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SOCIAL SUSTAINABILITY

Kroger Empowers and Enables Employees to Engage with Their Communities

SUSTAINABILITY AWARD



4TH ANNUAL
RETAIL
SUSTAINABILITY
AWARD

ALSO INSIDE:

STATE DEPARTMENTS
OF AGRICULTURE
RIPE-ED FRUIT PROGRAMS
SOUTH AFRICAN CITRUS
FRUIT TIE-INS
ORGANIC BERRIES
SOUTHERN VEGETABLES
MANGOS

CHERRIES
STONE FRUIT
PORTABLE SNACKS
INTRODUCING COLUMNS: *DON HARRIS*
INTERNATIONAL FLORICULTURE
EXPO REVIEW



Dole leads the way in nutritional education, helping consumers to achieve a healthy lifestyle.

The DOLE brand is synonymous with high quality and safety standards for fresh fruit and vegetables.





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THIS MONTH'S WINNER



Kevin Searle
General Manager
GPOD of Idaho
Shelley, ID

As the general manager of GPOD of Idaho, Kevin Searle is tasked with a number of management duties on a regular basis. "I oversee the daily operations of the company," he says, "and I'm heavily involved in the buying of raw product. We deal with 35 different growers and farms, selling their products to a variety of customers. I also oversee the HR department, sales office, and accounting staff."

Searle joined GPOD 25 years ago, starting in the sales department and worked his way up to his current position. "I really enjoy the business," he says. "I provide the country with a nutrient-rich product in potatoes. I love the peo-

ple and the opportunities I have to intermingle with our growers, our customers on the other end, and our employees, too. We really pride ourselves on being a family here," Searle continues. "It's like a family business that has continued on for generations. We have that same mentality and vision without the bloodline. One of our employees has been here for 40 years!"

PRODUCE BUSINESS has been with Searle for much of his career at GPOD. "I started reading it on the sales desk, so it's got to be at least 15 years ago," he recollects. "I appreciate the great stories on wholesale terminal markets, especially New York. That is our bread-and-butter in this business. We are always appreciative of those articles and everything the magazine entails."

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

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QUESTIONS FOR THE MAY ISSUE

- 1) Name three services that Crowley provides. _____
- 2) What is the latest nut to be marketed by the Wonderful brand? _____
- 3) What is Pura Vida's booth number at the United Fresh convention? _____
- 4) Who is the produce chain specialist at Nunhems? _____
- 5) What brand of avocados are marketed by LGS Specialty Sales? _____
- 6) How many organic fresh food items does Albert's Organics offer? _____

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NUTRITION AND SPECIALTY CROP SUPPORT ARE TOP INDUSTRY PRIORITIES FOR 2012 FARM BILL

By Shelby Rajkovich
Communications Manager

While there is still much about the 2012 Farm Bill that is up in the air, it's clear the fate of nutrition funding will be a critical part of the debate.

Gains for specialty crops have been made through an unprecedented commitment by the Federal Government in the 2008 Farm Bill. Part of that investment in federal nutrition programs has also played a vital role in providing more opportunities for the specialty crop industry, introducing the next generation of consumers to healthful options at a young age and broadening the availability of fresh fruit and vegetables to underserved populations.

"Specialty crops account for nearly half the total farm gate value in this country," notes Julie Manes, United's director of government relations. "That's a powerful group to be reckoned with. We worked so hard with the 2008 Farm Bill to convince Congress that specialty crop producers could make bold advances if these resources were made available, and the industry has definitely proven that. In light of budget considerations, we're not asking for new programs, but we are asking for a 2012 Farm Bill that continues with the previous investments."

