opportunities for the rest of the world.

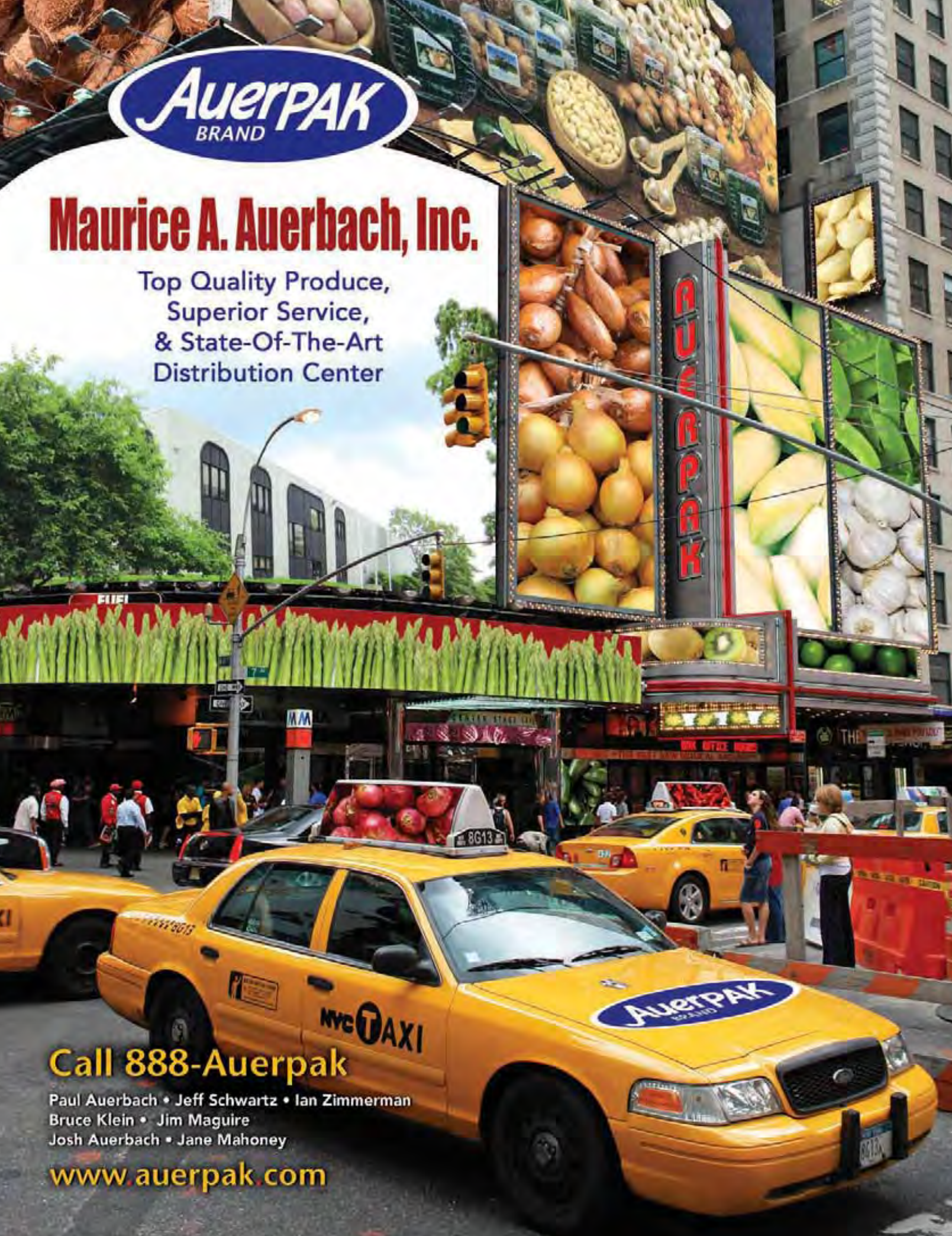
The final event of the symposium was a panel of luminaries from the produce industry who talked about importing produce to the U.S. Panel members included: **Rich Dachman**, Sysco; **Reggie Griffin**, formerly of Kroger; **Bruce Peterson**, formerly of Wal-Mart; **Wayne McKnight**, McKnight Insights & Solutions Inc.; **Dick Spezzano**, formerly of Vons; and **Tim York**, Markon.





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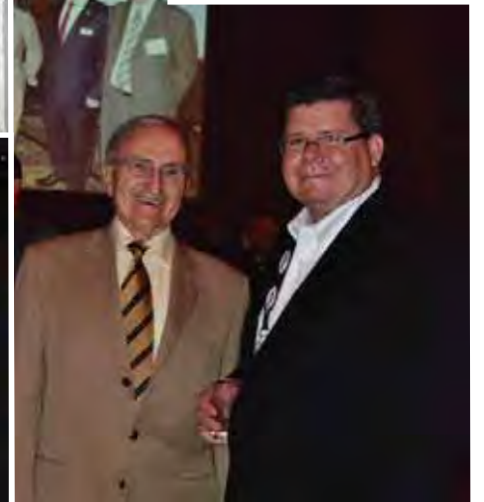


**DAY 1:
OPENING
COCKTAIL
RECEPTION**



Exhibitors, attendees and guests were treated to an evening of light bites and cocktails at the New York Hilton's guilded ballroom to mark their first night in the Big Apple.

After the reception, many attendees hit the town to enjoy the eclectic and delicious choices New York City has to offer for dinner, and some took in a Broadway show.






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DAY 2: KEYNOTE BREAKFAST & NEW PRODUCT SHOWCASE



Industry members made their way to Pier 94 bright and early in the morning for the keynote breakfast. After a brief introduction by Ken Whitacre, publisher of *PRODUCE BUSINESS*, the National Anthem was performed by Karen Melendez Rampersad, lead singer of the Brooklyn Tabernacle Choir. Jim Allen, president of the New York Apple Association, then delivered an eloquent invocation.

