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JANUARY 2016



Fruit...a 3-star choice! Reach for the Stars

NUTRITIONAL SCORING SYSTEMS AT RETAIL



EXCLUSIVE
New York Produce Show Roundup

INSIDE

THE PUNDIT CONTEMPLATES MARIANO'S NATIONAL ROLLOUT WITH KROGER CAPITAL
CHINESE NEW YEAR • MEXICAN PRODUCE
SPECIALTY CITRUS • MUSHROOM MARKETING • WINTER APPLES
PRODUCE SOFTWARE • CLAMSHELLS • GMO-ORGANIC DILEMMA
TROPICALS • WHAT'S HOT IN RESTAURANTS • PEANUTS
SPECIAL: NY PRODUCE SHOW ROUNDUP



CHOPPED! Salad Kits

JUST GOT EVEN BETTER!



Introducing NEW Dole Chopped Salad Kits with Brussels Sprouts.

- Two new craveable restaurant inspired flavors
- Featuring shaved Brussels Sprouts for added nutrition and crunch
 - Made with premium fresh ingredients
- Featuring two new Signature Dole dressings – Poppy Seed Greek Yogurt and Pomegranate Vinaigrette

To add the *NEW Dole Chopped Salad Kits with Brussels Sprouts* to your stores, contact your sales representative. Visit Dole.com for more information.



PHOTO COURTESY OF GUIDING STARS

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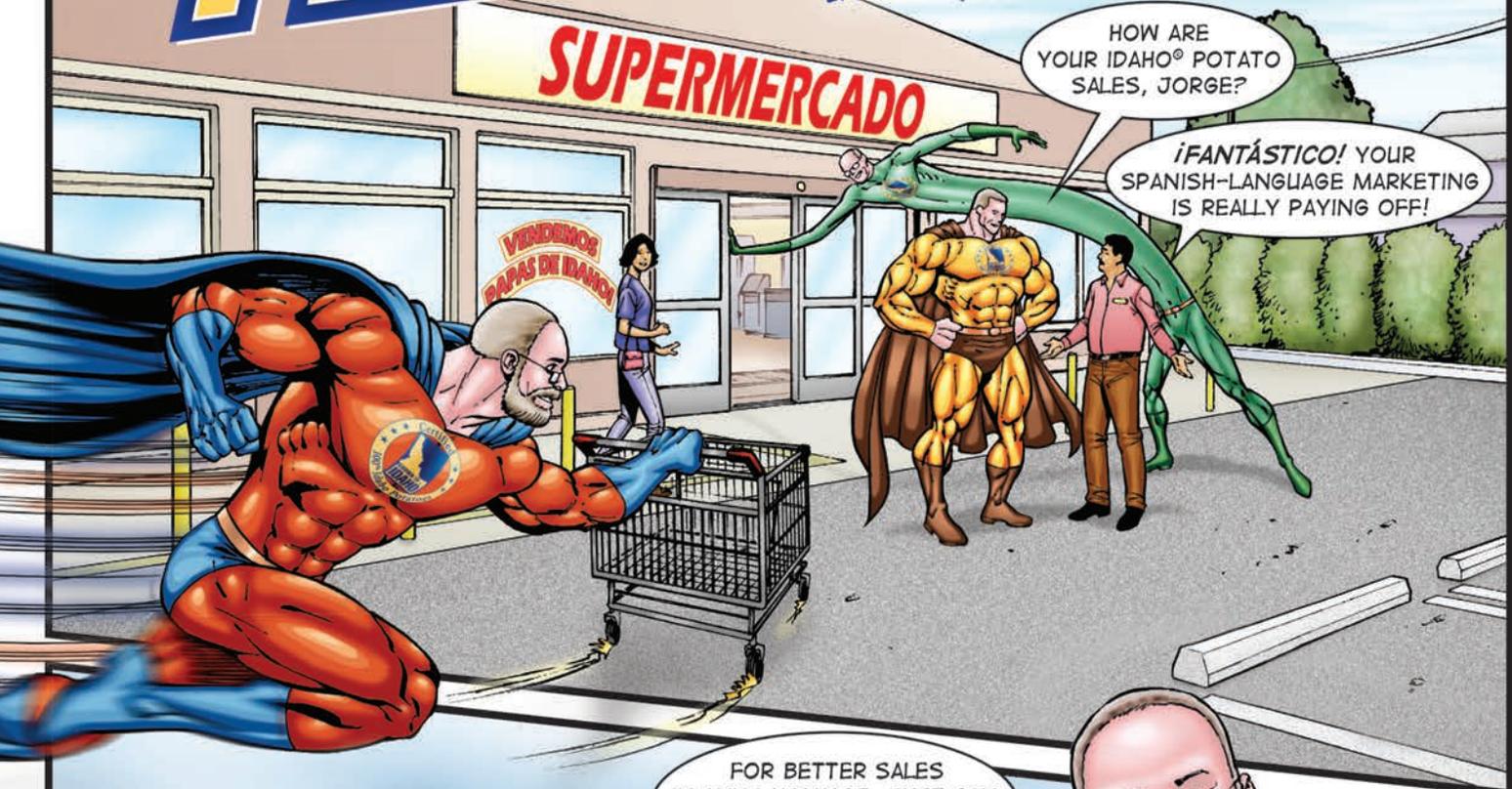
Flavored options provide area of growth.



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RETURN OF THE IDAHO POTATO FIELD FORCE

EPISODE 3: PAPAS DE IDAHO!



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FOR BETTER SALES IN ANY LANGUAGE, JUST CALL ON YOUR THREE AMIGOS FROM IDAHO!

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DE NADA, SEÑOR!



HISPANIC CUSTOMERS LOVE THEIR PAPAS DE IDAHO. ASK HOW WE CAN HELP YOU EARN THEIR BUSINESS! IDAHOPOTATO.COM/RETAIL



produce quiz

THIS MONTH'S WINNER



RODELL BUCHHOLZ
Sales
Western Fresh
Madera, CA

Buchholz. He says his passion for the industry comes from his relationships developed through the business. "Some of these [connections] can last for years even after you leave one side of the industry."

Roedell Buchholz is no stranger to a produce buyer's world. "While working as a buyer for The Great Atlantic & Pacific Tea Company for 12 years — part of the company's 'glory years' — I purchased most commodities within the produce department.

"During my eight-year career at Gerawan Farming as a sales person, I sold to numerous retail and wholesale accounts. Having been on both sides of the industry for quite a few years helped me understand the needs and thought process of both sides," says

Buchholz also appreciates being a witness on the ground level to the changes in the industry: "like the new varieties being developed in certain commodities and all the new packaging ideas."

As a devoted PRODUCE BUSINESS reader for almost 15 years, he enjoys the regional market profiles. "It is always interesting to read about the changes in different markets and how each market is unique in how it does business. I also enjoy the Blast from the Past articles to learn about how people get started in the industry."

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.

WIN AN NFL DELUXE ELECTRIC FOOTBALL GAME

NFL Electric Football was developed in the late 1940s and has been a staple game from Tudor Games since then. The game is now updated with modern technology. Instead of magnets, these players wear rubber "cleats" that let you control their direction and speed on the vibrating turf. This 85-piece set includes two NFL teams, a rulebook, and a complete set of NFL team stickers to customize your game for hours of interactive fun. As your team's owner and coach, you select the players, choose the formations and call the plays.



QUESTIONS FOR THE JANUARY ISSUE

- 1) What is the name of the Texas red grapefruit from Wonderful Brands? _____
- 2) How many Mann Packing vegetable products are displayed on the plate shown in the company's ad? _____
- 3) What brand features a snowman made out of Sunbursts' tomatoes on its ad? _____
- 4) What is Sunkist's sales' email address? _____
- 5) In this month's ad, what country does I Love Produce garlic come from? _____
- 6) What is the sales' telephone number for Thermal Technologies? _____

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

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

Photocopies of this form are acceptable. Please send answers to:
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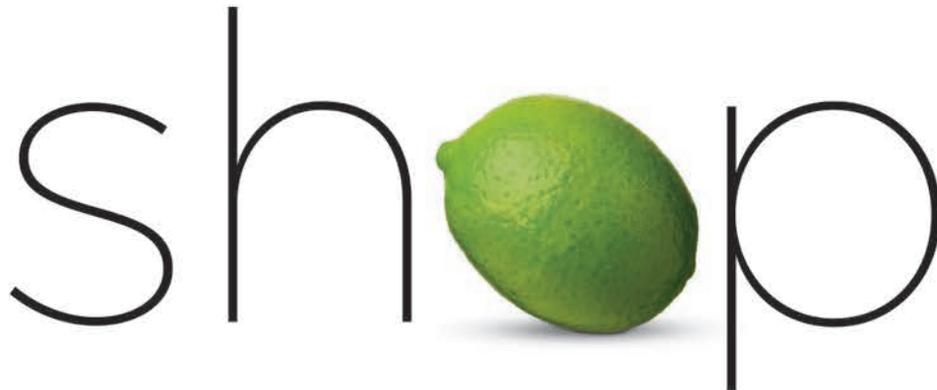
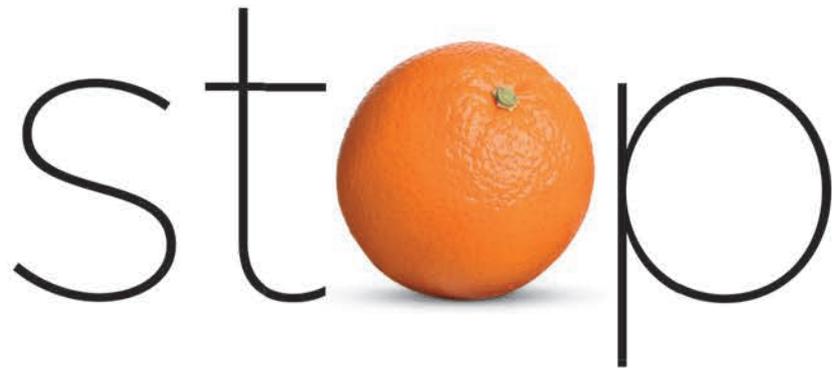
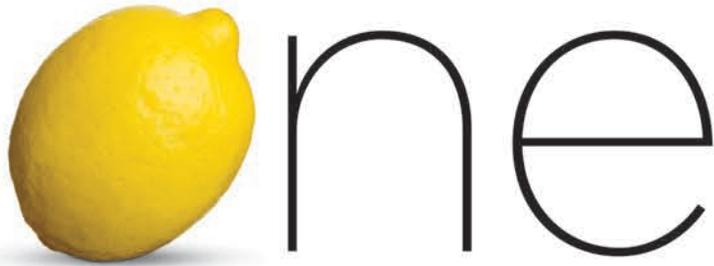
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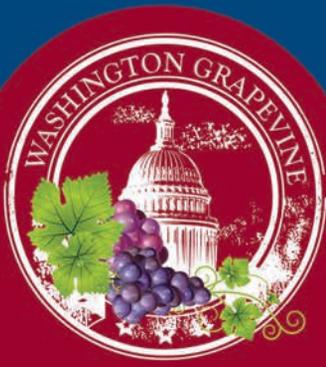


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Tom Stenzel Looks Back At 2015 And Forward To 2016



TOM STENZEL, PRESIDENT AND CHIEF EXECUTIVE,
UNITED FRESH PRODUCE ASSOCIATION

As we begin a new year, it's always a time for optimism. Even here in Washington, D.C., the year begins with a little hope for 2016.

Of course many readers would call me foolish to make such an outlandish statement. After all, we're in the midst of the craziest presidential election year anyone can remember. And, with only one more year in office, there are signs the Obama Administration intends to push through every last regulation they can before heading out of town.

Yes, the year ahead won't be easy, but on the bright side, Congress and the President ended 2015 with some rare compromises that one might not have expected.

They agreed on a budget to keep the government running, avoiding another shutdown that would have disrupted lives and likely tanked the economy. They even put some money toward critical needs, such as funding for the FDA to implement the Food Safety Modernization Act. A significant portion of those funds will go to state departments of agriculture to help growers and processors understand and comply with the new regulations.

When the dispute over beef country-of-origin labeling resulted in Canada and Mexico getting ready to slap \$1 billion in tariffs on U.S. exports — including fruits and vegetables — Democrats and Republicans came together to fix the problem.

And, even closer to home, wise minds on both sides of the aisle agreed to keep fruits and vegetables in school breakfasts

Yes, the year ahead won't be easy, but on the bright side, Congress and the President ended 2015 with some rare compromises that one might not have expected.

and lunches, while making other common-sense compromises on difficult issues surrounding whole grains and sodium standards. (That issue isn't resolved permanently, as it's back on the table in 2016.)

What got left off our year-end wish list? Oh, there was plenty. We still see no movement toward any kind of immigration reform, while the industry loses more workers. I can't tell you how many companies cut back on acreage in the U.S. this year, simply because they can't get the workers to harvest product. With 2016's election looming, we intend to use every opportunity when immigration is discussed to address the critical needs for agriculture.

We also missed getting a western drought relief bill passed in 2015, which is also critical in the days ahead. Yes, we're all thrilled with El Nino, some needed rain, and snow building in the mountains. But the politicians back here in D.C. hear on the news that El Nino is breaking the drought, when in reality, most of that water is simply running back into the Pacific Ocean. If we don't move to provide more water storage and longer-term solutions, we'll be left high and dry again.

Finally, a look ahead to 2016 wouldn't be complete without a comment about the

presidential election. United Fresh doesn't endorse candidates in presidential elections, because we represent the fresh produce industry to whomever wins the White House. There are literally thousands of government officials appointed by an incoming president, and we have to work constructively with all of them — no matter who wins.

But I would be remiss to imply that choices don't count in this election. In my lifetime, I have never seen the extremes of political discourse challenging all sense of respect for others in our American community. Whether it's a right-wing attack on people who believe differently, or a left-wing attack on business leaders who have been successful, it seems that denigrating others has become a way to build support among people feeling disenfranchised on either side.

I hope these next few months wean out the crazies from this electoral debate, and help us all refocus on actual common sense policies to move the country forward. We have real challenges ahead, and we don't need our presidential politics to mirror a reality TV show. When you choose your own candidates to support, be sure to remember that we need grown-ups leading the way.

TEXAS-SIZED SALES,

TEXAS-SIZED



Sweet.

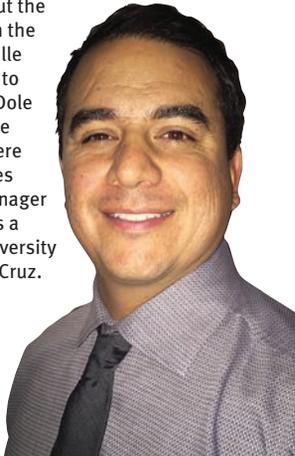


SWEET SCARLETTS GRAPEFRUIT, RATED #1 WITH CONSUMERS.* And because we want to continue to be #1, we're going to be supporting this premium brand with freestanding inserts (FSIs), a digital campaign, public relations and in-store point-of-sale. Of course our Sweet Scarletts are also backed by the biggest merchandising team in the business. So order now and make sure your season will be a Texas-sized sweet success. Call your Wonderful Citrus sales representative in California, 661-720-2500, or Texas, 956-205-7400.

TRANSITION

**OCEAN MIST FARMS
CASTROVILLE, CA**

Ocean Mist Organic hires **Joe Angelo** as sales manager. Angelo will manage customers' accounts throughout the country and work in the company's Castroville location. He comes to the company from Dole Vegetables and Dole Berry Company where he held district sales and commodity manager positions. Angelo is a graduate of the University of California Santa Cruz.



TRANSITION

**LAKESIDE ORGANIC GARDENS
WATSONVILLE, CA**

Lakeside Organic Gardens hires **Katie Bassmann** as the marketing coordinator for the company. Bassmann has an extensive background in marketing and public relations. In the eight years since graduating college, she held positions with the Monterey County Convention and Visitor's Bureau and Santa Cruz County Conference and Visitor's Council working in media and public relations. Bassmann also previously worked in the sales office in 2010 for Lakeside.



TRANSITION

**VISION PRODUCE COMPANIES
LOS ANGELES**

The Vision Companies announces the hiring of **Matthew Clark** as executive vice president/general manager, and he will be based in Los Angeles. Clark will oversee all operations at Vision Produce Company in Los Angeles and Arizona as well as partnering in management of the Vision Import Group in New Jersey, Florida and Texas. Prior to joining the Vision Companies, Clark served as general manager of Eco-Farms. Earlier professional accomplishments included vice president of operations at Borg Produce, executive director at Sierra Nevada LTD, and general manager with Exportadora Rucaray SA, Santiago, Chile.



TRANSITION

**GOLD COAST PACKING
SANTA MARIA, CA**

Andy Physioc joins Gold Coast Packing as regional sales director. Physioc comes to the company with more than 30 years experience in the produce business. Previously with Bella Fresh, Inc., Physioc was responsible for business development and national accounts, in the foodservice, industrial, and retail sectors. In his new role with Gold Coast Packing, he will represent Gold Coast in foodservice, retail, and industrial sales capacities. Physioc will report to Brent Scattini, vice president of sales and marketing.



TRANSITION

TRANSITION

**BRAGA FRESH FAMILY FARMS
SOLEDAD, CA**

Braga Fresh Family Farms announces **Chris Devan** joins the company's sales team. Devan is responsible for managing and expanding upon key customer relationships and contributing to the continued growth of the Josie's Organics line of premium-quality, organic fresh vegetables.



TRANSITION

**BERRY FRESH
DOMINGUEZ HILLS, CA**

Industry veteran **Kelly Dietz** joins Berry Fresh in the newly created position as director of business development, East Coast. Before joining Berry Fresh, Dietz most recently was director of sales, Eastern Region for Bakersfield, CA-based Grimmway Farms. Prior to her experience at Grimmway, she worked for Harrisburg, PA-based Verdelli Farms.



TRANSITION

**IDAHO POTATO COMMISSION
EAGLE, ID**

Stanley Trout joins the Idaho Potato Commission (IPC) foodservice marketing team as promotions director for the Southeast, based in Nashville, TN. Working closely with Don Odiorne, vice president-Foodservice and the other regional foodservice promotion directors, Trout will lead the marketing outreach to distributors and produce specialists in his territory, as well as conduct Idaho potato product seminars and educational sessions, and represent the brand and industry at foodservice trade shows.



TRANSITION

**SUN WORLD
BAKERSFIELD, CA**

Sun World International, LLC, appoints **Juliana Escobar** to the position of director of export sales. Escobar will be responsible for the company's export-go-to-market strategy overseeing export sales planning, pricing and prioritization. Escobar joins the company from C.H. Robinson Worldwide, where she was formerly an international business developer. She holds dual executive global master's degrees from the UCLA Anderson School of Management and National University of Singapore, and speaks three languages.



ANNOUNCEMENT



**RPE PARTNERS WITH
DISCOVERY GARDEN'S**

RPE Inc., Bancroft, WI, announces its partnership with Oakdale, CA-based Discovery Garden's, LLC. RPE will now act as the exclusive marketing partner for Discovery Garden's brand of gourmet potatoes. The Sierra Gold potato combines the creamy texture of a golden potato with the hearty skin of a russet. Unlike other yellow potatoes, Sierra Gold was named the 2012 Gold Medal Winner for yellow potato varieties by the Oregon Potato Commission. The Sierra Rose potato was named the 2014 Gold Medal Winner for red potato varieties. First offered in 2008, Sierra Rose has an intense deep red skin, golden center and an irresistible creamy texture; perfect for any recipe.



So profitable, it's nutty.

When you put our pistachios on the floor, wonderful things happen. One of the most profitable items you can display, Wonderful Pistachios offer more profit per square foot than popular moneymakers bananas and peanuts. Maybe it's our multimillion-dollar national TV campaign that gets people through your door. Or maybe it's our eye-catching displays that make sure they have a handful of pistachios when they walk away. Either way, Wonderful Pistachios always shell out.

Scientific evidence suggests but does not prove that eating 1.5 ounces per day of most nuts, such as pistachios, as part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease. See nutrition information for fat content. ©2015 Wonderful Pistachios & Almonds LLC. All Rights Reserved. WONDERFUL, GET CRACKIN', the Package Design and accompanying logos are registered trademarks of Wonderful Pistachios & Almonds LLC or its affiliates. WP13961

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FRESKA MANGOS ENTERS CALIFORNIA AVOCADO BUSINESS WITH PURCHASE OF HARVEST TIME PRODUCE

Freska Produce International, LLC, Oxnard, CA, announces the company is expanding its avocado reach with its purchase of California avocado packer, Harvest Time Produce, Inc., Oceanside



CA. With this entry into the prestigious California Avocado program and its already existing Mexican avocado program, Freska will make it a true year-round program. This new commodity will substantially increase Freska's overall avocado activity and will provide its customers with more value-added choices with its new packing plant in Oceanside. Consumers continue to demand fresh avocados and this will enable Freska to position itself as a year-round provider of avocados with the purchase of Harvest Time and give its customers the ability to offer all the best avocados available.

ANNOUNCEMENT

\$1.8 MILLION SOLAR PROJECT UNDER WAY AT NORTH SHORE LIVING HERBS



North Shore Greenhouses, Inc., the Thermal, CA-based grower of North Shore Living Herbs, announces the official ground breaking for the \$1.8 million dollar solar project underway in Southern California. Proud recipients of the REAP grant from the USDA, the grant will cover up to 25 percent of

the project costs. According to North Shore, the project is anticipated to come in under budget with a three-month completion date. The ground-mounted Sun Tracker PV system used in this project is designed to follow the curvature of the sun's rays all day long in order to maximize the amount of solar power utilized each day. The goal is to account for up to 70 percent of the energy used in North Shore's greenhouse operations.

ANNOUNCEMENT

DAVID MARGULEAS SERVES AS PRESIDENT OF SUN WORLD INNOVATIONS

Bakersfield, CA-based Sun World International LLC announces the formation of "Sun World Innovations," a new entity to shepherd and drive growth of its fruit breeding/variety development, licensing, international investments and agriculture technology pursuits. Sun World's executive vice president David Marguleas will also serve as president of Sun World Innovations. In addition to its own California farming activities, the 40-year-old Bakersfield, California-based Sun World operates one of the world's leading fruit breeding programs and licenses its Intellectual Property to many hundreds of producers and marketers around the world. The Company's variety development staff is based in Bakersfield and focuses on developing new proprietary varieties of table grapes and stonefruit, while the licensing team maintains offices in California, as well as in Europe, South America, South Africa and Australia.



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

ANNOUNCEMENT



GOTHAM GREENS EXPANDS TO CHICAGO

Gotham Greens, the Brooklyn, NY-based pioneer behind the nation's first commercial urban hydroponic greenhouses, announces its biggest and most ambitious expansion to date with a brand new facility, located in the historic Pullman area on Chicago's South side. Gotham Greens' fourth greenhouse facility represents a massive expansion for the company, and its first outside of New York. The state-of-the-art, 75,000-square-foot Chicago greenhouse, is situated on the rooftop of Method Products manufacturing facility. It is powered by 100-percent renewable energy, employs more than 50 workers, (many from the Pullman community), and is projected to produce nearly 10 million annual crops of local, premium-quality, pesticide-free, leafy greens and herbs.

ANNOUNCEMENT

MARKET FRESH PRODUCE ADDS PRODUCT LINE OF TRAY VEGETABLES

This new line from Nixa, MO-based Market Fresh Produce allows customers their favorite items prepackaged for the ultimate convenience. The new line, slated for availability this month, is pre-portioned and overwrapped with breathable film to preserve the quality and shelf life of the produce and includes its own individual tray with a recipe and nutrition facts. The new line consists of: 12-ounce Green Beans; two-pack Hothouse or Vine Ripe Tomatoes; two-pack Red and Yellow Peppers; three-pack Baker Potatoes; two-pack Zucchini Squash; two-pack Yellow Squash; three-count Corn on the Cob; six-count Roma Tomatoes; three-count Cucumbers; two-pack Red Peppers; two-pack Yellow Peppers; and two-pack Green Peppers.



ANNOUNCEMENT

CONTINENTAL FRESH ADDS TRACEABILITY LABELS TO PRODUCTS

Continental Fresh LLC, a Miami-based importer of offshore produce, announces full implementation of a case-level labeling and traceability system. The company will also apply Produce



Traceability Initiative-compliant labels on each of its Atlas Fresh cucumber and winter squash cases.

ANNOUNCEMENT

ONLINE GAPS TRAINING NOW AVAILABLE FOR FRESH PRODUCE FARMERS

North Carolina State University's Plants for Human Health Institute at the N.C. Research Campus in Kannapolis developed a web-based course — free to North Carolina farmers — that will culminate in the development of a food safety plan. A written food safety plan is an integral part of becoming certified in Good Agricultural Practices (GAPs). Fresh Produce Good Agricultural Practices, is an online course offered through the Campus offerings of eXtension, the knowledge-to-action service that is an integral part of the U.S. Cooperative Extension System. The course utilizes narrated PowerPoint (QuickTime) with downloadable handouts of the lectures, additional web resources and quizzes to test the participant's knowledge.



ANNOUNCEMENT

FREIGHT FARMS PARTNERS WITH INDOOR HARVEST TO EXPLORE NEW CROP DESIGNS

Indoor Harvest Corp, Houston, TX, through its brand name Indoor Harvest, is a full service, state-of-the-art-design-build engineering firm for the indoor and vertical farming industry. The company announces a partnership with Freight Farms, a leader in containerized farming. Freight Farms, Boston, will leverage Indoor Harvest's unique expertise as the leading design firm of indoor farms to explore innovative new applications for its Leafy Green Machine.

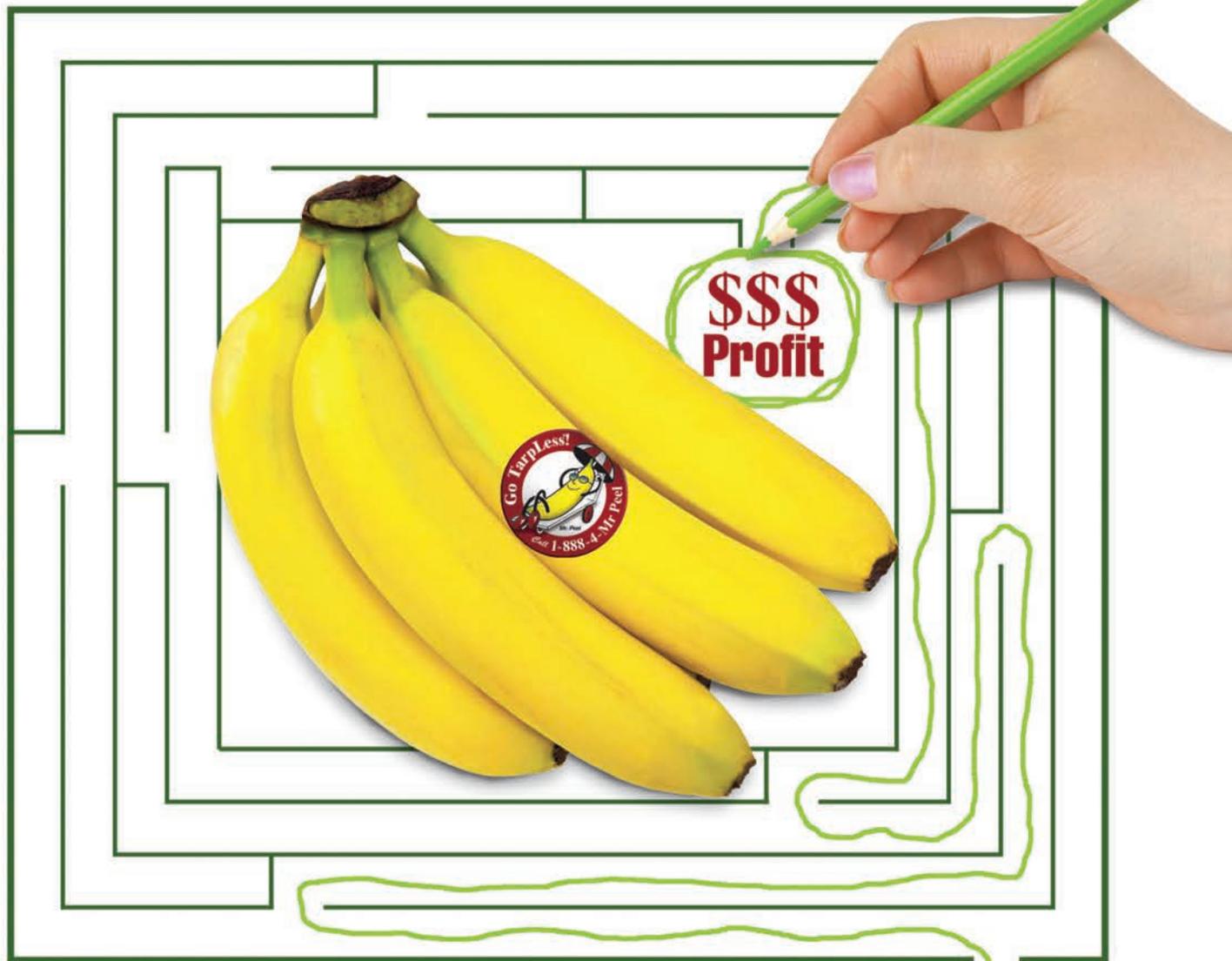


ANNOUNCEMENT

MONTE PACKAGE EXPANSION UNDERWAY

Monte Package Company's North American headquarters (Riverside, MI) has been buzzing with activity. The company produced plans to add an additional 31,200 square feet of warehouse space onto one of its existing buildings. Management at Monte Package aims to have the building complete and fully operation early this year. The additional square footage will allow the company to concentrate some of its production needs to a single building.





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Great Fruit Starts with Superior Ripening Technology





The Produce World Of 2016: Power Shifts To Producers

BY JIM PREVORA, PRESIDENT & EDITOR-IN-CHIEF

Want to know the state of the produce industry in 2016? True story: A California grower/shipper, one of the largest in the world, meets with an old friend who works for one of the largest produce buyers on earth. The buyer asks the seller: “So, what can I do for you in the new year?” The seller, without missing a beat, responds: “If you really want to do me a favor, then give me less business.”

He wasn’t joking. And the buyer was genuinely scared, because he knows there is no place to lay off a third of his order. There is no place to lay off 5 percent of his volume.

Some of this is temporary — a function of weather, which could be different next quarter or next year. But some of it is a function of the high cost of inputs leading growers to dramatically reduce the amount of product grown on speculation. It is increasingly the case that every acre planted is planted because the product expected to grow there already has a pre-committed home. That means that there is no product available for those who have not pre-committed.

Beyond costs, the reality is inputs are increasingly scarce. It is not easy for a grower to get more land that is suitable for growing, more water where it is needed, or more labor to harvest and pack when it is required.

Combined, this is a revolution in the produce industry, and for all the talk about how consolidation at retail gives buyers a stranglehold on producers, that notion is increasingly not aligning with reality. There are countervailing forces, there always are. In fruit, particularly, increased global trade serves as a pressure valve that relieves some of the difficulty associated with the inability to secure more inputs. After all, there may not be land, water or labor nearby, but it may exist elsewhere.

On the other hand, especially with fruit, there is an overwhelming force that is enormously increasing the power of vendors: Buyers are specifying particular genetics. This is a game-changer. There may be product around, but it is not the product that the buyers want.

Sometimes this is because consumers have their own preferences. Indeed, with the growth of managed varieties, we see a growth in branding, and we can predict more effective branding in the future. Branding has always been weak in the produce industry because the core product was always a parity product, so the retailers always sold just one brand — Chiquita, Dole, Del Monte, or another brand of bananas, for example — but no retailer offered a selection of each from which the consumer could choose. This is very different

from grocery sales of mustard or cereal where it is common to offer dozens of brands.

But if we look at various Club varieties of apples, such as Sweetango, Kanzi, Envy, Ambrosia, Jazz, etc., it is easy to see retailers selling each of these brands next to each other. Most of these brands remain severely under-marketed, and many state universities that are doing breeding are not looking at the global reality, and thus the need for careful worldwide management of production. Still the prerequisites — proprietary genetics and unique brands — are there for a marketing revolution.

Today, though, the retail preference is expressing itself not so much by feeling compelled to carry each brand — that may be the future. Today, the desire is to carry the best stuff. There are lots of retailers who go to great lengths to stock Driscoll’s blackberries and raspberries, because they believe the genetics are superior. It is a global phenomenon unrelated to branding. Go to the United Kingdom and at least one major retailer is demanding, in season, the Viva variety of strawberry from Poupart Limited’s BerryWorld, even pushing for it to be included in its fresh-cuts.

The significance of this to the dynamics of the industry is hard to overstate. Dozens of academics and consultants are literally charting how retail consolidation is proceeding faster than producer consolidation, and interpreting this as a rise in retail power. But if the retailer only wants Driscoll’s raspberries, then the relevant universe of producers is exactly one, and you have multiple buyers vying for the favors of one vendor.

For growers, having the “right stuff” is no easy task. Most producers grew up in a world where university breeding programs or seed companies made all varieties available to those willing to pay for the seed or the root stock. Now, the go-to market strategy must include the varieties buyers want. Securing these varieties means investing in varietal development, purchasing exclusivity, or joining some type of club/licensee group.

So in 2016, anyone intending to be in business in 10 years should have the following as priority No. 1 in their strategic planning: “How will our company secure the rights to the products our customers will want to buy?” Without these rights, a company will be consigned to second-tier status. That won’t be a very profitable place to be. **pb**

For all the talk about how consolidation at retail gives buyers a stranglehold on producers, that notion is increasingly not lining up with reality.



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CELEBRATING
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The Produce Channel Choice — Defending Our Turf

BY ANNE-MARIE ROERINK, PRINCIPAL, 210 ANALYTICS

There is no doubt about it: Supermarkets remain the produce powerhouses of the industry. For many, produce is the prime way in which supermarkets differentiate from the competition and an important tool in driving foot traffic. Supermarkets boast high shopper conversion, with 88 percent of shoppers who purchase the majority of groceries at supermarkets also purchasing fruit and vegetables there. Additionally, they attract many shoppers of other channels for the produce purchase, in particular supercenter shoppers, of whom 37 percent switch channels to purchase produce elsewhere. The chief reasons for switching stores in general include better quality (55 percent), freshness (52 percent) and variety (36 percent).

While supermarkets' superiority in produce remains unchallenged, there are several alternative formats nibbling away at the produce dollar. These include channels such as online, farmers markets, farm direct and even dollar stores. These may not be huge baskets, or even regular purchases, but there are consequences nonetheless. Little by little the produce purchase is becoming more scattered, and supermarkets will have to work harder to maintain their reputation/draw, baskets and conversion rates. A subsequent effect of the rising presence of these alternative formats in produce is the potential to lose out on any additional (non-produce) items — making the possible impact much greater than just a few produce items. Let's look at some of the new competition.