The 2008 Farm Bill provided approximately \$3 billion for the specialty crop industry to address priorities such as research and protective measures against pests and disease, food safety, and improving access to international markets. Another top priority that United Fresh has been pressing in meetings with policymakers on Capitol Hill is nutrition programs. The 2008 Farm

Bill secured \$1.2 billion over 10 years to expand the Fresh Fruit & Vegetable Program (FFVP) to all 50 states, the District of Columbia and U.S. territories, boosting fresh fruit and vegetable consumption and positively influencing the health and well-being of all Americans. Even with a challenging budget and political climate, United Fresh is working to preserve as much of that investment as possible.

elementary school children. The program improves the dietary habits and long-term health of students, with over 4,600 elementary schools nationwide currently participating and over 3 million low-income elementary school children receiving a fresh fruit and/or vegetable snack for free at school several times a week. United Fresh submitted comments to USDA on how to strengthen the administrative and operational requirements

for the FFVP at the state and local levels.

"In our comments, we emphasized our support for the FFVP, its effectiveness at increasing children's fruit and vegetable consumption, its popularity with school officials, students and their parents, and that demand for the FFVP outstrips available funding every school year," says Dr. Lorelei DiSogra, United's vice president of nutrition and health. "We also recommended that the USDA strengthens nutri-

tion education for FFVP students through statewide collaborations and school activities; requires schools to implement the FFVP at least four times per week; and allows FFVP schools to be funded for several years to enhance behavior change."

The 2012 Farm Bill has the potential to encourage healthy eating habits for Americans. Federal nutrition programs are critical to this end, but must be paired with resources and support that enables specialty crop producers to meet the demands of an increasingly health-conscious population. To learn more about the ongoing effort to protect specialty crops in the 2012 Farm Bill, please visit strongeragriculture.org.

"WE WORKED SO HARD WITH THE 2008 FARM BILL TO CONVINCING CONGRESS THAT SPECIALTY CROP PRODUCERS COULD MAKE BOLD ADVANCES IF THESE RESOURCES WERE MADE AVAILABLE, AND THE INDUSTRY HAS DEFINITELY PROVEN THAT...WE'RE NOT ASKING FOR NEW PROGRAMS, BUT WE ARE ASKING FOR A 2012 FARM BILL THAT CONTINUES WITH THE PREVIOUS INVESTMENTS."