Upon entering the Pier, guests could examine the *New Product Showcase*, where participating companies displayed "What's New? What's Fresh? What's Innovative?" in the produce industry.

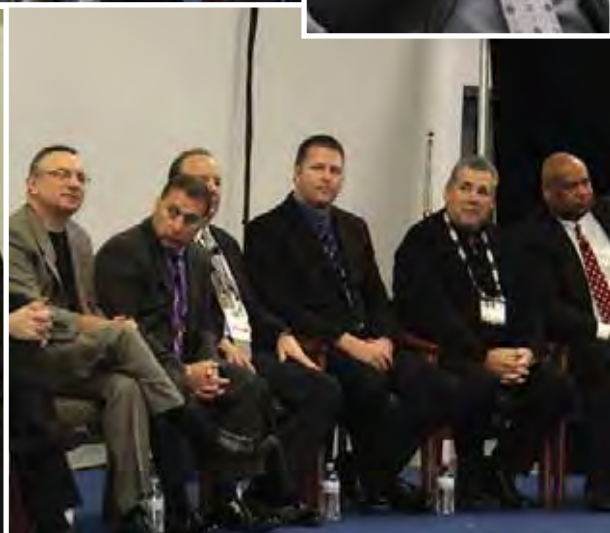
The breakfast concluded with a presentation of the Joe Nucci Award for Product Innovation to Kerry Herndon of Kerry's Kitchen Garden for the introduction of

unique varieties in micro-herbs to the market.

Recognition was also given to Alan Siger of Consumers Produce for the Chandler Cops Award.

Jim Prevor's *Perishable Pundit* "Thought Leaders" Panel began after the announcements.

Participating panelists included: **Eric Beelitz**, The Great Atlantic & Pacific Tea Company; **Derrick Jenkins**, Wakefern Food Corporation; **Chris Keetch**, Ahold USA; **Paul Kneeland**, Kings Super Markets; **Tony Mirak**, McCaffrey's Markets; **Vic Savanello**, Allegiance Retail Services; **Eric Stone**, FreshDirect; **Steve Wright**, TOPS Markets; **Rich Dachman**, Sysco Corporation; **Tim York**, Markon; **Joel Fierman**, Fierman Produce Exchange, Inc.; and **Hazel Akehurst**, Capespan International Ltd.





Journalists from all over the world were in attendance at The New York Produce Show and Conference "Connect with Fresh" Media Luncheon. Speakers included **Karen Caplan**, president and CEO of Frieda's Inc.; **Kerry Herndon**, founder of Kerry's Kitchen Garden; Chef **Maricel Presilla**, and **Florence Fabricant**, *New York Times* food critic. Attendees got to participate in a blind taste-testing game as well as learn from members of the industry about tropicals, microgreens, and restaurant trends.

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**DAY 2:
TRADE SHOW,
EDUCATIONAL
MICRO-SESSIONS
& SPOUSE
PROGRAM**

The exhibit floor hosted nearly 400 vendors, and the day was jam-packed with activities and plenty of food to experience. Old friends caught up by talking business, and attendees watched chef demonstrations and indulged in gourmet fresh dishes made from produce around the world.

Pier 94 saw non-stop action, including an appearance by legendary New York Knickerbocker, Walt Frazier, who signed autographs and posed for pictures with fans.

The Pier was also home to educational micro-sessions. A total of seven sessions occurred throughout the day, each one lasting 45 minutes. Some of the topics included: preparing business plans, Eastern Broccoli, local, branding, marketing vitamin D mushrooms, and ethnobotany.

While attendees delighted in walking the show floor pursuing new business, the spouse program commenced in the penthouse of the Hilton. Debbie Prevor hosted a group of spouses and significant others to a day of shopping and sightseeing in the City. The itinerary also included manicures, massages, and high-tea at the Plaza Hotel.





**DAY 2:
TRADE SHOW, UNIVER-
SITY EDUCATIONAL
OUTREACH PROGRAM
AND WOMEN'S
LEADERSHIP
RECEPTION**



If anyone needed a place to rest from all the excitement, attendees could relax in "Central Park," which was located in the center square of the exhibit floor. The theme of this year's Central Park was "Green Acres," where a real garden of vegetables was surrounded by tables and chairs and delicate floral arrangements.

Students from Cornell University, Rutgers University, St. Joseph's University and the University of Connecticut were mentored by industry leaders, Bruce Peterson, Dick Spezzano, Wayne McKnight and Professor Jack Allen. Students also were invited to join the micro-sessions, witness the chef demonstrations and meet exhibitors.

In addition to U.S. schools, students from Università degli Studi di Scienze Gastronomiche in Bra, Italy also explored the show and all it had to offer.

At the first annual Eastern Produce Council's Women's Leadership Committee Reception, Theresa Lowden, executive vice president, Mid-Atlantic produce division of JOH, was honored with the Woman of Distinction award. The reception celebrated women who exemplify the qualities of leadership that can both inspire other women and lead to a more successful industry.

CELEBRATING FRESH



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**DAY 2:
CULINARY
INNOVATION
STATION &
CELEBRITY CHEF
DEMOS**



Two Culinary Innovation Stations were home to student-chefs from Johnson & Wales University, The Institute of Culinary Education and Le Cordon Bleu. Throughout the day, they foraged from the exhibitor booths for fresh produce to create a variety of dishes on the spot. Exhibitors and attendees enjoyed observing the station in action — and most of all, tasting the delicious meals they created.