Online Produce Shopping: Six percent of shoppers occasionally purchase produce online along with other groceries, and another 4 percent have ordered online from produce-specific vendors. Using sales-based information from *MyWebGrocer*, it turns out that the online purchase is as much about stocking up as it is about fresh. In fact, 87 percent of baskets include produce, which is second behind dairy and

far ahead of beverages, frozen items, candy/snacks and canned/package goods. For instance, bananas appear in no less than 44 percent of baskets; and onions, garlic, celery, tomatoes and apples appear in at least two in 10 baskets. Produce is also a Top 5 driver of sales, with a growth rate of 13 percent year-over-year. As such, the myth that shoppers won't buy fresh online is thoroughly shattered, and e-commerce presents a tremendous opportunity for brick-and-mortar retailers to prevent some of the fresh dollar leakage to other online perishable players.

Dollar Stores: More than one in 10 shoppers occasionally purchase fresh produce at dollar stores, such as Dollar General. In particular, they are a growing destination among lower-income households — with 19 percent of shoppers earning less than \$35,000 annually — occasionally purchasing fresh produce at dollar outlets.

Farmers Markets: Aside from the primary store, shoppers will pick up produce items here, there and everywhere. Farmers markets lead the list of outlets for the occasional purchase. In fact, no less than 50 percent will occasionally purchase produce at farmers markets. Importantly, produce is a key trip driver for farmers markets with 66 percent going there specifically to purchase produce. Chief purchase drivers are freshness and quality, just like for produce in general. But there are two key differences: farmers-market shoppers care more about supporting the local farm community, and they are more curious about where the produce comes from. And let's not forget that 40 percent reference the fun atmosphere, and 80 percent are "very satisfied" with their purchases. These are impressive percentages, and along with the rapidly rising number of farmers markets around the country, brick-and-mortar retailers should take note and more effectively communicate in-store produce is every bit

as fresh and high quality, along with a strong emphasis on food safety in the supply chain.

Think about telling the backstory to keep shoppers in the retail produce department instead of diverting to farmers markets.

- Explain fresh and the major industry efforts to keep the produce supply safe, fresh and varied.
- Integrate local and the "feel good" that goes along with that. And don't forget in the shoppers' mind, local can vary from the hyper metro-area to grown in the USA.
- Bring the fun by integrating new and different items, handwritten signs and fun merchandising.
- Tell the item's story about the farm, the farmer and why the product specifications provide consumers with the eating experience they are seeking.
- Share the facts and provide ideation on how to use the produce items.



Food Marketing Institute is a trade association that advocates on behalf of the food retail industry. FMI's U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world.



Source: The Power of Produce 2015 — Shopper research by the Food Marketing Institute, made possible by Yerecic Label and implemented by 210 Analytics.

Alternative Shopping Venues May Be Good For Supermarkets

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

As with all good research, *The Power of Produce* study by the Food Marketing Institute, made possible by a grant from Yerecic Label and implemented by 210 Analytics, raises at least as many questions as it answers.

This piece, by Anne-Marie Roerink, a principal at 210 Analytics, suggests this question: To what degree is there a fixed “fresh produce dollar”? Put another way, it is one thing to show that alternative venues are starting to take a higher share of produce purchases, but it is quite another to prove that this business would have gone to supermarkets had these venues not sold produce. After all, the produce industry has worked hard to get produce in alternative venues precisely because the trade believes that more opportunities to purchase mean more consumption.

Think about convenience stores: for many years there was virtually no produce sold in convenience stores, and even now it is a small deal with many stores just offering bananas, oranges, apples, as well as some fresh-cut fruits and vegetables in the cooler. Though small, sales are many times greater than they were a generation ago. Yet isn't it reasonable to see these sales in some significant part coming not from supermarket produce departments but from the candy, cookie, cupcake and chip offerings at these convenience outlets?

Farmers markets have grown, but there is no research demonstrating that purchases at farmers markets lead to lower purchases at grocery stores. As Ms. Roerink points out, farmers markets are fun — a kind of tourist attraction. But does buying funky heirloom tomatoes mean the consumer will buy less produce at supermarkets? There is no data to prove one way or another.

And here is another thought: Supermarkets have been paring down staff. It is not always easy for consumers to find knowledgeable produce experts to talk to in a conventional supermarket. At a farmers market, the stands are often manned

Supermarkets would rather see consumers buy everything from them, but a different philosophy may be in order.

by farmers or members of the farmer's family. These people are often passionate and knowledgeable. If they convert consumers to using a particular melon or pepper, isn't it likely that once turned onto an item, many consumers will buy it from their supermarket? So even if there is a short-term trade-off in the form of lower produce purchases at supermarkets, in the long term, the interaction with “produce ambassadors” in the farmers market could be a big win for supermarkets.

Internet shopping? Of course, many brick-and-mortar operations have their own online options. Shippers won't care if the sale goes through a store or an online portal, but, once again, it is easy to imagine that online shopping could help boost produce consumption. How often do consumers not eat produce because they run out of an item and haven't had a chance to run to the store.

Automatic ordering could easily reduce these times of shortage in a way that could move the needle on consumption. In addition, as more consumers shop at discounters (such as ALDI or the soon-to-open Lidl), they may be shopping in venues where produce variety is constrained. The “long tail” of the Internet allows for the offer of a more extensive assortment, which could boost sales.

We have long known that there is a correlation between increased income and increased produce consumption. It is not 100 percent clear why this correlation exists. Fresh produce can cost more than other foods, and shrink is a real risk in a way it is not with canned and frozen alternatives. It

is also possible that higher levels of education and/or IQ levels allow for the easier absorption of public-health messaging for produce consumption and that higher income correlates with IQ and education. In any case, if lower income people are shopping in dollar stores, then getting them access to fresh produce in these locations seems likely to lead to increased purchase and consumption.

Of course, supermarkets would rather see consumers buy everything from them, but a different philosophy may be in order. Many years ago, Max Brunk, who was a professor of marketing at Cornell University and specialist in produce and food industry issues — as well as founding columnist of *PRODUCE BUSINESS* magazine at its launch — was commissioned by Roses Inc. to do a study related to street floral vendors in San Francisco.

Professor Brunk carefully reviewed sales figures and determined that vendors selling only roses ought to be encouraged to diversify and sell multiple types of flowers. It turned out that vendors offering a variety of flowers attracted more customers and sold more roses than vendors that offered only roses. The results horrified the association, and the study was buried — never to see the light of day.

It may well be that a diversity of places that sell produce may change consumer habits and encourage eating more produce, and supermarkets might just wind up profiting from these changes of habit. We don't know this to be true, but it is certainly possible and a great subject for future research.

pb

Preparation Meets Opportunity: A Finely Honed Mariano's Format Is Ready For A National Rollout When Teamed With Kroger Capital

If you want to understand what bad shape A&P was in, consider this fact: Kroger passed on the opportunity to buy the chain.

Even A&P's No. 1 market-share rating in the biggest market in the country, a market in which Kroger has no presence, could not outweigh the functional obsolescence of many of the stores, the deferred maintenance in others, the tarnished brands, and difficulties with the union workforce. Local retailers — that can fill in on distribution routes and utilize current advertising campaigns and regional management to cover more stores — bought or put bids in for about 187 of A&P's 297 stores. The rest seem likely to not sell at all and just be taken over by landlords.

Kroger did buy Harris Teeter, of course, and now the company bought Roundy's. Kroger's executive team may feel they can better manage the conventional grocery stores in Wisconsin — perhaps by changing the Pick 'n Save into Kroger's Food 4 Less Banner — but Kroger really made the acquisition to get Mariano's.

Here you have a match made in heaven. A brilliant urban concept, field-tested and ready to roll out but constrained because its parent company (Roundy's) did not have the balance-sheet strength to finance that rollout. Now, Kroger has a golden concept — Mariano's is such a special store that we know people who selected one apartment over another because they wanted



James P. Prevor

JIM PREVOR
EDITOR-IN-CHIEF

to be near a Mariano's — that is right on trend for smaller footprint, urban stores and whatnot. One could look for Mariano's to roll out across the country.

Of course, it might not. When Kroger bought Fred Meyer, we thought now that Kroger had its own supercenter concept, it would roll it out across the country and give Wal-Mart a run for the money in the supercenter wars — but it never did.

Kroger is an interesting company, and being "on trend" doesn't seem to worry its executives very much. When others would have urged the retailer to go global, the company stayed firmly rooted in the U.S. The retailer is certainly innovative by using data better than almost anyone, but it is incremental.

It is a path you can't really argue with. Kroger recently announced its 47th consecutive quarter of identical supermarket sales growth — an accomplishment no supermarket chain in living memory has accomplished.

Maybe Kroger will take its learnings from Mariano's and quietly integrate them into its other concepts to find itself with 50 consecutive quarters of identical supermarket sales growth.



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Dekalb Farmers Market

With its impressive food selection, the grocery store functions as a destination in addition to a produce shopping experience.

By Carol Bareuther



ALL PHOTOGRAPHY BY DEAN BARNES

There is a raw effectiveness that's noticeable when you walk into the Dekalb Farmers Market. The finishing touches that come from corporate compliance with supermarket brand standards are missing. When you look closer to see what else is absent, you will be surprised. The market meets all the checkpoints for what a well-heeled supermarket should contain. Nowhere is this more apparent than in the produce department, where the global selection of produce, informative signage, reasonable prices, and efficient display combine to provide a shopping experience that says quality without the smoke and mirrors of out-of-the-box frills.

Produce is the essence of the Dekalb Farmers Market. Robert Blazer, a Rhode Island native, moved to the Atlanta suburb of Decatur and opened a 7,500-square-foot open-air produce stand in 1977 with his wife, Barbara. The first few years weren't easy. An ice storm in 1979 destroyed the market, which was

uninsured, and through sheer determination and loans from loyal customers — mostly immigrants as well as a few foodies from metro Atlanta — Blazer rebuilt and reopened in two months. By the 1980s, the store tripled in size to 22,000-square feet. Produce remained the cornerstone, however the Blazers slowly added other departments and foods to meet the needs of their ethnically diverse customer base.

Blazer's dream from the start echoed many in the industry. That is, to sell the highest-quality, fresh foods at the lowest possible price. He's accomplished this over the past four decades in an eye-on-the-prize manner. Over the years, Dekalb Farmers Market grew, prospered and diversified beyond produce. It's now 160,000 square feet — the size of more than two football fields, and easy to spot at the intersection of East Ponce De Leon Avenue and Laredo Drive, 2 miles from Exit 40 on I-285. Approximately 100,000 people shop here and purchase approximately 2 million pounds of produce each week.

The produce department occupies almost a quarter of the market. There are more than 500 varieties of vegetables, more than 300 varieties of fruits, and some 70-specialty items including yuca, taro root and plantains. On average, there's 400 fresh produce items at any one time in the store. Organic SKUs reach 120 and represent 30 percent of produce sales. Locally grown (meaning farmed in Georgia) average 50 fruits and vegetables during the state's April to November season. Fresh-cut SKUs are low and number around 15. The Top 5 selling produce items are: bananas, mangos, apples, potatoes and tomatoes.

All produce, either sold bulk or packaged, is showcased in its shipping boxes either on clean practical stainless steel tables or in slanted wooden cases on top of these tables.

The warehouse-style, unfinished ceiling features flags from 184 nations. The market sells just about every type of produce in the world. Hence it's tagline — "A World Market." The simple style of the displays mirrors the



(L-R): Dekalb Farmers Market founder, Robert Blazer, and his son, Daniel.

foundation of all produce displays with the pallet of produce tilted up on one end. This is a store that fills the needs of determined buyers.

Global offerings mean international sourcing. Dekalb is a pioneer in fresh food distribution to the consumer. For example, it grows its own bananas, papayas and mangos in Mexico, Guatemala and Costa Rica. It also packs and ships these fruits via its own shipping company, World Direct Shipping. This logistics company has its own vessels and trucks to provide supply chain service, not only to its own store but to other companies as well.

Dekalb's business service department caters to restaurateurs, caterers, whole-food purveyors and other retail stores. As a result, 99.9 percent of produce arrives at DeKalb, where there is 30,000-square feet of cooler space for produce via direct store delivery. Bananas, in particular, are a big selling item.

For example, DeKalb sells more than 52,000 pounds of organic bananas each week. Coolers for receiving and banana ripening rooms are set at specific temperatures to or gradually ripen it for the display shelf. Blazer accomplishes his goal of offering the freshest, highest-quality produce at reasonable prizes thanks to no costly warehousing and distri-

bution delays.

The international nature of DeKalb extends to its staff. Employees tally in at 650, with 100 employees dedicated to produce, represent more than 40 countries, and speak 50 languages and dialects. This offers a unique form of customer service to the market. On one hand, ethnic shoppers are almost sure to find what they're looking for as well as a staff member who speaks their language. On the other hand, if a customer does wonder what to do, for example, with Indian Bitter Melon, Israeli Sharon fruit or Vietnamese dragonfruit, there is very likely a store employee who grew up eating the item and can share knowledge about everything from its selection, to storage, to serving methods.

All employees receive continuous on-the-job training. This includes everything from a sampling session to learn about gold kiwi, to a food safety training and handling program that meets federal standards. DeKalb also has its own sanitation department with testing protocols.

Produce is only one of the many fascinating features at Dekalb Farmers Market. There are 450 choices of seafood including live blue crabs, lobster and catfish. The meat

department boasts alligator and buffalo as well as chicken and beef. There are nearly 400 deli items including pork, chicken and turkey sauces made in house daily and smoked beef and turkey from the market's own smokehouse. Cheeses number more than 500 and come from countries such as France, Italy and New Zealand, while more than 60 types of pastas in infinite shapes, styles and flavors also line the shelves. The market sells approximately 40,000 loaves of freshly baked French baguettes each week along with more than 175 varieties of in-house-made artisan breads, muffins and cakes. A nut butter machine, an Asian and Indian ingredient aisle, a coffee aisle with more than 65 varieties of fresh roasts, and a beer and wine selection totaling nearly 1,500 selections are also part of the market. It's no wonder that Dekalb has rated a TripAdvisor Certificate of Excellence for the past three years.

The Blazers, including their son Daniel, continue to operate DeKalb today. They are planning to take the store to yet another level. That is, a gigantic expansion is underway that will enlarge the market to more than 1 million square feet. When completed, projected by or before 2023, Dekalb Farmers Market could be the nation's largest grocery store. **pb**



NUTRITIONAL SCORING SYSTEMS AT RETAIL

BY MINDY HERMANN, RD

While most produce items receive the highest scores, attention to nutrition throughout the store and extended to the community may provide the much-needed 'halo-effect.'

In recent years, the introduction of nutritional scoring systems has helped supermarkets evolve from food stores to nutrition classrooms. Based on good-for-you scales and displayed as stars or numbers, the leading scoring systems separate nutrition champions from lightweights based on proprietary grading systems. The net result is tools that help American shoppers make smart decisions on how to best feed themselves and their families in a healthful way.

The marketplace is led by three major scoring systems — Guiding Stars, NuVal, and ANDI — that vary in scoring algorithms and formats (see “Guiding Stars” on page 26; “NuVal” on page 27; and “ANDI” on page 29). The Guiding Stars program awards foods meeting its nutrition standards with

one, two, or three stars. NuVal assigns a point value from 1 to 100 and ANDI, in use only in select Whole Foods Market locations, scores foods from 1 to 1000. Stores that license one of these systems are expected to use the system throughout the store. In contrast to front-of-pack information, a food’s score generally appears on the shelf and on display signage rather than on the item itself.

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A "STARRING" ROLE IN PRODUCE

"Guiding Stars is a whole store program that helps in any department," says Sue Till, client services manager of Scarborough, ME-based Guiding Stars Licensing Company. "Consumers already know that produce is a homerun for healthy eating. Stores supplement Guiding Stars with creative marketing that makes the produce department come alive and helps drive home the health message."

"In produce, Guiding Stars are more evident than elsewhere in the store, because they appear by each item and also on hanging signage in the department," says Kitty Broihier, MS, RD, consultant, Guiding Stars. "Most fruits and vegetables have three stars, but shoppers can visit the Hannaford store website to check the rating and see what's seasonally available and on sale."

Till calls out the Guiding Stars Good Ideas cross-merchandising program that shows shoppers how to build a healthy meal with fruits and vegetables. "In addition to traditional signage, produce departments might display a picture of the item, its stars, and information on taste and usage; for example, making a healthy parfait with strawberries," says Till.

Produce personnel help educate shoppers. "We hear that produce managers love Guiding Stars because it is simple and engages shoppers of all ages, including kids," says Till. "However, training of produce department staff is essential, particularly in stores that have high employee



Most fresh fruits and vegetables score 100 within the NuVal ratings, with the exception of some varieties, such as iceberg lettuce because its nutrient content is lower than darker lettuce.

turnover or hire new personnel on a regular basis."

Many stores employ supermarket dietitians who can help educate shoppers. "I begin my Guiding Stars discussion in produce, where I remind shoppers to choose a colorful diet," says Allison J. Stowell, MS, RD, registered dietitian for the Guiding Stars Licensing Program. "I also explain to shoppers why value-added items such as salad kits and produce companions like vegetable dips, candied dried fruit, and croutons might have fewer or even no stars."

SCORING SYSTEM AS SUPERMARKET GPS

"NuVal is the shopper's GPS for nutri-

tion," says David L. Katz, MD, principal inventor, Overall Nutritional Quality Index (ONQI), New Haven, CT, and chief science officer, NuVal, LLC, Quincy, MA. "It guides shoppers who don't know where to go in the store to find the most nutritious foods." NuVal scores favor pure foods, such as fruits and vegetables, over processed foods.

"Most fresh fruits and vegetables score 100, with the exception of coconut and avocado because of their fat content, and iceberg lettuce because its nutrient content is lower than darker lettuce," explains Anne Bernier, senior operations director, NuVal. "Apple juice scores lower than apples because it is processed and contains less fiber. Salad kits score lower

Guiding Stars

The first of the supermarket nutritional scoring systems, Guiding Stars was launched in September 2006 with the goal of helping shoppers quickly spot and select healthful foods. The Guiding Stars mathematical algorithm was developed by nutrition and medical experts from Dartmouth Medical School, Tufts University Human Nutrition Research Center on Aging Research Laboratory, and the University of North Carolina School of Public Health, among others. It incorporates recommendations from the Dietary Guidelines for Americans, U.S. Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA), USDA National Nutrient

Database, National Academy of Sciences, World Health Organization, giving foods credits for positive nutrients such as vitamins, minerals, and dietary fiber, and debits for trans fat, saturated fat, cholesterol, added sodium, and added sugars. Final scores then are translated into the Guiding Stars rating system, with one star for good, two stars for better, and three stars for best nutritional value per a standard 100-calorie portion. Guiding Stars is meant to be used to compare foods and beverages in the same category, for example, frozen meals or juices. Nearly all fresh produce earns three stars.

Guiding Stars is licensed by more than 1,500 markets in the U.S. and more than

900 in Canada, which include Hannaford Supermarkets, Loblaws, Food Lion, and markets in the Delhaize Group family. The Guiding Stars Licensing Company increases the system's reach beyond supermarkets to food manufacturers, restaurants, convenience stores, hospitals, and schools.

"Our algorithm has stood the test of time," says Sue Till, client services manager, Guiding Stars Licensing Company, Scarborough, ME. "Consumers like the simplicity of the one/two/three star program, kids get it, and it crosses language barriers." Till notes that the Guiding Stars scientific advisory panel frequently "tweaks" the algorithm to align the scoring with evolving science and nutrition guidance. **pb**

NuVal

The NuVal Nutritional Scoring System was developed nearly 10 years ago by a team of health and nutrition experts led by David Katz, M.D., director, Yale Griffin Prevention Research Center, New Haven, CT. NuVal is based on an algorithm formerly called the Overall Nutritional Quality Index (ONQI) that assigns individual foods a score from 1-100 based on the food's content of more than 30 nutrients. The algorithm incorporates data from such respected sources as the Institute of Medicine, U.S. Food and Drug Administration (FDA), Dietary Guidelines for Americans, U.S. Department of Agriculture National Nutrient Database, and the World Health Organization. Vitamins, minerals, antioxidants, fiber, and other food components associated with health add points to the score, while "negative" nutrients such as sugar, sodium, trans fat, and cholesterol bring down the total. A higher score means better nutrition.

A research team at the Harvard School of Public Health looked at thousands of diet records to determine whether eating foods with higher ONQI scores would improve health. They found that people whose diet had the highest ONQI score had less chronic disease (heart disease and diabetes) and lower risk of dying.

In 2007, NuVal became the second nutrition rating system in the marketplace. The numerous grocery chains that license NuVal, including Price Chopper, Coborn's, Hy-Vee, United Supermarkets, and many others, agreed to post a NuVal score for every item in the market. Most fresh fruits and vegetables received high scores. Squash, peppers, and apples, for example, earned a perfect 100 points; a lower nutrient vegetable such as iceberg lettuce still scored a high 82.

Shoppers can access NuVal scores only at the supermarket or in materials produced by a particular supermarket chain. NuVal does not make its scores available online or in an app.

Proponents of NuVal name five characteristics that appeal to shoppers: simplicity, inclusiveness in covering all foods in the market, convenient location on shelf tags, objectivity, and value-focused in allowing shoppers to seek out the highest score for the money.

pb

because dressing and toppings add calories, fat, and/or sugar."

"When we first introduced NuVal, we put signage above our wet wall and on our coffin displays and bins that included an overview of each produce item, a photo, information on the item, storage tips, and NuVal score," says Ellie Wilson, MS, RDN, senior nutritionist, Price Chopper Supermarkets, Schenectady, NY. "NuVal scores also appeared in our produce ads for four years. Shoppers, especially men and kids,

tell us how much they love the numbers. NuVal gives people the confidence that they are making better choices." Wilson adds Price Chopper's vice president of produce and owner both champion health and they support having tools such as NuVal in the produce department.

Coborn's, headquartered in St. Cloud, MN, actively integrates NuVal into its produce marketing. "Our coupon table offers NuVal scavenger hunts for kids and NuVal brochures, we have NuVal displays



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with a monthly “trade-up” theme for shoppers, and “Healthy Checklanes” feature items, including produce, with high NuVal scores,” explains Kim Kockler, RD, LD, food safety and nutrition manager, Coborn’s.

SCORING SYSTEMS BRIDGE STORE WITH COMMUNITY

Supermarket outreach at schools, community events, and hospitals both educates shoppers and provides a bridge to the in-store shopper experience. NuVal is particularly active in schools, where “students learn how the NuVal Scoring System works through grade-appropriate posters, handouts, interactive games, challenges, and prizes,” says Bernier. “The NuVal message is simple — the higher the score, the better the nutrition. Students receive informational materials for their parents and are encouraged to talk to their parents about NuVal. This is a good opportunity for students to use what they learn at school to shop with their parents like an expert.” One lesson teaches the difference in nutrition and NuVal score between processed fruit snacks (made primarily with

added sugar) and fresh berries.

“We give free presentations in the community that show how to use NuVal to make better choices,” says Brittany Nikolich, RDN, CD, Fox Valley regional dietitian, Skogen’s Festival Foods, De Pere, WI. “Our store tours for community groups (scouts, seniors, families, weight loss programs) generate interest in how to use various items in the produce department. Materials for kids on the tour might include produce-themed coloring sheets and recipes that include NuVal scores.”

“I work NuVal into every one of my presentations,” says Ashley Kibutha, RD, LD, supermarket registered dietitian, Coborn’s. “I include NuVal in kids’ day events, community education classes, lunch and learns with NuVal scores on the menu, and community health fairs. I teach NuVal classes, and conduct cooking demos on trading up to ingredients with higher NuVal scores like fresh fruit instead of canned or frozen with added sugars.”

Both Guiding Stars and NuVal partner with area health insurers to encourage healthful living through better food choices



ANDI is used only in select Whole Foods Markets. A food’s score generally appears on the shelf and on display signage rather than on the item itself.

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NuVal assigns individual foods a score from 1-100 based on the food's content of more than 30 nutrients.

insurers, grocers and food companies) ranks the healthier one-third of grocery items using Guiding Stars and preloads savings on those foods onto the shopper's smartphone or insurance card. The program is offered at Cub Foods, Hornbacher's, Rainbow Foods, and Lunds & Byerlys grocery stores.

IMPACT ON SALES IS NOT CLEAR

The impact of scoring systems on produce departments is unclear. It is possible that they could negatively impact the produce department's bottomline if shoppers avoid lower scoring items such as

"I include NuVal in kids' day events, community education classes, lunch and learns with NuVal scores on the menu, and community health fairs."

— Ashley Kibutha, RD, LD, Coborn's

salad kits, prepared items, and condiments. "A Caesar salad kit might get just one star because it loses points for the fat in the cheese and dressing," explains Guiding Stars' Broihier. "Likewise, dried cranberries score lower because of their added sugar."

Research on whether scores affect purchases is not consistent. A 2014 article in the journal *Public Health Nutrition* reported that use of the Guiding Stars system did not increase sales of nutritious foods; the authors suggested that such programs might lead to lower profits. However, fruits and vegetables were not among the items evaluated by the authors. In a response to the article, consultants to Hannaford point out that, in fact, the company's data shows that Guiding Stars has not reduced food sales.

THE FUTURE OF SCORING SYSTEMS IN PRODUCE

Scoring systems may be less useful in the produce department than they are in the center of the store, where products differ nutritionally and a shopper might want to compare, say, one packaged pasta side dish to another. In produce, every fresh fruit or vegetable has numerous nutrition

merits, so differentiating one from another matters less.

Where scoring systems do have value in produce is in the items sold as companions to fruits and vegetables such as salad dressing, trail mix, croutons, and other salad toppings. Here, nutrition and therefore scores vary. Value-added produce such as salad kits will score lower if they contain foods and condiments that are high in fat, sugar, and/or salt.

Experts question the worth and staying power of rating systems in produce. One Midwest retailer, who declined to be interviewed, stated that because produce stands on its own merit, the company does not use a rating system in that department.

Price Chopper's Wilson likewise acknowledges the challenge in scoring foods that inherently are good. "With so many fruits and vegetables with a NuVal score of 100, it's hard to promote one over the other."

"Rating systems are helpful in the center aisles but not as helpful in produce because all fruits and vegetables are good for people, and our goal is to get people to eat more produce overall," says Elizabeth Pivonka, Ph.D., RD, president and chief executive, Produce for Better Health

ANDI

ANDI, the Aggregate Nutrient Density Index, was created by Joel Fuhrman, M.D., Flemington, NJ, to help direct people to make better food purchases and showcase the high nutrient content of vegetables. Dr. Fuhrman notes the ANDI score reflects nutrients in relation to calories, incorporating 35 different nutritional parameters, including vitamins, minerals, phytochemicals and antioxidants, to generate scores that range from 1 to 1000.

"ANDI focuses on the disease-fighting micronutrients in plant foods. Unlike other systems, ANDI does not give points for animal products," says Dr. Fuhrman. "My goal in creating the scoring system was to

encourage people to eat more green and other colorful vegetables. All unprocessed natural plants should be consumed liberally, with special attention to some of the higher scoring veggies and fruits."

Among the highest scoring foods are dark leafy greens (1000), bok choy (865), spinach (707), arugula (604), and radishes (502). ANDI scores for fruits are lower, for example, 207 for cranberries and 130-180 for most berries. Herbs with the highest ANDI scores include basil (518), cilantro (481), spearmint (457), and oregano (426). Dr. Fuhrman recommends primarily eating foods with an ANDI score greater than 100.

"Keep in mind, however, any scoring

system is not a complete evaluation of food," notes Fuhrman. "Some foods have salient features that make them superfoods irrespective of their overall level of micronutrients. For example, mushrooms may not score high on a scoring system, but contain powerful anticancer phytochemicals."

ANDI currently is owned and used by select Whole Foods Market stores. According to Dr. Fuhrman, "Whole Foods Market noted a tremendous increase in the consumption of green leafy vegetables after introducing ANDI into their stores." Dr. Fuhrman cautions that use of ANDI may vary from store to store and region to region.

pb

Foundation, Hockessin, DE. "Also, these systems might not influence people who don't pay attention to the ratings, because they are not yet ready to change the way they eat." Pivonka acknowledges that providing tips in the produce department, including serving suggestions, descriptions, and other information, might be more effective for boosting the appeal of fruits and vegetables.

Produce departments have little say in the decision to use a scoring system for

fruits and vegetables because that decision typically is made at the executive level. When chain or store management commits to a program, that program typically is adopted by all departments. Some markets opt to use qualitative information instead of a scoring system, marking foods with claims or icons for such produce features as gluten-free, high fiber, good source of vitamin C, or heart healthy.

Giant Eagle is one such chain. "At Giant Eagle, registered dietitians encourage all



individuals to consume a wide variety of fruits and vegetables and call attention to an item's specific attributes as part of our Health and Wellness attribute identification program. This helps our customers navigate the produce department," says Dan Donovan, Giant Eagle spokesman, Pittsburgh. "Currently, we are using a third-party vendor for the program, which is only being executed on products that have a UPC." Fresh fruits and vegetables are not included.

The three major scoring systems differ in their ranking of some fruits and vegetables — potentially confusing shoppers in areas with all three systems. For example, Guiding Stars awards apple, avocado, iceberg lettuce, and kale with a top score of three stars. On NuVal, only kale receives the top score of 100, followed by apple (96), iceberg lettuce (94), and avocado (88). ANDI awards 1000 points to kale but only 127 to iceberg, 53 to apple, and 28 to avocado. While avocado is rich in nutrients, its fat content reduces its NuVal and ANDI scores.

A merger or rebranding could change a store's relationship with a particular scoring system. Wilson notes that the conversion of Price Chopper to the Market 32 brand is changing the look and feel of the produce department. "Our new look has much less signage. Ads, for example, have been reshaped by the new branding and no longer list NuVal scores."

In an ideal world, rating systems in produce might not be necessary. "If we were eating mostly real food from plants and including as much produce as we should be, we wouldn't need scoring systems," says NuVal scientific advisor Katz. "If our food supply were limited to foods close to nature, we wouldn't need scoring systems. If most of our foods came packaged in skin, peel, or rind, we wouldn't need scoring systems. But that's not how people eat. So we need scoring systems to guide them to the healthiest choices in the market." **pb**

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Chinese New Year Is A Golden Opportunity To Promote Produce

By following this 5-step plan, retailers embracing the Lunar New Year can attract Asian-Americans and lure others as well.

BY CAROL M. BAREUTHER, RD

Chinese New Year (CNY) isn't just a celebration for Asians. It's a festive holiday that's fast moving mainstream. In fact, New York City added the Lunar New Year (as it's properly called) to the public school calendar last year joining the ranks of two other cities, San Francisco and Tenafly, NJ. Add to this celebrity chefs, food bloggers and restaurateurs creating special menus centered on the CNY theme and even non-Asians can't help but enjoy taking part in the fun, which will begin on February 8, 2016.

A primary reason for the growing popularity of CNY is the rise in numbers of Asian-Americans. From 6 percent of the U.S. population today, Asians are expected to outnumber Hispanics and comprise 38 percent of America's immigrants by 2065, according to the September 2015-released report by the Pew Research Center, entitled *Modern Immigration Wave Brings 59 Million to U.S., Driving Population Growth and Change Through 2065*.

"As the Asian population continues to grow in the U.S., particularly of those that do celebrate Lunar New Year, this should resonate strongly among food industry leaders, especially with the produce industry as many Asian cuisines use a plethora of fresh produce," says Kenny Mills, Northeast regional sales supervisor for House Foods America, headquartered in Garden Grove, CA.

Asian-Americans are indeed major produce consumers. This ethnic

demographic consumed an average of \$695 worth of fresh produce annually in 2009, compared to \$496 for Hispanic Americans, \$439 for White/Non-Hispanic Americans, and \$287 for African Americans, according to the October 2011-released report, *Tracking Demographics and U.S. Fruit and Vegetable Consumption Patterns*, by Roberta Cook, cooperative extension specialist at the University of California at Davis.

More recently, the Produce for Better Health Foundation's 2015 *Study on America's Consumption of Fruits and Vegetables* reported Asian-Americans rated 732 annual eatings per capita of fruits and vegetables combined, more than White/Non-Hispanic Americans or African-Americans.

"Chinese New Year is a very produce-centered holiday," says Jin Ju Wilder, director of corporate strategy at Valley Fruit & Produce Co., in Los Angeles. "It's not just about using fruits and vegetables as ingredients in meals, but also for gift-giving, decorating the house and consuming throughout the two-week festival period. In addition, many people will forego meat and eat vegetarian for the holiday to cleanse the body and soul."

Beyond this, Asian cuisine and ingredients are fashionable among those who follow the current foodie trends. In fact, almost half (49 percent) of the nearly 1,600 American Culinary Federation chefs surveyed for the National Restaurant Association's 'What's Hot in



PHOTO COURTESY OF I LOVE PRODUCE

2016' survey called Southeast Asian cuisine a hot trend, while an additional 35 percent said this global flavor was a perennial favorite. It's important to note CNY is not only celebrated by those of Chinese heritage, but also by those from countries to the north of China such as Korea and to the south like Vietnam, Laos, Singapore and Malaysia.

"Chinese New Year is a great opportunity for us to carry specialty items our Asian customers are looking for, and at the same time, introduce our mainstream shoppers to fruits and vegetables they may not have tried before. Plus, it's a chance to add some fun and excitement to the produce department in the middle of winter," says Rick Hogan, produce education manager at Hugo's Family Marketplace, a 10-store chain based in Grand Forks, ND.

5 HOW-TO'S

Various industry experts agree the best way for mainstream retailers to boost produce sales around CNY is to follow this five-step plan.

1) IDENTIFY YOUR TARGET AUDIENCE(S).

Asian and non-Asian shoppers are both audiences for this holiday. However, merchandising methods to best reach each group differ.

"First generation Asian immigrants will buy their ingredients from the ethnic markets," explains Valley Fruit & Produce's Wilder. "You're not going to get these people to change stores. Second generation and more assimilated Asians present the greatest opportunity for mainstream retailers to increase sales. These are the folks who still want culturally-favorite foods, but also want the convenience of shopping at their neighborhood market."

Produce promotions at this time are more relevant for Asian shoppers, according to Karen

"Chinese New Year is a great opportunity for us to carry specialty items our Asian customers are looking for, and at the same time, introduce our mainstream shoppers to fruits and vegetables they may not have tried before."

— Rick Hogan, Hugo's Family Marketplace

Brux, North American managing director of the San Carlos, CA-based Chilean Fresh Fruit Association, who lived in Asia for 10 years and celebrated many a Chinese New Year. "In markets with strong Asian populations (such as Los Angeles, San Francisco, Vancouver and Toronto) there are definitely opportunities to design high-end fruit gift boxes that people can offer as presents when they go to the homes of their friends and family, which is what happens during the New Year period."