— JULIE MANES

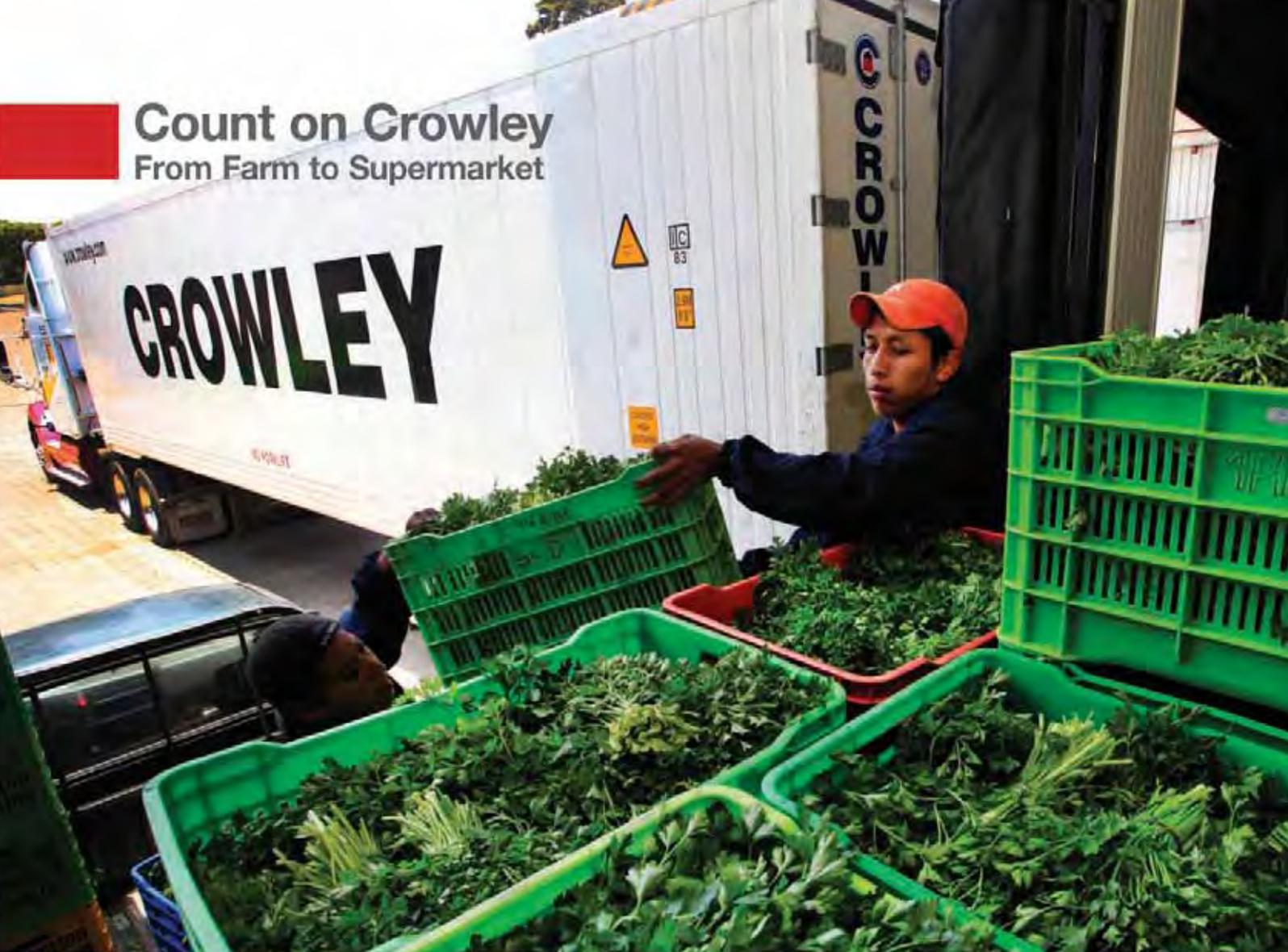
DIRECTOR OF GOVERNMENT RELATIONS, UNITED FRESH

The positive impact of FFVP has not gone unnoticed. "As the Senate Agriculture Committee gets ready to vote on the 2012 Farm Bill, we are working closely with our allies to ensure adequate funding for these programs," says Manes. "Aside from providing tremendous nutritional benefits to Americans, these programs provide opportunities for specialty crop growers."

As nutrition programs have come under further scrutiny because of current budget constraints, the USDA proposed a rule intended to ensure that the Fresh Fruit & Vegetable Program (FFVP) encourages the consumption of fresh fruits and vegetables by

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KROGER SUSTAINS STRONG PERISHABLE DONATION PROGRAM

By James Prevor
President & Editor-in-Chief



Comparing the commitment to sustainability across different retailers is a difficult task, yet one PRODUCE BUSINESS takes on each year in awarding the PRODUCE BUSINESS Retail Sustainability Award. What makes it so tough? Well, geography distorts comparisons, for one thing. A particular retailer may have lots of stores utilizing expensive solar energy and wind energy, and thus,

win plaudits from environmentalists, while another retailer shies away from the same investments.

More often than not, careful examination reveals that two retailers are in dissimilar situations. Sometimes it is a matter of energy efficiency with one retailer in an area with lots of sun and steady winds but even more often, the key variable is the cost of electricity and the availability of local subsidies. California, for example, has pricey electricity and generous state tax credits and grants — so, not surprisingly, California retailers are often able to trumpet their sustainability with show-case projects.

Yet sustainability includes not wasting money. So — and this is the thing many have trouble with in evaluating sustainability efforts of various retailers — the exact same projects taken by, say, a Texas retailer — where electricity is comparatively inexpensive and state subsidies few — would not be an example of sustainability at all. It would just be wasting money.

In deciding to commit to the path of sustainable development, most companies cherry-pick a bit and focus on sustainability efforts that already meet their business model. Many retailers, for example, look to drive costs out of the system and focus on sustainability in a way that emphasizes the cost-saving components that result from saving energy, reducing carbon emissions, etc. Yet many don't really respond to the traditional tripartite division of sustainability into environmental, social and economic silos. In other words, many retailers are anxious to emphasize the kind of sustainability that can save them money — say developing ways of filling up trucks — but have not really had a response to sustainability in terms of its social aspects, such as the pay and treatment of labor.