Central Park hosted live chef demos from super chefs, including: **Joe Quintana**, Regional Executive Chef of Rosa Mexicano Restaurants; **Mark Weiss**, the DJ Chef and champion from Food Network's *Cutthroat Kitchen*; **Alain De Coster**, Lead Chef-Instructor from the International Culinary Center; and **David Burke**, one of New York's famed American chefs and restaurateur.

The chefs made unique produce-centric dishes with student assistance from the Institute of Culinary Education, Johnson & Wales and Le Cordon Bleu.





DAY 3: IDEATION FRESH FOODSERVICE FORUM

On the third and final day of The New York Produce Show and Conference, guests had two options: attend the IDEATION FRESH Foodservice Forum or take a variety of bus tours in New York City and its neighboring states to visit retailers, wholesalers, suppliers, and urban-agriculture operations.

IDEATION FRESH took place at the Hilton, and attendees were treated to a day of brainstorming and conversation about how to bring more fresh produce into the foodservice arena. The Forum, titled *From Menu to Plate – Addressing Menu Planning, Produce Procurement, and Partnerships*, hosted a number of world-renowned specialists in the field, including **Chandra Ram**, Editor of *Plate Magazine* and **Nancy Kruse**, President of The Kruse Company.

The first panel discussion, moderated by **Ellen Koteff**, former editor-in-

chief of *Nation's Restaurant News*, was on *Partnerships In Procurement For Chain Restaurants*. Panelists included: **Rich Dachman**, Sysco; **Peter Grannis**, Maines Paper & Foodservice; **Cathy Leffingwell**, Brinker Intl.; **Jeremy Leech**, Fresh & Co.; **Paulette Satur**, Satur Farms.

The second panel discussion, moderated by **Caroline Perkins**, president of The Foodservice Content Company, was on *Partnerships In Procurement For White Tablecloth Restaurants*. Panelists included: **Tim York**, Markon; **Joel Panagakos**, J. Kings; Michael Muzyk, Baldor; **Ben Pollinger**, Oceana Restaurant; **Maricel Presilla**, Cucharamama and Zafra restaurants and Ultramarinos Latin American food store.

In addition, chef demos were conducted by Chef **Alain De Coster** and Chef **Kerry Heffernan**.





DAY 3: INDUSTRY TOURS



Attendees on the bus tours had a chance to experience one of five industry tours including a behind-the-scenes look at retailers, wholesalers, suppliers and rooftop produce production across the tri-state area.

Manhattan bus passengers stopped at Morton Williams, Grand Central Market, Chelsea Market, Westside Market, Fairway Broadway, and Whole Foods Market.

Brooklyn bus passengers stopped at Pfizer Mushroom Facility, Brooklyn Navy Yard Rooftop Farm & Apiary, Kings County Distillery, and Cherry Hill Gourmet Market.

New Jersey bus passengers stopped at Whole Foods Market, House Foods America facility, Kings Food Market, Shoprite, and Maurice A. Auerbach Inc.

Hunts Point and Philadelphia Market bus passengers stopped at the multiple vendors on each of the wholesale markets, and the Philadelphia passengers also visited a Wegmans in New Jersey.



Exciting Tropicals For The New Year

PRODUCE BUSINESS surveyed the tropical produce community about what new and exciting tropicals will shine on retail shelves for 2014. Here are a few highlights from the feedback.

COMPILED BY MICHELE SOTALLARO



Cherimoya



Dragon Fruit



Rambutan



Zululand Queen Baby Pineapple

BROOKS TROPICALS

Mary Ostlund
Marketing Director



Starfruit

Dragon fruit, the fruit that looks like a psychedelic hood ornament, is actually quite beautiful inside. Refreshing white with black specks entice kiwifruit lovers to try something new. This fruit is a showstopper. Customers will want to know more, so have POS materials showing the inside and suggested uses like salads and salsas. Florida dragon fruit is available June through November. Display in baskets for easy pick-up and great signage. Your customers will find that dragon fruit will be

hard to put back down.

The seductive smell of guava can bring shoppers into the produce department. Grown year-round in Florida, this fruit comes in bright red flesh or pale yellow. Eaten like an apple or sliced into salads, this fruit has been gaining followers in the past year. POS materials showing cut-up fruit and how it's eaten always helps. Many only know this fruit as the jelly they've spread on morning toast. They may not know that guava can be enjoyed by the biteful.



Solo Papaya

Not new to us in produce, but 2013 sales indicate consumers have finally discovered this starfruit. Florida starfruit are sweet, made for appearances as an after school snack, stellar additions to any fruit salad, stand-outs as slices on cheese trays, and even substitutes for pineapples when baking. Stocking starfruit with just the tropicals means you're leaving sales behind. Sales get a solid boost when starfruit is also in the berries section and salad ingredient section. Retailers can advise consumers to eat it like an apple or slice into stars. Options include taking a veggie peeler to trim brown points and take out seeds.

Consumers are discovering papaya comes in two sizes: the large for chopping and Solos to eat as a half or a whole. Brazilian Solos suffered at first from Hawaii's GMO rap, but consumers have learned about GMO grading and are reaching for the fruit that comes with its own bowl. Display it with melons, fruit salad ingredients and breakfast idea displays.

Prep work couldn't be easier: slice, scoop out the seeds and put a spoon to it. To spark sales, cut up a Solo and wrap with a spoon as

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MERCHANDISING REVIEW

well as a slice of lime. Remember Solos need not be 100 percent yellow to be ripe. Starting at 50 percent color, they're ready to eat when they give with a little squeeze.

FRIEDA'S INC.
Oakley Boren
Social Media & Communications Specialist



Mangosteen

Frieda's Inc. features produce from around the world. Asia's mangosteens, South Africa's Zululand Queen Pineapples, South America's cherimoyas and North America's young coconuts are some of our favorites.