Make sure there is good signage on displays, including a description of the product and usage suggestions. Companies such as Melissa's/World Variety Produce and Vitasoy USA, offer customizable point-of-sale materials such as shelf cards, danglers, recipes and coupons.

"Most non-Asians will not know its Chinese New Year, so signs are going to drive the message," says Ralph Schwartz, vice president of marketing, sales and innovation for Idaho Falls, ID-based Potandon Produce, LLC, which sees strong bagged yellow onion sales in the winter."

The trend for Asian cuisine in restaurants started gaining popularity that mainstream consumers are interested in creating these dishes at home. Have the ingredients readily available at retail, and use CNY to introduce them, suggests Garrett Nishimori, marketing manager and corporate chef for Oxnard, CA-headquartered San Miguel Produce, which



markets Jade-brand Asian Greens. "They will discover they are not only delicious and nutritious but also really easy to prepare and this factor can lead to continued sales after the holiday."

Mary Ostlund, marketing director at Brooks Tropicals, LLC, in Homestead, FL, sums up the target audience piece spot on: "Focus on your Asian customers and your non-Asian customers will enjoy being included in the celebration."

2) DECIDE WHAT TO SELL.

Ginger, Napa cabbage, bok choy, Gai Lan, choy sum, and convenience items (such as stir fry mixes and fresh Chinese noodles) are a few of the Asian foods offered at Hugo's Family Marketplace for CNY.

Ginger is a great flavoring for Chinese cuisine and has increased in demand at a rate of 12 percent per year. Additionally, supplies of fresh ginger from both Peru and China are plentiful, so pricing is very advantageous for ads," says Jim Provost, president of I Love Produce, Inc., in Kelton, PA. "We provided a special 2-pound clamshell for a retailer of our organic ginger from Peru. It retailed for \$5.99, so about \$3.00 per pound, offering a great value to the consumer. Conventional ginger normally retails for \$2.99 per pound,



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so this is a value. The chain sold a truckload of clamshells in conjunction with the Chinese New Year ad.”

More than 45 percent of retailers nationwide expand lines of Asian produce leading up to the CNY promotion, according to Robert Schueller, director of public relations for Melissa’s/World Variety Produce, in Los Angeles.

“In comparison to the year prior, we saw a 13 percent growth rate in our Asian produce category in the weeks leading up to CNY,” says Schueller.

Schueller says this included a 17 percent increase in value-added items such as its six-item line of Asian Essentials (1-pound clamshell packs of Asian greens including Napa cabbage leaves and bok choy leaves), shelled edamame, and noodles; 22 percent increase in cross-merchandised items (wonton and egg roll wrappers); 13 percent increase in Asian peppers (i.e. Shishito); 12 percent increase in fresh Asian mushrooms (Oyster, King Oyster, Enoki, Wood Ear and Shiitake); and 11 percent increase in Asian eggplants (Chinese, Japanese, Thai).

“Promote bulk items to Asian shoppers like baby bok choy, dau miu [snow pea shoots], gai lan [Asian broccoli rapini], yu choy [Asian flowering cabbage], Napa cabbage and Asian mushrooms [Shiitake],” explains San Miguel Produce’s Nishimori. “These items are the ones that our families traditionally needed to go to an Asian market to shop for. Promote value-added products to non-Asian shoppers like real Asian vegetables — not Asian stir-fry kits that consist of bell peppers and onions. Most Asian shoppers will already have recipes and ideas on preparation for the holidays. Non-Asian shoppers might need some recipe inspiration. Our recent packaging re-design from clamshells to bags features easy to follow recipes and different pack sizes to encourage mainstream customers to try them.”

Citrus is an ideal category to promote for CNY. “Kumquats are very popular, but unfortunately this tropical fruit will be scarce during the upcoming holiday,” says Brooks Tropicals’ Ostlund. “Other citrus is well-liked too and holds special meaning. For example, Uniq (Ugli) fruit and pomelos are thought to bring continuous prosperity. Tradition has it that the more you eat, the more wealth it will bring. Fruit that are ‘golden’ in color, like starfruit and papaya help to symbolize fullness and wealth. Your Asian customers need not be reminded of the fruit’s significance but your non-Asian customer will enjoy learning about the fruit and the holiday.”

Another popular fruit to merchandise is



PHOTO COURTESY OF VITASOY

Asian Pears. “Traditionally these are given as gifts in conjunction with Chinese New Year,” explains I Love Produce’s Provost. “Round fruits represent wealth (as they are round in shape like coins) and are considered lucky to have in the household to bring prosperity for the New Year. Asian Pears are readily available from California, Korea and China in good supplies for Chinese New Year ad. We offer packaging utilizing the Sesame Street “Eat Brighter” campaign that is a hit with our retailers. Display boxes and gift boxes make end-aisle pallet displays very easy to build.”

CNY in 2016 marks the year of the monkey. “The Chinese characters for kiwifruit translate as ‘monkey peach’ kiwifruit,” says the CFFA’s Brux. “I see good opportunities to do really unique marketing with this. Gold kiwifruit in particular would be perfect, due to its premium image.”

Tofu, conventional and organic, is a strong promotional item for CNY, according to House Foods America’s Mills. “In 2016, we are collaborating with DreamWorks Animation and will be using Kung Fu Panda 3 branded packaging for our tofu line during the Chinese New Year. Our hope is it will appeal to both Asian and non-Asian shoppers.”

3) DISPLAY, CROSS-DISPLAY AND DEMO.

“It’ll be a busy week. Super Bowl is on the Sunday, Chinese New Year is the Monday and Valentine’s Day is six days later on the Sunday. It’s not really a problem for us because

we build different displays within the produce department that cater to each of these themes,” says Hogan of Hugo’s Family Marketplace. “The Chinese New Year display will include a large section of refrigerated tables. We get our signage from Melissa’s, make it festive-looking, and we will demo either Asian products themselves or a simple recipe.”

Similarly, at Roche Bros — a chain based in Wellesley, MA, with about 20 stores — all items are grouped together to add impact for the holiday.

“Most times we will also tie in complementary grocery items to enhance the displays,” says Tom Murray, vice president of produce and floral.

Holiday occasions such as CNY give produce managers a chance to show off their creativity in displays rather than simply stocking according to planogram.

“This is a great time to really engage produce managers and it’s an opportunity for them to express themselves and feel relevant,” says Karen Caplan, president and chief executive of Frieda’s Inc., in Los Alamitos, CA.

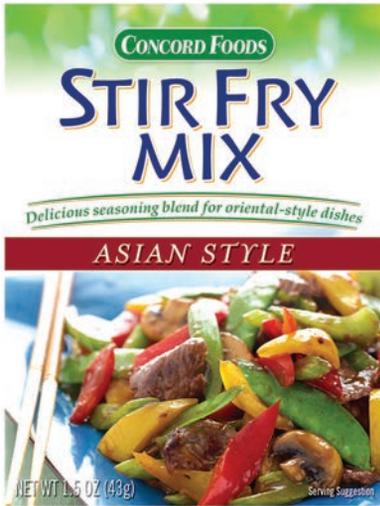
Adorn displays with simple red and gold ribbons. “Asians will know what these colors mean even without the Chinese characters, while non-Asians won’t be turned off but instead it will catch their attention,” says Valley Fruit & Produce’s Wilder.

Hogan at Hugo’s Family Marketplace will cross-merchandise items around a meal suggestion and include a recipe. Sometimes they will also demo Asian ingredients either alone or incorporated into a simple dish.

“If we have enough cold display space, we may promote chicken from the meat department, as well as adding a sauce from grocery to make a one-stop shop in the front of the produce department,” says Hogan.

Great tie-in ingredients for recipe-based displays include the shelf-stable Asian Style Stir Fry Mix from Concord Foods, in Brockton, MA, and the newly launched 10-ounce squeeze bottle of chopped ginger from Spice World, Inc., in Orlando, FL.

“By creating beautiful produce displays, retailers are providing recipe ideas to many impulse (and non-impulse) buyers, they are adding excitement to the produce department and they are increasing sales in produce and the grocery aisles. Consumers that purchase the produce, will also be purchasing tie-in items such as fish and noodles. The entire store will benefit from a beautiful and well-conceived Chinese New Year produce display,” says Samantha McCaul, marketing manager for Brockton, MA-based Concord Foods.



4) TIME IT RIGHT.

“Promote Chinese New Year for at least two weeks, because the celebrations can start as much as three weeks earlier than Chinese New Year’s Eve,” says Brooks Tropicals’ Ostlund. “Promote afterward as well. There are different closing dates. This can be six days after the Chinese New Year’s Day, but some carry the observance through the 15th day of the New Year.”

5) ADVERTISE AND PROMOTE.

“Since the Lunar New Year falls on a Monday this year, and many retailers run ads from Fridays, it may be best for retailers to run an ad for two weeks (e.g. 01/29/16 – 02/11/16) to give consumers some extra days to buy their goods, but still keeping in mind that the heaviest pull will more than likely be the weekend before Lunar New Year,” says House Foods America’s Mills.

Murray at Roche Bros. advertises by setting up a block in the weekly ad celebrating Chinese New Year featuring a variety of produce items.

“Items include Nasoya tofu, egg roll and wonton wrappers, Chinese noodles (Pasta Zero), Shiitake mushrooms, Yakisoba stir fry noodles, Udon noodles, Jonathan’s bean sprouts, fresh bok choy and Napa cabbage. We also advertise pomelos and Cara Cara oranges,” says Murray.

Last year, Roche Bros. promoted a recipe from vendor, Vitasoy USA, for egg rolls on the chain’s website. Produce ingredients included Nasoya-brand egg roll wraps, minced ginger, cabbage, bean sprouts, carrots and green onions.

Internet and social media can also be a potent avenue for promotion. “We have more than 66,000 Facebook followers. We also use Twitter, YouTube and Instagram to target

“Promote Chinese New Year for at least two weeks, because the celebrations can start as much as three weeks earlier than Chinese New Year’s Eve.”

— Mary Ostlund, Brooks Tropicals

particular holidays like Chinese New Year,” says Tanja Owen, senior brand manager at Ayer, MA-based Vitasoy USA. “Many times, this process involves sending a quick-and-easy

recipe using our wonton and egg roll wrappers. We see sales of wraps increase 30 percent from November through Chinese New Year and this is one of the reasons.” **pb**



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A handful of significant trends in Mexico's industry not only provides opportunity for today's market, but lays the foundation for future innovation.

BY JODEAN ROBBINS

Mexico continues to expand its role as a fundamental supplier to the U.S. produce market, capitalizing on its ability to meet market demands. "Almost 90 percent of our produce exports are for the U.S.," reports Alejandro Vazquez Salido, chief director of ASERCA (The Agency of Marketing Services and Development of Agricultural Markets — essentially the marketing arm of Mexico's Agriculture Department) in



PHOTO COURTESY OF TA-DE DISTRIBUTING CO.

Mexico City. "In 2014, produce exports from Mexico to the U.S. reached \$9.3 billion. Vegetables accounted for approximately \$4.9 billion, and fruits were about \$4.3 billion.

The Fresh Produce Association of the Americas (FPAA) in Nogales, AZ, notes Mexico's crucial role helps strengthen consistency of supply and diversity of produce offerings year-round. "Consumers want to know they can buy the same high-quality, delicious items in May or November, and growers in Mexico

help retailers meet that demand," says Allison Moore, FPAA director of legislative and regulatory affairs.

Northgate Gonzalez Markets in Anaheim, CA, operating more than 40 stores, counts on Mexican product to ensure continual supply for customers. "The market is about demand, not supply, and Mexico helps fill what we need for our customers," says Alfonso Cano, produce director. "As a retailer, you must have what your customers want or they won't come

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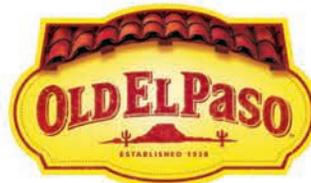
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Mexico's Top 5 produce items exported to the U.S. by volume in 2014 included tomatoes, watermelon, cucumbers, avocados, and peppers according to ASERCA. These same statistics show a 7.4 percent increase in produce exports to the U.S. from 2013 to 2014 and an overall trend of increased exports from 2005 at \$4.2 billion to 2014's \$9.3, more than a 120 percent increase in the past decade.

Mexico's evolution and forecast advancement results in part from continued challenges in U.S. production. As U.S. growers continue to be pressured in labor and water issues, increase production in Mexico is favored, says Chris Ciruli, chief operating officer at Ciruli Bros. in Rio Rico, AZ.

Substantial trends and innovation in Mexico will continue to stimulate growth in coming years. “From blossoming greenhouse production across all elevations in Mexico to new varieties or commodities diversifying imports, buyers count on suppliers selling

“From blossoming greenhouse production across all elevations in Mexico to new varieties or commodities diversifying imports, buyers count on suppliers selling Mexican produce as crucial partners in meeting consumer expectations.”

— Allison Moore, The Fresh Produce Association of the Americas

Mexican produce as crucial partners in meeting consumer expectations,” says Moore.

TREND 1: INCREASING PROTECTED AGRICULTURE

One significant, on-going development affecting current and future markets is the continuing explosion of production under protected agriculture. According to Mexico's SAGARPA (Mexico's agricultural regulation organization), the national surface of protected

agriculture in the country in 2000 was 790 hectares. By 2012, that number grew to 21,530 hectares, and in 2015, reached a total of 23,251 hectares.

AMHPAC (Mexico's protected ag association) in Culiacan, Sinaloa, Mexico, reports a growth rate in protected ag development of 12 percent annually. “This represents 1,200 hectares a year,” explains Alfredo Diaz Belmontes, AMHPAC's general director. “This is happening because the U.S. consumer is

■ BUILDING CONSUMER CONFIDENCE

BY JODEAN ROBBINS

Mexico's government and industry collaborate across borders to raise consumer comfort with produce from Mexico. As Mexico's role in the U.S. market has increased, so has its commitment to food safety as it looks to assure U.S. consumers of the quality and safety of its products.

“For Mexico, the issue of food safety is fundamental,” declares Hugo Fragoso Sanchez, director general of SENASICA (Mexico's agricultural food safety agency) in Mexico City, Mexico. “We must assure the safety of our food supply — not only for export but for our own domestic consumers. As a government, we have a commitment to consumers in all countries to provide safe food.”

Increasing cooperation and understanding between Mexico, the U.S. and Canada resulted in even stronger food safety initiatives. “Our Working Groups exchange technical information and are achieving greater collaborative efforts,” says Fragoso Sanchez. “Our goal is to reduce risks in the production end through even more preventative measures. We want U.S. consumers to know how serious and competent Mexico is with respect to food safety.”

To accomplish this goal, regulatory authorities in the U.S. and Mexico formed

the Food Safety Partnership aimed to prevent food safety incidents in the future. “This alliance looks to prevent rather than just react,” explains Fragoso Sanchez. “We also want to establish equivalent standards among the countries.”

The Mexican government is also investing in direct grower assistance for food safety related improvements. “Government agencies in Mexico are facilitating monetary resources to mainly smaller growing operations to invest in irrigation systems and improve packing and cooling facilities,” reports Allan Acosta, vice president of operations for Vision Produce Company headquartered in Los Angeles. Acosta adds, agencies (such as Culiacan, Sinaloa, Mexico-based CESAVESIN/State Committee for Plant Health in Sinaloa) also provide technical advisory services on integrated pest management and food safety certifications.”

The Mexican private sector is also taking proactive measures in food safety and beyond. AMHPAC in Culiacan, Sinaloa, Mexico, has begun implementing its Agri-food Armor program. “This AMHPAC validation verifies the participant associates meet minimum food safety and social responsibility requirements,” explains Alfredo Diaz Belmontes, AMHPAC's general director. “We established five levels ranging from simply

adhering to official government registries to having the most rigorous food safety and social responsibility certifications.”

The association's initial reports are promising. “We found more than 80 percent of our growers report having at least one food safety certification and 33 members (14 percent of our total growers) reached Level 5,” reports Diaz. “Our goal is for our entire membership to meet Level 5 in the next two years.”

Fair Trade and social responsibility are increasingly central elements of consumer confidence. “While Divemex was the first Mexican pepper grower to gain certification in 2009, growers throughout Mexico are now Fair Trade-certified,” says Jason Fung category development director for The Oppenheimer Group (Oppy) in Vancouver, Canada. “This illustrates their commitment to responsible production and instills confidence in a wider range of items from Mexico.”

Jose Luis Obregon, president of IPR Fresh in Nogales, AZ, reports seeing a number of additional certifications in addition to food safety including non-GMO and Fair Trade. “These include strong social responsibility initiatives and more sustainability practices such as renewable energy, water conservation, land use, reduced use of fossil fuels and recycling,” he says.

pb

looking for protected ag product in the marketplace. We produce a high-quality product, with greater yield, consistency, and more efficient use of inputs than open-field production.”

Protected ag investment and benefits are booming. “The investment in shade houses, micro and macro tunnels, and other forms of protected agriculture, is evident in almost every Mexican state,” says Allan Acosta, vice president of operations for Vision Produce Company headquartered in Los Angeles. “These technologies have not only enabled Mexican growers to increase crop yields and improve quality, but also to expand their harvest seasons.”

Jose Luis Obregon, president of IPR Fresh in Rio Rico, AZ, links consumer demand with protected ag benefits. “Protected ag generates higher yields and consistent quality with high water productivity,” he explains. “As resources become scarce and consumer demand increases, it will drive more growers toward protected ag.”

AMHPAC reports top protected ag products include tomatoes, cucumbers and bell peppers. “Mexican exports of those three products to the U.S. exceed 2 million tons every year,” states Diaz Belmontes.

For Ciruli, 100 percent of its tomatoes and colored bells are protected ag. “Our cucumbers and eggplant are probably about half,” adds Ciruli.

The Oppenheimer Group’s program with leading greenhouse grower Divemex (based in Guadalajara Jalisco, Mexico), continues to thrive and innovate. “Divemex offers organic and conventional fair-trade certified peppers, enabling retailers to differentiate and cater to discerning shoppers who share socially responsible values,” says Jason Fung, category development director for The Oppenheimer Group (Oppy) in Vancouver, Canada.

However, the swift growth in protected ag resulted in stiff competition. “We can see persistent low pricing due to oversupply,” shares Alejandro Canelos, chief executive at Apache Produce Imports in Nogales, AZ. “Still, this is excellent news for consumers. More competition always means better quality, more variety, and more consistency over the long term.”

Generational succession in the management of Mexico’s growing operations is forecast to result in even fresher ideas. “There is a re-energized desire to ‘conquer’ the U.S. produce market,” says Vision’s Acosta. “As younger generations, commonly U.S.-educated, get involved in the day-to-day management of operations, investments in protected agricultural crops are expected to increase. In the future, more high-value and organic items will



While the bulk of Giumarra’s watermelons are grown throughout the state of Sonora, the company continues to expand its mid-season watermelon program and will have slightly higher volume from Sinaloa and Baja California Sur, with continued testing in Michoacán.

be grown using protected agriculture technologies across Mexico.”

Another game-changer in Mexico’s protected ag future is the industry’s recent ability to work with Mexican banks for credit. “In the past, credit and financing was limited for Mexican producers,” reports AMHPAC’s Diaz Belmontes. “We had to come up with our own financing or work with a U.S. partner. Having direct access to financing in Mexico now returns the power to Mexican hands and gives producers greater distribution flexibility.”

TREND 2: GEOGRAPHICAL EXPANSION OF GROWING AREAS

Mexico’s diverse climate is pushing expansion of production for export into non-traditional areas. “Mexico is rife with micro climates allowing different products to be grown — throughout the year in different regions,” says Matt Mandel, vice president of sales and marketing for SunFed in Rio Rico, AZ.

The industry reports production moving further south in Mexico. “People are trying to go into different time zones to extend season,” explains Ciruli. “We now have production coming out of Jalisco and near Mexico City.”

Central and northeastern states in Mexico also report a rather large boost. “States like Queretaro, Coahuila and San Luis Potosi have seen an increment in production, because weather and the technologies typically implemented in those states allow growers to have production year-round,” says Diaz Belmontes.

IPR’s Obregon notes many evolving production areas are actually traditional domestic producers. “Traditional producing areas are now shifting toward exporting its own product,” says Obregon. “For example, we see a lot of growth in Chili peppers from these areas.”

Expanding production aims to fill market gaps. While the bulk of Giumarra’s watermelons are grown throughout the state of

Sonora, the company continues to expand its mid-season watermelon program. “We are attempting to fill a traditional production gap from early January through mid-March,” says Gil Munguia, division manager for Giumarra in Nogales, AZ. “We will have slightly higher volume from Sinaloa and Baja California Sur, with continued testing in Michoacán and other areas in southern Mexico.”

In the past few years, Organics Unlimited of San Diego, CA, added farming areas in the states of Colima and Michoacán. “The U.S. is a big market for organic bananas,” says Mayra Velazquez de Leon, president and chief executive. “There must be a good, reliable source of organic bananas. If we can transition land in Mexico, the U.S. market gets fresher bananas than those coming from South America.”

Ciruli notes how this year, Mexico filled in on the leafy greens deal during the tough transition to Yuma.

Satenik Bennen, vice president of Nogalez, AZ-based Ta-De Distributing Co., also reports seeing seasonal “spot production” to meet specific market gaps nearer the borders, such as in Sonora.

TREND 3: DEVELOPMENT OF ALTERNATIVE SHIPPING ROUTES

Logistical developments also contribute to significant evolution in Mexico’s exports. “The new freeway from Mazatlan-Durango increased the crossing of produce through the northeastern borders of Mexico via McAllen and Laredo, TX,” reports AMHPAC’s Diaz Belmontes. “The new Pharr Bridge facilities expanded movement in that area.”

Though Nogales remains the single largest port of entry for Mexican product — crossing approximately 5.5 billion pounds of produce each year according to FPAA — Texas is currently the largest importing state for fresh fruits and vegetables from Mexico. According to USDA Agricultural Marketing Service

data, in 2014, Texas crossed a total of around 173,000 truckloads of fresh produce from Mexico (compared to Arizona at approximately 130,000 loads.)

The Texas International Produce Association (TIPA) in Mission, TX, reports Texas is averaging 10 to 11 percent growth year over year for fresh produce. “The main crossing ports in Texas are Pharr (with about 60 percent of the total), Laredo, Rio Grande City and then Progreso,” says Bret Erickson, TIPA’s president.

Yet the industry considers Texas and Arizona ports mutually inclusive. “Companies in both Arizona and Texas are growing, and many Nogales companies are opening operations in Texas too,” explains Erickson. “This is an expansion, not a replacement. It’s good for everyone when we have different routes for product.”

Increasingly, logistics isn’t just about the shared land border either. “From Veracruz, it is more competitive to go to Boston by boat than overland by truck,” declares ASERCA’s Vazquez. “As other logistics options evolve, we will see more creative transportation options.”

TREND 4: GREATER PRODUCT VARIETY

Though Mexico may be synonymous with tomato and watermelon, increased variety also drives expansion. “There is growth in crossings

every year, yet it’s different products driving that growth each year,” claims Ciruli. “For example, in the 1970s, you would infrequently see some Mexican strawberries in Nogales; now you see berries everywhere.”

Oppenheimer observed significant growth in the berry category. “This increase has been driven largely by consumer demand for high quality raspberries, strawberries, blueberries and blackberries throughout the year,” reports Oppy’s Fung.

More buyers looking for specialty varieties are credited by industry for also driving diversity. “Specialty eggplant or specialty tomatoes differentiate buyers from their competition,” suggests Ciruli. “We’ll continue to see these come out of Mexico. At one time, Persian pickles was a specialty item, now you can buy them at Costco.”

Ta-De is developing specialty peppers and will soon launch a new mini-pepper label. “We are especially working in the small or mini-pepper category,” says Bennen. “Shishito is one variety we are seeing demand for. They have become popular in trendy restaurants.”

Giumarra Nogales continues to nurture organics as well as other distinct items. “We continued to build our organic produce line each year,” says Munguia. “Mature green tomatoes are considered a niche item to some but

have been a high-volume staple of our program since the 1970s. Winter squash has increasingly become popular item. We have more acreage of Butternut, Spaghetti, Acorn, and Kabocha, in organic and conventional lines.”

The “snacking” category opened another line of opportunity. “Snacking fruits and vegetables include different varieties of grape tomatoes, mini cucumbers or mini peppers,” explains SunFed’s Mandel. “It’s really anything geared toward making fruits and vegetables snackable and attractive to a younger audience.”

Northgate looks to specialized items for significant growth potential. “Sales growth isn’t in tomatoes or peppers,” suggests Cano. “It’s in the non-mainstream items, such as guava. The top items are already established, so how do you achieve greater penetration in those? You really want to focus on those items without full penetration yet. For example, if you can introduce guava and lower the retail by 50 percent — you’ll sell more!”

Jose Vargas, produce manager for Food-King, a five-store discount chain operated by Lowes Markets in Lubbock, TX, reports increasing demand for tropicals. “Our papaya, coming out of Mexico, has been a great seller,” he reports.

IPR’s Obregon agrees items such as

■ RAMPING UP PROMOTION AND MARKETING FOR MEXICO’S PRODUCE

BY JODEAN ROBBINS

Retailers can find a wealth of promotion and marketing assistance for Mexico-sourced items.

As Mexico ramps up production, growers and distributors are committing resources on the market side. Avocados From Mexico represents an ideal example of Mexico’s increasingly aggressive promotion. “Promotions such as Avocados from Mexico are doing a great job of raising awareness of products through advertising campaigns, public relations, social media, in-store activity and more,” says Jason Fung category development director for The Oppenheimer Group (Oppy) in Vancouver, Canada. “They are building momentum and it’s been good for the category.”

FoodKing, a five-store discount chain operated by Lowes Markets in Lubbock, TX, utilizes the Avocados from Mexico program. “We use display materials and have seen growing consumer interest in avocados,” says Jose Vargas, produce manager.

The National Watermelon Promotion Board (NWPB) in Winter Springs, FL, encourages retailers to promote year-round to take advantage of Mexico’s season even if stores don’t have large bins. “Showcasing watermelon as fresh-cut has been successful for most retailers,” reports Juliemar Rosado, NWPB’s director of retail operations and international marketing. “Sampling at retail level also gives the customer an opportunity to taste the quality of the product. Promote watermelon during import season by showcasing the variety of ways it can be incorporated into holiday meals.”

Mangos represent great promotion potential in the future. “Mangos still have a lot of room to grow in the U.S.,” says Chris Ciruli, chief operating officer at Ciruli Bros. in Rio Rico, AZ. “Since the inception of the Mango Board, we’ve grown consumption but still have a huge untapped market.”

Individual companies are making their mark through unique packaging and

branding. Oppy’s Outrageously Fresh jar bag and top-seal packaging from Divemex and SunSelect Produce is an example of innovation continuing to drive sales.

SunFed in Rio Rico, AZ invested in rebranding and pop art-inspired artwork for its line of Perfect Produce. “Our marketing director Brett Burdsal wanted to take something that might not otherwise stand out on the shelf,” relates Matt Mandel, vice president of sales and marketing. “We want to attract consumers to our goods with the endgame of increasing consumption.”

Organics Unlimited of San Diego, CA, has long innovated as a marketer of organic bananas from Mexico. “Our marketing stresses Mexico is the closest source of bananas to the U.S., ensuring fresher fruit year-round,” says Mayra Velazquez de Leon, president and chief executive. “We see our roots in Mexico as a real advantage to retailers who can then offer a better product to their customers.”

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mangos, avocados, limes, pineapples, and papayas are up-and-coming due to the popularity of Mexican food. “Other growing items include jalapeños, Serrano chili peppers, pasilla and habanero peppers,” he adds.

Canelos of Apache Produce Imports says interesting prospects are organic mini Japanese albino eggplants.

Organics Unlimited sees potential in organic coconuts and plantains. “The market for both products increased during the past few years because of health and awareness reasons,” says Velazquez de Leon.

Mexico aims to program its future in terms of U.S. consumer behavior. “We are looking for opportunity for growth based on what the market wants,” asserts ASERCA’s Vazquez.

“For example, gluten-free trends or almonds; we are focusing on supplying what Americans are interested in buying — not just what Mexico wants to produce.”

TREND 5: ADVANCEMENTS IN SEED DEVELOPMENT

Seed development currently limits expansion in volume and variety of products — especially in protected ag.

“Seed for shade house must be developed specifically for that purpose,” explains Ciruli. “You can’t use open-field seed in shadehouses. So, it takes longer to get the right seeds for protected ag production, and it must be economically viable.”

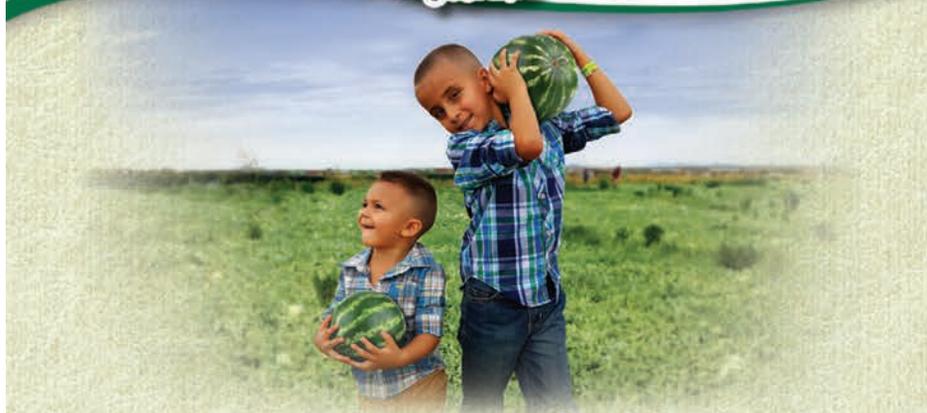
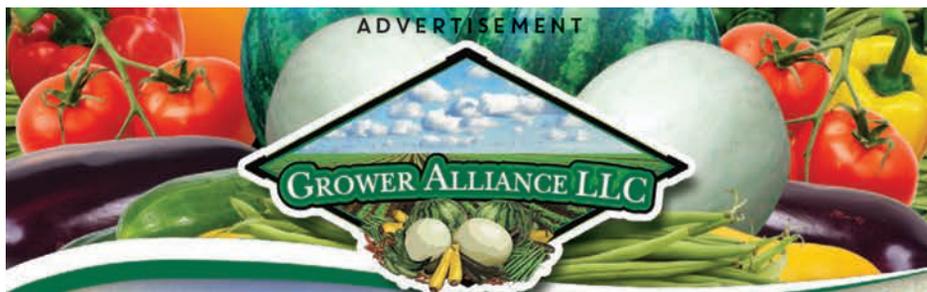
Advances in seed development hold the promise of the future. “Seed and variety development constantly affect the profitability and sustainability of Mexican produce,” states Canelos. “This will never stop, since Mexico continues to explore and develop what it needs to offer the market in the future.”

Munguia of Giumarra explains new variety development affects flavor and profit. “It creates varieties requiring fewer resources to grow,” he says. “It also creates repeat sales, as the consumer comes back to the retailer looking for that same experience.”

Bejo Seeds, Inc. in Oceano, CA, has a substantial tomato program with major breeding stations in Guatemala and California.

“Improved seed varieties will help to deliver better performing products as significant work is done on consumer attributes as well as industry needs,” states Jeff Trickett, sales and marketing director.

“For example, new varieties are being screened for flavor, texture and color much more closely versus historical programs, which focused mainly on yield from the field, disease resistance, and shipping capabilities. **pb**



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Start in Spring (late March through the Fourth of July)

Springtime is a budding opportunity with a wealth of products to satisfy customer demand after a long winter. The Grower Alliance portfolio at this time includes:

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Summer Movement (late July – September)

Moving from Spring to Summer is easy with Grower Alliance. An innovative partnership with protected ag growers allows the company to offer a mixture of greenhouse-grown **beefsteak tomatoes, Roma tomatoes and bell peppers.** These items are available through McAllen during the summer.

A Thriving Fall (late September – November)

Grower Alliance’s Fall portfolio helps renovate consumer interest in produce for a new season and includes:

watermelons, mini watermelons, honeydews, cucumbers, Italian/grey/yellow straightneck squash, and hot peppers through Nogales starting in late September.

Come mid-November, the Winter products expand to include:

watermelons, mini watermelons, honeydews, cucumbers, Italian/grey/yellow straightneck squash, green beans, euro cucumbers, eggplant, and green bell peppers.

Winter Wonders (December – March)

The sunny growers allied with Grower Alliance continue to serve customers throughout the winter months. Winter items include:

watermelons, mini watermelons, honeydews, cucumbers, Italian/grey/yellow straightneck squash, green beans, euro cucumbers, eggplant, and green bell peppers.

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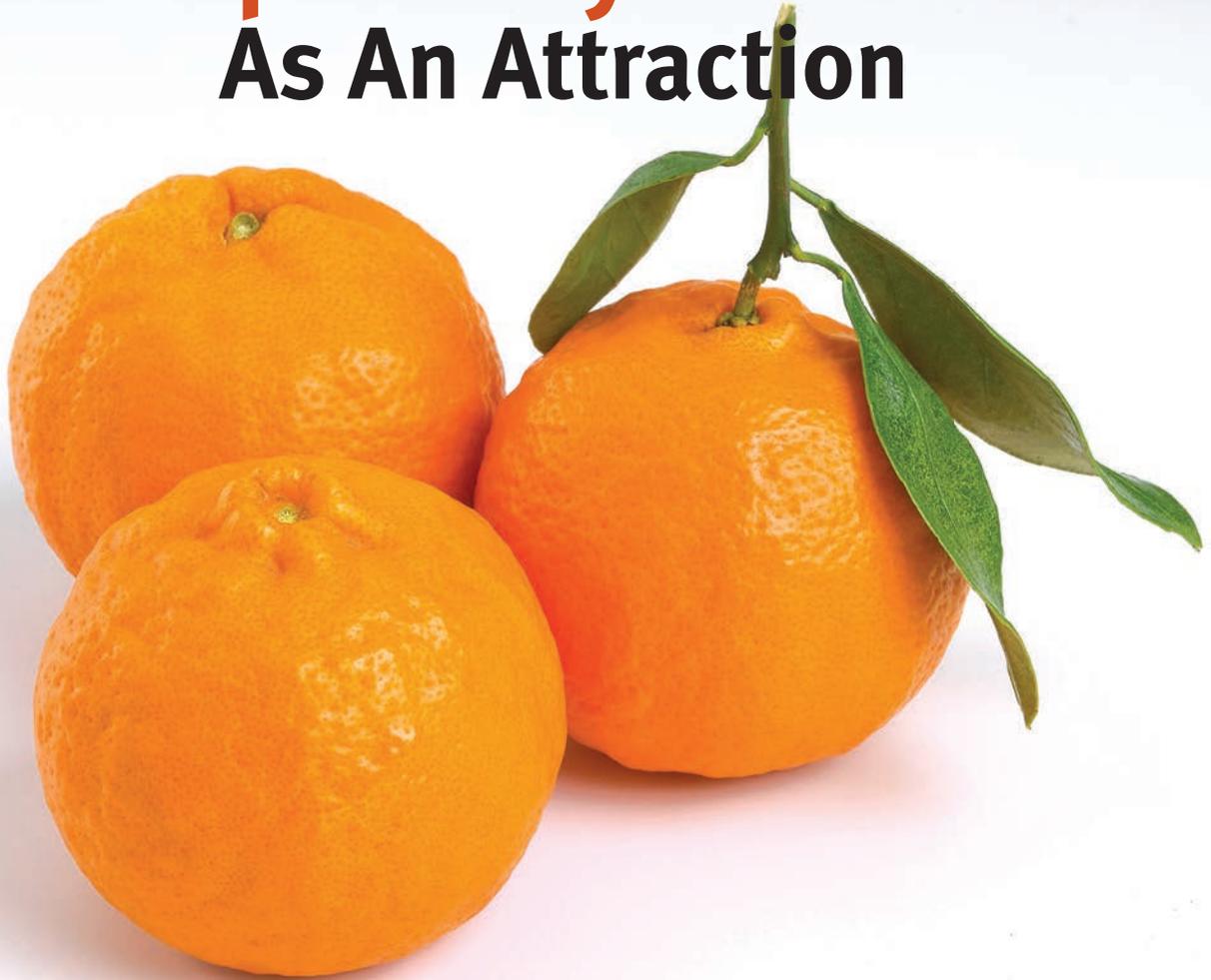
The company provides support to its growers and customers - helping expand operations and investing in communities. To better serve customers Grower Alliance ships from both Nogales, AZ, and McAllen, TX, depending on the season. The company also offers consolidation services for companies outside of Nogales that want to load in one location as opposed to picking up in different warehouses. Grower Alliance’s success is rooted in its philosophy that this business is really about the people who grow and market the products.