Of course, most retailers emphasize what makes them look good, and so other retailers, say those obligated to expensive union contracts, are likely to emphasize their high wages as a sign of social sustainability.

If you investigate as much as we do, it can get rather tiresome as margins at retail are thin, and it is actually hard to identify many

things that retailers do to promote sustainability — that they don't either have to do — say honor union contracts — or that would be wise to do whether they believed in sustainability or not — say use more efficient truck routes, packaging, etc.

Businesses have a particular role to play in our system, and if they are not merely profitable but, indeed, sufficiently profitable to attract capital and to grow, the businesses will not serve their purpose. They will not be sustainable. Yet for sustainability to mean anything, it has to go beyond simply doing what one would do on an economic basis alone.

The recipient of this year's PRODUCE BUSINESS Retail Sustainability Award is The Kroger Company, and, of course, in such a large and varied entity, there are many things it does that fall under the rubric of sustainability.

Yet the selection was made, above all else, for Kroger's Perishable Donation Partnership (PDP) program. This program is really a response to a chronic need. Food banks and similar programs have long relied on donations of non-perishable foods that were excess inventory. Lean manufacturing and just-in-time ordering systems have combined to make the food chain quite efficient, and that

surplus product of yore just doesn't exist much anymore. So there is a real and important need to find new sources of food that can be donated. Perishables, with short shelf-life and high quality standards, are the logical place to look.

It is not without risk, though, and Kroger has shown a rare kind of courage in emphasizing this program. There are reputational risks... What if Kroger donates food and someone gets sick? It is the Kroger name that could get muddied, and that is not a small thing to a corporation such as The Kroger Company. There are also business risks. The line between product unfit to sell, but good enough to donate, is a fuzzy one. It is possible, even likely, that some associates will be sufficiently enthused about the donation program that they will donate some product that could have been sold. This is money that disappears from the bottom line.

These are risks Kroger didn't have to take. That it elected to do so is the kind of thought process that distinguishes true sustainability efforts from simply using sustainability jargon to save money. Of course, one could say that taking these risks is also profit-maximizing, as Kroger can earn goodwill from the publicity given its efforts. We here at PRODUCE BUSINESS certainly hope so, and hope that this award contributes to such a profit — as it is when the zeitgeist rewards good works that people and companies focus on doing good things.

Despite the risks, Kroger gives fresh produce to those in need.

pb

Super Food! Super Sales!