Originally from South America, cherimoya is now grown in most tropical areas around the world and in Southern California. Also known as custard apple, cherimoya is somewhat heart-shaped with thin, green, etched skin that gives it a prehistoric look. Its creamy and custardy white pulp with several big inedible black seeds has a wonderful, sweet, pineapple-banana flavor.

Cherimoya should be stored at room temperature to ripen, but it tastes best chilled. Slice in half and scoop out the flesh with a spoon, or peel and slice it into chunks, then drizzle with fresh-squeezed orange juice. Add to fruit salads, or purée and add to smoothies and desserts. Cherimoya is an excellent source of vitamin C, potassium, fiber, and magnesium.

Primarily grown in Thailand and Southeast Asia, the mangosteen is considered a "superfruit," thanks to the special antioxidants extracted from its otherwise inedible purple shell. This special fruit is about the size of a plum with a firm purple shell and a beautiful creamy-white inner flesh that is separated into citrus-like segments. The flesh has a mouthwatering, silky, juicy texture. The flavor is a tropical combination of ripe peach, strawberry, and citrus.

Mangosteens are best enjoyed fresh. To open, hold the fruit stem-end up and score around the "equator" of the shell with a paring knife. Then "unscrew" the shell and lift each segment out with a fork.

Young coconut is prized for its clear, sweet, and refreshing juice (water) as a natural sports drink. The naturally fat-free coconut water contains an excellent balance of potassium and salt that can replenish your electrolytes.



Young Coconut

The young coconut found in stores has a white cylindrical husk with a pointy, pencil-like tip. However, that is not what it looks like in nature. Naturally, young coconut has thick, green outer skin, which is pared away for convenience.

Don't overlook young coconut's scoopable, sweet, and delicious thin layer of soft, jelly-like flesh inside! Enjoy fresh off the fruit, dice it into fruit salads, or blend into shakes and smoothies.

Sweeter than Hawaii-grown Baby Pineapples, the Zululand Queen Baby Pineapple variety is exclusively grown in South Africa. This adorable miniature pineapple has intensely sweet, golden flesh and a soft, edible core. That's right — no coring needed! It's also packed with the powerful nutrition of the natural enzyme bromelain, which helps the body digest protein, just like the regular-sized fruit.

At an average size, without leaves, of about 5 inches tall and 4 inches in diameter, the Zululand Queen Baby Pineapple is just right for an individual serving, and perfect to slice and serve as garnish. It also makes a beautiful addition to fruit baskets and decorative centerpieces or floral arrangements.

HLB SPECIALTIES
Melissa Hartmann de Barros
Director of Communications

Goldenberries are grown on a vine year-round in the mountainous regions of Colombia. They look similar to a tomatillo, where a husk covers the round, cherry-sized fruit. It has very small edible seeds, just like a small tomato. The fruit is juicy and bright yellow to orange and when ripe, it is sweet-tart, making it ideal for snacks, pies, or jams or as an exotic addition to fruit salads or blended into a juice.

It is known as physalis in Europe, where it

“A great promotion for us was when one of our clients supplied a school with rambutan during the end of October for Halloween as a ‘spooky’ treat for kids.”

—Melissa Hartmann de Barros, HLB Specialties



Goldenberries

is a well-established item. In other parts of the country it is also known as Cape Gooseberry, and it is gaining in popularity in the West Coast and in the Mid-West of the United States. We distribute goldenberries under our own HLB label.

Goldenberries have a decorative and tropical presentation and are great for foodservice, where they are often used as garnish on drinks, desserts, or salads.

The husked presentation has a longer shelf-life, but the peeled fruit has the added convenience of being ready-to-eat.

Rambutans are from the lychee family and are similar in flavor, but have more pulp and are a juicier fruit (the flavor is reminiscent of grape gummy). The skin has long, soft spikes (or hairs) and gives the rambutan a fun and unusual look. It's great for kids or foodservice, since its appearance makes a big impact. It's best eaten cold.

HLB imports rambutan from Guatemala, and the season goes from May to November. We distribute to retailers and wholesalers throughout the country under our own label.

The Guatemalan fruit is not irradiated, unlike rambutans from some other countries. We source from one of the largest and oldest growers in Guatemala, which is GlobalGap-certified. Each clamshell and masterbox has a barcode as well as eating and handling instructions printed on the clamshell.

A great promotion for us was when one of our clients supplied a school with rambutan during the end of October for Halloween as a “spooky” treat for kids. It was a big success, and the kids loved the sweet flavor. Rambu-

tans are a great snacking fruit, since they are light and healthy.

MELISSA'S PRODUCE
Robert Schueller
Director of Public Relations



Jackfruit

Melissa's jackfruit is the one of world's largest tree fruit, averaging between 15 and 33 pounds per fruit. It can grow to over 60 pounds. This large fruit grows directly out of the trunk or branches. The exterior of the jackfruit is covered with spiny, knobby bumps and is green in color. As the fruit ripens, the skin turns to a yellow color and is very fragrant. The pink or yellow flesh tastes like mango and melon and is best when eaten fresh. Jackfruit can also be enjoyed unripe and cooked in various recipes. The flesh of the jackfruit can be used in desserts, as well. This soft, flaky, sweet fruit can be a delight for any meal. The many seeds in the jackfruit are sensational when roasted — similar to a chestnut in flavor. Its season is year-round and peaks from April to July. The fruit is high in isoflavones, antioxidants, and phytonutrients. A good tip for retailers to pass on to consumers is when using fresh jackfruit, it's a good idea to oil the knife and your hands first before cutting, as the fruit is very sticky. Most jackfruit is grown in Mexico.