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Merchandising Specialty Citrus As An Attraction



The biggest challenge with marketing specialty citrus isn't overcoming customer uncertainty, but correctly labeling and identifying each item so it gets the proper ring at checkout.

BY SOPHIA MCDONALD

PHOTO COURTESY OF SUNKIST

During peak citrus season, produce departments can increase profitability by marketing specialty citrus alongside standard varieties such as Navel oranges and Eureka lemons.

The term “specialty citrus” means different things to different people. Robert Schueller, director of public relations for Los Angeles-based Melissa’s World Variety Produce, defines it as “varieties that are less commonly known to the average American. You can’t find

them in every store you go to.”

Seasonality is also a defining factor in this category. “Specialty citrus refers to specific varieties not readily available year-round,” says Monique Bienvenue, director of communications at Bee Sweet Citrus, a family owned and operated company headquartered in Fowler, CA, in operation since 1987. “Most customers know that while a Navel orange will be available 365 days of the year, something more exotic like a Cara Cara is only available during its season.”

The peak of the variety citrus season starts as early as October, says Schueller. Many of the seasonal varieties last until March. That’s a short window of time to sell and promote these exotic fruits.

Getting consumers excited about specialty crops is easier than it used to be. Joan Wickham, manager of advertising and public relations with Valencia, CA-based Sunkist Growers, attributes interest in unusual produce largely to renewed interest in cooking and enjoying a variety of food.



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“In today’s food-inspired culture, consumers are eager to learn about and try unique foods, offering many opportunities for specialty citrus,” says Wickham. “Specialty citrus is attractive to people who regularly purchase citrus because it offers them something different. It’s also interesting to Millennial consumers who are adventurous when it comes to food and eager to try new things.”

“Specialty citrus definitely appeals to both new and existing customers,” says Bienvenue. “While there will always be loyal individuals who look forward to buying certain varieties throughout the year, there is definitely a growing foodie movement all over America. These are the individuals who are interested in knowing how to make an ordinary meal better.”

SPECIALTY CITRUS HITS THE MAINSTREAM

There are specialty citrus varieties that have been in the U.S. marketplace for a long time. Others are new or remain virtually unknown. Among the specialty citrus varieties becoming more mainstream are Cara Cara oranges, blood oranges and Meyer lemons, says James Neumann, vice president at ValuMarket, a Louisville, KY-based chain with six stores. “They’ve definitely been our strongest sellers.”

Cara Cara oranges (also known as red Navels) are a cross between a Navel orange and grapefruit. “It is a very nice eating piece of fruit that resembles an orange but with pink flesh,” says Chuck Yow, director of U.S. sales and business development for Montreal-based Capespan North America. “While this is not a new variety, it is growing in popularity.” Capespan is one of the largest importers of citrus on the East Coast.

“In today’s food-inspired culture, consumers are eager to learn about and try unique foods, offering many opportunities for specialty citrus. Specialty citrus is attractive to people who regularly purchase citrus because it offers them something different.”

— Joan Wickham, Sunkist Growers

There are four different varieties of blood oranges, but Moro is the most common. The fruit’s flesh is reddish in color, and the skin often has a blush of red on it. They have a berry flavor that complements the tart orange taste. Blood orange has been quite trendy in the last few years. Restaurants feature them in cocktails, main courses and desserts.

“Meyer lemons are thought to be a cross between a regular lemon and a Mandarin,”

says Wickham. “They are a bit sweeter and less acidic than conventional lemons and have a refreshing herbal scent. A Meyer lemon’s rind can vary from bright yellow to a rich yellow-orange and has a soft, smooth feel.” The fruit is now available year-round, with peak supplies coming during the winter months.

Wickham reports Minneola tangelos are selling well with consumers. They’re a cross between a grapefruit and a tangerine with a distinctive knob-like formation at the stem end. Easy-peel versions of Mandarins and tangerines are also popular. “Gold Nugget Mandarins are a late-season variety that is also growing in consumer demand,” she says. “Ojai Pixie tangerines are another distinctive late-season, easy-peel variety. These tangerines are named for the lush Ojai region of southern California where they are grown. Pixies are small in size, as their name suggests, and are seedless and intensely sweet.”

“Clementines move very well all through the year now,” says Jeff Patterson, director of produce and floral for Baton Rouge, LA-based Associated Grocers. This wholesale co-op supplies 200 stores within a 300-mile radius around its Baton Rouge-based headquarters.

Pummelos are also starting to catch on with

PHOTO COURTESY OF SUNKIST



Cara Cara oranges are among the popular specialty citrus varieties.



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consumers. Pummelos are the largest member of the grapefruit family. They have a green, very thick skin that hides red flesh.

WHAT'S NEW IN SPECIALTY CITRUS

Melissa's regularly introduces new specialty citrus varieties in the United States. An interesting recent find is finger limes. Each fruit is about the size of a pinky finger, says Schueller. When cut open, the lime yields tiny beads of citrus that range from clear to pink in color.

"This is the fruit chefs call citrus caviar," he says. "They're expensive, but a little bit goes a long way." In Asia, the beads are used in cooking and on sushi. In the U.S. they're included in mixed drinks. Finger limes are available from May to January.

"The Kieffer lime is best known for its leaves," says Melissa's Schueller. "It wasn't until

"The problem with the Meyer and the Cara Cara is they look the same as the conventional lemon or Navel. Stores have to keep them well separated to keep a different pricing structure on them."

— Dan Borboa, Capespan North America

a few years ago that they started harvesting the limes." The limes are very wrinkly and typically used for the zest, which Schueller describes as

"very zingy." They are in season from October to late November or early December.

A calamondin is a cross between a kumquat and a sour Mandarin. The fruit is small, round in shape and ranges in color from yellow-green to orange. "A lot of people throughout the U.S. have calamondin as an ornamental tree in landscaping," says Schueller. They have a pleasing sour flavor that makes them great for marmalade and jam.

Yuzu is a green-yellow citrus that's about the size of a golf ball. It has a very distinctive scent and flavor that's somewhere in the realm of a lemon/lime/grapefruit. It's often used in ponzu sauce or beverages such as sodas and mixed drinks. Yuzu can also be cut into slices and served with main courses and seafood.

Sudachi was created by crossing two different varieties of Mandarin oranges. It

■ PROPER LABELING VITAL TO MERCHANDISING

Given that specialty citrus can be priced higher than other citrus — about 15 percent higher on average, says Robert Schueller, director of public relations for Los Angeles-based Melissa's World Variety Produce — it's important to label it properly.

"The problem with the Meyer and the Cara Cara is they look the same as the conventional lemon or Navel," says Dan Borboa, a sales representative with Montreal-based Capespan North America. "Stores have to keep them well separated to keep a different pricing structure on them."

Another option is to sell specialty citrus in bags or clamshells. Many wholesalers package the fruit this way to ensure stores get the correct price ring.

"Typically your specialty citrus is merchandised by its comparative variety," says Schueller. It should not be refrigerated, so standard display tables are a good place for it. But store managers shouldn't limit themselves.

"When produce is seasonal, it needs to be in a prominent, high traffic location," says Jeff Patterson, director of produce and floral for Baton Rouge, LA-based Associated Grocers. "It doesn't necessarily have to be citrus with citrus." The company likes to create stand-alone "fresh up front" displays to promote new items.

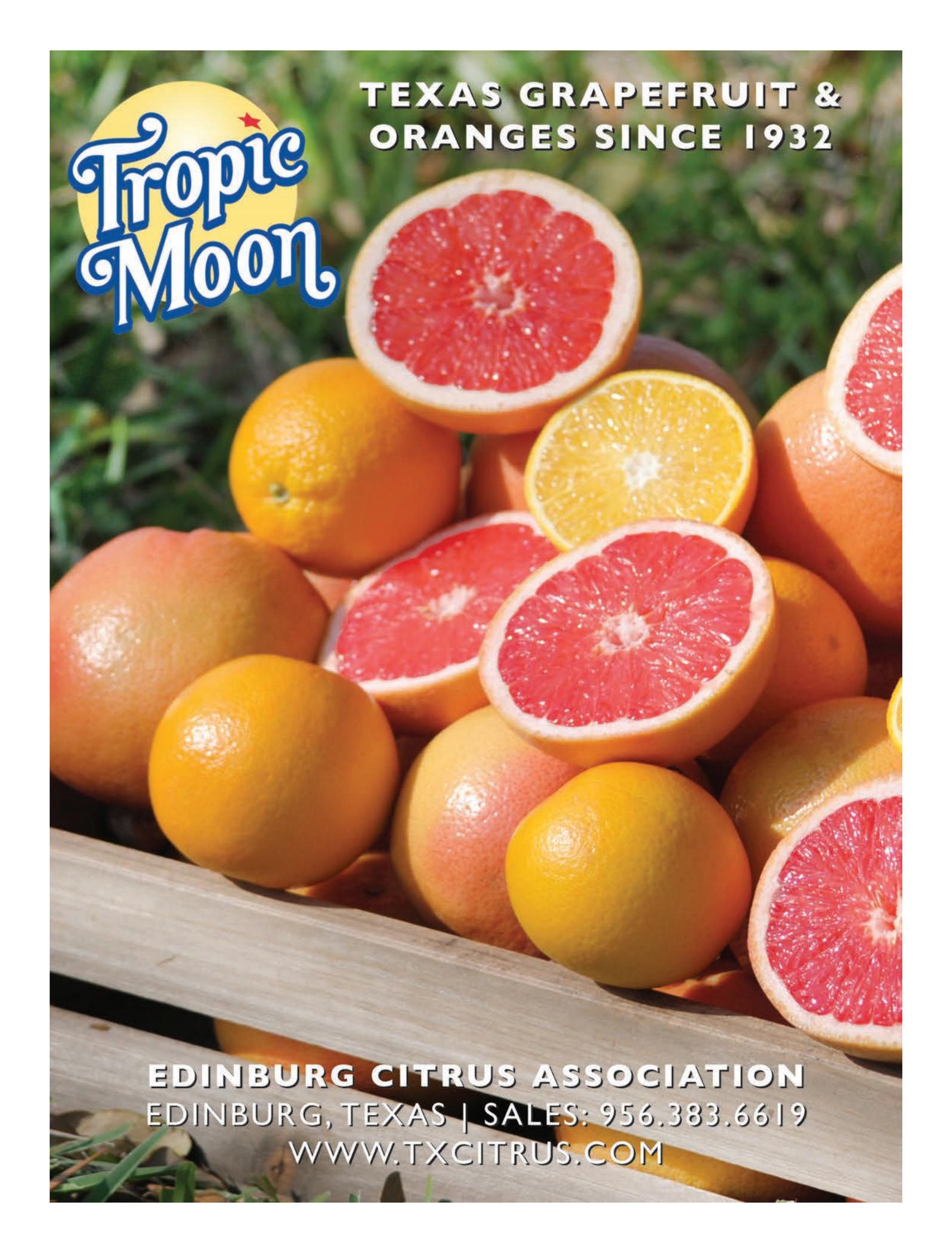
Yow with Capespan North America recommends looking for pop-up bins made specifically for certain varieties. "It separates them out and gets them off the

shelf," he says.

Good signage can also draw consumers' attention. "Since you have that customer's attention for such a short amount of time it's critical for the suppliers to have shelf talkers and danglers," says Patterson. "They shouldn't have much verbiage, just a few sentences."

Simply showing off what lies beneath the skin can help sell more specialty citrus. "Because a red flesh orange looks the same as a regular orange on the rack, the majority of our produce departments will keep one cut and shrink wrapped to draw attention to it," says James Neumann, vice president at Louisville, KY-based ValuMarket. "They'll do the same thing on the deep red grapefruit."

pb



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originated in Japan. Like yuzu, sudachi is often used in beverages and fish dishes.

“More people are asking for pink variegated lemon,” says Dan Borboa, a sales representative with Capespan North America. These unusual fruits have yellow or green skin with darker green stripes. When cut open, they reveal a pink interior. Customers can make pink lemonade with no artificial coloring using these lemons.

To some extent, organic citrus can be marketed as a specialty crop because it’s so rare. “The organic citrus category continues to grow, but it can be difficult to source,” says Borboa. “On the import side it’s virtually impossible to get an orange that’s imported and organic. I don’t think there’s enough volume out there on organic citrus, but it is available.”

SAMPLING IS HELPFUL IN MARKETING

The best way to increase sales of specialty citrus is to let consumers try it. “Sampling works pretty well, especially on the red flesh

PHOTO COURTESY OF MELISSA'S WORLD VARIETY PRODUCE



Yuzu, a green-yellow citrus with a distinctive scent and flavor in the realm of a lemon/lime/grapefruit, can be cut into slices and served with main courses and seafood dishes.

oranges because they draw people’s attention,” says Neumann.

They also taste really good, which is very important, he notes. “If you’re selling something just because it looks good, you’re never going to get a repeat buy. It’s important to remember specialty citrus has to taste good.”

“Sampling and demos are most important with specialty fruit,” says Borboa. “Without sampling, people just don’t know what the item is.” It may take a few years for unusual produce to catch on, but he’s seen sampling campaigns for Cara Cara oranges work very well.

Patterson likes to do promotions with multiple prices so consumers can get a good deal on their desired quantity of citrus. Associated Grocers promotes one weight for \$1, another weight for \$2, and a third weight for \$3. The retailer also offers deals when customers buy multiple bags.

Part of a successful specialty citrus marketing program is getting it in the right stores. “We have a pretty wide variety of customer bases,” says Neumann. One store has lots of shoppers who come from other countries, and it does really well with specialty citrus.

“Education is key when it comes to marketing specialty citrus varieties,” says Wickham of Sunkist Growers. “Sharing flavor profiles, usage tips and recipe ideas on point-of-sale materials help build consumer excitement.

Since availability is limited on specialty varieties, specialty citrus is often sold at a premium. Retailers need to educate consumers about the varieties — what makes them special and how they are best eaten.” **pb**

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MUSHROOMS: Still Growing After All This Time

This healthy alternative is cropping up in new food-centric places.

BY BOB JOHNSON



After all these years mushroom sales are still increasing. These tasty but healthy morsels are being used in a variety of new and interesting ways. And varieties unheard of a generation ago are captivating consumers.

There has been a steady increase in per capita mushroom consumption over the decades, according to USDA Economic Research Service statistics, from a quarter pound of fresh mushrooms in the 1960s, to a robust 2.5-plus pounds in the first decade of the new millennium.

Health-conscious consumers are mixing them with ground meat in order to reduce

Michael Richmond, sales manager at Champ's Mushrooms, Aldergrove, British Columbia, Canada. "Mushrooms are very good meat substitutes. The dip in meat consumption is connected to the increase in mushrooms. The meat industry is so massive that even with a 2 percent dip, if you're getting half of that it's a lot of mushrooms. It's enough for double-digit growth."

The industry developed a major campaign to promote mushrooms as a healthier ingredient to combine with beef.

"The Mushroom Council is working with retailers to promote and pilot 'The Blend,' which is the culinary technique of blending

their intake of animal fat and cholesterol — a use with great potential considering the volume of beef we consume.

"The heart healthy message helps," says

fresh, chopped mushrooms with ground meat to make dishes like hamburgers healthier," says Kathleen Preis, marketing manager at the Redwood Shores, CA-based Mushroom Council. "Retailers such as Redners, Reasors, C&S Wholesale Grocers and more sampled 'The Blend' burger in order to provide a healthier burger option for their customers."

[Editor's Note: Please see this month's "Produce on the Menu" column on page 111 for more insights on mushroom blending.]

A younger generation of consumers is making organic mushrooms a significantly growing category. "Driven by Millennials, the organic mushroom category has grown by 15 percent," says Mike O'Brien, vice president of sales and marketing at Watsonville, CA-based Monterey Mushrooms. "We increased our organic production to service our customers at all farms, and with our expert category management capabilities, we helped our customers grow category sales by adding organics to the mix."

But the single most important growth area is the many brown varieties establishing rank in the produce department alongside the familiar

white button mushroom.

“The mushroom consumer is becoming more sophisticated and is moving from the traditional white mushrooms to brown mushrooms, and exotics such as Oyster and Shiitake,” says Monterey Mushroom’s O’Brien. “Total mushroom category dollar sales growth was driven by brown mushrooms. The conversion from white button mushrooms to brown mushrooms continues.”

BROWN IS BEAUTIFUL

Suppliers report increasing demand for brown mushrooms, especially the Portobellos.

“We are continuing to see strong growth in the brown category,” says Peter Wilder, marketing director at To-Jo Mushrooms, Avondale, PA. “We worked closely with our retailers on holiday promotional programs to capitalize on the increase in demand, and our growing division has done a great job preparing for this busy time in our industry.”

This large versatile mushroom adds a different touch to many dishes, and it can even play the leading role in burgers.

“If you love mushroom pizzas, a Portobello makes your pizza even better,” says O’Brien. “Also the Baby Bella continues to grow and in some areas outsells white mushrooms. Portobellos are great mushrooms to substitute for meat. They have a dark-brown color and a very rich flavor. You can even grill them whole as a ‘burger.’ They’re also good chopped into fillings, sauces, and casseroles.”

They are particularly well suited among mushrooms to play a major role in the center of the plate. “Portobello mushrooms have steadily increased in popularity with consumers, year after year,” says Jim Cline, vice president of sales southwest region for Giorgio Foods, Blandon, PA. “The full, rich flavor of Portobellos makes them ideal for center-of-the-plate dishes. Previously, Ports were seasonal, but now they are a popular year-round item, especially during the Thanksgiving and New Years holidays.”

This large variety with the hefty texture, though nowhere near the traditional white button in volume, has a double-digit share of the mushroom category and is still growing.

“Portobellos now account for 11 percent of total mushroom sales at retail,” says Preis from the Mushroom Council. “Portobellos continue to rise in popularity due to the consumer trend toward meatless and flexitarian diets. The meaty texture and flavor of Portobellos are an excellent substitute for customers looking for a plant based, satisfying meal. As these trends toward health continue Portobellos



and all mushrooms will continue to grow in popularity.”

Some suppliers consider Portobellos almost *too* mainstream, and are already looking to offer the next big thing.

“Ports are old news, they are very popular and established,” says Meg Hill, director of sales and marketing at Gourmet Mushrooms, Sebastopol, CA. “Other specialty varieties have gained traction. Clamshells, Maitake, Nameko, Nebrodini, Trumpets. The specialty mushroom category growth was 21 percent last year, in contrast to Ports and Buttons, which grew in the low single digits.”

These exotic mushrooms are even appealing to customers who have to learn how to use them. “Variety that gives choice to shoppers, signage, shelf talkers and sales is always a good thing,” says Hill. “Customers may not necessarily know how to cook a specific mushroom but they can always do research online.”

These little-known mushrooms, alongside the familiar Buttons, can add entirely new flair to the produce section.

“Diversity in variety can absolutely create an engaging display to draw customers to the selection,” says Preis. “When merchandising many different varieties, education or signage on the flavors and cooking techniques can help promote purchase. It is also helpful to sample the different varieties for customers to experience the different flavors.”

The largest market is still, however, the white and brown button mushrooms that consumers already know.

“I supply white and brown, and demand is very high,” says Richmond from Champ’s. “It is

still getting higher. Depending on the retailer, it is approaching double digits. The exotics are too expensive to compete on a volume basis.”

Variety adds excitement, but sometimes simple displays of a single mushroom variety alongside complementary items may be an effective merchandising approach.

“A single mushroom display can have impact if it is displayed with a product that can be easily marketed together,” says Cline of Giorgio Foods. “For example: during the grilling season, featuring Portobello caps in a display with grilling vegetables is typically successful as each item complements the other. It also helps encourage consumers to try new pairings or to get more creative with their recipes.”

It may be worth the time to think through the store demographics before making decisions about which mushrooms to display.

“There is not a one-size-fits-all formula for displays,” says Cline. “We found there are several effective ways that you can set up a good, informative display that’s beneficial for both consumers and the store. Often a single-mushroom display can be every bit as impactful as a display that features multiple mushroom varieties.”

HOW MANY WAYS CAN YOU SAY HEALTHY?

Mushrooms are healthy. That simple fact is the foundation of most promotional efforts.

“Everyone is pushing the healthy angle, especially the Mushroom Council,” says Hill. “Swapability and blendability have taken off. Mushrooms are some of the best foods

you can eat.”

Industry groups are waging a major effort to spread the word about the ability to combine mushrooms with animal protein and create a dish that is delicious and better for you than straight meat.

“The Blend’ continues to be an opportunity for retailers to promote an easy, better-for-you option to their customers,” says Preis of the Mushroom Council. “The Blend’ has grown in popularity with top chefs, chains and the media. Retailers interested in testing *The Blend* should reach out to the Mushroom Council for R&D and marketing support.”

Instructions for using mushrooms in this potentially very important way are quite simple.

“Chop your favorite mushroom variety to match the consistency of the ground meat in the recipe,” the Mushroom Council advises on its website. “Cook and season mushrooms the same way you would meat; and combine the cooked meat and mushrooms and use the mix to complete your recipe.”

Many cross-promotional opportunities grow out of this popular new use for mushrooms.

“One area that lends itself well to cross-promotion is the process of blending meat with

“Educating customers on the versatility and nutritional benefits of mushrooms is an integral part of the ongoing support we provide to our customers.”

— Peter Wilder, To-Jo Mushrooms

mushrooms,” says Wilder from To-Jo Mushrooms. “The Blend’ allows a retailer to provide the consumer with a better tasting, more flavorful, lower-calorie burger at a reduced cost as part of its prepared food or deli programs.”

The leading industry agency is also trying to help retailers inform customers about other ways they can incorporate mushrooms into their diets and about the nutritional value.

“The Mushroom Council continues to work heavily with supermarket registered dietitians to promote the many health benefits of mushrooms,” says Preis. “Supermarket research departments are rising in popularity as a go-to for many consumers looking for health and cooking tips on a daily basis at their local stores. Customers are consistently seeking healthier options that are easy to prepare and taste great.”

Although they are grown indoors, the light used to grow mushrooms make them unusually rich in the sunshine vitamin.

“One of the larger marketing initiatives for Monterey Mushrooms has been promoting the health benefits within the category, highlighting one in particular — vitamin D,” says O’Brien. “They are the only produce item with natural vitamin D, which is important not only for bones, but essential for healthy immune systems.”

This nutrient is of particular importance for consumers who are concerned about bone health. “Vitamin D is just as important for bone health as calcium,” says O’Brien. “If you’re running low, the calcium you get from food won’t get absorbed properly, leading to thin and brittle bones. The main source of vitamin D is exposure to sunlight. When we’re exposed to the sun’s UV rays, our bodies produce vitamin D; mushrooms do the same. Monterey’s 100 percent Vitamin D mushrooms provide all the required input for Vitamin D in only one 3-ounce serving.”

Many consumers are unfamiliar with the nutritional benefits of mushrooms, and it may be worth the effort for retailers to partner with suppliers to find effective ways of spreading the news.

“Educating customers on the versatility and nutritional benefits of mushrooms is an integral part of the ongoing support we provide to our customers,” says Wilder of To-Jo Mushrooms. “We are always looking to collaborate with our partners through ‘meet-the-grower’ events, and mushroom cooking demonstrations that can provide lift in the category while informing the consumer.”

The go-to resource for educational materials is the Mushroom Council, and its Internet presence. “The Mushroom Council is providing the resources supermarket research departments need to assist in communicating the ease of incorporating mushrooms into weekly meal plans,” says Preis. “The Mushroom Council has created a website with an entire section dedicated to providing supermarket RD resources and a ‘Blend’ demo toolkit.”

There are also efforts by major retailers to bring in experts to help explain the health



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benefits of mushrooms to staff and customers.

"We are seeing many in-house nutritionists becoming involved with the marketing and education to consumers related to the health and weight control benefits of mushrooms," says Cline of Giorgio Foods. "We are very excited to see households with children of all ages becoming regular mushroom users. So now, not only are adults making healthier food choices, but they are setting a great example for their children to include mushrooms in their diet."

KEEP IT FRESH

Mushrooms are highly perishable, which means it takes special effort to keep them fresh. One way to achieve freshness is to source the product from fairly close to the store or distribution center.

"Mushrooms are grown indoors, throughout the country 365 days a year, so they are fresh, seasonal and local to customers year-round," says Preis of the Mushroom Council. "This is a huge advantage for merchandisers to promote — especially in winter months when there is not as much local, seasonal produce available."

One major supplier has facilities scattered around the country, so the company can always ship product from pretty close to the market.

"Locally grown mushrooms have a marketing advantage," says O'Brien from Monterey Mushrooms. "We are fortunate to have nine farms in the U.S. located across the country. This gives our customers the opportunity to advertise local mushrooms to the consumer. We have farms in Pennsylvania, Florida, Texas, Tennessee, Illinois, and California."

Some suppliers, however, do not believe there is a need to offer mushrooms sourced locally. "We do not see a big advantage of the local-grown programs for fresh mushrooms," says Cline. "Local-grown programs are most beneficial for 'field crops' like corn, cucumbers, tomatoes and melons."

Even mushrooms that are not local, however, must be maintained in a way that keeps them fresh.

"Local is good," says Hill of Gourmet Mushrooms. "It provides fresher product, but a good cold chain and careful handling diminishes the allure of 'local.'"

An important aspect of mushroom displays is to keep the product in a place good for both cold-chain maintenance and merchandising.

"We recommend merchandising mushrooms in your very best refrigerated case next to the bag salad category," says O'Brien. "To minimize shrink and maximize sales, it's important

to know your consumer and offer the variety that matches the store demographics."

Another aspect of maintaining freshness is moving the product quickly off the shelves.

"Use your history and current trends," says O'Brien. "Stay in stock, because out of stocks lead to loss sales, disappointed customers, and can really play havoc with your scan data. Once that is determined it's blocking and tackling: maintain the cold chain from farm to retail shelf and use proper ordering to turn product."

In calculating product turnover, it helps to remember 'tis the season when mushrooms move the fastest.

"Around the holidays mushroom demand is at its highest as consumers look to serve their favorite holiday dishes to their families," says Wilder of To-Jo Mushrooms. "Retailers will tailor their displays during this time frame, promoting larger club packs during the holiday season like our 20-ounce sliced Baby Bellas and 24-ounce whole white mushrooms." **pb**



(L-R) PHOTOGRAPHY BY DEAN BARNES

Winter Apples

Controlled atmosphere technology supports variety and volume for the seasonal favorites.

BY LISA WHITE

Produce departments are the primary beneficiaries to capitalize on this popular fruit throughout all four seasons. Yet, it's the fall months that continue to experience the most attention for apples.

"There is certainly buzz around harvest season, and we are happy to see that," says Wendy Brannen, director, Consumer Health & Public Relations at the U.S. Apple Association, Vienna, VA. "We want consumers to get excited about apples and associate fall with this fruit, whether that means baking apple pies and other goodies, establishing a family tradition of picking apples or just buying more apples to eat as part of a healthful diet."

Apple varieties are more established. Not only has the total supply increased, but growers and packers are better able to store more types for longer periods.

"For example, in 2008, 99.3 percent of Washington Honeycrisp shipped by the end of February, but in 2013, 15.7 percent shipped after February," says Jon DeVaney, president of the Washington State Tree

Fruit Association, Yakima, WA. "The same is true of other varieties like Gala. In 2008, less than 5.9 percent of the Galas were shipped after May, but in 2013, 10 percent of the state's Gala crop shipped after May."

This is proof that apples are no longer a commodity, as old crops dovetail with new ones.

"We can put apples into storage and have a supply until spring," says Jim Richardson, vice chairman, partner at Caldwell, ID-based Symms Fruit Ranch.

CONTROLLED ATMOSPHERE PROGRAMS

The root cellar of yesteryear is today's controlled atmosphere (CA) storage.

The New York Apple Association (NYAA) has specific procedures that are followed in CA storage, which includes altering the atmosphere and controlling what inert gasses are in the room and which ones are removed.

"It's simply a matter of explaining in layman's terms how controlled



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“CA is a superior way to store fruit, so almost all of our product is being stored this way. What retailers really need is a shift in performance parameters during winter.”

— Steve Lutz, CMI Corp.

early summer.

“As starches drop off, this gives sugars a chance to create flavors, and these can be better than when the fruit is off the tree,” says Pepperl. “Some of those fruits, like Piñata and Pink Lady, taste really good out of CA, and Fujis get sweeter.”

Many growers utilize smaller CA rooms, which hold 1,500 bins that have 1,800 boxes in each. With this method, it’s easier to break into rooms for fresh products.

“It’s important to work with shippers that have good timing practices,” says Pepperl. “If fruit is picked too late, it will be a problem, so good harvest management is important.”

CA programs don’t have the same meaning as years ago from the standpoint that the majority of apples can utilize these programs.

“CA is a superior way to store fruit, so almost all of our product is being stored this way,” says Steve Lutz, vice president of marketing for CMI Corp., Wenatchee, WA. “What retailers really need is a shift in performance parameters during winter.”

Symm’s Fruit Ranch stores its apples in CA when at the peak of ripeness, which carries the quality over until spring.

“Different shippers have their own models, programs and commodities,” says Symm’s Richardson. “There are only so many boxes of apples a company will pack per day.”

Suppliers contend that apples in CA have

the strongest legs and hold up well. Sage Fruit uses CA for most of its apple varieties, but ripeness always is the prime indicator. “It’s more lot specific than variety, so ripeness impacts this the most,” says Chuck Sinks, president, sales and marketing for the Yakima, WA-based company.

Sinks adds that the focus needs to be on apples that help build winter sales. Certain varieties, like Sweet Tango, don’t store well in CA and need to be moved out, with space reallocated.

The opportunity is there to build transaction sizes through proprietary managed varieties, but it’s important to understand that fall apples are local and sold at a lower cost, which reduces transaction amounts.

Experts say retailers should not hype up the CA process, but rather promote the high quality and flavor of apples in winter months. “Consumers don’t care why the apple is crunchy, and telling them apples are stored in a controlled atmosphere often takes away from the eating experience or concerns of handling,” says Jim Allen, president of the New York Apple Association, Victor, NY.

SUCCESSFUL WINTER MERCHANDISING

Winter apple sales do slip compared to the mad rush in the fall, but many designate January through March as key apple selling months for retailers.

“Fall sales are always the highest, and when you factor in all of the direct marketing from farm to fork, and farmers markets, the move-

atmosphere works, — oxygen in the air we breathe is reduced so the apples keep longer,” says Brannen.

CA rooms are now more technical with computerized equipment. Some growers also utilize an application for apples before picking, which controls the pick time.

“CA storage is more advanced than years ago, and there are better apples and horticulture practices now as an industry,” says Roger Pepperl, Stemilt Growers’ marketing director.

The company uses CA rooms for short periods, which helps slow the amount of oxygen and put apples into hibernation mode.

In early winter, Stemilt utilizes mid-term storage, then apples with larger starch reserves are put into long-term storage for late spring/

■ A WINTER APPLE BOUNTY

Winter is prime apple season, with consumers conditioned to eat this fruit from September through April or May.

“Many growers wait until late fall or winter to release their exclusive varieties and extend the momentum in the apple category,” says Randy Abhold, vice president, sales and marketing at Rainier Fruit Co., Selah, WA.

This is when consumers look for new crop apples to supplement the Gala, Fuji, Red Delicious and Granny Smith varieties. Pink Lady, Junami, Jazz, Envy and Lady Alice, were embraced by more retailers as vehicles to drive sales.

All Eastern apple varieties are available in winter, except Honeycrisp and Ginger Gold, according to Andy Figart, sales and

marketing at Hess Bros. Fruit Co., Leola, PA.

A supply of all the main Ontario commercial varieties are put into storage at harvest. “Consumers will see traditional varieties and newer varieties, such as Ambrosia and Honeycrisp on the shelves in the new year,” says Kelly Ciceran, general manager of the Ontario Apple Growers, Vineland Station, Ontario, Canada. **pb**

“We found plotting a different course and putting effort to bringing the new varietal choices to the consumers hugely pays off.”

— Randy Abhold, Rainier Fruit

ment is very heavy,” says Allen. “In winter, it slows down and other fruits (such as citrus) pick up.”

The winter months are about increasing apple transaction sizes with CA varieties, including Ambrosia, Kanzi and Kiku.

“Apple sales used to start to fall off in the winter months, but that’s no longer the case with new managed varieties and pack types, pouch types in particular,” says Lutz of CMI.

According to various suppliers, many retailers — out of habit — look to promote what they promoted last year during the same

week. This is true in any category, but especially in apples. Growing new sales with undeveloped apple varieties can be a challenge if retailers are strictly looking to the past for answers, say experts. “We found plotting a different course and putting effort to bringing the new varietal choices to the consumers hugely pays off,” says Randy Abhold, vice president, sales and marketing at Rainier Fruit Co., Selah, WA. These include promoting Honeycrisp, Pink Lady, Envy, Lady Alice and organic apples.

Some say the apple sales potential is strong from September through March. “Apples are typically front and center in the produce department during these months, which gives great exposure to this category,” says Abhold.