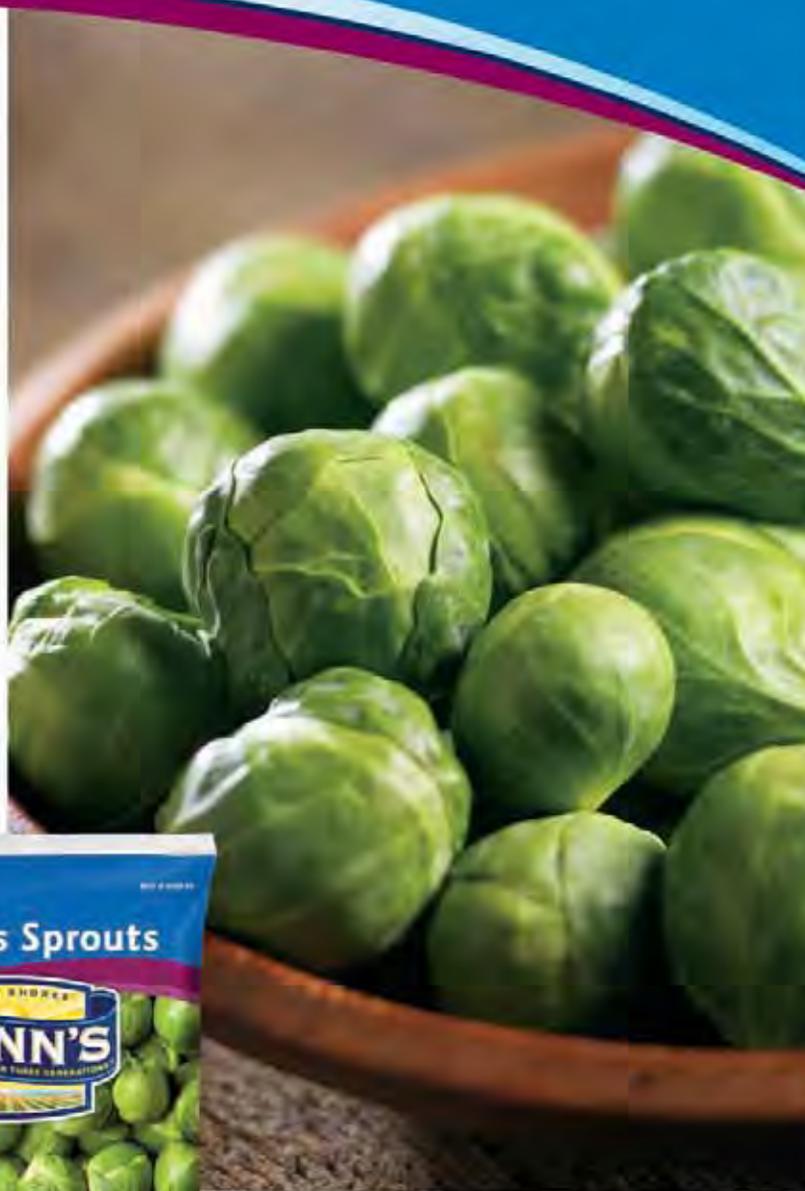
Not only are Brussels Sprouts nutrient rich and packed with folic acid and dietary fiber, the Brussels Sprouts category is outpacing the core vegetable category with 42% dollar volume growth.*

Mann's Brussels Sprouts Deliver:

- Vendor Consolidation—save time, miles and money!
- Steam in Bag technology
- Side dish variety your shoppers are looking for
- Merchandising support
- Year-Round promotional calendar

Mintel's Menu Monitoring has seen double digit increases in Brussels Sprouts on restaurant menus in 2011. On trend and on the menu, stock Mann's Brussels Sprouts today—you'll see just how super your sales can be!

*AC Nielsen w/e 12/31/11



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TRANSITIONS



SUN WORLD BAKERSFIELD, CA
Sun World has hired **Rudy Heras** to the role of category director of Mexican grapes and peppers. Heras, who has been with Sun World for three years, will continue his role as a key sales account executive. He has over 25 years of experience in the produce industry, including domestic and export table grape sales.

COUNTRY FRESH MUSHROOMS AVONDALE, PA

Country Fresh Mushrooms has added **David Santucci** to the staff as regional sales manager. Santucci brings a great deal of expertise and experience to the firm, having spent many years working with his family at Elite Mushroom in Avondale, PA. He is well respected in the mushroom industry, and the move will allow the firm to better cover its Eastern and Midwest market area.



SAKATA MORGAN HILL, CA

Dennis Storm has been promoted to the role of director of supply chain, and will be responsible for the company's supply chain activities in North America — including Alf Christianson Seed Company, Central America and Mexico. Dennis was most recently supply chain manager for Sakata Seed America. Prior to that, he held the position of inventory and distribution manager for Monsanto.



AWE SUM ORGANICS SANTA CRUZ, CA

Awe Sum Organics has expanded its team with the addition of **Cheryl Johannes** as marketing manager, who will be responsible for overseeing day-to-day marketing activities, set-up and coordination with customers of in-store promotions and demos, creating strategic marketing and communications plans, managing Awe Sum's online presence and driving branding initiatives. She earned a Bachelor's Degree in marketing from Arizona State.