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The advertisement graphic features a variety of tropical fruits including avocados, papayas, starfruit, coconuts, and oranges, arranged on a green leaf background. The text at the top reads "FROM OUR FIELDS TO YOUR STORES". The Brooks Tropicals logo is at the bottom, along with contact information and the initials "pb".

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- Top Story:** Points to the main article titled 'Natural Delights Introduces Country's First Pitted Medjool Dates'.
- Easy Navigation:** Points to the horizontal menu bar containing categories like 'Bakery', 'Dairy', 'Deli', 'Floral', 'Meat & Poultry', 'Produce', 'Seafood', and 'Retail & Foodservice'.
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How Do You Envision The Peanut Category In The Year 2020?

COMPILED BY MICHELE SOTALLARO



Industry players agree that the peanut category will grow in snacking, consumer awareness for health benefits and adopt unique flavor profiles.

TERRY WILLIAMS
National Sales Manager
SACHS Peanuts
Clarkton, NC



As a 30-plus year veteran of the peanut industry, most of the changes I've seen have been in the area of nutritional benefits, marketing peanuts as "heart healthy," and peanuts as a good value for the dollar.

As we move forward in this category, I believe many of the changes we'll see will be directed toward more positive marketing, packaging upgrades, and finding niche

markets and specific target activities for driving additional sales.

Six years ago, SACHS Peanuts was instrumental in developing a co-branded product with the McIlhenny Company, producers of Tabasco products, with a Tabasco-infused in-shell peanut. Because of its success, I think there are opportunities to develop other co-branded flavored peanuts to drive incremental sales.

Also, SACHS Peanuts was the first company to introduce a "stay fresh" resealable package in the in-shell peanut industry. I believe further development of packaging and floor models to better display peanuts, which are an impulse item, will move more product in the future.

So, in a "nutshell," in the next few years, in-shell peanuts will continue to be seen as a good value for snacking, a healthy alternative to chips and other snack foods; highly flavored/ co-branded items will create additional sales and provide a higher visibility, and impulse sales will increase as better ways are developed to display at the store level.

RYAN LEPICIER
Senior Vice President,
Marketing & Communications
National Peanut Board
Atlanta, GA

There's no question about the popularity of peanuts. We find that they just don't receive the health credit they deserve.

To help close the knowledge gap about the health benefits of peanuts, the National Peanut Board is rolling out a new brand platform — The Perfectly Powerful Peanut, which is a new national media campaign in the first quarter of



this year. The Perfectly Powerful Peanut brand platform revolves around consumer trends and preferences toward health and wellness. Since health benefits are one of the main reasons consumers are buying nuts today, we used this knowledge as a springboard to a new marketing style. We think more elements like this will shape our promotional efforts in the future.

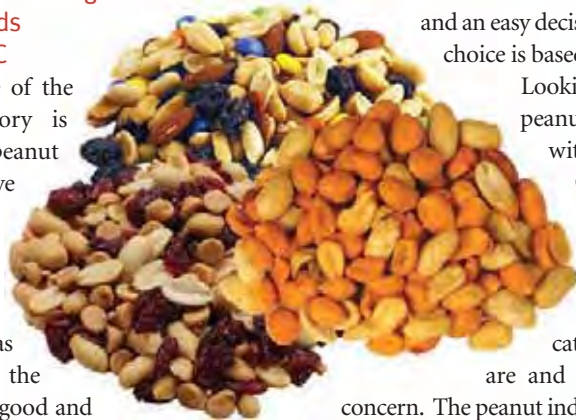
The advertising campaign features visually distinctive artwork of actual peanut plants created by some of the world's foremost botanical artists. The art serves as a backdrop for photos depicting the everyday people who benefit from peanuts. Since people naturally associate plants with health and vitality, part of our strategy is to link peanuts to their roots, quite literally, so people will see peanuts in a whole new light, one that coincides with the natural healthfulness they're increasingly looking for.

Our goal is raise consumer awareness about the health and wellness benefits of peanuts. Each ad in the campaign includes one of three key messages. Peanuts have 7 grams of plant-based protein, more than 30 vitamins and minerals and/or a message highlighting the heart health benefits of peanuts.

Our consumer research shows our efforts are making a difference. Consumers know more about the nutritional benefits of peanuts — a key area of Board's marketing and promotions program since America's peanut farmers formed the Board in 2001. Today, 80 percent of consumers believe peanut butter is a good source of protein — a 13 percent increase since 2001; and 77 percent believe peanuts are a good source of protein — a six percent increase since 2001. Our outlook for the next six to 10 years is positive based on these numbers and results from our marketing efforts.

CHAD HARTMAN
Director of Marketing
Tropical Foods
Charlotte, NC

The future of the peanut category is bright. As peanut prices have come down over the past year, a new awareness of peanuts has bubbled to the surface, some good and some not so good. Between now and 2020, we see an increase in consump-



tion, awareness and versatility in the peanut category. Packaging has and will change, but some factors will remain the same. Quality will rise to the top, and the peanut will no longer be a side show, but a main feature. From consumers to manufacturers, we will find new uses and applications for the multi-faceted peanut.

As many nut prices continue to rise, peanuts have come down, and we expect stability for the foreseeable future. Good prices and the peanut's ability to adapt to different flavor profiles easily allow manufactures to experiment with applications for the peanut, and we are no different. Purchases of bold, quality flavored nuts will continue to rise, and we expect consumers to become more particular about what they purchase. In 2020, the boldest flavors, will make it through consumer and retailer scrutiny. We also expect retailers and consumers to require only the highest quality peanuts in their snack mixes, rather than a cheap throw-in. Peanuts will become a high-light of quality mixes. You can also expect to see a rise of peanut use in confections, as a nut crusting on fish and other proteins and in snacks.