Eastern apple sales remain steady from early September through January, according to Andy Figart, sales and marketing at Leola, PA-based Hess Bros. Fruit Co. Furthermore, sales begin to slow slightly in February most likely due to the fact these products maintain a very high profile in stores for a five-month stretch.

“In February, consumers start to look for produce that is available out of the Southern Hemisphere,” says Figart.

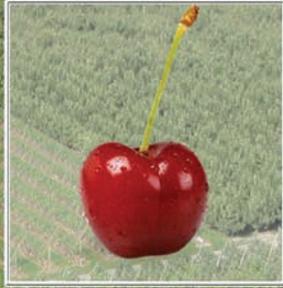


Store flier ads and displays are an effective way to convey the different types of apple varieties available. For the past two years, the Ontario Apple Growers conducted



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in-store sampling programs in February and March. “We chose this time frame strategically to help bring awareness to the public,” said Kelly Ciceran, general manager of the Ontario Apple Growers, based in Vineland Station, Ontario, Canada.

In terms of merchandising, the 2-pound pouch bags have been taking off—especially in winter. “Looking at every apple variety, the fastest growing packaging is the 2-pounders, and we predict that will continue this year with CA apples,” says Lutz of CMI.

Pricing is lowest during picking season, since harvest periods are simultaneous in Michigan, New York and Washington. Prices tend to climb in mid-November, and the best shipping months are December through April.

“This also is when competition with other fruit is minimal,” says Stemilt’s Pepperl.

IMPACT OF IMPORTS

Rather than serving as a distraction, imported apples are more of a supplement, since there has been an abundance of domestic product in recent years.

“[Imports] generally occur in a counter-cyclical manner relative to domestic apples,” says Mark W. Seetin, director, Regulatory and Industry Affairs for the U.S. Apple Association. “Apple imports occur during the time when the domestic supply falls at the end of the marketing year (typically June through September).”

As a percentage of the total U.S. apple crop — which totaled 272 million bushels in 2014 — imports were at 9.7 million bushels,

As a percentage of the total U.S. apple crop — which totaled 272 million bushels in 2014 — imports were at 9.7 million bushels, which represents the equivalent of only 3.5 percent of the U.S. crop.

which represents the equivalent of only 3.5 percent of the U.S. crop.

This proves domestic apples are still in ample supply during the winter months, reducing the necessity for imports. “The Southern Hemisphere doesn’t begin harvesting until spring, when domestic supplies are beginning to dwindle, making imports more of a benefit than a threat at this time of transition,” says Abhold of Rainier.

While some imports complement the domestic supply, the fact remains all apples go to storage for a period of time. New York’s supply and price control the amount that is imported.

“Some of the new Import Club Varieties are picking up, but in many cases, this complements our domestic sales by extending the market time,” says NYAA’s Allen.

For example, Honeycrisp from the Southern Hemisphere hits markets as domestic supplies are diminishing. This allows the retailer a constant supply, which only builds the brand and the demand.

CA programs extended apple storage

further into the season where the deals could impact some imports, but it depends on the season.

“We’re not in competition with imported apples,” says Sage Fruit’s Sinks. “We will bring more imported apples in this season due to less availability of Washington apples, which were impacted by hot weather.”

This factor decreased the state supply from 140 million to between 108 and 110 million. Competition drives home the importance of harvest management. With the Southern Hemisphere six months behind the U.S. in terms of harvests, there is ample opportunity to ramp up storage in CA programs. Most Southern Hemisphere fruit is grown in either Chile or New Zealand, both of which don’t have big domestic markets.

“We pick Galas in August and sell them in September, so at the end of February/early March, Galas from the Southern Hemisphere are established,” says Pepperl. “Still, our CA supply is strong, so it’s up to the retailer regarding the crop to maintain. The choice is domestic about 90 percent of the time.” **pb**

PHOTOS COURTESY OF ONTARIO APPLE GROWERS



Experts say retailers should not hype up the CA process, but rather promote the high quality and flavor of apples in winter months.

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Produce Software

Modern systems automate and manage productivity — letting business function at optimal speed.

BY BOB JOHNSON

Computer power has largely replaced pencil and paper as the tool-of-choice for recording the journey of produce throughout the supply-chain. These new ways of recording transactions leave behind a reliable written record that all interested parties can quickly and easily retrieve.

“The largest benefit is the accuracy,” says Charles Butler III, executive vice president of Edible Software, Houston. “At the end of the day that is what everyone wants. Also, it keeps the communication between companies as transparent as possible. There is no more wondering: ‘Did John really fax that?’ It is recorded electronically in black and white.”

Since the American National Standards Institute first established a uniform computer language for electronic data interchange (EDI) in the 1980s, companies have been able to automatically share information about their transactions. The language works because the computers at one firm in a transaction can easily read information entered into the computers at another firm.

Small and mid-sized shippers/retailers would need to have their own IT staff, because EDI specifies one complex set of numbers for the invoice, another set for the product, yet another for the amount, and even more prescribed numbers for other information.

It was not long after the uniform EDI standards were adopted that software companies began offering services that let you use this universally accepted computer language in tracking and recording produce transactions.

When EDI started, they needed to set a standard, and ANSI became that governing body, says Charles Shafae, president of dProduce Man Software, Half Moon Bay, CA. “Many small businesses want to increase efficiency and reduce costs. The method of ‘lite’ EDI accomplishes that. It automates flow of information between you and your customers. In our Privet cloud, you can send needed electronic documents from any device



PHOTO COURTESY OF FOUR SEASONS

to your customer with one click. It makes your company less expensive to buy from and easier to do business with.”

Produce software continues to evolve as firms offer better ways to record transactions, track inventory, including inventory rolling down the highway, and in the case of food safety issues, where it has been.

THE PRICE IS RIGHT

EDI should more than pay for itself in the time saved communicating with trading partners in the produce business.

“The automation of transactions achieved

through EDI greatly reduces man-hours required to conduct business, which translates to a better bottomline for all our clients who must do business in this electronic age and stay competitive,” says Tina Reminger, general manager of Silver Creek Software, Boise, ID.

With growers, shippers, wholesalers and retailers of such different sizes and budgets using EDI, one of the main ways software companies compete these days is in quantity of service you buy and how you pay for it.

“If you’re Safeway, you use iTradeNetwork [a global provider of supply chain management solutions for the food and beverage industry],”

IS Message Manager

To	Reference #	Doc Type	Sub Doc Type	Direction	Processed	Received	Order No.
Costco Wholesale - U.S.	0026511	Purchase Order	New	Inbound		11/22/2015 15:27:42	

Display Data

Purchase Order

From: Costco Wholesale - U.S. Purpose: Original Order Dt: Nov 02, 2015
 To: Famous Software Partner Ref: 0026511 Cancel After Date: Nov 03, 2015
 PO Number: 0026511 Delivery Dt: Nov 03, 2015
 Order Type: Standard Ship Dt: Nov 03, 2015
 Create/Receive Dt: 10/09/15 14:47

Shipment:
 Post Method: Collect

Locations:

Type	Location Code	Name	Address
ShipTo	1033918430265	COSTCO MONROE TOWNSHP WET	12 COSTCO DRIVE, MONROE TOWNSHP, NJ 08831

Additional Messages:
 LEGAL DISCLAIMER
 This order incorporates the Costco Wholesale Standard Terms, as they may be amended from time to time, and any applicable signed agreements between us.

Product Lines:

Buyer Line ID	Description	Product Code	Ship From Location	Order Qty	Unit Price	UCM
1	ROMANHEARTS 6 CT BAG	Sku:39008		1000	13.65	CA
2	YELLOW ONIONS 9 CT BAG	Sku:48079		480	11.65	CA

Famous Software offers a program that allows wholesalers to manage shipments to retailers.

says Kirk Parrish, managing partner of Famous Software, Fresno, CA. "The order is sent to iTrade, and from there it moves to us. We're a one-stop-shop; we're a hub. Our customers don't have to set up any infrastructure."

Famous Software has a system that lets smaller shippers communicate with giant retailers like Safeway or Costco. "i-Trade charges by the document by the trading partner," says Parrish. "Our customers purchase a module and a message manager. Then you purchase trading partners. Each trading partner costs \$5,000, with no document fee, but there is an annual maintenance fee of 19 percent."

One supplier is coming out with a product that lets you decide how much information, or how little, you really need to record.

"We have modules," says Adrian Down, marketing director at Redline, Santa Clara, CA. "It's like cable TV: you sign up for the part of the package you want. We're going to be releasing something that is cloud-based, with subscriber-based pricing. We're looking at smaller grower-shippers. You don't need an IT department."

This service is flexible in terms of both how much information you want to record, and in terms of how many people in your operation need to be able to enter and retrieve that information.

"You get full traceability forward and backward, compliance and inventory control," says Down. "It's a subscription-based model. If you have 20 people who need to use it, you subscribe for 20 people. If only two people need to use it, you just subscribe for two."

One standard by which these packages can be judged is whether they make it economically

feasible for modest sized firms to do business with the giants of produce.

"Even though we have written interface coding with Target, Safeway, Sysco, Foodbuy, Golden Corral, P.F. Chang's, Kroger, Fred Meyer, Hannaford, Panera Bread, Brinker

International Restaurants, Applebee's, MessageXpress, Simplot, Shaws, Avendra, Chili's, Produce Alliance, eFreshPoint, Albertsons, Darden Restaurants, and Pro*Act, to name a few," says Reminger, "we found that the smaller client may need a little help competing with the 'big guys.'"

THE PALM OF YOUR HAND

The software keeps evolving to meet new needs, and one very important requirement these days is the ability to use the information system in the field with a smartphone or scanner.

"Everything is becoming mobile," says Shafae of dProduce Man Software. "Mobility is the key. Whether you're using a PC, laptop, netbook or smartphone, you can send and monitor the information. From snail mail, telephone and answering machines to fax, email, texting and EDI, this just another advancement in communicating when it comes to business transactions."

A hand-held system makes information from the warehouse or truck immediately available to managers and professionals throughout the operation.

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Access to this universal language of transactions can be necessary in order to do business with many of the more sophisticated players in produce.

“Mobile apps are one great way to include EDI solutions to our mix of system offerings,” says Reminger. “With the increasing need for food safety and traceability, to name a few, in our combined businesses, electronic solutions that Silver Creek Software can provide have made our current and future clients competitive in the markets they serve.”

One question worth asking is whether the software services you purchase pay off in the amount of time you save.

“For most retailers, this is the epitome of flexibility,” says Butler of Edible Software. “We all hate wasting time. Retailers can often put the PO into their system and then it is pushed to the supplier. Many times in the past, retailers would have to input an order into their system and then go and submit the same order separately to the supplier. Just as for the suppliers, the retailers are now able to spend less labor hours doing data entry and more time selling.”

Some of these systems have small bells and whistles that can add to the amount of time saved. “If you do it through the mobile, as soon as you send it everyone gets an email confirmation,” says Shafae. “The beauty of ordering online is when you put in an order, as many people as you decide can receive an email confirmation.”

There are even products that make it easy to change a purchase order after you have sent it in. “In some cases, we’re able to process changes in the purchase order,” says Parrish of Famous Software. “In the past, it would show up in the in box, and changes would have to be made manually.”

EDI software products are also constantly

evolving to record more and different information as it is required.

“The method itself hasn’t changed, but the documents that are being required are changing,” says Butler. “Today, more documents are being required via EDI. This is a result of the fact that people want more information and they want it automated.”

Today traceability and food safety information is also included in systems first developed for inventory management, billing, ordering and receiving.

“As changes are being required, they are integrated into the service,” says Parrish. “For example, we’re able to send all of the produce traceability initiative data. It gives you increased efficiency and accuracy.”

Access to this universal language of transactions can be necessary in order to do business with many of the more sophisticated players.

“Most companies are not going to make sizeable growth without the acquisition of large anchor clients,” says Butler. “These anchor clients are often going to require a high level of automation, because in today’s marketplace, EDI is less error-prone and it takes less bodies to manage it. Obviously there is a cost, but most business owners in a growth mode would rather spend a few thousand dollars a year on EDI and integration than hire another employee.”

One way to think about purchasing an EDI service is whether it allows you to stop thinking about EDI services, and get back to thinking about your business.

“Silver Creek handles the IT side of things when our clients must focus on their core advantages,” says Reminger.”

pb

CLAMSHELL PACKAGING TRENDS OPEN NEW POSSIBILITIES



PHOTO COURTESY OF LACERTA GROUP

Modifications to this classic container are meeting convenience needs and the next generation of technological innovation.

BY CAROL M. BAREUTHER, RD

The choice for packaged product over bulk fruits and vegetables continues in produce departments nationwide. This is due to packaging's key benefits across the supply chain such as ease of shipping, reduced shrink, improved food safety, less labor at retail, cleaner displays and customer convenience.

"We have a ton of items packaged in one way or another," says Marc Goldman, produce director at Morton Williams Supermarkets, a 15-store chain based in Bronx, NY.

Demand for produce packaging is forecast to increase 2.4 percent annually to \$5.7 billion in 2019, according to *U.S. Produce Packaging Market*, an August 2015-released report from the Freedonia Group, an international market research firm headquartered in Cleveland.

Of the plastic container segment, which includes clamshells, cups and other rigid packages, clamshells represent 65 percent of this and are forecast to grow in demand by 21.7 percent between 2014 and 2019. In

2019, nearly three-fourths of clamshells (71.2 percent) will be packed with fruit, one-quarter vegetables (25.4 percent) and a small fragment (3.4 percent) with salads. The Top 5 fruit forecast to be packed in clamshells by 2019 are berries, apples, citrus, grapes and melons, with 87 percent of these fruits in bulk form and 13 percent ready-to-eat.

"My clamshell use has doubled, mainly to the growth and expansion of the berry category. All of our berries are now sold in clamshells," says Jeff Fairchild, produce director at New Seasons Market, a 17-store chain based in Portland, OR.

CLAMSHELL PACKS DEFINED

Clamshell packaging is traditionally a hinged thermoformed container.

"The produce industry tends to broaden the definition by including 2-piece thermoformed containers (e.g. a base with lid like a lettuce tray) in the mix," explains Roman Forowycz,

group president and chief marketing officer for Clear Lam Packaging, Inc., in Elk Grove Village, IL.

Standardization in clamshells is being pushed by commoditization. "This standardization of SKUs is being driven by the retailers who dictate demand. Manufacturers might put their own twist on

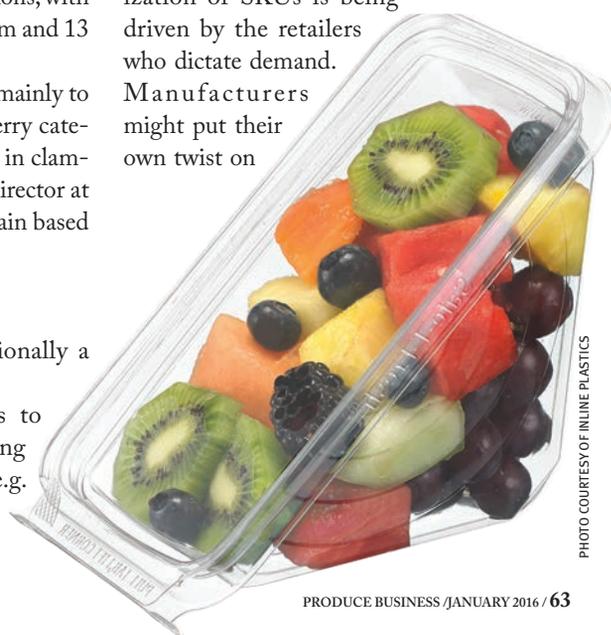


PHOTO COURTESY OF INLINE PLASTICS

a design to create a unique look; however, clamshells usually fit into a list of standardized SKU volumes,” says Tom Byrne, vice president of business development for Sambrailo Packaging, in Watsonville, CA.

As for sizes and shapes, Byrne continues, the most common clamshell volumes in traditional grocery outlets for berries, for example, are 1-pound for strawberries, 6-ounce for raspberries and blackberries, and pints for blueberries. Club stores are leading a movement toward larger clamshell sizes. However, pack sizes do go up and down seasonally to handle supply variances, to move volume and to maximize return. In shape, the standard 40 by 48 North American or GMA pallet footprint is the major constraint on the design of clamshells. Clamshells have historically been more rectangular in shape. Changes in shape are coming about due to cube optimization efforts. This is leading to clamshells that are more cubic rather than low profile.

“Some differentiating elements in clamshells are superior cooling efficiency, improved cube optimization and design features that

“The future of traditional clamshells in the produce department is moving toward the use of 100 percent post-consumer recycled (PCR) materials. This is becoming a standard in sustainable packaging.”

— Tom Byrne, Sambrailo Packaging

don’t compromise produce quality through handling and transit,” says Sambrailo’s Byrne.

The rigid plastic design of a clamshell is perfect to pack delicate, highly perishable items such as berries to assure they reach the market at highest quality.

“In addition to berries, we buy spring mix, grape tomatoes and kiwifruit in clamshells, because they’re well protected in this type of packaging. They also showcase the produce nicely,” says New Seasons Market’s Fairchild.

There are several other attributes that make clamshells preferable to other types of packaging for fresh produce and that make a good clamshell design great.

“Key features of top-performing clamshells include crystal-clear visibility of the contents; anti-fogging treatment; a durable and dependable lidding system that is easy for consumers to open and reclose; tamper evident devices (e.g. labels or pull tabs) that help consumers easily see if a package’s seal has been broken; and, respiration functionality for the contents to ensure they breathe properly,” says Clear Lam’s Forowycz.

Another plus is that clamshells are becoming cost competitive with other forms of packaging. The reasons are three-fold.

First, “clamshells are coming down in price due to recycling efforts. Recycled PET helps to bring the cost down,” says

Kurt Zuhlke, Jr, owner and president of Kurt Zuhlke & Associates, Inc., in Bangor, PA.

Second, “the cost of different types of films

and graphics printed on those films may, over time, even out the price between clamshells and bags, of which clamshells have historically been more expensive,” says Jazmin Lotfi, marketing and sales executive for the Lacerta Group, Inc., in Mansfield, MA, which produces thermoforming packaging solutions.

Third, “advancements in tool manufacturing technologies for rigid packaging significantly reduced the product development timeline for new packaging concepts,” explains Sambrailo’s Byrne.

PREVIEW OF WHAT’S NEW

The main reasons for the recent wave of clamshell design changes are sustainability efforts, food safety, marketing/messaging, packaging waste and ease of use by the consumer.

“Every person a package touches is affected, and it is imperative that the experience is positive,” says Janis McIntosh, marketing manager for Naturipe Farms, headquartered in Salinas, CA. “Therefore, there are several steps and departments to take into account when we begin to introduce a new package. Purchasing wants a good price. Product development wants packaging that protects and preserves. Production wants a trouble-free operation. Warehouse staff wants a strong stacking strength. Shipping wants a package that will withstand every shipping hazard. Marketing wants a unique packaging. Sales wants packaging retailers will embrace. Naturipe wants the pack sustainable. The retailer wants great sell through. Consumers want a great experience.”

Sustainability. “The future of traditional clamshells in the produce department is moving toward the use of 100 percent post-consumer recycled (PCR) materials. This is becoming a standard in sustainable packaging,” says Sambrailo’s Byrne.

Byrne recommends produce buyers specify PCR plastic materials that meet federally regulated food-contact standards. These include the following entities: U.S. Food and Drug Regulations 21 CFR 170.1630; European Food Safety Authority Commission Regulation (EC) No 282/2008; Organic Production

Roman Forowycz of Clear Lam Packaging reports, the North American market is trending toward rigid trays with lidding films. These hybrid clamshell packs are lighter, but still strong enough to protect the product inside.



PHOTOS COURTESY OF CLEAR LAM



PHOTO COURTESY OF LACERTA GROUP

can see each individual fig top and bottom,” says Lacerta’s Lotfi.

Similarly, Zuhlke & Associates introduced a two-pack clamshell with a dual-bubble bottom and flat top for easy stackability. This pack can hold two 20-count hot house or 5/5-size field-grown tomatoes or two Asian pears. The size is a nod to smaller U.S. family sizes and more single- and two-person homes.

The top of a plastic clamshell is an ideal spot for an eye-catching label that sells the product

inside. “It’s important to tell consumers the product’s story,” says New Seasons Markets’ Fairchild.

Additionally, the rigidity of the plastic enables grower/shippers to affix tear-off IRC coupons. “You can’t do this with a breathable film lid, or you’ll cover the ventilation perforations,” says Zuhlke of Kurt Zuhlke & Associates.

Packaging Waste. Future clamshells will be designed to use less plastic by swapping a

and Handling Requirements (Subpart C) of the National Organic Program, Part 205 of Title 7 CFR 205.272(b); Association of Post-consumer Plastic Recyclers; and Environment and Plastics Industry Council (EPIC) of the Canadian Plastics Industry Association.

Food Safety. “Tamper-evident containers have been, and will continue to be, a valued feature in light of the continuing stories consumers are hearing in regard to food safety,” says Jack Tilley, market research analyst for the Inline Plastics Corp., in Shelton, CT. “In addition to clamshells, containers in non-traditional shapes and sizes for the growing grab-and-go market are trending. We responded to both of these trends by developing our new Safe-T-Fresh Grab & Go collection, which is a line of tamper-evident Snack Cup, Sandwich Wedge, and Hangable containers for on-the-go eating and snacking options.”

Marketing/Messaging: “Multi-compartment clamshells are something we’re seeing more of,” says Larry Walton, vice president of sales, marketing and technical service for American Packaging Corporation (APC), headquartered in Rochester, NY. “This gives the consumer value by being able to purchase multiple items at once.”

Manufacturers are taking this compartment concept to a new level with “bubble” or “blister” packs.

“We borrowed the concept of a plastic clamshell pack that conforms to the shape of a food from the bakery industry and its barrel-pack for cookies. As a result, we are working on a clamshell that will offer indents or bubbles that can hold nine fresh figs. It’s a nice pack to show off the product — since you




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“The real benefit comes in supply chain savings. By going with lidding film on a tray versus a hinged clamshell, processors and retailers benefit through cubing enhancement.”

— Roman Forowycz, Clear Lam Packaging

heat-sealed film for a rigid snap lock lid on a traditional clamshell tray bottom.

“The North American market is trending toward rigid trays with lidding films. You are seeing it today with tomatoes, blueberries, cut fruits and other produce. These packs will be lighter but still strong enough to protect the product inside,” says Clear Lam’s Forowycz.

This type of hybrid clamshell offers other benefits too.

“The new clamshells provide a unique way to implement new marketing tools onto the consumer package,” says Sam Monte, director of operations for Monte Package Company, in Riverside, MI.

Heat-seal-film-lid clamshells are a more sustainable package in several ways. “It reduces the amount of plastic per unit overall. It’s more recyclable due to the absence of a paper label. It has much more of a secure top, which results in less spills and tampering. It is a much nicer presentation with more principal display area for messaging. It is more versatile for inline printing,” explains Naturipe’s McIntosh.

The main advantage of using a film-seal lid is a reduction of material and potential shelf-life extension through the use of breathable films and MAP (modified-atmosphere packaging) technologies, according to Sambrailo’s Bryne. “The main disadvantage is related to the unique dynamics of field-packed produce: wind, weather, dirt, distribution of packaging materials, logistics, and harvesting practices.”

“Peel and reseal is an interesting pack. But on our end, you can’t rework or recondition the product once you tear off the film like you can do with a regular clamshell,” says New Seasons Market’s Fairchild.

The costs of traditional clamshells versus new trays with lidding film are fairly similar, says Clear Lam’s Forowycz. “The real benefit comes in supply chain savings. By going with lidding film on a tray versus a hinged clamshell,

processors and retailers benefit through cubing enhancement. There are more units on truck, in warehouse, and on store shelf.”

Convenience. The next wave in lidding development is peel and reseal films over a rigid clamshell tray — especially for fruits and vegetables sold in quantities that won’t be consumed at one time.

“The peel and reseal lidding option offers more benefits than a traditional rigid lid with a band or even a true clamshell. The peel and reseal lidding comes in rolls (versus bulky pallets) and takes fewer trucks to deliver the raw materials. The peel and reseal lid enables the package to be easily merchandised horizontally or vertically. Plus, the lidding system is intuitive, providing consumers with an easy to open/close multi-serve convenience,” says Clear Lam’s Forowycz.

In the future, “I expect to see more peel and reseal lidding in use,” says Brian Zomorodi, vice president of food safety and quality at Apio, Inc., in Guadalupe, CA.

THE FUTURE

Demographic factors, such as the aging Baby Boomer population and growth in Hispanic and Asian-American nationalities, will boost demand for fresh produce overall while the large Millennial population will drive demand for packaged produce, according to the 2015 findings from Cleveland-based international industrial research company, Freedonia



Heat-seal-film-lid clamshells are a more sustainable package in several ways, says Naturipe’s Janis McIntosh. This lid reduces the amount of plastic per unit overall and offers versatility for marketing.

Group.

“It will be interesting to see where packaging is headed. Produce sales in the next five years will be all about convenience and presentation. In other words, all about packaging,” says New Seasons Market’s Fairchild.

There will always be a place for traditional clamshells in the produce department, according to Inline Plastics’ Tilley. “This is especially so in cases in which consumers and/or retailers need the rigid clamshell package to protect the contents of the produce on the shelf and during transportation.”

That said, interest in pouch bags is drawing some sales away from rigid packaging applications. “Pouch bags won’t replace the need for clamshell packaging in the foreseeable future. That’s because they are limited in how much they can protect products, and they don’t merchandise very well. They just aren’t stackable,” says Sambrailo’s Bryne.

Clear Lam’s Forowycz has his finger on the crystal ball. “Over the next five to seven years, the market will move toward hybrid packaging that incorporates some of the benefits of traditional clamshell packaging with the manufacturing efficiencies of bags. PrimaPak is one such hybrid product. PrimaPak is a semi-rigid package made from a roll of film on a custom vertical form fill seal machine. PrimaPak packages can be stackable and recloseable. It’s really a technology well suited for certain fruits and vegetables.”

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TRADESHOWS: PUBLIC, PRIVATE OR BOTH?

By John Pandol

I'm confused! In the United/PMA merger talks of the not too distant past, a benefit considered was the elimination of a redundant tradeshow. Since then, many new tradeshows have been created. What's going on? Are we slimming down or bulking up? Do we need more, less or different?

Produce tradeshows fall into three categories: invitational, association-sponsored and private. Invitational tradeshows are held by intermediary wholesale organizations or retailers, who invite their customers and suppliers into a common venue for a mini tradeshow. Typically expensive pay-to-play for sellers and subsidized for the buy side, there is a lot of pressure on the sellers to participate in these shows.

Association-sponsored tradeshows are both a member service and a fundraiser. The growth in the past few years has been largely in private tradeshows, private enterprises that host tradeshows as a line extension of their other activities.

The big exception is the New York Produce Show and Conference, being a joint endeavor of an association (the Eastern Produce Council) and a private enterprise (PRODUCE BUSINESS magazine).

The classic Marketing-101 reason to consider a tradeshow is the possibility of accomplishing more marketing, sales or sourcing for less cost and in less time than by other means — assuming it is even possible by other means. The goal may be product introduction, brand building or maintenance, lead generation, closing sales or “keeping up with the Jones.” Yes, there is a certain fear factor that if my company doesn't attend and my competitor does, I lose or miss something.

Who participates in a tradeshow and why fascinates and puzzles me. Is it only about buying and selling or are there other benefits to attending? If there are business opportunities to be had, location shouldn't matter, but it does. If I'm chasing buyers, the show should be located close to where the buyers are, or a



John Pandol is Director of Special Projects for Pandol Brothers, Delano, CA

Most regional shows have up to three presentations. The New York Produce Show has three DAYS of presentations. ...

place buyers are willing to go.

Many uber-large retail and wholesale organizations think they have no need to come to a tradeshow. After all, the show comes to them. Category captain suppliers with staffs of marketing, category management and merchandising people frequent their buying offices. Scripted presentations take place in austere little meeting rooms that have all the charm of the principal's office. There is data, data and more data, followed by spreadsheet after spreadsheet of analytics. Sometimes there is new product show-and-tell, but most of the energy goes into data, endless spreadsheets

and conclusions that support the suppliers' latest sales goals.

In New York, I get no data or analytics. At the New York Produce Show and Conference, I get something far more valuable: information and insights, far more than the other events I attend. You know, insight? Having that accurate and deep intuitive understanding? The members of the Eastern Produce Council are out in force for the event, along with “a few thousand” regional, seasonal and national players, college students, chefs and assorted others — all interfacing with parts of the produce world with whom one does not normally deal and this provokes new learning and thinking.

PRODUCE BUSINESS brings the ideas — lots of ideas. This isn't the varsity; it's the all-star team. Most regional shows have up to three presentations. The New York Produce Show has three DAYS of presentations: one day devoted to international trade (the Global Trade Symposium); one day mostly devoted to university research and broader outreach (Educational Micro Sessions, held concurrent with the trade show); and one day devoted to the foodservice industry (Ideation Fresh Foodservice Forum).

Two presentations got my attention as few have. One from an African [Johan Dique of South Africa-based Capespan Group Limited] and the other from a European [Simon Martin of UK-based QV Foods Group], both identifying challenges within the industry but very spot on in their observations of the reality of our industry. Hearing “Premiums are nice, but value products pay the bills” from a Brit was so refreshing.

I am so weary of peppy presentations about “telling your story” to get a premium for your product. What relevance does a talk on the post-marketing-board South African experience have for American produce traders? That is an essay in itself. Too controversial for an association show, too non-transactional for an invitational or private show, these are the kinds of insights you can only get at the New York Produce Show and Conference. **pb**



DAY 1

FOUNDATIONAL EXCELLENCE



Cornell professors presenting: William Drake, Miguel Gomez, Rod Hawkes, Ed McLaughlin, Kristen Park and Bradley Rickard. Panelists were: Bruce Peterson of Peterson Insights; Tim York of Markon; Andreas Schindler of Don Limon; and Reggie Griffin of Reggie Griffin Strategies LLC, as well as next-generation leaders such as Tenley Allen of FreshDirect and Stefanie Katzman of S. Katzman Produce on the Hunts Point Produce Market.

Inaugural Foundational Excellence Program Educates Leaders Of Tomorrow

By Linda Brockman

The attendees of this inaugural workshop may become the trailblazers for tomorrow's produce industry.

To kick off the sixth annual New York Produce Show and Conference (Dec. 1-3), *PRODUCE BUSINESS* magazine and Cornell University presented the Foundational Excellence program. The session, "Future Leaders in Produce," was designed to educate those in the industry with less than five years' experience or executives who transferred from another industry or country.

Although Tom Finkbiner has been

in the refrigeration business 40 years, he is somewhat new to the produce industry. The chief executive of Overland Park, KS-based Tiger Cool Express came to the program to learn about the industry.

"It's always good to check the general academic knowledge in the industry," he said. "I always learn something this way. I also wanted to personally see how valuable the program is to know whether or not to send entry-level people in the future."

Sam Bartley, 24, did not see himself in the produce industry, but then an internship turned into full-time employment as a merchandising analyst at Iselin, NJ-based Allegiance Retail Services. "The program was a great generalization of all aspects of the industry," he said. "It was so informative to see how all the parts

[of the industry] work together and to learn about all the variables, such as weather, that keep the business exciting and ever-changing."

The new program allowed participants — the majority age 40 and younger — to network with industry leaders, soak up the professional wisdom, and gain a full day's worth of an Ivy League education.

This career-building program featured six faculty members from Cornell University's Charles H. Dyson School of Applied Economics and Management. Most teach and research as part of the Food Industry Management team.

The academics who presented were: William Drake, Miguel Gomez, Rod Hawkes, Ed McLaughlin, Kristen Park and Bradley Rickard. They spoke about the structure and operation of the produce industry.

The program was introduced by Jim Prevor, *PRODUCE BUSINESS'* editor-in-chief, as well as the force behind the *PerishablePundit.com*, The New York and London Produce Shows, and many other industry publications and events.

At the working lunch, Prevor led a panel discussion in which the cream of the crop across the industry gave the novices advice on everything from establishing a solid reputation to always looking for innovative ways to do business.

The diverse panel was comprised of veteran industry professionals such as Bruce Peterson of Peterson Insights; Tim York of Markon; Andreas Schindler of Don Limon; and Reggie Griffin of Reggie Griffin Strategies LLC, as well as next-generation leaders such as Tenley Allen of FreshDirect and Stefanie Katzman of S. Katzman Produce on the Hunts Point Produce Market. **pb**



DAY 2

GLOBAL TRADE SYMPOSIUM



Supply Chain Disruption: Takeaways For The International Trader

By Mindy Hermann, RD

The Fifth Annual Global Trade Symposium, “Produce Import & Export: The Disruption of Established Markets,” focused on the rapidly changing produce supply chain. As traditional produce outlets evolve and outside disruptions occur, importers and exporters of produce are forced to conduct business differently. The perspectives of esteemed speakers from the industry offered key takeaways for retailers on ways to give consumers what they want when they want it in today’s changing environment.

“Our speakers looked at disruptions

from three perspectives — changing dynamics that create new paradigms; paths to success amid change; and opportunities created by disruption,” said moderator Jim Prevor, editor-in-chief, *PRODUCE BUSINESS*.

Adapt To Dynamic Changes

“In the U.K., supermarket price wars make sustainable supply less plausible,” explained Simon Martin, sales and marketing director, QV Foods Group, Spalding, England. “With a higher proportion of produce being sold to supermarket chains at or below the cost of production, more suppliers are operating on slender margins. Furthermore, discounters such as ALDI and Lidl and new retailers have powered into the market.”

Martin named convenience markets, low-cost restaurant dining, and online grocery shopping as addi-

tional forces putting pressure on prices.

He also noted “fresh sales are losing share to prepared meals and meal solutions. We are seeing a massive reduction in potato volume, for example, because of cooking times.” Martin added that the entire industry is being hurt by abundance. “Too much product being grown, too much capacity, too many facilities, and too many companies doing the same thing,” he said.

“Work together with others, build long-term relationships with suppliers and engage with what consumers want,” advised Martin. “For example, we now sell less bulk, more smaller packs, and added-value items such as ready-to-roast potatoes and vegetables already seasoned. Customers want easy to cook, shorter cooking times, and cost-effectiveness.”

Less-than-truckloads (LTLs) are becoming a “necessary evil” to better meet the needs of today’s consumer, said Steve Gabrick, manager, Complex Account Group, Sourcing North Region, C.H. Robinson, Minneapolis. “Supply

chains are changing to smaller orders more frequently, delivered to different people in different places. We have to meet the customer where the customer wants to buy — inner city stores, small format stores, online services (such as FreshDirect) and others.”