ANNOUNCEMENTS

TANIMURA & ANTLE ANNOUNCES NEW SUMMER FUN SWEEPSTAKES PROMOTION

Salinas, CA-based Tanimura & Antle's new summertime consumer sweepstakes promotion runs from May 1st to July. The program promotes three of the company's Artisan products — Artisan Lettuce, Romaine and Boston lettuces. The promotion includes seasonal packaging that will offer consumers a weekly sweepstakes of \$1,000 for 13 weeks, available on retail packages in both the U.S. and Canada for the duration of the promotion. All Artisan lettuces are field-packed for optimum freshness, packaged in specially designed clamshells to protect the leaves and keep the lettuce heads fresher longer and grown on U.S. family farms using sustainable growing practices.



ANNOUNCEMENTS



CALIFORNIA PEAR GROWERS VOTE TO CONTINUE MARKETING ORDER

California pear farmers demonstrated strong support for the state marketing order program representing pears in a recent grower referendum conducted by the Sacramento-based California Department of Food and Agriculture. With 95.24 percent of the voters representing 97.35 percent of the volume in favor of continuation, the California Pear Advisory Board will remain in operation for at least another five years. Under the new structure, the Board discontinued its retail merchandising program and is now leaving promotions conducted directly with grocery stores up to individual grower-shippers. The Board continues to fund production research and also provides marketing and public relations support for the industry.

KINGSTON & ASSOCIATES MARKETING ANNOUNCES SPRING SUGAR PINE PROMOTION

Kingston & Associates Marketing LLC announced its plans for spring promotions of its well known Sugar Pine pineapple program. Initially launching the program with grower partners in 2000, the Idaho Falls, ID-based company was one of the first to successfully initiate a direct import Golden Pineapple program through local operations in Costa Rica. For the past 12 years, the company has solidified its position as a premier marketer of high quality pineapple in the United States.



CALIFORNIA AVOCADO COMMISSION SUPPORTS OLDWAYS SECOND ANNUAL SUPERMARKET DIETITIAN SYMPOSIUM

The Irvine-based California Avocado Commission (CAC) joined 70 of the nation's top supermarket dietitians, food experts and industry leaders as a sponsor of the 2012 Oldways Supermarket Dietitian Symposium in Savannah, GA. CAC sponsored a culinary demonstration with celebrity chef Hugh Acheson, chef/partner of Five & Ten, The National and Gosford Wine, all located in Athens, GA, as well as Empire State South in Atlanta. Chef Acheson's demonstration, "Making Your Cooking Demo Sizzle," featured his recipe for Roasted Pork Tenderloin with Bok Choy, Pickled Tomatoes and California Avocado.



PERUVIAN ASPARAGUS IMPORTER'S ASSOCIATION CELEBRATES 10 YEARS

On September 5th, 2001, a group of Peruvian asparagus importers met to discuss critical issues for the future trade of the Peruvian asparagus import deal. Today, 10 years later, the association represents over 90 percent of the Peruvian production, as well as significant industry service providers committed to improving the process by working collectively with industry and agency. The association will continue to focus its efforts in 2012 on spreading the positive word to industry trade press, supermarkets and consumers concerning the benefits of fresh asparagus. The association anticipates increasing consumption and demand for fresh asparagus in 2012/2013 season.



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Our pistachios are green with envy.



The people who brought you pistachios are crackin' open a new nut: Wonderful Almonds. They're super-nutritious and available in three varieties including Roasted & Salted, Roasted No Salt, and Natural Raw. Know what else? Research says 70% of people who buy our pistachios also buy almonds, so it's important to stick with the brand you trust. They're just as healthy. Just as crunchy. Just as delicious. It's no wonder our pistachios are jealous. So do something Wonderful today and call your Paramount Farms Representative or 1-800-528-NUTS (6887).



Scientific evidence suggests, but does not prove, that eating 1.5 ounces per day of most nuts, such as almonds, as part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease. See nutrition information for fat content. ©2012 Paramount Farms International LLC. WONDERFUL ALMONDS, WONDERFUL, and the WONDERFUL ALMONDS Packaging Design are trademarks of Paramount Farms International LLC. All rights reserved. NT7554.