In packaging, we expect two polar opposite forms to become most prevalent, first re-sealable, convenient and eye-catching packaging such as Grabeez cups and stand-up re-sealable bags to address the on-the-go, snacking consumer. Snacking and convenience will continue to remain a high profile consumer trend.

We also expect the "show-me-the-quality-product" tub-style package to remain in demand. As one segment of consumer is on-the-go, the other is reading nutritional labels and inspecting quality. Consumers and retailers look for them and will want to make a quick and an easy decision. Many times, their choice is based on packaging.

Looking into the future, the peanut category will not be without its obstacles. Concerns about allergies, land use and peanut perception can all factor into the growth of the category. Peanut allergies are and will remain a major concern. The peanut industry needs to educate retailers and consumers, as well as work with researchers to learn more about peanut aware-

ness and allergies. As land becomes more valuable, we will need to keep peanuts fields in place. If crops are ripped up and replaced with buildings or with higher cost commodity crops, the peanut industry will feel the effect of supply and demand.

Finally, peanuts have to continue to be recognized as a quality nut, and manufactures must continue to use the highest quality varieties. Consumers will continue to buy quality peanuts as long as retailers and manufacturers provide them.

PATRICK ARCHER
President
American Peanut Council
Alexandria, VA



The North American peanut category is primed for growth into 2020 and beyond. The industry is driven by increasing demand from consumers for unique, healthy, and versatile offerings, as well as a constant push for superior quality from within the industry.

The current trend of blending unique flavors with peanuts will likely continue to grow into 2020, potentially with more of an international influence. As consumer interest and demand grows in this category, new spice mixes, as well as sweet and savory combinations will come out from major national peanut brands. Flavored in-shell peanuts, such as Cajun-spiced, will also likely grow in popularity, and there is real potential to see a trend toward gourmet, high-end peanuts, including large-kernel peanuts. Unique and gourmet flavor offerings are key areas for growth in 2020.

The expansion of plant protein as a major source of protein in the diets of North Americans will continue to be a significant trend. With peanuts known widely as a "super food," and a major source of low-cost plant protein, their versatility will drive industry growth. In addition to more traditional uses as snacks or spreads, peanuts and peanut butter will

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increasingly be used in recipes not only as the primary protein source, but also to add flavor and texture to breakfast, lunch, dinner and dessert.

With peanuts becoming a preferred healthy snack that can be eaten on-the-go, the industry is seeing a move to more single-portion package sizes. As meal occasions give way to more snacking occasions, we predict this packaging trend will continue in the coming years.

Many of the peanuts now being grown in

the U.S. have high oleic acid content traits, and by 2020, the industry expects all U.S.-grown peanuts to be high in oleic, thus increasing their shelf life and flavor longevity for consumers.

We expect to see a trend toward U.S. farms that are still family-owned, but larger to take advantage of economies of scale and mechanization. U.S. exports in 2020 will increase worldwide as farmers expand production through dramatic yield increases (resulting from higher yielding non-GMO seed). Due to

“We expect U.S. peanut production to grow more than 50 percent by 2020 to meet the growing worldwide demand for high-quality USA peanuts. Why not maximize your retail profits by creative merchandizing of peanuts — not just in end-aisle displays, but also in the baking and produce aisles?”

— Patrick Archer, American Peanut Council

efforts focused on new markets, we anticipate the largest import markets will have arisen in Asia by 2020, including China, Japan, South Korea and Indonesia.

Humanitarian initiatives will continue to receive significant and expanded support from the American Peanut Council and the U.S. peanut industry. U.S. peanut growers, shellers, manufacturers and allied industry members will remain dedicated to working with food banks and donating peanut paste for the development of ready-to-use therapeutic foods (RUTF) to alleviate malnutrition in the developing world. This peanut-based therapeutic food has transformed the treatment of acute malnutrition saving the lives of 95 percent of children to whom it is administered.

We expect U.S. peanut production to grow more than 50 percent by 2020 to meet the growing worldwide demand for high-quality USA peanuts. Why not maximize your retail profits by creative merchandizing of peanuts — not just in end-aisle displays, but also in the baking and produce aisles? Nut and nut-based trail mix sales are growing far faster than most other snack categories, so don't miss out on this profitable trend. And, products made with U.S. peanuts offer the retailer and the consumer the quality and food safety assurances everyone is seeking.

pb

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TRANSPARENCY (OR LACK THEREOF)



Transparency is a topic that has been dominant in the past few years in all industries, and produce is no exception. Management loves to issue statements about the topic and their operation's efforts to provide transparency to the consumer. They tout their efforts to be forthcoming with every aspect of the business. However, they never completely finish the job. They always leave out key aspects of information they feel are highly sensitive to be released to the public. Because of this reluctance, they never truly provide complete transparency.

The produce industry has made numerous efforts at transparency both with the public and with internal factions. Having worked "both sides of the street" in my career with suppliers and retailers, I witnessed these attempts to create transparency. I will discuss both sides in the various attempts beginning with the retail side.

The effort at transparency by retailers is dominated by the effort to show how transparent the operations are to the general public. Retailers' efforts with the other half of the industry have been far less enthusiastic and successful.

The tendency is to be less transparent to partners on the supply side than with the consumer. Rarely do retailers share the aspects of their operation with the suppliers — especially in the areas of pricing and profitability. They seem to protect this area and project it as an "out of bounds" area for discussion or explanation. This murky area is the basis for most of the mistrust between the parties in terms of the cost paid to the grower and the retail price charged to the consumer. The grower community has always questioned why retailers price the commodities as they do. It is a very rare occasion when a retailer explains the reasons for pricing decisions. In many cases, management dismisses the challenges and addresses the situation with the phrase, "It's none of their business."