He said smaller, more frequent LTL deliveries could meet needs throughout the supply chain. “Small and local farmers create a massive LTL marketplace, retailers want freshness and convenience, and Millennials shop for health and convenience. Expanding categories such as ultra premium juice, fresh-cut fruit and vegetables, and single-serve convenience items can be delivered in smaller quantities, more frequently, and with greater visibility.”

Gabrick also noted, “Retailers are demanding more freshness, longer shelf life, and less shrink. We can do this with smaller orders more frequently.”

Seek Paths To Success

It’s important to turn disruptions into paths to success, noted Johan Dique, group managing director,



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DAY 2

GLOBAL TRADE SYMPOSIUM



Capespan Group, South Africa. “During deregulation of the South African market in the mid-1990s, we made assumptions that didn’t work out. We believed that our market share of exported fruit would not drop below 80 percent, our relationships with retail were strong, and high hurdles to entry would discourage competition. We were wrong.

“Market share dropped, competition came from growers, and low barriers to entry led to increased competition. Retailers welcomed this, and they preferred having access to a greater number of focused suppliers rather than fewer general suppliers. Retailers make the rules, and suppliers need to adapt in order to add value for retailers.”

Capespan adapted to retailer needs by: expanding counter-season

and year-round global procurement; installing cold storage and packing facilities at the farm level to reduce costs; and increasing efficiency. Dique advised the audience to “never allow the competition to play your game.”

Look For New Opportunities

“The wholesale sector is not dying, even when facing disruptive forces such as globalization, competition from expanding foreign markets, legislation that leads to increasing costs, recessions, more competition from traditional wholesale products, and market relocations driven by changes in land values,” said Richard Thompson, director, Gilbert Thompson (Leeds) Ltd., Yorkshire, Great Britain.

Thompson’s company continues to look for new opportunities to diversify. “We created GT Prep, our own prepared-

food business, to cater to changing customer needs. We are moving to 24-hour trading. Supermarkets will be able to order online through our website. Supermarkets dictate our business.”

Key Takeaways Benefit The Supply Chain

“Do not be paralyzed by fear of the unknown. Tackle disruptive forces by believing in the pure goodness of fresh produce,” advised Nic Jooste, marketing director, Cool Fresh International, Ridderkerk, The Netherlands. “Be creative, innovative and daring. Search for change. Understand the

customer so well that the product sells itself. Look at how consumers buy and bring your product to them. Don’t ignore clear signs from the marketplace. Finally, build a dedicated brand and have a passionate love affair with your products.”

In concluding the program, Prevor noted, “Whatever the obstacles, the challenge before us is to apply intellect and abilities to transformation. The greatest risk is not doing anything. The path to success is to understand difficulties, challenges, and opportunities, and then go into a world where you can be inspired to find those opportunities.”

pb



DAY 2

GLOBAL TRADE SYMPOSIUM



Global Trade Symposium Addresses Trans-Pacific Partnership

By Linda Brockman

At the Global Trade Symposium, two speakers delivered different advice — one practical, one cultural — to businesses looking to trade with Asia.

If ratified, the Trans-Pacific Partnership (TPP) agreement will set the stage for trade and growth between the U.S. and 11 other Pacific Rim countries. It has the potential to promote higher labor standards and address 21st-century issues in the global economy. With more access to export produce to the area including Japan, what does this mean for the produce industry?

Dr. Roberta Cook, with the Department of Ag and Resource Economics at the University of California, Davis, said it may be some time before the TPP takes effect. “It is unclear when the TPP will be introduced into the United States Congress. It may not

be until after the 2016 presidential election. Approval is not guaranteed, and the other member countries must approve it as well.”

Cook said “proactive firms are already positioning to address the labor and environmental requirements and to exploit opportunities.”

“While Japan has a lot of trade barriers, nevertheless, it is still our fourth largest goods trading partner,” said Cook. “Many of the TPP members — such as Chile, Peru and Mexico — already have Free Trade Agreements with Japan, so we are late in the curve on this factor, which puts the U.S. at a competitive disadvantage. While the U.S. produce production is largely counter-seasonal to Chile and Peru, there are big periods where there is overlap in markets during shoulder seasons.”

Chile and Peru are examples of countries rapidly reducing phytosanitary barriers and gaining market access for their fresh produce into more markets, especially Asian, said Cook.

Tariffs Eliminated

There are many tariffs, specifi-

cally with Japan, that are around 17 percent, said Cook. Many tariffs will be eliminated immediately, and the remainder will be removed within 11 years. California exports table grapes, strawberries, oranges, lettuce, raisins, raspberries and lemons to Japan, so Cook believes American produce will see gains over time.

“As the economies improve in the developed world, as well as in developing countries, we should see more fresh produce demand,” said Cook. “It’s really important to understand different markets around the world. We have to understand how to reach those consumers.”

Mind Your P’s And Q’s

Doing business with Japanese companies is easy, said John Bayles, owner of Komahongo, Japan-based Alishan Organic Center, which functions as a distributor of American imports and a local cafe. But he wants American businesspeople to understand the cultural differences that can make or break any deal. Bayles offered three key elements to successful dealings with Japanese businesses.

The American-born Bayles has been living and conducting business in Japan for 30 years. He stressed safety, reliability and documentation. “The Japanese respond to the triple jewel of retail: pristine, perfect and presentable. They will pay more for that extra level of safety assurance. The primary foundation is reliability and safety over price and size,” he said.

“Documentation shows them who you are and whose side you are on. It shows a willingness to help and also allows for better preparation.”

Bayles’ company is named for the highest peak in Taiwan. As a food importer and distributor, he regularly brings in American products for American expats and Japanese who are looking for American goods and food.

Bayles concluded his talk with a theme that’s traditional for produce veterans. “Listen rather than talk,” he advised. “Your Japanese customer is trying to determine if you are reliable and trustworthy. They want to know, ‘Can I trust this person, and are they as dedicated as I am to the transaction?’ It’s about building relationships.” **pb**



DAY 2

GLOBAL TRADE SYMPOSIUM



Gualberto Rodriguez of Caribbean Produce Exchange Makes Compelling Case For Puerto Rico's Ag Industry

By Michele Sotallaro

At this year's Global Trade Symposium hosted at the Midtown Hilton in Manhattan on December 1 during the New York Produce Show and Conference, the path to global opportunities in produce was traced through its international aggregation of speakers. One of which was Gualberto Rodriguez — president of San Juan, Puerto Rico-based distributor, Caribbean Produce Exchange — who enlightened attendees on the untapped sourcing potential from the country.

According to Rodriguez, about 75 percent of Puerto Rico's land is virgin and designated for agricultural purposes — providing tremendous opportunity for international invest-

ors to harvest organic produce and/or traditionally seasonal commodities.

In addition to the plentiful rain, nutrient-rich soil, and tropical climate factors, the benefits of conducting produce business in Puerto Rico reach beyond agricultural purposes. Because the country operates with the same legal and regulatory systems as the United States, American traders and investors can deal with confidence. The country also provides tax benefits, which include manufacturing and renewable energy incentives among other benefits.

Thus far, the island has been a seed playground for companies such as Bayer CropScience and Monsanto. Puerto Rico agriculture ambassadors also built relationships with branches of U.S. retailers such as Wal-Mart and Costco, as well as growers such as Sunkist, Dole, Taylor Farms, and Driscoll's. Business also touches upon the foodservice sector with participation from McDonald's, Burger King

and Subway.

As a third-generation leader in the family business, which began in the 1950s by his grandfather, Rodriguez expressed his faith in the country's agriculture with his partnership in Semillero Ventures, which is an investment fund to assist corporations in generating stable production in Puerto Rico.

Rodriguez also addressed the questions of financial instability from Puerto Rico's economy in the *Perishable Pundit* interview by saying:

"If adverse conditions scare you, you won't be interested in this talk. But if you have the experience or conviction that in adverse conditions, there are unique opportunities that don't repeat themselves when the situation is already stable, then this is a talk for you. If you already understand and know through your business experience and observations when these things happen, you have a unique opportunity to set up companies for decades later, then this talk will resonate with that profile."

Someone who thinks of all the reasons not to go into a market, all you need is a couple of indicators. Someone who thinks like that will find fault in California, Florida, Texas... there's always something to be scared about."

The certainty about Puerto Rico is things will be changing. It won't be the same. When things come undone, assets go down in price, land is available cheaper, talent is obtainable, and it pays off to take some risks, smart risks, but you have to be willing to take them."

As an example of how business can efficiently prosper, Rodriguez also shared with the *Pundit* details about the company's relationship with the tomato grower, Immokalee, FL-based Gargiulo Inc.

"We've partnered with Gargiulo, a tomato grower out of Florida and California, and they also have an operation out here on the Island. So instead of buying tomatoes from so many places over the year, as we used to do, we have focused our buying with Gargiulo."

If my sales are down three percent on tomatoes, instead of splitting that 97 percent among multiple providers, I've focused 100 percent of that 97 percent with one provider. So as a result, three things happen; one, Gargiulo is experiencing growth in sales through me, I'm buying more from them so their sales are up, and by focusing my buying power with them, I have better pricing, better service and can capture more market share and help my customers sell more."

pb



DAY 2

OPENING COCKTAIL RECEPTION



DAY 3

LEADERSHIP RECOGNITION



George Shropshire and Joe McGuire of Love Beets receive the Joe Nucci Award from Mann Packing's Lorri Koster and PRODUCE BUSINESS' Jim Prevor.

Love Beets Wins Joe Nucci Award for Innovation

By Linda Brockman

And the winner is ... Love Beets Smoky-BBQ Shredded Beets! The company's new product, to be launched this month, is ready-to-eat beets flavored with a smoky barbecue marinade, and it won the Joe Nucci Award for Product Innovation in Service of Expanding Consumption of Fresh Fruits & Vegetables at this year's show. The award was presented to George Shropshire (vice president of marketing) and Joe McGuire (general manager) by PRODUCE BUSINESS magazine's editor-in-chief, Jim Prevor, and Joe Nucci's sister, Lorri Koster, chief executive for Salinas, CA-based Mann Packing, at the Jacob Javits Center's River Pavilion in New York City during the Keynote Breakfast held on Wednesday, December 2.

George Shropshire represents the fourth generation of a family that grows salad greens and beets in Cambridgeshire, U.K. While beets were growing in popularity among the more health-conscious consumers, there was a void in the market when it came to value-added beets. In the U.K., the company began cutting and marinating beets to sell to private-label companies.

Five and a half years ago, George's cousins, Guy Shropshire and his wife Katherine, decided to bring the popular product to the United States and called it Love Beets. In 2016, the company will move into its new 100,000-square-foot production

facility in Rochester, NY.

"We've been going from strength to strength," says George of the brand's marinated beets designed for on-the-go snacking. "No mess, no fuss, you can have your snack and feel good about it."

The shredded beets are innovative because of their taste and convenience, says George. "We played with flavors, and the smoky barbecue really resonated with American consumers. It's a complement to lunch as an accompaniment or on top of a salad."

In addition to smoky barbecue shredded beets, Love Beets offers cooked beets, flavored baby beets, snack trays, juices and beet bars (which are mixed with dried cherries, blueberries or apples). "Beets are what we know, so we are taking something convenient and making it even more convenient."

The Joe Nucci Award recognizes a new product that shows innovation in the service of expanding consumption of fresh fruits and vegetables. An analytic team assesses the nominees. The winner is selected by the PRODUCE BUSINESS editorial team and judges criteria based on health, culinary application, versatility, shelf life, taste and flavor. The award is named for Joe Nucci, who died in July 2005. At the time of his passing, Nucci was president of Mann Packing Company.

"Love Beets is making beets better tasting and easier to use with the brand's flavor profiles and technology — this will help increase beet consumption," said Koster. "This type of innovation is exactly what the award is designed to recognize." **pb**



Charlie Gallagher of United Fruit and Produce Co. receives the Chandler Copps Award from PRODUCE BUSINESS' Jim Prevor.

Charlie Gallagher Receives Chandler Copps Award

By Linda Brockman

The day was overcast, but from the Jacob Javits Center's River Pavilion, Charlie Gallagher had a view of New York Harbor and the Statue of Liberty. While enjoying the Keynote Breakfast at the show, Gallagher's thoughts went to his parents who immigrated to the States from Ireland through Ellis Island. He was thinking about St. Louis in the early 1940s, where he first started selling fruit as a kid, and how far he has come today at the age of 78.

That's when Jim Prevor, editor-in-chief of PRODUCE BUSINESS magazine, called Gallagher's name as the recipient of the 2015 Chandler Copps Award.

"It was totally a surprise," says Gallagher, chairman of the board at St. Louis, MO-based United Fruit and Produce Co., who spent his life in the produce industry in St. Louis. "It's hard to be surprised at my age. I'm very grateful. And it came just as I was

thinking how I had come full-circle."

Gallagher was honored for his nearly seven decades in the produce business and for "a life lived in accordance with the values and examples of Chandler Copps," who was a scion of Midwestern retailing family and well-known as founder of a series of industry share groups. The inscription on the award says, "You do not get love, you give love, and it returns the favor," a quotation excerpted from the personal journals of Chandler Copps.

From their leadership roles in several marketing organizations, Gallagher and Copps knew each other for almost 30 years. Gallagher praised Copps (who died in 2011) for his knowledge and leadership in all aspects of the industry.

Copps, who came from a super-market-chain family, had a talent for bringing people together in the industry to share ideas, said Prevor, who once called Copps "among the most influential people in the produce industry in the last half of the 20th century and the first decade of the 21st." **pb**



DAY 3 KEYNOTE BREAKFAST

Expert Panel Responds to Consumer Perceptions Of Local

By Linda Brockman

For consumers of fresh produce, the saying “perception is reality,” often holds true. Whether or not the consumer is correct in the assumption that local is fresher or organic is healthier, it is what he or she believes that will influence the decision to buy produce from a website, grocery store, farmers market or superstore.

Jim Prevor, *PRODUCE BUSINESS* editor-in-chief and the moderator of the discussion that kicked off the New York Produce Show at the Jacob Javits Convention Center, called the panel a gathering of the produce industry’s great minds. The 12 men on stage at the Keynote Breakfast were: Johan Dique, group managing director, Capespan Group Limited; Marc Goldman, produce director, Morton Williams Supermarkets; Derrick Jenkins, vice president of produce and floral at Wakefern Food Corporation; Paul Kneeland, vice president of fresh merchandising for Fresh Formats; Gualberto Rodriguez, president Caribbean Produce Exchange; Anthony Sattler, vice president of produce procurement for C&S Wholesale Grocers; Vic Savanello, president of the Eastern Produce Council and director of produce and floral for Allegiance Retail Services; Jay Schneider, produce/floral produce lead at Acme Markets; Eric Stone, produce category manager, Fresh Direct; John Vasapoli, director of produce marketing for D’Agostino Supermarkets; Greg Veneziano, vice president of perishables for Bozzutos Inc.; and Tim York, president of Markon.

Prior to the New York Produce Show, *PRODUCE BUSINESS* magazine sent a video team to Union Square Farmers Market to ask customers about their buying choices. The panel discussed the consumers’ perception of produce safety; the definition of



local; when and why frozen or canned is preferred to fresh; and advice for grocery store executives. Here is a sampling of two comments made from the videotaped consumers and the panelists’ responses.

Q: What concerns you about buying fresh produce in your local grocery store?

The answers from those surveyed

Special Tribute to John McAleavey



The Opening General Session of the New York Produce Show and Conference normally gets right down to business. This year, however, the program began with a bittersweet presentation — a special documentary film celebrating the life and work of John McAleavey, who served as the executive director of the Eastern Produce Council for 25 years before passing on June 5, 2015.

The film was bookended by two presentations. First, Paul Kneeland, vice president of fresh merchandising at Fresh Formats and past president of the Eastern Produce Council, introduced the film; then Vic Savanello, director of produce and floral at Allegiance Retail Services and the current president of the Eastern Produce Council, followed the film with a pledge to carry on the legacy of McAleavey.

The documentary included testimonials of many who worked with McAleavey and spoke to the quality of his leadership, the inspiration of his high standards, and the warmth of his friendship. **pb**

varied: they worried about how local and traceable the product is, along with unnecessary extras such as Styrofoam and chemicals.

“They try too hard to make them all look the same, and I worry about there being too much waste in the end.”

“They use too much packaging rather than selling them loose.”

“Not knowing whether the produce has been sprayed or chemically enhanced to look better, which may render it less nutritious,” was another concern.

Citing the fact that consumer perception is not always correct, Prevor asked Tim York, president of Markon, to comment on such perceptions.

“It’s easy for us to sit on our high horse and say, ‘Oh, the poor, igno-

rant consumer. We’ll have to tell our story better and straighten them out.’ The reality is we can’t tell the story, and we can’t expect the consumer to know the difference [between what is safe and unsafe],” said York, who has been on the forefront of food safety issues both within his company and through his involvement with the Produce Marketing Association and the Center for Produce Safety, both of which he served as the chairman. “Let them believe that. We have to do everything in our power to follow the cold chain and keep the food safe. It is up to us to figure out how to deliver that flavor, texture and experience to the grocery store.”

Q: What does local mean to you?



DAY 3

THOUGHT LEADERS PANEL



Answers varied from: "It's grown in New York, not Peru or somewhere else."

"Within the tri-state region, from New York or New Jersey."

"Within 5 or 10 miles from where I live."

The EPC's Vic Savanello said: "If you ask 100 people that question, they will

give you 95 different answers. They perceive local as being produce that doesn't spend as much time en route — like something coming from the West Coast or Mexico. 'Local' is not clearly defined."

"The consumer is often unaware of the challenges of a retail chain to

buy local," said Jay Schneider of Acme Markets in Philadelphia. "If there is an apple orchard 5 miles from the store the customer wants to know, 'Why can't you get those apples?' It's tough for a large chain to manage that with 15, 25, 30 small growers. The company may not be USDA GAP-Certified, and its exec-

utives may not know how to become GAP-certified. Retailers put themselves at risk when they start dealing with little growers that are not GAP-certified — even if that's what customers want. If something happens to our store, it could be devastating, and I take that very seriously."

pb

Approach the New Year with resolve to find the opportunities hidden in each new day.

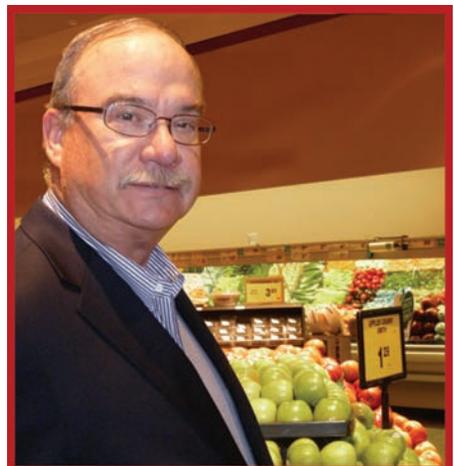


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DAY 3

RIBBON CUTTING AND TRADE SHOW





DAY 3 TRADE SHOW





DAY 3

EDUCATIONAL MICRO SESSIONS



This year's roster of Educational Micro Sessions, held concurrently with the trade show in the Javits Center's North Hall, ran the gamut of professors and industry experts, both domestically and from Europe. In all, 10 micro sessions took place with the subjects ranging from research projects on locally grown produce, to gleaning efficiencies, and on to recruiting industry talent. One of the well attended micro sessions was the presentation on consumer behavior at supermarkets.

Micro Sessions Provide Forum For FMI's 'Power of Produce' Study

by Linda Brockman

The Food Marketing Institute (FMI) joined with 210 Analytics to conduct a research study to determine how consumers shop in the produce departments, and utilized both IRI and Nielsen data to compare real-life and self-reported behavior.

Apples, tomatoes and kale are flexing their muscles. The study, "The Power of Produce," addresses this \$63 billion industry — the only segment of the supermarket with 99 percent household penetration.

According to Nielsen, the average shopper makes 45 trips to the produce department annually, spending \$327 in a year.

Megatrends such as produce grown locally and organics keep expanding. More households are buying organic at 52 percent.

"Organic is here to stay," said Anne-Marie Roerink of San Antonio, TX-based 210 Analytics. "We see growing household penetration, growing baskets among current users, and growing ubiquity of the product and growth rates that exceeded 17 percent for more than five years now."

Locally grown produce is a strong driver for 48 percent of the shoppers, the study found — although the consumer definition of "local" varies. To some, buying local means the produce comes from within their city, state or country. "This allows for retailers to self-define local in a program that works best for them," advised Roerink.

Another finding from the study is that most shoppers make a list before they go into a store, and nine in 10 include produce on that list. Once they get to the store, however, 57 percent end up buying something that is not on the list.

When researching produce promotions, 73 percent of the shoppers say a paper circular is still the attraction

that brings them into a store, but once in-store, they are less price-conscious, said Roerink. Millennials are more likely to use apps, social media, emails and the web to look for specials.

Appearance is the first thing that drives buyers to pick produce, followed by quality and freshness, said Sherry Frey, senior vice president of Chicago-based Nielsen. "You can't compete on price alone if you don't deliver on the first three," she said. "Quality is more important than price."

She advised to "bring the beautiful color of produce into the center of the store. Produce is often the most attractive department in the grocery store, so spread out the color."

Displaying produce in other areas can give stores the "opportunity to drive total store success," said Frey. Some examples: displaying bananas near the cereal aisle and tomatoes near the chips to encourage shoppers to make homemade salsa.

When asked what provides a good experience at the grocery store overall, shoppers said their top priorities are

clearly marked prices (at 76 percent), product availability and extensive variety. The biggest detraction for shoppers is making the trip for a certain item and not finding it in stock, said Roerink.

Another recommendation to produce executives: put out recipes. Roerink said 41 percent of shoppers respond to usage recommendations.

One of the key findings for Rick Stein, vice president of fresh foods at the Arlington, VA-based FMI, is that "time is a commodity, so the value-added segment is growing."

Value-added saw strong growth (10.3 percent) that far outpaced unprepared vegetables, at 5.5 percent. "Convenience is more important than cost to some," said Roerink. Fast growing areas include snack packs, shredded, cubed and diced — many of which focus on convenience in dinner preparation or snacking. About half of shoppers say they purchase value-added with at least some regularity, but 38 percent prefer to save money and cut the produce themselves. **pb**

DAY 3

SPOUSE/COMPANION PROGRAM

While attendees delighted in walking the show floor pursuing new business, the Spouse/Companion Program commenced in the penthouse of the Midtown Hilton. Debbie Prevor, wife of show co-founder Jim Prevor, hosted a group of spouses and significant others to a day of shopping and sightseeing in Manhattan. The itinerary also included manicures, massages, and high tea at the Plaza Hotel.



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DAY 3

'CONNECT WITH FRESH' MEDIA LUNCHEON



Using Flavor And Facts, Not Fear, To Sell Produce

by Jodean Robbins

Selling flavor and facts, instead of fear, was the topic of conversation at the New York Produce Show and Conference's "Connect with Fresh" Consumer Media Lunch on December 2, 2015. More than 55 food journalists and consumer influencers came together to hear presentations aimed at increasing consumption of fruits and vegetables.

Marilyn Dolan, executive director of the Watsonville, CA-based Alliance for Food and Farming (a nonprofit organization comprised of agriculture associations, commodity groups and individual grower/shippers to deliver information to consumers about the safety of fruits and vegetables) kicked off the presentations by claiming that the use of fear in some organic food

marketing scares shoppers away from consuming more fruits and vegetables. Her argument outlined how low availability and cost factors for organic items limit consumer choices in the organic category.

"Fear language in organic marketing drives consumers away from conventional produce, and not everyone can afford organic," she said. "Fear-based marketing will never work to increase consumption. We must create new ways to market both organic and conventional produce with the end result of increasing consumer intake of fruits and vegetables."

Dolan also discussed how scientific research refutes claims of the danger of conventional produce. "Scientific research conducted by the USDA's Pesticide Data Program, which incorporates 20-plus years of data, shows there is no credible risk associated with conventional produce," she stated.

Amy Myrdal Miller, a registered

dietitian and president of Carmichael, CA-based Farmer's Daughter Consulting, LLC, along with Top Chef Master Suvir Saran followed Dolan with an interactive discussion on how to move consumers away from guilt and help them feel good about consuming all fruits and vegetables.

"Only 4 percent of Americans meet the recommended daily intake of fruits and vegetables," said Miller. "Moving this number up 1 percent takes a lot of effort. We see a lack of knowledge and education in our culture about cooking. People are confused."

Miller and Chef Saran promoted reinforcing a positive message to consumers to boost consumer confusion. "We need to promote flavor, not fear," said Saran. "And, we need to promote all forms. Frozen or canned produce can be just as good as fresh in some applications."

Chef Saran pointed to his green bean stir fry recipe, published in

his book, *Indian Home Cooking*, as a great example. "The dish incorporates a variety of Indian spices as well as toasted coconut to boost flavor," he explained. "In this dish, you can easily use frozen or canned French-cut beans. This allows budget-conscious consumers to still eat healthy and with great flavor. We must be both passionate and realistic at the same time — not everyone can afford fresh or organic."

The duo emphasized the importance of stressing flavor and keeping it simple. "The beauty of Chef Saran's cooking is how flavor inspires people to recreate the dish again and again," said Miller. "Flavor is a crucial element in getting people to add produce to their diets."

"Marketing language affects daily consumption," added Chef Saran. "We need to stress easy, healthy and delicious in helping consumers better understand how to eat." **pb**



DAY 3

WOMEN'S LEADERSHIP COMMITTEE RECEPTION



Cece Krumrine Honored As Woman Of Distinction

By Linda Brockman

The Women's Leadership Committee of the Eastern Produce Council and PRODUCE BUSINESS magazine presented Cece Krumrine with its Woman of Distinction award during the Women's Leadership Reception at Jacob Javits' North Hall.

"Since I love the work I do and love the produce industry, it is easy to be passionate and devoted to it," said Krumrine, a produce marketing expert and the mentoring lead for the Women's Leadership Committee. In her capacity with the mentoring committee, she encourages young women to enter the produce industry.

"I have been in produce for more than 30 years and met and worked with many [women] who are now dear friends," said Krumrine, who is a founding member of the New England

Produce Council and a marketing consultant for various commodity boards, such as the California Avocado Commission and the National Mango Board. "One can't aspire to more satisfaction in their professional life. I am blessed."

Krumrine was recognized for her "tireless efforts for any company, commission or council that she represents," said Marianne Santo, co-chair of community outreach for Women's Leadership, who presented the award. "'Kind' and 'nice' tend to be overused, but they are really an apt description of this recipient. Her disposition is always sunny. She has paved the way for women in the produce industry and is a beloved role model to all of us."

Theresa Lowden, Women's Leadership chair (and a past recipient of the Woman of Distinction award), said the committee's mission is to mentor, inspire and empower the current and next generation of women in the industry with core leadership values, attitudes and skills. The committee



was formed three years ago to strengthen the role of women in the Eastern Produce Council and within the industry.

In addition to the award, Women's Leadership also presented the Susan G. Komen Philadelphia affiliate with a \$5,000 check. Komen representative

and administrative outreach education coordinator, Bernadette White, educated the audience about how the organization helps underserved and uninsured women, while survivor Jeanine Donahue, who was diagnosed at age 26, praised the help she received from the Komen Foundation. **pb**



DAY 3

CELEBRITY CHEF DEMOS

Chefs Dazzle At 'Culinary Concert In The Park'

By Keith Loria

The three culinary experts for the special Celebrity Chef Demonstrations utilized some of their favorite produce items to create bite-sized samples for the audience at the show's "Culinary Concert in the Park," which was the designated staging area for these chefs to perform.

Ben Pollinger, executive chef at Oceana in Manhattan, prepared three separate produce-oriented dishes for the event.

"I served a cauliflower with a Meyer lemon, orange and fennel vinaigrette, with pistachios and green olives," he said. "My other dishes were Lady apples served with root vegetable cassata (a sweet and sour take on fruit cassata); and sweet potato pancakes with sautéed shrimp and a mango/ginger sauce."

Pollinger is known for his creative use of seafood with the best ingredients from a global pantry, but is a big believer in using local produce.

"I used a combination of wholesalers, small farmers who sell directly to the restaurant, and a farm co-op or two," he said. "Local is important. Anything I can do to shorten the chain to bring product from the region that will be fresher, and generally grown on the smaller scale, is good for the environment and good for flavor."

His menu at Oceana is often inspired by the produce that is available to him from the area. "I do cook seasonally, so while pretty much anything is available at any time of year, I focus on things that are growing in the region," he said. "I'll feature tomatoes in the summertime and early fall, root vegetables and apples come winter time. You have to be flexible to a degree, but you can do a lot with what's available locally."

Chris Marino, assistant Chef De Cuisine at Waldorf Astoria's Peacock Alley Restaurant, was very impressed with the show and all the companies represented.

"This whole atmosphere is great, and having all these people together in one place is wonderful," he said. "I had the chance to come in and walk around at the beginning, and I met some great people. The quality of the new products — whether it be tofu or vegetable-based meat products — was really interesting as well. There's a lot going on in this industry that people need to stay aware of."

Chef Marino is known for his "Power Breakfast" at the restaurant, as well as an a la carte lunch menu, and a distinctive dinner of small plates and traditional selections. It's this menu that he drew upon for his produce preparations at the show.

"I started with our newest interpretation of the Waldorf Salad, which includes celery, green peppers, chili pepper and is very Mediterranean-inspired with feta cheese, capers and a very fresh-focused flavor," he said. "I also prepared a butternut squash tortellini, taking advantage of the great flavors available to me."

Currently, Waldorf gets most of its produce from Baldor Specialty Foods, thanks to a corporate relationship its parent company, Hilton, shares with the produce distributor, but Chef Marino does supplement his produce from time to time with other regional offerings.

Also on hand at the show was Chef Rich Landau, known for his delicious vegan dishes at the vegetarian-inspired Vedge in Philadelphia. The author of several best-selling cookbooks, Chef Landau, along with his wife and partner, Pastry Chef Kate Jacoby, use the carnivore's palate Chef Landau grew up with to translate vegetarian cuisine to a broader audience.

pb





DAY 3

CULINARY STUDENT COMPETITION



Culinary Students Rise To The Challenge

By Keith Loria

The future chefs of tomorrow aren't going to be great just by reading cookbooks; they need to be educated on the business and shown first-hand how to create culinary masterpieces.

That's why the New York Produce Show and Conference devotes time each year to holding a Culinary Innovation Station, featuring student chefs from some of the top culinary schools who forage produce from exhibitor booths to create fantastic dishes to share with attendees and to impress culinary judges.

The overall competition is student-driven from concepts, to foraging the tradeshow floor, to brainstorming and execution. This year, the students were tasked with making quesadillas, and judging how quickly they were gobbled up at the "Culinary Innovation Stations," there were plenty of A+ scores given.

The Leaders Speak

One of the culinary leaders for the students was John Abels, chef and lead instructor for Le Cordon Bleu, Chicago, who notes that the student competition has become an integral part of the overall experience at the New York Produce Show and Conference, and he's thankful to have been apart of it

since its inception in 2010.

"It's a phenomenal opportunity for students to practice their techniques and critical thinking skills," he said. "The sheer amount of learning that occurs during this show is immeasurable. Students get a larger view of what it takes for those delicious fruits and vegetables to get to our preparation tables. They get experience in talking to vendors, learning from other professional chefs, and practicing what they learned. I, as an instructor, have grown in my cooking and coaching style; I unconsciously teach more veg-centric."

Watching the students this year, Abels was most impressed by the students' ability to have conversations with exhibitors about their product, and build strong connections.

"It was to the point that the exhibiting companies came to our stage and wanted to see how their product was being utilized in recipes," he said. "This is a huge opportunity for exhibiting companies to see how the end user (chefs in many cases) can utilize their products."

Another industry veteran serving as a culinary leader was Douglas Stuchel, associate professor and foodservice management faculty advisor for Providence, RI-based Johnson & Wales University, who also returned for his sixth year in the role.

"The focus for me isn't the competition but the ability for the JWU students to network and experience a part of the industry they are unfamiliar

with," he said. "Now more than ever, we are an industry of relationships: from grower, to shipper, to purveyor, to chef. Events like these expand the students' education into the foodservice industry on many levels. An event like this, although only a couple of days long, is often more valuable than weeks in the classroom."

Stuchel feels that future culinary experts will be more focused on the environment and sourcing food products from companies that are good environmental stewards, and the show gave the students a chance to seek that out. He adds that the show has always been a great opportunity for the students, but this year was truly enriching.

"I am impressed with how quick the show has grown during the past six years and the increased participation in the Ideation Fresh Foodservice Forum of the conference," he said. "Also, [I'm impressed with] the caliber of celebrity judges and well-known industry professionals judging the student competition and participation in Ideation Fresh panel discussions."

Judging The Competition

John B. Coker, executive vice president for corporate strategy and brand development for AVI Fresh, feels the teams were very engaged and worked hard to produce multiple courses on a fast timeline.

"This event focuses on the creative use of fresh produce, which

is becoming more prevalent in the American diet — and should continue to increase with a new generation of chefs focused on produce in creative and inventive ways — as we look to increase consumption for all Americans to understand the significance in our diets and health," he said. "I was impressed by the students' focus and determination to be creative and deliver fantastic dishes."

Shawn LaPeau, executive director of Cal Dining-UC, Berkeley, was impressed with the students' professionalism. He said the experience was a wonderful opportunity for them to plant their feet in the industry.

"Millennials are modeling better eating and nutrition behaviors with every passing year," he said. "Having 17- to 30-year-old students cooking allows those students to become exposed to more plant-forward thinking that may change the path they utilize in their future careers. This event affords them opportunities to learn from others — some of the best in our industry."

Other judges taking part in the event included Gene Harris, director of supplier diversity at Denny's; Susan Renke, president of Food Marketing Resources; Terri Moreman, associate director food & nutrition services at the United States Olympic Committee; Laki Trantos, operations manager for the Cheesecake Factory; and Justin Timineri, a chef and international culinary ambassador representing the state of Florida. **pb**



DAY 4

INDUSTRY BUS 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 Chelsea Market, Garden of Eden, Morton Williams, UrbanSpace Vanderbilt and Whole Foods Market. Brooklyn bus passengers stopped

at Brooklyn Fare, Brooklyn Grange, Cherry Hill Gourmet, Urban Market and Whole Foods Market. New Jersey bus passengers stopped at Kings Food Market, Morton Williams, ShopRite and Whole Foods Market.

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



DAY 4 IDEATION FRESH FOODSERVICE FORUM



Celebrating Fruits And Veggies: The Process Of Menu Development

By Linda Brockman

Vegetables are not just for vegetarians, said Gerry Ludwig, corporate consulting chef at Wyoming, MI-based Gordon Food Service. At Ideation Fresh Foodservice Forum, a foodservice industry conference on December 3 hosted at the Hilton in Midtown Manhattan during the New York Produce Show and Conference, Ludwig reported his findings to an audience of about 100

people interested in learning how the foodservice sector can make better use of fresh produce.