ANNOUNCEMENTS



TAKE THE VIDALIA ONION PLEDGE

Vidalia onions will soon be popping up on menus across Georgia with a new icon that will make it easier than ever for diners to identify dishes that feature Georgia's famed Vidalia onions. The black and white image consists of the outline of an onion surrounding the letters "VO." The new image is made available by the Vidalia Onion Committee and Georgia Department of Agriculture to restaurateurs who "Take the Vidalia Onion Pledge" on the Georgia Restaurant Association's (GRA) website. The roster of all participating restaurants will be published by the GRA and also shared with Georgia Tourism, which will promote those restaurants as part of culinary- and agri-tourism initiatives.

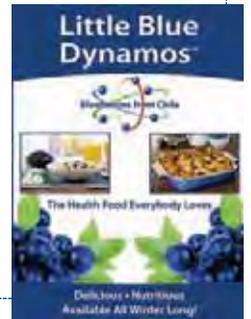


FIVE POTATO VARIETIES PLANTED AT WHITE HOUSE KITCHEN GARDEN

The Washington, D.C.-based National Potato Council (NPC) joined U.S. potato growers in welcoming the addition of potatoes to the White House Kitchen Garden. First Lady Michelle Obama, along with children from five schools across the country took part in the fourth annual spring planting of the White House Kitchen Garden. The kids planted five varieties of seed potatoes including Sangre, Purple Sion, Mountain Rose, Red Thumb and Canola Russet. The First Lady linked the spring planting to her *Let's Move!* Initiative. At a time when 90 percent of U.S. kids are not eating enough vegetables, the potato industry is encouraged that the First Lady is promoting the health benefits of potatoes.

CHILEAN BLUEBERRY COMMITTEE INTRODUCES NUTRITION RESOURCE

The Sonoma, CA-based Chilean Blueberry Committee (CBC) and the Chilean Fresh Fruit Association (CFFA) have created a new nutritional brochure praising the benefits of blueberries. Available for free online, the brochure is full of health information, nutrition tips and fun facts. This initiative is part of the consumer public relations, retail and foodservice promotions and distributor incentives that continue to help focus consumer interest in purchasing fresh blueberries from Chile. Dozens of new recipes, links to industry sources, and a wide variety of point-of-purchase marketing materials are also available.



NEW PRODUCT



MANN PACKING LAUNCHES TWO NEW PRODUCTS

Mann Packing Co., Inc. is adding Brussels sprouts and a new blend for Rainbow Salad to its line of fresh, washed, ready-to-eat vegetables. Mann's Brussels sprouts are trimmed, washed and packaged in a microwave steamable 12-ounce bag. The reformulated Rainbow Salad adds mini-broccoli florets to the shredded carrots, cabbage and cauliflower mix, also in a 12-ounce bag. With four vegetables packed into one salad, it's a nutrition powerhouse, and the addition of broccoli florets provides added crunch and texture. Both are currently available, shipping nationwide and in Canada.

PRO*ACT CONGRATULATES
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The Leadership class at the Washington Monument

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MEGAN CHEDWICK	Church Brothers, LLC
JOE CIMINO	PRO*ACT, LLC
ANTHONY DeANGELIS	Christopher Ranch, LLC
MARK DeCOSTA	Covent Wholesale
BRIAN JENNY	Naturipe Farms, LLC
SHANNON KYLE	Torrey Farms, Inc.
MICHAEL MUIR	Muir Copper Canyon Farms
BETH OLESEN	Georgia Fruit & Vegetable Growers Association
SHERIDAN SILVER	Mann Packing Company
SAM STEWART	WES Pak Sales, Inc.
ROSS VERNER	Topco Associates, Inc.

TORREY FARMS

Congratulates

ON HER GRADUATION FROM THE UNITED LEADERSHIP PROGRAM

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THE NEW
ADVENTURES OF
GROWN IN IDAHO

THE IDAHO POTATO FIELD FORCE



STARRING KEN "LIMBER LIMBS" TUBMAN

AND KENT "MUSCLEHEAD" BEESLEY!

CATEGORY
MANAGER LORI
WAS PLANNING
HER ORDER...



TIME TO
STOCK UP ON
POTATOES
AGAIN...