Transparency on the supplier side also has murky areas that are rarely, if ever, clarified to the retailers, and in many cases, to the employees. The areas most commonly left in the dark are the facts

pertaining to cost of produce production. True, facts and information on the actual cost of producing commodities is guarded with the same fervor that retailers use to guard pricing strategies. In the numerous contacts I've made with a wide variety of suppliers throughout my career, I can only recall an occasional reference or bits of information about the actual cost of producing products. Again, like the retailers, suppliers dismiss inquiries about their actual production cost with the same phrase, "It's none of their business."

Surprisingly, there is another area within the operation of the suppliers that oftentimes lacks transparency as well. This is in, once again, the area of cost of production. Many parts of the organization, including the sales department, are ignorant of the actual cost of production of the commodities. This information is not shared as it is felt that it is not necessary, especially for sales, to know what the actual cost is to produce the commodity. This would seem to be counterproductive to the business, as it seems that this would be valuable information for the sales department so that they could properly plan a successful sales strategy. Despite this obvious need, this type of secrecy does exist internally in the supplier world.

Rarely do retailers share the aspects of their operation with the suppliers — especially in the areas of pricing and profitability. They seem to protect this area and project it as an "out of bounds" area for discussion or explanation.

After reviewing this information, even the inexperienced observer would conclude that these areas lacking transparency are a major hurdle to the advancement of business and relationships between the parties. To the experienced eye, it illustrates the reason for the lack of trust within the industry between buyers and sellers. While this situation is generally true in most of the industry, there are retailers and suppliers that have moved into the area of a clearer understanding between operations. These operations enjoy more success than those that maintain levels of secrecy about what a company deems as "sensitive" information. Their relationships form stronger bonds than any others in the industry.

It seems like we've arrived at a time in the produce industry where true transparency would benefit both sides of the equation. With both sides understanding each other's information and position, there could be a new renaissance in terms of relationships between buyers and sellers. In this manner, real transparency could only advance the success of the industry and provide the development of mutual trust between buyers and sellers.

pb

By Don Harris

Don Harris is a 40-year veteran of the produce industry, with most of that time spent in retail. He has worked in every aspect of the industry, from "field-to-fork" in both the conventional and organic arenas. Harris is presently consulting on all subjects of retail, category development and sales strategies, among others. Comments can be directed to editor@producebusiness.com

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THE CHANGING DYNAMICS OF U.S. PRODUCE IN THE U.K.



The first sign of a renaissance is the realization that a problem exists, and in my opinion, the British fruit, vegetable and flower sector has recognized the need to refocus and reinvent itself in the past couple of years.

The U.S. has had a long and fruitful relationship with the British fresh produce industry. The common bond and shared language of our two

nations has made the island across the pond an obvious target for U.S. shippers. For well over a century, fruits and vegetables from North America have been prominent on the plates and in the lunch boxes of British consumers.

While it would be a stretch to say that the relationship has altered irrevocably, there has been an obvious change in both sides' perspective of the relationship during the past 10 to 15 years.

The huge advances made by emerging suppliers in both the Southern and Northern hemispheres have taken away some of the potential for sales of U.S. fruit in Britain. Low-cost production systems that can deliver equally high quality product, allied with fluctuating exchange rates and the odd import tariff here and there, have served to render some of the products we routinely expected to receive from America each year less attractive in terms of margin.

There have also been significant impacts from what some would perhaps see as protectionist import barriers; but realistically, we have to accept some of these as attempts to ensure food security and the health of the European population. The morpholine and diphenylamine issues have hit apple shipments from New York and Washington to Britain hard in this decade, and there are other examples in the recent past of similar issues.

The new challenges that have been set for everyone in the supply

chain serving British supermarkets have undeniably played a part, as the retail's big guns attempt to position themselves as leaders in quality and price simultaneously.

And last, but definitely not least, is the increasingly competitive nature of the global market. As well-populated markets in Asia and the Middle East, for instance, continue to increase spending power and gradually open borders to more U.S. produce, the attraction of Europe and Britain, with its stringent quality requirements and demand for ultra-efficient cost structures, has begun to waiver.

However, it is certainly not just the U.S. that is affected by these issues. Shippers around the world have their eyes on the same new and emerging markets, and the opportunities are not endless.

It's important to recognize that Britain, which still has a growing population and a \$15 billion fresh produce industry — and still speaks the same language — also still represents a huge opportunity for shippers from North America.

The British retail market is beginning to reinvent itself and look for ways to re-establish itself at the top table of global retail. The bigger supermarket chains are finding their stronghold invaded by competition from both the premium and discount end of the spectrum by retailers with different supply chain models and cost expectations.

The foodservice industry in Britain, particularly in the major cities, continues to thrive. This industry, along with a growing interest from the public in retail markets and a revival of the traditional greengrocer, is giving the re-sized, leaner and fitter wholesale markets reasons to be cheerful once again.

We think this market has a huge amount to offer to the global produce community and that's why we established the London Produce Show and Conference, alongside PRODUCE BUSINESS. I would urge you to come and join us in June to discover the new trends for yourself and meet the movers and shakers in this great market.

pb



It's important to recognize that Britain, which still has a growing population and a \$15 billion fresh produce industry — and still speaks the same language — also still represents a huge opportunity for shippers from North America.

By Nigel Jenney

Jenney is CEO of the Fresh Produce Consortium, the U.K.'s trade association. Leading a small but dedicated team, Nigel is committed to the promotion of fresh produce in the U.K., actively involved in the development of the industry — including initiatives such as 5 A DAY, the School Fruit & Veg Scheme and the FPC's Eat in Colour healthy eating campaign. More recently, his increased profile and in depth knowledge of food security, sustainability and ethical trading matters have led to consistent lobbying and communication at an international level, debating at many forums on these and a variety of related issues.