Gloriously, fruits and vegetables are taking center stage at the nation's finest restaurants. But these dishes are not about appealing to vegetarian diners nor do they encourage rebuffing meat, he said.

"Loving veggies doesn't mean hating meat," said Ludwig. "We need to find a better balance."

He presented details and photos of the innovative dishes that bring vegetables into the spotlight on the menus of top restaurants in New York City and other major metropolitan areas, such as Chicago and Los Angeles. Instead of

depending solely on vegetables, these dishes also incorporate a sprinkle of animal protein — such as anchovies or chopped ham for flavor and protein — without upstaging the vegetables.

The veggie-loving restaurants that received the praise from Ludwig included Chalk Point Kitchen in Manhattan, The Publican in Chicago and Gjelina in Venice Beach, CA. Ludwig calls Gjelina's chef/owner Travis Lett, "the father of vegetable-centric cuisine."

The Ideation Fresh forum was divided into three themes: Identifying and Ideating the Next Big Thing on the Menu; Sorting and Sifting — Getting the All-Important Consumer Buy-In;

and Development and Refinement — Getting into the Kitchen and Working out the Kinks.

The foodservice professionals ranged from restaurant and celebrity chefs to foodservice distributors to managers at public schools and universities.

"Participants at Ideation Fresh found a community of like-minded professionals who believe the way to increase produce consumption in America is through its restaurants and foodservice operations," said Ellen Koteff, vice president of editorial for PRODUCE BUSINESS magazine and moderator for the panel that included a variety of foodservice veterans.



DAY 4

IDEATION FRESH FOODSERVICE FORUM



“Consumers discovering delicious fruits and vegetables for the first time, prepared by chefs and cooks who know what they are doing, is the fastest way to get the same consumers to eat the produce at home.”

This forum’s purpose is to help distributors and suppliers understand what chefs are up against, said Koteff, who helped to organize the event. One topic was the challenge of consistency in restaurant menu items when seasons limit availability.

The diverse panelists and speakers included Shawn LaPeau, executive director, Cal Dining at the University of California, Berkeley; CIA-trained chef Michael Muzyk, who has been with Baldor Specialty Foods in Manhattan for 20 years and now is its president; Terri Moreman, associate director of

food and beverage for the U.S. Olympic Team; and Justin Timineri, chef and culinary ambassador for the Florida Department of Agriculture.

Tim York of Markon, a produce purchasing and marketing cooperative, presented a series of ideation challenges to culinary students from Le Cordon Bleu and Johnson & Wales University. For example, students were asked to find ways to encourage vegetable consumption at a public school with a limited budget and to create flavorful dishes with fewer calories for a university dining program.

“Multiple segments of the restaurant industry were represented, and there was great discussion,” says York. “One of the day’s highlights was watching the culinary students work with attendees on challenges with

fresh produce, and how they would overcome them. I always look forward to the Ideation Fresh session — it’s where the best discussions and insights on foodservice can be found.”

Chef and cookbook author Suvir Saran entertained the audience with his passion for vegetables — and the many inventive ways to use them — while doing a cooking demonstration. His mantra was simplicity. “Chefs make recipes complicated to justify our salaries and a staff of 17. Keep it simple. There’s no need to add any sugars, when cooking and roasting fruits and vegetables can bring out the natural sugars.”

Chef Saran worked alongside nutritionist Amy Myrdal Miller, who is also founder and president of Sacramento, CA-based Farmer’s Daughter

Consulting. The Miller -Saran duo began in December writing a joint monthly column in *PRODUCE BUSINESS* called “Produce Matters.”

Miller led the last panel discussion in which she asked what the audience would like to know about the business? “This elicited engaging responses; every panelist answered with enthusiasm,” says Miller. “The most common sentiment was, ‘Don’t send in a sales person who doesn’t know my business.’”

Participants learned about menu development as the cornerstone of foodservice operations, says Koteff. “Chefs appearing at Ideation Fresh dissected this topic as it relates to produce, sharing their insight and what they learned over the course of their careers.” **pb**



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Reading Between The Organic-GMO Lines



Industry experts discuss regulations and how the trade is navigating the sea of consumer demands.

BY MINDY HERMANN

Organic fruits and vegetables reign supreme over all other organic food items. According to the Organic Trade Association, Washington, D.C., organic fruits and vegetables continued to be the biggest-selling organic category in 2014, up 12 percent from the previous year and comprising more than 36 percent of all organic food sales. Of all produce now sold in the U.S., 12 percent is organic — a market share that has more than doubled in the past 10 years. Sales are particularly robust for organic value-added produce.

Shoppers looking for cleaner and greener have been supporting organic produce for decades. But until recently, it was hard to know what organic meant because different states had different criteria and regulations. In the

1990s and early 2000s, the federal government stepped in with the Organic Foods Production Act (OFPA) to establish national organic standards and prevent mislabeling and fraud.

THE NATIONAL ORGANIC PROGRAM DEFINES ORGANIC

The National Organic Program (NOP) of the U.S. Department of Agriculture (USDA) Agricultural Marketing Service oversees the verification of organically grown agricultural

products, including standards for production, handling, labeling, and enforcement. Informing and making recommendations to NOP is the National Organic Standards Board (NOSB), a 15-person volunteer Federal Advisory Board.

According to NOP, organic farming in the U.S. focuses on renewable resources, soil and water conservation, as well as management practices that restore, maintain and enhance ecological balance. Organic fruits and vegetables cannot be treated with synthetic



White Russet potatoes in the forefront compared to a conventional Russet Burbank.

PHOTO COURTESY OF I.R. SIMPLOT COMPANY

substances not on the organic national list of synthetic substances. The NOSB notes on its website that “organic agriculture practices cannot ensure that products are completely free of residues; however, methods are used to minimize pollution from air, soil and water.” Products bearing the USDA organic seal have been certified to meet NOP standards.

“The USDA organic seal is highly reliable,” says Laura Batcha, chief executive, Organic Trade Association, Washington, D.C. “It has more oversight and enforcement than any other third party claim and applies to organic produce sold in the U.S. but grown anywhere in the world.”

START WITH THE SEEDS

Organic fruits and vegetables must be grown from organic seeds, annual seedlings,



PHOTO COURTESY OF OKANAGAN SPECIALTY FRUITS

“Third party auditors are more restrictive than regulatory auditors, because the private sector wants to go above and beyond what the government might offer.”

— David Gombas,
United Fresh Produce Association

or planting stock, and seeds and planting stock can be treated only with approved substances. Seeds also cannot be genetically engineered.

“Regulations are clear — GMO seeds and seed treatments with synthetic compounds cannot be labeled organic,” says Batcha. “Current organic regulations prohibit insertion, deletion or altering of genes.”

Exceptions can arise when organic seeds are not commercially available. “Before introducing non-organic seed, producers must document contact with three organic suppliers. If seed is not available in the desired form, quantity

or quality, growers can use untreated, non-GMO seed,” explains Caitlan Reilly, crop and livestock certification coordinator, NOFA-NY Certified Organic, LLC, Binghamton, NY. “We try to be sensitive to that, but also look closely to ensure that they are working to increase organic seed usage by trialing organic seed varieties, saving seed, and other actions.”

Similarly, non-organic seeds and planting stock that have been treated with synthetic substances allowed for use in organic crop production can be used to grow an organic crop if organically produced, untreated seeds and stock are not available. Even prohibited substances may be used to grow an organic crop if the substance is required by governmental phytosanitary regulations. All such uses must be documented in the grower’s organic system plan.

“Organic seeds tend to be more expensive for the farmer and may not offer the same disease control and agronomic factors as a particular non-organic seed,” says Carly Scaduto, senior communications manager, vegetables, Monsanto, St. Louis, MO. “Organic farmers can and do use conventionally produced seeds when organically produced seeds for resistance to devastating diseases, for example, are not available — especially if they have no other means of controlling the disease.”

THIRD-PARTY INSPECTION AND OVERSIGHT ARE ESSENTIAL

USDA organic regulations mandate growers to meet specific requirements before agricultural products can be labeled as organic. Among these requirements are: records of organic practices and procedures, substances to be used, monitoring practices and procedures, and actions taken to prevent commingling organic products with non-organics and prohibited substances.

“Federal and state government will never have the resources necessary to do the required annual inspections and certifications, so they rely on third party auditors,” says David Gombas, PhD, senior vice president, food safety and technology, United Fresh Produce Association, Washington, D.C. “Third party auditors are more restrictive than regulatory auditors, because the private sector wants to go above and beyond what the government might offer.”

“We inspect our certified operations every year,” says Caitlan Reilly, crop and livestock certification coordinator, NOFA-NY Certified Organic, LLC, Binghamton, NY.

“Each operation goes through an initial review, inspection, final review and decision on their certification status.” Certifying organizations audit at least 5 percent of an operation’s products each year for residues of prohibited substances. Confirmed violators can be fined up to \$11,000 per violation/suspension/revocation of organic certification.

No Intersection Between Organic And Non-GMO

Today’s breeding falls along a spectrum from traditional methods to technology-aided breeding to genetic modification. In the produce world, genetically modified organisms (GMOs) are fruits or vegetables that have been genetically altered with DNA from another organism to introduce features such as disease resistance or herbicide tolerance.

Any fruit or vegetable bearing the USDA organic logo cannot be GMO. “Genetic modification that is not possible under natural conditions or processes is not accepted in

organic production,” notes NOFA’s Reilly.

Regulations prevent a food’s label or advertising from suggesting that non-GMO foods are safer or of higher quality than GMO foods. Furthermore, nearly all fruits and vegetables in the produce department are non-GMO, with the exception of about 10 percent each of the zucchini and yellow squash crops, a small percentage of sweet corn, and three-quarters of the Hawaiian papaya crop. Hawaiian papayas face continued threat from papaya ring-spot virus; the introduction of a transgenic papaya in 1999 is credited with saving the industry.

Concern has been expressed regarding contamination of organic produce by GMOs. The USDA National Agricultural Statistics Service 2014 Organic Survey estimates crop loss of \$6.1 million from 2011 to 2014 from contact with GMOs. Accidental contamination is not a risk, however, for most fruits and vegetables. “The main crop of concern is field corn, because it is pollinated by the wind,” explains Reilly.

pb



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As non-GMO choices continue to be relevant, marketers explore how to incorporate those commodities into new product lines.

THE RIGHT TO KNOW, OR NOT KNOW, ABOUT GMO

The federal government currently does not require mandatory labeling of GMOs. H.R. 1599, a House bill passed in July 2015 — dubbed the Deny Americans the Right to Know (DARK) Act by labeling advocates — continues the voluntary FDA evaluation and labeling process for GMOs and required USDA list of GMO plants that can be sold as food. The bill preempts mandatory GMO

regulation and labeling by states and does not require companies to list GMO ingredients. A companion Senate bill is pending.

Some major grocery chains favor GMO/non-GMO labeling. Wegmans states on its website that it is in favor of a national standard for labeling non-GMO items so that consumers wanting to avoid GMOs can do so. Publix believes that FDA and USDA should define GMO, GMO-free and non-GMO. Both chains recommend certified organic products

“Today’s shopper values transparency, and non-GMO verification makes it easy for them to know what they’re buying.”

— Tristan Simpson, Ready Pac

for those looking to avoid GMOs.

The third-party Non-GMO Project verifies non-GMO foods and provides a Non-GMO Verified logo to place on packaging. The Non-GMO Project contends that USDA organic inspection alone does not adequately address risks such as cross-pollination and contamination. Among the thousands of verified foods are fresh fruits and vegetables from several dozen producers. Non-GMO has become the gluten-free of the produce department in that it represents quality and purity in the eyes of the consumer.

“The value of the designation is clear — new products seeking non-GMO verification outpaced new products seeking organic certification,” says Clayton Ryon, operations manager for Santa Cruz-based Awe Sum Organics. “For us, certified organic plus non-GMO verified is the best combination.”

“Our elevAte line of superfood salads combines nutrition, freshness, and indulgence

ORGANIC IS NOT NECESSARILY SAFER

While organic pertains to cultivation of fruits and vegetables, it does not guarantee food safety or nutrition. “Safety may be the most pressing concern regarding organic,” says Sharon Palmer, RDN, author, *Plant-Powered for Life*. “There have been issues with fresh produce in the past — organic and nonorganic — because they are easily contaminated. We often eat them fresh, so harmful bacteria may not be destroyed.”

“Organic and safety are not synonymous, because organic is not a food safety choice,” says David Gombas, PhD, senior vice president, food safety and technology, United Fresh Produce Association, Washington, D.C. “That said, FDA has not reported any recent organic produce-related outbreaks attributable to crops managed under the NOP standard. In the produce industry, the safety

of incoming fresh produce is the responsibility of each step in the supply chain.” He notes that any foodborne outbreaks and illnesses linked to produce sourced in or imported to the U.S. have been due to the presence of microbiological pathogens, not to pesticide residues.

Tests conducted on more than 3,000 conventional and organic produce samples by the California Department of Pesticide Regulation found that at least 93 percent of tested California-grown produce had little or no pesticide residues in the years 2010 to 2014. Only 1 percent of samples exceeded the established tolerance level and 5.5 percent had traces of non-approved pesticides. In contrast, the Environmental Working Group’s 2015 *Shopper’s Guide to Pesticides in Produce* reports that nearly two-thirds of the produce samples tested by the

USDA in 2013 contained pesticide residues.

A July 2015 article in the *International Journal of Food Contamination* concludes that dietary exposure to pesticides is far below levels of health concern. The article also states that reducing exposure to pesticide by purchasing organic produce may not yield additional benefits since pesticide residues in both conventional and organic produce are low.

The recently finalized FDA Food Safety Modernization Act (FSMA) Produce Safety rule establishes minimum water and soil standards for the safe growing, harvesting, packing, and holding of fruits and vegetables grown for human consumption.

“You have to monitor product safety in both conventional and organic items,” advises Dr. Gombas. “Serious outbreaks occur, and they often result from things that nobody could have predicted.” **pb**



Biotech education can lead to produce revelation

By Okanagan Specialty Fruits, the developers of nonbrowning Arctic® apples

Arctic® apples are distinctly nonbrowning and can create a consumption trigger

Biototechnology has the potential to be the most important innovation in the history of agriculture; so let's treat it as such.

We are far removed from the days of Colonial America, when 90% of the population's primary livelihood was agriculture. Agricultural innovation enables far fewer of us (~3%) to produce safe, nutritious food and this is a great example of the importance of embracing new technologies. However, our remarkable efficiency has disconnected the vast majority of the public with how their food is produced.

As a result, it's up to us – the produce industry – to be champions of agricultural innovations, including biotechnology. But frankly, we first must make a more concerted effort to educate ourselves about the benefits of biotech foods and the science behind them.

Consumer research consistently finds that consumers are supportive of biotech foods when they are aware of tangible benefits they can offer, especially regarding health and sustainability. A 2014 survey from the International Food Information Council found that ~2/3rds of consumers support biotech crops that are produced with reduced inputs, have more vitamins, or require fewer pesticides. However, only 11% of respondents said they know "a lot" about biotechnology and nearly 30% said they know "nothing at all". Despite this, only 2% said they avoid biotech foods.

To many, this knowledge gap suggests that a major educational opportunity exists. We know consumers want to learn more about their food. But, in the face of so much misinformation, how best can we provide reliable information? And, is it worth the effort?

Consider that biotech crops:

- Lowered fuel use equal to removing 12.4 million cars from the road for one

year (2013) due to reduced tillage requirements.

- Have led to a 1.2+ billion pounds reduction in pesticide sprays.
- Allow farmers to grow more on less land; to produce the same amount of conventional crops, the total additional area of land needed would be equal to 11% of the arable land in the U.S.

And, a spotless safety record backs these tangible sustainability benefits; humans have consumed over three trillion meals containing biotech foods without a single proven case of harm. There should be overwhelming public support for such a valuable tool. However, vocal minority groups are often far louder than those who should be leading this conversation - food producers and other members of the supply chain.

As developers of one of the first biotech foods with direct consumer benefits, we witness the value of consumer education and open communications firsthand. Our flagship

product apple lovers the following questions:

1. Likelihood of purchasing a nonbrowning apple? 51% said they were "somewhat" or "extremely" likely.
2. How likely to buy a genetically engineered nonbrowning apple? 49% expressed interest (a much smaller drop than we anticipated!)
3. Then, we provided some key points about the science behind Arctic® apples and their benefits and asked again; 59% now expressed interest in purchasing them!

Of the benefits that resonate most with consumers, reducing food waste and making apples more convenient are consistently near the top. These are just two of many benefits in just one biotech food with one minor genetic change!

Imagine better quality produce with improved nutrition, longer shelf life, drought,



Arctic® Golden & Arctic® Granny to the right of conventional counterparts, 4hrs after bruising

product, nonbrowning Arctic® apples, have an advantage that consumers can experience for themselves. And, we've found that support improves markedly when they have a chance to do so.

The impact of education is clear as well. For example, when we asked 1,000 self-identi-

or salt-tolerance. These traits are all being developed right now. Will we as an industry step up to support these innovations or linger around the sidelines of the conversation? Now is the time to step up!

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with affordability, non-GMO, organic and gluten-free,” says Tristan Simpson, chief marketing officer, Ready Pac, Irwindale, CA. “As non-GMO choices continue to be relevant, we will explore how we can weave them into other product lines.”

“Today’s shopper values transparency, and non-GMO verification makes it easy for them to know what they’re buying,” says Simpson. All Ready Pac facilities also are QAI-certified (Quality Assurance International is a San Diego-based USDA-accredited organic product certifying agency) to meet organic requirements.

NEW GMOS GENERATE CONTROVERSY

The Arctic apple, developed by Okanagan Specialty Fruits, Summerland, British Columbia, Canada, is one of two GMO produce items recently approved by the federal government. The Arctic apple is genetically altered to prevent browning after being cut. It is the target of a campaign by Friends of the Earth and other environmentalists that asks food companies such as Wendy’s, McDonald’s and Gerber to pledge not to sell or use the apple.

“While Wendy’s states they do not currently carry any genetically engineered apples or have

“There have been issues with fresh produce in the past — organic and non-organic — because they are easily contaminated. We often eat them fresh, so harmful bacteria may not be destroyed.”

— Sharon Palmer, RDN

plans to do so at this time, there is no plausible reason why they would state otherwise,” says Neal Carter, president, Okanagan Specialty Fruits. “Our Arctic apples are not yet in the marketplace and won’t be widely available to consumers for some time. It would be at least a few more years before a large enough supply of Arctic apples would be available to satisfy the requirements of a major restaurant chain.”

Also approved for cultivation is the White Russet — developed by the Boise, ID-based vertical integrated company specializing in seed

production, farming, fertilizer manufacturing, frozen-food processing, and food brands and distribution, J.R. Simplot Company — using genetic modification without introducing non-potato genes.

“White Russet potatoes bruise less and have fewer black spots, so retailers can offer a higher quality potato and customers can enjoy more of what they pay for,” says Doug Cole, Simplot spokesman. He explains, with fewer rejects due to bruising, fewer resources can be used to achieve the same yield, which means farmers generate fewer CO2 emissions, and use less water and pesticides. White Russets also have less of the compound that turns into potentially harmful acrylamide when certain foods (including potatoes) are cooked at high temperatures.

GMOs are widely acknowledged to be safe. The FDA states that, based on data on more than 150 genetically engineered foods, foods from genetically engineered sources are as safe as conventional foods. According to the Environmental Protection Agency (EPA), biotechnology’s plant-incorporated protectants have reduced by more than a third the use of synthetic insecticides, resulting in less contamination and less pesticide residue in food. **pb**

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Tropical Fruit Brings Excitement To Produce



Mangos are mainstream, papayas are ready to emerge, and the possibilities are endless.

BY BOB JOHNSON

If the produce department is looking a bit boring and predictable, the answer could be an expanded selection of colorful and flavorful tropical fruits.

“People want to have more flavors, more excitement, and more variation in their produce,” says Lorenz Hartmann de Barros, director of sales at HLB Tropical Food USA, Plantation, FL. “Everyone is bored with the same items. You go to a supermarket and have your same routine, but secretly you hope someone will offer you something new to try.”

Demand for these fruits is sure to increase, as our population includes more Hispanics and Asians, and Anglos come to appreciate that tropicals include far more than bananas, pineapples and avocados.

“There is a growing demand for tropical products in the United States, due to the change in the American demographic,”

says Marion Tabard, director of marketing at Turbana, Coral Gables, FL. “Hispanic and Asian-Americans will experience the highest growth rate, 142 percent and 167 percent respectively, between 2010 and 2050. This new demographic landscape has led to a boom in fusion restaurants that integrate ethnic tropicals into their menus.”

This change sweeping the country is already evident by double-digit growth in sales of many tropical fruit mainstays.

The following tropicals experienced sales increases during the past year: mangos (18 percent); papayas (12 percent); dragon fruit (18 percent); coconuts (13 percent); passion fruit (9 percent); lychee, rambutans, and baby pineapples (10 percent); and variety bananas (7 percent) reports Robert Schueller, director of public relations at Melissa's/World Variety Produce, Los Angeles.

While mangos have already gone mainstream, and the entire tropical category is showing robust growth, the next tropical star in the produce department could very well be papayas.

GET READY FOR PAPAYAS

While bananas, pineapples, and avocados lead the way, and mangos have joined the

mainstream, papayas are poised to make a splash.

“Papayas are on the radar, but there are big challenges,” says Ronnie Cohen, vice president of Vision Import Group, River Edge, NJ. “It’s a unique item, but it is sensitive in terms of growing conditions and flavor profile. They are trying to create proprietary varieties that will overcome that, but it will take time. Sampling helps.”

HLB’s de Barros is bullish on papayas, and believes much of the variety work has already been accomplished.

“We tree ripen Formosa papayas and fly them in to differentiate the product from the Maradol papayas,” says de Barros. “The flavor is enough to differentiate it. The Maradol has to be 100 percent ripe to be eaten, but the

PHOTO COURTESY OF MELISSA'S/WORLD VARIETY PRODUCE





“I think papaya can become very big. Twenty years ago mangos were unknown, but then came the Mango Board, and now everyone knows about them.”

— Lorenz Hartmann de Barros,
HLB Tropical Food

Formosa can be eaten when it is half ripe. We went to the existing Maradol market and said we have a better fruit. It tastes better and lasts longer. Many retailers stopped with the Maradol and only carry the Formosa.”

On the retail level, de Barros believes it is important to carry two sizes of papayas, in order to give individual consumers a convenient choice.

“There’s the large papaya, the family pack, and the small one that an individual consumes

in one sitting,” says de Barros. “It is important to be able to eat it all right away because it starts losing its vitamins after you cut it open. In Brazil, everyone eats papayas everyday. It is very healthy; it has more vitamin C than oranges. Papayas are a superfood.”

For retailers to increase sales, Doria Blonder, with sales and marketing for Princeton, FL-based New Limeco, says it’s good to provide customers with information on how to choose a papaya. “If the fruit is green, then show customers how to finish ripening the fruit at home,” she says as an example.

“Group them with other tropicals such as mangos, pineapples, and our brand of Powerful Harvest Coconuts,” adds Blonder. “Increase sales by offering papayas at different ripeness stages, which encourages customers to buy ripe fruit ready to eat and to buy a not-so-ripe one to eat later. It’s also good to cross-merchandise with limes. Suggest squeezing limes over papaya to enhance its flavor.”

In some areas of the country papayas already rival mangos, at least during part of the year.

“Mangos and papayas make a strong duo in sales growth across all demographics,” advises Mary Ostlund, director of marketing at Brooks Tropicals, Homestead, FL. “Mangos may beat out papayas in their season, but it’s hard to beat large papayas, like Caribbean Red papayas, for year-round sales.”

LET THE PARTY BEGIN

Although the variety of tropical fruits is almost endless, there are five fruits that anchor the category if you include avocados.

“The most popular tropical fruits are bananas, pineapples, avocados, mangos and papayas,” says Tabard. “Regarding ethnic items the most popular nowadays are yuca, chayote, malanga and yams. The volume of these roots and tubers has seen a dramatic increase as immigration from Asia and Latin America continues to be on the rise.”

In addition to the now familiar tropical favorites, however, there are enough options to offer exciting tropical fruit surprises on a regular basis.

“Dragon fruit has found popularity with kiwi lovers,” says Ostlund. “The juicy dragon fruit is similar in texture and taste. Passion fruit’s gel and seeds are fabulous simply added to eggs, oatmeal and even pancakes. Added to salads, its exotic taste will turn an ordinary salad into something quite extraordinary. Groovy Coconuts are finding a market with consumers loving coconut but not loving the added preservatives and sugars added in processed shredded coconut.”

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“Temperature is everything. Temperature can affect fruit tremendously. Bananas, for example, have to be at a certain temperature. If you go too low, you can lose the flavor profile.”

— Randy Cohen, Vision Import Group

Arrival of some of these fruits can make for special occasions because they are only available for import a few months out of the year.

“Rambutan and lychee are seasonal,” says Schueller. “Lychees are available from May to August and December to February; and rambutans sporadically throughout the season. Coconuts are a big category worthy of mention, and many newer varieties of mangos are available in the U.S. as of recent.”

Most tropicals are imported but there are, in addition to avocados, a handful of other U.S.-grown fruits.

“There aren’t many tropicals grown in the U.S.; one is Florida starfruit,” says Ostlund. “It’s a fun fruit that could be eaten as an apple. Another U.S. tropical is guava.”

There are many answers to the question of what makes for the right tropical fruit display, and the question is worth some thought.

“Merchandise both mainstream and specialty tropicals together,” advises Ostlund. “Make one of your displays of mainstream tropicals — avocados, mangos and pineapples — in the tropicals aisle. Then add tropicals nearing mainstream status like Caribbean Red papaya. But build on the large papaya’s popularity and add Solo papayas. Then add up-and-coming tropicals such as starfruit, Groovy Coconut, guava, and dragon fruit. A well-appointed tropical produce section will draw consumers sensually both with gorgeous colors and wonderful smells.”

One question to consider when planning the display is how to combine the familiar with the more exotic.

“Show a smattering of mainstream and almost mainstream tropicals in the tropicals aisle,” says Ostlund. “You’ll want to also display them elsewhere. Those Florida avocados really sell next to tomatoes. And those Caribbean Red papayas have earned their place next to

the melons. Up and coming tropicals will gain star status both in the tropicals aisle and in displays highlighting salad, guacamole or salsa displays. Don’t limit upcoming tropicals to the tropicals aisle.”

Retailers can display all the tropicals together and use signage with graphics to create excitement.

“We’ve noticed more retailers are building tropical ‘destination displays’ with signage as a way to make a statement to shoppers that they do have variety,” says Oakley Boren, communications and trade show manager at Frieda’s Specialty Produce, Los Alamitos, CA. “Group all the tropicals together with signage and keep it stocked.”

There are standard locations that work for displaying a variety of tropicals built around the mainstays.

“Typically tropicals are a section by or near the bananas end cap,” says Schueller.

“Winter opportunities include cherimoya from the USA. All the other fruits are basically imported in the winter time.”

Tabard from Turbana, however, advises adding a wrinkle to this formula in order to appeal to *both* mainstream and ethnic markets.

“While tropical foods are staples for most Hispanics and Asians, they are relatively unknown to white Americans,” says Tabard. “This demographic shift and the greater availability of tropicals have given them the opportunity to discover some of these products. Turbana recommends tropical items be grouped corresponding to the target audience they are being merchandised to. The tropical roots and vegetables targeted to Hispanics and Asians should be merchandised together while the tropical fruits such as pineapples, bananas,

mangos that cater to a wider audience should be merchandised separately.”

Although the question of display is worthy of attention, there is no one right answer.

Consumer demand for tropical fruits is large and diverse, but the category takes a commitment by the supermarket.

“Not all retailers are jumping on the tropical trend,” says Boren of Frieda’s. “But if they have room and are willing to train their produce personnel to know what to do with them, then by all means, they should!”

Some of the tropical fruits have climate control requirements that make them difficult to display.

“Rambutan and lychee fruit should be refrigerated to maintain their bright color and shelf life,” says Boren. “That’s a challenge for retailers.”

Getting the climate right not only affects shelf life; it can make or break the taste of the fruit.

“Temperature is everything,” says Cohen of Vision Import Group. “Temperature can affect fruit tremendously. Bananas, for example, have to be at a certain temperature. If you go too low, you can lose the flavor profile.”

If a store devotes the resources to care for and display the fruit, however, the tropicals add exciting new variety to produce.

“North Americans want to add more fruits and vegetables to their diet,” says Ostlund. “Sure they’ll try a different apple variety, but it’s still an apple. Tropicals open up a new fruit and veggie vista to enjoy.”

The interest of the trendsetting young generation bodes well for the continued growth of the tropicals.

“Millennials are definitely more adven-





PHOTO COURTESY OF MELISSA'S/WORLD VARIETY PRODUCE

“When they see a fruit or vegetables on Instagram or on YouTube, they look for them in their local stores, and they aren’t afraid to purchase them, even if they have never tried them before. The scarier looking, the better — like rambutans that look like red sea urchins or horned melons that look like something from another planet altogether.”

The tropicals are so refreshing, beautiful and interesting that there really aren’t limits on who you can attract.

“With the right display, you can attract anybody because people want surprises, especially with flavor,” says de Barros.

THE MANGO MIRACLE

Papaya protagonists in particular, and tropical fruit lovers in general, are encouraged by the incredible increase in mango consumption in a short period of time once the industry organized a united promotional effort.

“Since the National Mango Board’s inception in 2005, the board’s mission has been to increase the consumption of mangos in the United States,” the Mango Board said when reporting impressive market expansion in 2014. “The marketing, research, and industry relations programs have been working hard every day to achieve this mission, and as of the end of 2013 mango consumption has increased 53 percent since 2005 to an estimated 2.87 pounds per year.”

This eye-popping increase in consumption has not stopped, as evidenced by impressive growth figures from last year.

Six-year Mango Board member Cohen believes the best is yet to come for this rising tropical star.

“Mangos will be a category of their own in 10 years,” says Cohen. “In 15 to 20 years it’s going to be like stone fruit, as they develop more varieties. Years ago you had yellow flesh peaches; now you also have white peaches, nectarines, and saucers. Mangos are almost a stand-alone item in a lot of stores.”

Part of the variety work has been done, and it is up to the shippers and retailers to let consumers know their first choice in mangos may not be their best choice.

“The Tommy Atkins mango is beautiful and lasts long, but the reason it lasts longer is it has so many fibers,” says de Barros. “You have to floss your teeth afterward. The Keitt mango doesn’t turn red, but it tastes better and you don’t have to floss your teeth.”

As Cohen looks back on his six years with the board, the lesson he draws above all others is the tremendous difference made by a good educational campaign for all interested parties.

“Education is No. 1,” says Cohen. “I just finished my sixth year on the Mango Board, and we learned the importance of education. You not only have to educate the consumers, but also the produce managers, backroom/receiving guys, and distribution center staff.” **pb**

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A PRODUCE-CENTRIC

HOT LIST

NRA survey casts fruits and vegetables in starring roles for 2016.

BY MARK HAMSTRA

From trendy heirloom apples to perennially popular zucchini, the What's Hot 2016 Culinary Forecast from the Washington, D.C.-based National Restaurant Association (NRA) predicts the menu items that will resonate with consumers in the year ahead.

Fresh produce figures prominently in this year's prognostications. In fact, locally sourced

produce is No. 3 on the list of top food trends, trailing only locally sourced meats and seafood, which is No. 1, and chef-driven, fast-casual concepts at No. 2.

Hyper-local sourcing, and natural ingredients/minimally processed foods — two trends in which produce often plays a big role — round out the Top 5.

Among the rising culinary trends to watch are produce-centric menus and restaurant concepts where vegetables are the star, says Annika Stensson, director of research communications at the NRA.

"This could be employed as a cost-management strategy as some key protein costs are elevated and a push toward nutritious menu items, but it's also about celebrating produce in and of itself," she says. The list includes everything from staple items, such as carrots and beets, to less familiar items like watermelon radishes, fiddleheads and kohlrabi.

"In the same vein, we're seeing a wider variety of house-made and artisan pickles in many varieties well beyond cucumbers," says Stensson. She mentions another element to

keep an eye on in the near future is restaurants selling raw, high-quality ingredients, which include fresh produce items chefs use to create dishes on the menu.

In order to compile the list, the NRA surveyed 1,575 members of the American Culinary Federation in September. The chefs were asked to classify 221 items into one of three categories: "hot trend," "yesterday's news" or "perennial favorite."

The hottest produce items on the list, following "locally grown produce" (77 percent said this was a hot trend) were heirloom apples (65 percent hot); organic produce (63 percent hot); unusual/uncommon herbs such as chervil, lovage, lemon balm and papalo (63 percent hot), and exotic fruits such as rambutan, dragon fruit, paw paw and guava (59 percent).

Some produce items that previously had been hot trends were seen as cooling off in 2016. These include kale salads (down 10 percent from 2015); fresh beans/peas (down 9 percent); dark greens (down 7 percent) and vegetarian appetizers (down 6 percent).

Some trends barely even had their moment

in the sun before chefs deemed them passé. Wedge salads fall into this category, with 59 percent calling them “yesterday’s news” (along with insects, blood sausage, and bacon-chocolate combinations).

Among the perennial favorites cited by chefs, zucchini was the only member of the produce family represented in the Top 10. It came in at No. 9, with 54 percent citing the soft summer squash as an evergreen menu item. (Comfort foods, which might include produce items such as mashed potatoes and other traditional vegetable dishes, made the perennial favorites list at No. 8.)

John Abels, lead instructor at Le Cordon Bleu Culinary Academy and one of the chefs who participated in the survey, says he was excited about the showing fresh produce items made on this year’s report.

“Produce is a main focus for chefs, with seven of the top 20 food trends having to do with produce in one form or another,” he says. “With dietary changes and a focus on back to basics across diners’ palates, it is no surprise that 23 percent of the top 192 food categories have to do with what we as chefs can do with produce and how we are meeting consumers’ needs.”

Chefs are “daring to be different,” says Abels, not only in the kitchen but in the bar as well, “through creative, innovative new [ideas] to get more nutritious produce options into consumer’s purview.”

“Customer palates continue to evolve, and with that comes great responsibility for chefs to focus on sourcing locally, being environmentally sustainable, and having a true connection with farmers and the land.”

ROOT VEGETABLE HOTNESS

Don Odiorne, vice president of foodservice at the Idaho Potato Commission, Eagle, ID, points out one of the hot trends on the list: root vegetables, which came in at No. 100 on the list with 48 percent of chefs saying they are “hot” and another 33 percent saying they are “perennial.”

“We’re seeing the return of the root vegetables, whether it’s parsnips or turnips, or even carrots, and they are being roasted almost to the point where they are being charred,” says Odiorne.

Another trend he points out is the popularity of offering breakfast at any time of the day, which often includes potatoes. In fact, serving breakfast for lunch or dinner was cited as “hot” by 41 percent of chefs and “perennial” by another 33 percent.

Potatoes are also being incorporated into



“With dietary changes and a focus on back to basics across diners’ palates, it is no surprise that 23 percent of the top 192 food categories have to do with what we as chefs can do with produce and how we are meeting consumers’ needs.”

— Chef John Abels, Le Cordon Bleu Culinary Academy

ethnic items, including tacos, burritos and tortillas, says Odiorne. “You are also seeing potatoes incorporated into other ethnic dishes such as pierogies and empanadas, appearing not just on ethnic restaurant menus, but across the board,” he says.

New twists on mashed potatoes also remain popular, especially as consumers seek to avoid gluten, adds Odiorne. Chefs are moving beyond simple garlic mashed potatoes and incorporating a range of seasonings such as wasabi and black garlic.

“We are also seeing a lot of fish dishes that years ago were paired with rice or pasta, and are now being paired with a potato hash,” he says.

“With people looking for gluten-free options, potatoes can play an important role — giving restaurant operators a way to economically meet those demands.”

MINDFUL DINING IMPACT TRENDS

Sharon Olson, executive director of the Culinary Visions Panel, Chicago, sees several culinary trends pointing toward the importance of produce on menus in 2016.

“The movement toward mindful dining has consumers rethinking indulgence with a healthy perspective that favors the produce business,” she says. “Sustainability has become a sign of quality worldwide, and verifiable

sustainability is a compelling competitive advantage.”

Among the biggest trends she describes is the “rise of the veg-enthusiast.”

“Look for vegetable-centric — not necessarily vegetarian — cuisine to be the next macro trend influencing menus across all segments of the foodservice industry,” she says. “Vegetables are moving from side to center with new and aggressive cooking techniques like smoking and fire-roasting. Vegetables also

have the ability to make many popular favorites ‘invisibly healthy,’ which is widely appealing to consumers.”

Other trends she sees:

• **Conscious comfort in food:** Consumers feel good about selecting foods that are “created with mindfulness for the people who grow, harvest and deliver their food,” says Olson. “The triple bottomline of people, planet and profits is gaining acceptance among many food businesses.”



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• **The new “agri-culture”:** This reflects the evolution of farming to become a “revered and respected profession.” She notes this trend not only reflects a new generation of modern farmers approaching the profession differently, but also generations-old family farms that are “now turning to sustainable practices that are closer to the way their great grandparents farmed.”

• **Root-to-stem cooking:** “Creative chefs are embracing all parts of the vegetable, moving vegetables from compost to the kitchen,” says Olson. “From carrot tops to parsley stems, vegetables are making their way into imaginative preparations and garnishes and finding their own section on contemporary menus.”

• **Beets are hot:** Beets can be enjoyed in ice cream, Veggie Kefir, ravioli stuffing mixed with goat cheese, savory tea and kimchi, says Olson. Beet pearls, which come packaged like caviar, “provide little flavor bombs for beverages, salads and desserts,” she adds. Beets are being used in kids’ beverages, on sandwiches, and in salads and desserts.

• **The next hot vegetable:** kohlrabi. This versatile member of the cabbage family is popular in some cuisines, which incorporate its root, stem and leaves in various preparations. “Kohlrabi might be destined to become the new kale because of its unexpected versatility in hot and cold applications and its nutritional power,” says Olson.

Another of the key opportunities for produce items is their use in cocktails, Olson points out. The Culinary Forecast reports 70

percent of chefs cite culinary cocktails — those made with savory or fresh ingredients, for example — as a hot trend for 2016.

SMOOTHIES DRIVE PRODUCE TRENDS

Smoothies and other beverages are also continuing to drive produce trends, notes Robert Schueller, director of public relations at Melissa's Produce, Los Angeles.

Among the specialty produce items that have seen the most growth at Melissa's in the past year are young coconuts and turmeric root, both of which have beverage connections. Young coconuts, which were No. 1 on Melissa's list of fast-growing specialty produce items, are harvested for their water, and sold stripped of their husks.

The NRA Culinary Forecast listed coconut water among the declining trends, however, with 47 percent of chefs calling the beverage "yesterday's news." Nonetheless, 43 percent still think coconut water is "hot."

Turmeric root is No. 3 on Melissa's list of specialty produce items in terms of sales growth in the last year, and that's a key ingredient in juices and smoothies, says Schueller.

"Turmeric root is used in Indian cuisine,

"Mangos have been one of the biggest trends here in the U.S. But they are No. 1 globally and No. 13 in the U.S., so what does the rest of the world know that the U.S doesn't know?"

— Robert Schueller, Melissa's Produce



specialty items were mini-cucumbers, whose growth has soared since their name was changed from Persian cucumbers a few years ago, says Schueller.

He predicts mangos, No. 6 on Melissa's growth list, will continue to grow in popularity as well.

"Mangos have been one of the biggest trends here in the U.S.," says Schueller. "But they are No. 1 globally and No. 13 in the U.S., so what does the rest of the world know that the U.S doesn't know?"

"The mango is highly popular in Latin cuisine and Asian cuisine, but people are still learning about it in the U.S., and one day it might be the No. 1 fruit consumed not only in the world, but in the U.S. as well." **pb**

but it's not popular because of the popularity of Indian cuisine; it's popular because of its use in juices," says Schueller.

No. 2 on Melissa's list of high-growth

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Peanuts With Pizzazz



Flavored options provide area of growth.

BY KRISTEN POPE

While salted and unsalted peanut varieties are popular standbys, flavored peanuts are also becoming prominent.

A number of companies, such as Hampton Farms and Sachs Peanut Company, are offering a variety of flavored peanuts.

Hampton Farms offers two popular varieties of flavored in-shell peanuts: Cajun Hot Nuts and Hickory-Smoked Nuts. Sachs Peanut Company crafts its own variety of flavored peanuts; this creation capitalizes on customers' love of another favorite product: Tabasco sauce. The company offers co-branded, Tabasco-infused peanuts.

"[Sachs Peanut Company is] the only company that's an exclusive processor of the Tabasco-infused peanuts," says Terry Williams, national sales manager for Sachs Peanut Company, headquartered in Clarkton, NC. "We work with McIlhenny Company out

of Avery Island, LA, and we co-brand that product in our retail packaging so that when people see our Sachs brand and the Tabasco brand combined into one package, it makes a terrific impulse buy."

AN IMPORTANT PART OF THE MARKET

Williams notes people are enjoying the Tabasco-infused peanuts, saying, "We've seen an increase in our Tabasco-infused peanuts, because people developed a real liking for that product. Supermarket chains and venues that handle the item have seen a positive increase

in sales over the past three to five years."

While the Tabasco-infused peanuts are doing well, they are only a small part of Sachs' business. "We investigated the possibility of doing co-branding with other companies," says Williams, who explains flavored peanuts are a small, but important piece of business. "It's an important part of our business, but not an overwhelmingly large part. We have to spend our production time on the larger selling items, such as the salted in-the-shell and the plain roasted in-the-shell."

As for Hampton Farm's flavored peanut sales, Eric Boonshaft, brand marketing director for Hampton Farms, headquartered in Severn, NC, says, "I think it's pretty much holding steady."

Boonshaft also notes peanuts' health benefits are another consumer draw. "If you take a look at peanuts themselves, there are tremendous health benefits, seven grams of protein per serving — more than any other nuts — 30 essential nutrients, and are cholesterol-free. There are many health benefits of peanuts, but they don't always get recognized," says Boonshaft.

He also notes the local appeal is another draw. "Consumers want protein, clean labels, fresh flavors, and they want local. All Hampton



Farms' peanuts are grown in the U.S.," says Boonshaft. "We see an opportunity to take nutrient-dense food, such as peanuts, and add flavors that will help bring more people to the category."

As for the lifecycle of flavored peanuts, Chad Hartman, director of marketing for Tropical Foods, headquartered in Charlotte, NC, believes it's largely tied to the quality of the product, and he cites the importance of providing consumers with powerful, bold flavors.

"I think the phenomena remains strong but has leveled off," says Hartman. "Shoppers are always looking for bold flavors — a major factor in the flavored nut trend. The momentum of the phenomena is currently a key factor. The strength of this trend will remain strong as bold flavored peanuts are delivered to the consumer, and inferior, bland products find their way out of the market."

HIGH-TRAFFIC, ADEQUATE SPACE KEY TO SALES

Placing peanuts in high traffic areas and cross-merchandising are two techniques Williams uses to get the most out of impulse purchases. "We have seen the best results on pull-through at the store level whenever the products are put into a high-traffic area because in-the-shell peanuts are very much an impulse item," says Williams.

"Also, when in-the-shell peanuts are cross-merchandised with other items, whether on the soft drink aisle or the aisle with beer in a shipper display case, we find sales show a significant increase there as well."

While Williams sells both bulk and packaged peanuts, he believes packages are performing the best due to ease of rotation and the ability to maneuver the product into a wide variety of displays. "We sell both bulk and packaged, but I believe at this point in time, packages are outperforming the bulk peanuts — mostly because stores do a better job of product rotation and keeping the product fresher." Sachs also offers a stay-fresh, resealable bag, which Williams says also helps keep the nuts fresh.

In terms of placement, Hampton's Boonshaft believes the best place to locate peanuts is "anywhere people can see them," he says. He also emphasizes it's important to find a good, visible, permanent location for the snack nuts and to be sure to allot enough space for them. "From a volume perspective, peanuts are more than 40 percent of the total snack nuts category, but they definitely don't receive 40 percent of the total amount of space," says Boonshaft.

"From a volume perspective, peanuts are more than 40 percent of the total snack nuts category, but they definitely don't receive 40 percent of the total amount of space."

— Eric Boonshaft, Hampton Farms

"One of the biggest challenges we have as a company is people finding our product."

Hartman also points out his favorite flavored peanut merchandising techniques. "The best ways to merchandise flavored peanuts is near the bulk in-shell peanuts, near the salad toppings, or with the other nuts and dried fruits," says Hartman. "If the peanuts are with the other nuts and snacks, the section becomes a destination, and shoppers will seek them out. If they are merchandised as a stand-alone line, I would suggest a medium-height spinner rack that can be shopped from all sides and moved around from item to item. I have also seen some success when they are merchandised and marketed with salads, salad toppings, and dressings."

Williams emphasizes the importance of a competitive price point. "We found that price points are very important," says Williams. "A small pack, if you can put it in on a '5 for \$5' table will sell, or you can retail a larger package where there are 3 or 5-pound bags that show significant savings."

Focusing on affordability is a great way to increase sales, according to Boonshaft, who notes peanuts have an appealing price-point. "Peanuts are a great value in the nut category," says Boonshaft.

YEAR-ROUND SUPPLY

Many retailers promote peanuts around key sporting events, holidays, and summer events. "Retailers have to be creative," says Williams, who suggests building displays around sporting events such as the World Series and Super Bowl or local events.

Keegan Treadaway, marketing and communications coordinator for the National Peanut Board, headquartered in Atlanta, suggests holiday displays as well as sporting promotions and general year-round efforts to sell more peanuts. "Peanuts are something people can enjoy year-round," says Treadaway.

Sporting events, holidays, and the summer

season are all key peanut promotion seasons. "The nut category does very well for holidays," says Boonshaft, who notes his company also emphasizes baseball promotions. Hampton Farms has a licensing deal with Major League Baseball and sells 12-ounce bags of in-shell peanuts for all U.S. teams. "Local is a trend right now, and people see a bag with their favorite team and feel a connection to that," says Boonshaft. "Nothing is more American than baseball and peanuts, and with our MLB licensed product, people can have a ballpark experience at home."

One way to boost flavored peanut consumption is to promote using them on salads. These healthful nuts are a popular salad topping, especially on Asian-influenced salads. Boonshaft notes the healthful benefits of peanuts appeal to consumers and fit with current trends. "Look at what's on trend today," says Boonshaft. "It's protein, it's convenience, it's less processed, and it's local. All those things really fit in with what we're doing in the peanut industry. I think flavors are a great opportunity for us to increase consumption and sell more peanuts."

Eating raw peanuts on salad isn't the only way to increase consumption. "We're starting to see peanuts used a lot more in cooking and recipes," says Treadaway. "Boiled peanuts are always popular in the South, and they're starting to spread out a little bit in other regions of the country as a snack nut," says Treadaway, who also notes some consumers like to create their own custom-flavoring combinations at home. "Being able to create your own custom seasonings is popular."

FRONT AND CENTER ATTRACTION

Of course, it's much easier to sell peanuts when people can easily see them and put them right into their shopping baskets. "With peanuts being an impulse item, visibility is certainly the key, and you have to put peanuts where people can see," says Williams.

Hartman notes every time of year offers merchandising opportunities. "Peanuts are a very versatile nut," says Hartman. "Keeping them selling during all times of the year is dependent on continually changing up the approach. Market them as a salad topping early in the year when consumers are thinking health and salads. Market them as a grab-and-go snack for baseball season and the beginning of summer. Merchandise them with picnic suppliers for summer holidays, and snack displays for football season. Keeping peanut merchandising fresh is the key to sales during the slower times of year."

pb



A New Beginning

BY DON HARRIS

At the beginning of a new year, after the celebration of the holiday season, sometimes retail management tends to discount the need for promotional activity preferring to wait for “holiday hangover” to end and better weather to arrive. This tendency again proves that in terms of produce and the first of the year, management “just doesn’t get it”!

While many retailers postpone any promotional activity, some more innovative retailers look upon this first-of-the-year time as an additional opportunity to set the tone for the year. These retailers look for ways to excite the customer and entice them to make purchases in the produce department that reflect their needs at this time of year. Given that produce is a naturally healthy choice, these retailers capitalize on the consumers’ desires to “eat healthy” and make up for their overindulgence during the holiday season.

Many New Year’s resolutions include the ambition to lose weight and eat healthier. This plays right into the strategy of inventive produce retailers who plan promotional activity and display strategy to highlight the health benefits of produce and its ability to assist in any diet and/or development of a healthier lifestyle. By identifying the various ways the commodities available can be combined to provide delicious and nutritious salads as well as other dishes to help any diet, you can have a powerful effect on produce sales to start the year off right.

In addition to the healthy aspect of the produce section, these forward-thinking retailers also incorporate unique themes that contrast with the weather. By utilizing the wide abundance of imported produce available during this time, a retailer can provide the customer with a “visit” to a warmer climate during the winter season. Promotions (such as “June in January”) are often successful as the promotions present fruits normally seen during the summer months. This contrast plays to the customer’s yearning for something different as well as the ability to reflect on a warmer time — even if it’s only in their mind.

Utilizing these “summertime” fresh fruit items stimulates additional sales and drives the entire appeal of the department. It also helps to enhance the reputation of the store as being able to provide anything a customer needs or wants at any time throughout

the year. Plus it sets the tone for the produce department as well as the entire store as the place to find things that are exciting and different to purchase.

The successful retailers that utilize this type of strategy are laying the foundation of the entire year’s produce initiative. In not allowing any time to pass before beginning promotional activity allows for produce momentum to begin building from the start of the year and gather speed throughout subsequent months. It is a key aspect to any successful retailer’s drive to push produce sales to new levels as well as the customer’s interest in the department.

This action also has other benefits, including the motivation of the produce department employees to “hit the ground running” on merchandising and strategic placement of items. Additionally, employees will develop a sense of pride in the fact that they are the first in the marketplace to highlight and promote the department. Encouraging this type of activity and enhancing the focus on driving the department forward is absolutely essential to getting the produce department off to a good start in the New Year.

While it might be the safe play to let things settle down after the holidays and begin promotional activity later, the benefits of taking this proactive action, which represents a risk, far outweighs waiting. Not only do you capture the attention of the consumer and kick-start your produce sales, but you also gain an advantage over the competition.

To be successful requires planning and imagination along with store-level direction and employee motivation to make such a strategy a success. Utilizing this type of strategy and seizing the initiative in your marketplace will allow you to be a leader in produce promotion and aggressive merchandising. The payback will be an excellent start to your sales momentum for the year and an improved perception in the eyes of your customers as an innovative produce retailer.

pb

By utilizing the wide abundance of imported produce available during this time, a retailer can provide the customer with a “visit” to a warmer climate during the winter season.

Don Harris is a 41-year veteran of the produce industry, with most of that time spent in retail. He worked in every aspect of the industry, from “field-to-fork” in both the conventional and organic arenas. Harris is presently consulting and is director of produce for the Chicago-based food charity organization, Feeding America. Comments can be directed to editor@producebusiness.com.



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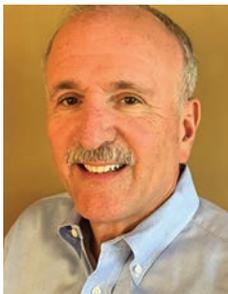
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Five New Year's Resolutions For The Wholesaler

BY ALAN SIGER

It's that time of year again. Everyone is committing to New Year's resolutions and creating lists of things in hope of self-improvement. Most of us make resolutions with the best of intentions, but according to *Forbes Magazine*, University of Scranton research puts the average success rate of New Year's resolutions in the United States at about 8 percent. While that's a pretty low success rate, for those that succeed, resolutions can be a life changer; in 1978, I quit a two-pack-a-day cigarette habit at a New Year's Eve party, and I haven't had one since. My guess is that not many people make New Year's resolutions for their businesses, so if you'd rather call the following five items "a wholesaler's short-term strategic plan," then that's okay too.

1. Get out of the office and visit your best customers. Too often, we take long-time customers for granted. Look at your customer list and ask yourself: How long has it been since you saw some of those folks face to face? We get so busy in the day-to-day battles of running a business, we often forget about the importance of maintaining relationships with our best customers.
2. Talk to your customers as much as possible, and at least once a week. Email and electronic communication are great time savers and help minimize errors in transactions, but they are not a substitute for personal contact. Pick up the telephone and bring them up to speed about what's going on in the market; ask what's new on their end; or just chat about the past weekend's ball game. Your customer has many choices on whom to buy from; give yourself an advantage by letting the customer know how important they are to you.
3. The FDA Food Safety Modernization Act (FSMA) is here to stay so be prepared. It's been five years since Congress passed the legislation requiring the rules and two years since the proposed rules were released. This past November, the final version was released and includes rules on holding produce that apply to the wholesaler. In early 2016, the rules applying to transporting produce will be released. If your company is one of those that chose to wait on acting until the final version was released, now is the time. Industry trade associations are great resources to learn further about compliance requirements, and there will be plenty of workshops available at trade shows and online.

4. Create a succession plan for your workforce. Many wholesalers have grown over the years with a core of hardworking longtime employees including key traders, operations, and administrative staff that are the heart and soul of the business. Do you know who will backfill them when they are no longer with the business? It's important to have a strong bench. Building a succession plan is not always easy, as the tough lifestyle of the produce wholesaler may not be attractive to the next generation. When considering a succession plan, it's equally important that longtime staff members understand that the next generation is an ally, not a threat.
5. Go out and get involved in your community. I understand days are long and family time is most important, but I guarantee there is time if you look hard enough. The work done within

the nonprofit community is important, as many organizations struggle to find volunteers to help with their mission. Whether it's with your church or synagogue, the local YMCA, or organizations like Big Brothers and Sisters, sharing your time with others is rewarding, and it might even be good for business. While I was on the board of the local community food bank, the regional president of a national foodservice distributor joined our board. Through our time spent volunteering together, we became friends and our business relationship with his company developed even further.

There's a common theme in most of these five resolutions; personal contact is a crucial component of maintaining strong business relationships. All of the high-tech methods we use to communicate are great, but if the person on the other end knows you only as an email address, your relationship with that customer is fragile. Do what you need to do so customers know you

care about their business.

On a personal note: I hope you enjoyed my columns over the past year, and that some thoughts I've shared to date have been helpful to you. Please accept my best wishes for a healthy, happy, peaceful, and prosperous New Year. **pb**

There's a common theme in most of these five resolutions; personal contact is a crucial component of maintaining strong business relationships.

Alan Siger is chairman of Siger Group LLC, offering consulting services in business strategy, logistics, and operations to the produce industry. Prior to selling Consumers Produce in 2014, Siger spent more than four decades growing Consumers into a major regional distributor. Active in issues affecting the produce industry throughout his career, Siger is a former president of the United Fresh Produce Association.



Moving More Mushrooms Onto Menus

BY AMY MYRDAL MILLER MS, RDN, FAND & CHEF SUVIR SARAN

Anyone who sells produce directly into large foodservice operations appreciates how challenging it is to get a chef or menu developer to agree to add your item to his or her menu. Even if the culinary team loves the concept, they have to get “buy in” from supply chain, marketing, and operations as well as their guests. The Mushroom Council appreciated the complexity of this process and took a very different approach to moving more mushrooms onto menus.

The Mushroom Council is the founding corporate member of The Culinary Institute of America Healthy Menus R&D Collaborative (HMC), an initiative started in 2010 to address sodium in foodservice. When the original group of volume foodservice leaders were asked: (A) If they were willing to collaborate with major competitors — McDonalds, Subway, and Dunkin’ Donuts were all at the table — and (B) Did they want to focus on sodium reduction; the overwhelming response was yes. But these leaders said they also wanted to focus on increasing use of produce on menus. Why? Chefs love produce. Working on sodium reduction was necessary, especially with the potential for regulatory action at that time. Working on increasing use of produce was inspiring, something these leaders wanted to do.

In 2011, members of the HMC were struggling with increasing food costs. Commodity prices were soaring and operators were seeking ways to reduce food costs. They had made it through the recession and sales were starting to improve, but food costs for ingredients such as beef and poultry were killing bottomlines across the industry.

This presented an opportunity for the Mushroom Council as well as the operator members. Could mushrooms be used as a partial replacement for beef? Everyone at the table agreed this strategy might work, but the most pressing issue was how would consumers react?

The Mushroom Council provided funding for a sensory study, which was designed and conducted by researchers from the CIA and the University of California, Davis. (The original paper from this study was published in September 2014 in the *Journal of Food Science* by the co-principal investigators, Amy Myrdal Miller and Jean-Xavier Guinard.)

The research began with assessing how mushroom sensory properties (i.e., aroma, flavor, mouthfeel, texture, appearance) were impacted by various cooking methods (e.g., steaming, sautéing, searing, and oven roasting). While searing and oven roasting produced the most appealing sensory properties, a decision was made to use sautéed mushroom. Why? Because searing and oven roasting also had the greatest impact on moisture loss, which has a direct impact on food cost.

In April 2012, 147 adult consumers ages 18 to 65 participated in a sensory study in which various combinations of beef and white but-

ton mushrooms were assessed in what was called “The Taco Blend.” Participants were asked to rate appearance, flavor, and liking of six samples: 100% beef; 50% beef/50% mushroom; and 20% beef/80% mushroom; and all three of these options with 25% less sodium.

Results were exceedingly positive. Overall, consumers liked the meat/mushroom samples better than the 100% beef samples, because they had better flavor and texture. And while results from the consumer sensory study were positive, reactions from volume foodservice leaders involved in the HMC were even more positive. Consumers liked the concept, and the meat/mushroom blend improved the nutrition profile and decreased food costs. This was a win/win/win for the mushroom industry, the foodservice industry, and the consumer.

Today, HMC members are moving forward with various meat/mushroom blend menu items. Compass Group North America, the largest contract feeding company in North America — they serve more than 8 million meals per day in the U.S. — is testing a meat/mushroom blend patty for its burgers. Sodexo rolled out meat/mushroom blend patties in its school foodservice operations this school year. Pizza Hut is featuring a new meatball with mushrooms on its pizzas.

So what’s the lesson here? If you want to sell more produce into foodservice, you must have more than a high quality, safe product. The Mushroom Council has a great story. How can you develop the next great story the retail and foodservice industry will want to hear?

If you want to sell more produce into foodservice, you must have more than a high quality, safe product.

The Retail Opportunity

How can retailers use this information to move more mushrooms? Take a cue from Suvir’s work with Allen Brothers, one of the nation’s most sought-after and high-end meat catalogs, which is using his Tamarind Glazed Meatloaf recipe (available in Chef Suvir’s *American Masala* cookbook) in their catalog. While their target market is a rather conservative meat-centric audience, the recipe uses abundant produce (including mushrooms) to create a delicious, craveable meat loaf for meat lovers as well as flexitarians. Consider having your prepared foods department feature this type of produce-enhanced meat loaf, and then provide recipes that bring consumers back to your produce department for essential ingredients like mushrooms. **pb**

Amy Myrdal Miller, MS, RDN, FAND, is a farmer’s daughter from North Dakota, award-winning dietitian, culinary nutrition expert, and founder and president of Farmer’s Daughter Consulting LLC. Suvir Saran is an award-winning chef and restaurateur. Born in Delhi, India, today Suvir lives on a farm in upstate New York. His next restaurant is scheduled to open in San Francisco in 2016.



Europe's Currency Advantage In Developing New Markets

BY JOHN GILES, DIVISIONAL DIRECTOR, PROMAR INTERNATIONAL

Facing a combination of challenging domestic market conditions and the ongoing ban from trading in Russia, many of the larger EU fruit and vegetable distributors developed strategies to enter and develop other markets in regions of the world, such as Asia, Middle East and Africa. If EU packers and exporters can harness this opportunity, it should drive demand back up the supply chain to support an increase in horticultural production in the leading growing countries across the Continent, such as Spain, Italy, France, Poland and the Netherlands. These parts of the world are, of course, where many U.S. exporters are also looking to develop new business too, so the overall competitive environment in them will only intensify.

Europe faces tough competition in these emerging markets from other major producing regions of the world, in particular the likes of Chile, Peru, South Africa, and of course, the U.S. — which, in many cases, has a more dominant position in these sorts of markets built over a period of time.

But Europe has an ace card, and it should play it now. Structural, political and economic difficulties within the Eurozone weakened the strength of the pound against most major currencies, including the US\$ and Chinese RMB (which sets the tone for many Asian currencies in particular). A weak Euro (€) makes European exports more competitive in international markets. And with little prospect of an improvement in the Eurozone economy on the horizon, Europe's currency advantage may last for some time.

This is potentially good news for price-sensitive buyers in Asia, Africa and the Middle East, who are looking more globally to source horticultural products at a more competitive cost. This became even more apparent, during a recent trip to Asia, where I saw European suppliers (benefitting from a weak €) beginning to make inroads into produce markets that are typically dominated by supply from the U.S., Australia and New Zealand.

It is impossible to predict how long Europe's window of opportunity may last. Therefore, it makes sense that EU exporters should take full advantage of its competitiveness in the short-term, whilst also taking the opportunity to get closer to the market and buyers, in order to lay the foundations for more sustainable medium to long-term opportunities.

What impact will that have in the UK?

The UK still remains part of the EU, but operates outside of the Eurozone. In 2017, a referendum will be held in the U.K. to decide

on the future role and membership of Britain within the wider EU. A weak Euro currency and a stronger economic recovery in the U.K. led to a 15 percent rise in the value of Sterling relative to the € in the two years to September 2015.

The most obvious impact of the change in the exchange rate will be to trade between the U.K. and Europe, which might well impact to the detriment of the U.S. for any opportunities for suppliers of fresh produce such as apples, grapes, grapefruit, blueberries and other fresh items. Europe is, by far, the biggest trading partner for the U.K. In 2014, the U.K. imported £39 billion worth of agricultural, food and drink products from Europe. This is equivalent to 72 percent of total U.K. food and drink imports, according to HM Revenue & Customs (the tax and customs authority for the U.K.).

In the same way a weak € will favour European exporters in global markets, it will also provide a temporary increased advantage for them in the U.K. too. Exporters from the continent will see the U.K. as an even more attractive market based on this. The current £/€ exchange rate will help suck in additional imports to the U.K. from the likes of France, Italy, Spain and the Netherlands — they are already large suppliers of a wide range of produce.

This will be a major test for all in the U.K. fresh produce supply chain. It will also place U.K. suppliers under even greater pressure to remain competitive against their European counterparts. It might also test the support for British sourcing policies of all major buyers (retailers in particular). No one really knows how long the current state of affairs will last. The movements of exchange rates are notoriously difficult to predict. However, what is certain is the longer this situation exists, the more pressure for U.K. horticultural and the wider food industry will be under. Less good news for U.K. producers may be that the opportunities in the

U.K. (and even further afield in the likes of Asia) are often driven by events that are determined by factors well beyond the producers' immediate control. Today's produce industry is a truly global and interconnected supply chain.

pb

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John Giles is a Divisional Director with Promar International, a leading agricultural and horticultural value chain consulting company and a subsidiary of Genus plc. He has been involved in a wide range of produce related assignments in the UK, the rest of the EU, Latin America, SE Asia and China.



The Playbook For ‘Supermarkets In The Middle’

BY BRIAN GANNON

The new buzzword on the street to describe a “generic” supermarket is “supermarket in the middle.” All the most recent reporting shows how both brick-and-mortar markets on the high-end (Wegmans, Whole Foods Market, Fresh Market, Sprouts Farmers Market, etc.) and the value-end (BJ’s, Costco, Aldi, PriceRite, Sav-A-Lot) are increasing in both sales and visits; whereas “supermarkets in the middle” are losing sales and visits on both ends of the spectrum. With the evolving, progressive onslaught of still other formats (e.g. Amazon Prime, drug store retail, and expanded offerings at c-stores) this trend of losing sales and traffic is not about to end. I venture to say, it will intensify.

I would further note over the past decade, “supermarkets in the middle” have had to get more competitive on price, leaner with payroll, reduce just about all possible costs, and are left with a very slim margin of profit that is heavily dependent on “traffic.” It’s this decreasing traffic and basket size that puts the future of many supermarkets at risk.

We know, based on many studies completed to date, produce is the No. 1 department for creating loyalty with current customers and for attracting new customers. As much as that’s recognized, many supermarkets have historically positioned produce to be a “profit” producing piece of the business model. By so doing, this act kept the true potential of produce and the future potential for “supermarkets in the middle” contained.

In my travels, I’ve seen what I call “pure” produce retail operations that have a clear focus on mainly “produce” being offered. These “pure” produce operations are busy and draw many customers, across a wide ranging demographic and area, based on value pricing, aggressive product allocations, and large space devoted to fresh produce.

There are a number of these produce operators throughout the country, but some examples of these “pure” produce retailers are: Russo’s Market of Watertown, MA; Stanley’s Fresh Fruit and Vegetables of Chicago; and Joe Randazzo’s Fruit & Vegetable Market of Westland, MI. Every time I see one of these produce operators, it shows me a solution for going forward, and at the same time, just how much “supermarkets in the middle” keep produce contained — achieving much less for retailers’ overall business model than what’s possible.

Yet produce can be the No. 1, easiest, and most valuable area of the “supermarket in the middle” for revitalizing the very nature of becoming the “new” fresh markets going forward. Might the future of “supermarkets in the middle” be better served by changing the paradigm of produce from being a “historical” sales and profit con-

tributor, to one of a “traffic generator” that “feeds” the rest of the business model?

Picture what a “supermarket in the middle” might look like with their space and aggressiveness built into an existing “supermarket in the middle.” By coming to grips with the deteriorating picture of “center store,” performing a serious SKU rationalization could be the easiest way to open the space within the four walls so produce could easily expand.

The produce expansion needs to be as a traffic generator with the remaining departments positioned to make profit off the traffic and even go as radical as offering “click-and-collect” for the center store SKUs. This way customers can visit, enjoy touching and selecting their fresh produce, head to the scanners with their fresh purchases, and have their online, prearranged “click-and-collect,” center-store SKUs waiting at the scanning area. This paradigm is not so hard to imagine.

The onslaught of retail and online formats competing for the “generic” supermarket customer is happening faster and faster. There’s not much time left to devise a go-forward strategy, and the “burning platform” should be the spark for necessary changes. The amount of square footage that is tied up in legacy stores needs a much quicker

re-do of space allocation within the brick and mortar.

The quickest and most effective go-forward solution for “supermarkets in the middle” could be completed by reducing the center store square footage and SKU assortment, adding a click-and-collect feature for center-store items, expanding the square footage of produce, dropping the margin expectation so produce becomes a traffic generator for the rest of store, adjusting “up” the rest of the profit expectations in the “other” departments, and truly making the produce department the excitement generator it can be.

It would be as if you bolted on a Russo’s of Watertown, a Stanley’s of Chicago, or a Randazzo’s of Westland, onto the supermarket. So you change the generic supermarket into a “produce market with some other stuff.” This might all sound really radical, but it’s what can save the “generic” supermarket with so many locations, and truly make many of them the “new” hybrid market of the future that “attracts customers to return” from wherever they are going. **pb**

Gannon has more than 33 years experience in the produce industry. He career offers extensive experience managing sales strategies, working within senior levels of the retail grocery supply chain, managing strategic business relationships, improving year-to-year performance, driving top line sales growth, designing sales and merchandising plans, improving account relations, rolling out new product lines and programs, and maximizing profitability.

The produce expansion needs to be as a traffic generator with the remaining departments positioned to make profit off the traffic. ...

ALL IN A DAY'S WORK

Anthony and Josephine Marano took pride in their day-to-day business of tomato repacking. Shown in the picture, Anthony (far left) and his wife, Josephine (to the right of Anthony) worked with meticulous detail to grow Anthony Marano Company, which they founded in 1947.

The photo was taken in January of 1961. The facility, at the time, was located on the third floor of unit No. 4 at the infamous produce mecca of South Water Market in downtown Chicago. The unit was roughly a 10,000-square-foot space. Today, the company blossomed to a state-of-the-art, 10-plus-acre facility in Chicago that offers fully integrated services in wholesale and distribution for myriad produce items.

The couple's philosophy and focus was on tailoring orders and giving customers personalized attention. Their drive to go above and beyond the competition set them apart from others.

People decided on with whom to do business by "those who worked the hardest," explains Anton T. Marano, second-generation owner of the company. "There weren't any contracts back then.

"There were 35 repacking companies back in that day — all packing tomatoes. What separated our company from competitors was my parents worked seven days a week. If an order came in that required working 14 hours a day, then they worked 14 hours a day — the competition wasn't working on Saturdays and Sundays."

When Anthony Marano died in 1987, his six children carried on their family's legacy. Anton T. (the oldest son) knew the com-



pany couldn't reach the next level by simply working with one commodity. He made the decision to incorporate an assortment of produce. It took about 28 years to accomplish the company's expansive portfolio of today.

In May of 2014, the company took on organics, Indian and Asian produce. "We sell basically everything that is in the fresh category," says Damon Marano, vice president and son of Anton T. "As other commodities develop, we take them on."

Right now, Gooseberries is new a venture for the enterprise, which services foodservice and retail clientele.

"As the third generation, it is an honor for my brother and me to be able to carry on our grandparents' legacy by continuing to go above and beyond the competition through hard work and dedication," says Damon. **pb**

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Hess Brothers Fruit Co.	59	717-656-2631	www.hessbros.com
House Foods America Corporation	35	714-901-4350	www.house-foods.com
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