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IMPLICATIONS FOR THE PRODUCE INDUSTRY AFTER SYSCO PURCHASES US FOODS



The recent news of the pending mega merger between No. 1 Houston, TX-based Sysco and No. 2 Chicago, IL-based US Foods is just starting to settle in with the produce industry. It is expected to take Sysco to more than \$65 billion in revenue, and a 25 percent market share. It will also

position Sysco as the only remaining national foodservice distributor. Its closest competitor, Richmond, VA-based Performance Food Group, only has a 5 percent market share.

Both companies stated to the media that the acquisition, which is on track to be completed in the third quarter of 2014, will “create a more effective business partner for suppliers.” Until this transaction is complete, both companies are expected to operate under the principal, “business as usual.” After the merger, the company will operate under the Sysco name, and will be headquartered in Houston.

Everyone I have spoken to is very interested in how this will impact the produce industry. I would like to start by emphasizing, this is a very complicated merger, and it must clear numerous hurdles prior to closing. Many financial analysts predict there will be anti-trust issues and speculate that Sysco will need to divest part of its operations in order to complete the deal. When you look at the overlap of Sysco’s 193 distribution centers (including 31 operated by FreshPoint) in the United States and Canada, and US Food’s 60 distribution centers, this is a valid prediction. Sysco executives acknowledge the overlap and the potential anti-trust issues, but they still view this as an attractive deal.

From my perspective, I went through a similar experience when I was working as the vice president of produce for Pathmark [headquartered in Montvale, NJ]. In 1999, the FTC opposed the merger of Pathmark and Carlisle, PA-based Ahold, concluding that Ahold already had too great a presence in areas where Pathmark operated. At the time, this was viewed as a change in Fed policy. In this case, divestitures were expected, but the overall merger opposition caught retail analysts and the key players by surprise. I’m not saying this is going to happen again, but examples like this can certainly make one pause.

People have also asked me how long it will take to integrate these companies. This is an extremely complicated acquisition, and the total

integration will undoubtedly take years. The initial estimates for annual cost savings is in the range of \$600 million after three to four years. The key integration and cost saving factors will be: conversion of systems, duplicate facilities, purchasing functions and customer conversion.

Let’s talk more about each of these conversion factors in further detail. First, systems will be complicated as it’s potentially disruptive when you convert customers over to a new system. Every system has its own set of challenges and requires time for planning and proper execution as you integrate the systems. Next, there is the divestiture of duplicate facilities. The biggest challenge here will be the ability to effectively integrate the required number of items demanded by customers.

The new company will need to balance efficiency versus demands for customer-specific items. In many cases, without significant warehouse item reductions, the integrated warehouses will quickly run out of slots. The complicating factor is many item requirements are written into most national contracts. This might take years to change.

Overall, the item reduction process is very difficult to achieve while not disrupting customers. Some of the easiest areas to convert are accounting and finance. The challenges lie in the integration of the purchasing functions. Some of these include private label, the sales force and, ultimately, converting the customer. As a vendor, you are probably wondering how these changes might impact you.

I refer to the joint Sysco and US Foods supplier statement, “When the transaction is completed, we will move forward as one company, which will be named Sysco.” They also said they will honor all existing agreements and that the companies value strong relationships with suppliers.

In the end, there will be one less company to call upon, so you are probably also wondering what the long-term impact might be. Conventional wisdom says there will be winners and losers, and for every action there is a reaction. Sysco and US Foods customers will still want choices. This could stimulate growth for numerous regional and local distribution options. Ultimately, customer satisfaction will be the driving factor in how this plays out. Stay tuned.

pb

Sysco and US Foods customers will still want choices. This could stimulate growth for numerous regional and local distribution options. Ultimately, customer satisfaction will be the driving factor in how this plays out.

By Craig Carlson

Craig Carlson is a 30-year veteran of both retail and foodservice industries. Carlson is presently consulting in all matters of the produce supply chain, strategy and business development. For questions or more information, visit carlsonproduceconsulting.com.



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FROM BUSHELS TO BORTONS

Virgil Gibson was a family friend of the Bortons and a local resident in the Yakima, WA area. He was a dedicated worker and devoted about 40 years to Borton & Sons Inc., a grower, packer and shipper of apples (at the time) in Washington State. This snap shot, taken in the early 1940s, shows Gibson emptying a bushel box of apples onto a packing conveyer made by Ideal Grader & Nursery Co., a manufacturer of fruit conveyers and washers out of Hood River, OR.

The packing conveyer company may not be in business anymore, but Borton & Sons Inc. celebrated its 100-year anniversary in 2012 and continues to thrive as a player in the Washington apple industry. In addition to apples, Borton & Sons also handles pears and cherries today.

Byron S. Borton founded the company in 1912 when he purchased 20 acres of land in West Valley, Yakima. Over the years, the company has grown to over 6,000 acres of apples, pears, and cherries and is responsible for growing, packing, and selling more than 7 million boxes of fruit annually.

“The farm is still in the same location it was when the photo was taken,” says John Borton, third generation owner of Borton & Sons and one of Byron’s grandsons. “Back then, I would venture to say that we dumped about 1,000 to 1,500 boxes a day. Today, we have multiple packing lines, and we probably dump 50,000 bins a day — that’s bins not boxes. Each bin holds about 25 bushel boxes (similar to the one in the photo).

Now John’s son, Eric, is part of the fourth generation of Borton’s along with John’s daughter, Katie, and her husband, Andy Birley. John’s



cousin, Bill, also has a son, Byron Borton, and is part of the fourth generation team.

“It’s amazing to be able to share success and the experience of running a business with your family. Each person has their own unique talents and ideas, which helps breed success,” says Eric Borton.

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

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