BETTER MAKE
SURE THEY'RE IDAHO
POTATOES!



IDAHO
POTATO
FIELDMEN!
WOW! WHAT
HAPPENED
TO YOU?

WE WERE
TRANSFORMED IN
A FREAK MICROWAVE
ACCIDENT.



BUT ENOUGH
ABOUT US. WE'RE
HERE TO HELP
YOU!

WE'RE RUNNING A
POWERFUL NEW "WINE & DINE"
CROSS PROMOTION.

IT STRETCHES
ACROSS AISLES TO
BOOST SALES IN BOTH
DEPARTMENTS.

WOW!
THAT'S A
PROMOTION
WITH REAL
"REACH!"



BE SURE TO STOCK UP ON IDAHO POTATOES
DURING OUR "WINE & DINE" CROSS PROMOTION.
AND STAY TUNED FOR OUR NEXT EXCITING EPISODE!

IDAHO.POTATO.COM/RETAIL



JUNE 19-22, 2012
MIAMI BEACH CONVENTION CENTER
MIAMI, FLORIDA

International Floriculture Expo (formerly The Super Floral Show) will unite buyers and suppliers from each stage of the floriculture production cycle. Produced by Diversified Business Communication of Portland, ME, the event includes floral design competitions, educational programs and a three-day exhibition. See www.floriexpo.com for more details.

AISLE-BY-AISLE BOOTH REVIEW

Booth #417
ENCORE FLORAL MARKETING
Walker, MI



We will showcase a selection of color coordinated bouquets. Importing allows us to bring together floral product from different countries into our own unique offerings. In addition, our Miami and Dallas facilities enhance our distribution opportunities nationwide.

Booth #424
VERDIFRATTI INC.
Miami, FL



We are a grower and distributor of high-quality Gerbera cut flowers, with more than 30 different colors. Our company produces in Guatemala, Central America — closer to the USA — ensuring the best quality and faster delivery time directly from the farm to your door.

Booth #609
THE PINERY LLC
Escondido, CA



We are growers of living Christmas trees and rosemary for the holidays. Our beautifully sculpted miniature trees add freshness, fragrance and flair to any setting whether in the home, courtyard, kitchen or workplace. Stop by and experience our aromatic varieties of rosemary, pine and cypress.

Booth #624
THE HIAWATHA CORP.
Shelton, WA



For the freshest, high-quality greenery available from the Pacific Northwest, visit our booth, where a selection of premium Christmas wreaths, garlands, centerpieces, decorator items and innovative POP merchandisers will be on display. Also see samples of our lush floral greens and natural moss products.

Booth # 625, 632
DECOWRAPPS
Doral, FL



Decowraps is the leading supplier of distinctive packaging options for all levels of fresh flowers and potted plants.

Booth #633
TEUFEL HOLLY FARMS
Portland, OR



In business since 1890, we are a wholesale grower of English Holly and producer of the most diverse line of fresh wreaths, garlands, swags, centerpieces, bouquets and specialty products that are made from Evergreens, which we harvest in the Pacific Northwest. Come help us celebrate our 122nd anniversary!

Booth #711
BOTTOMLEY EVERGREENS & FARMS
Ennice, NC



Bottomley Evergreens will help you meet all your live Christmas decor needs, including garlands, wreaths, bouquets and centerpieces. We pride ourselves in providing the highest quality and service available to our valuable customers. Be sure to see what's new at Bottomley for 2012!

Booth #725
HOSA INTERNATIONAL
Miami, FL



Hosa International will showcase a variety of exciting floral selections, which will feature our extraordinary spray roses, lilies and roses from our 200-hectare Rainforest Alliance-certified farms in Colombia and Ecuador.

Booth #803
THE USA BOUQUET CO.
Miami, FL



The USA Bouquet Co. has a wide variety of floral products. We are featuring The Bake Shoppe Collection, Petals n' Bloomz, and Essential Living Collection. These are just a few of our new bouquet program collections. Stop by our booth to see the rest of our new and exciting products.

Booth #901
BURTON + BURTON
Bogart, GA



Visit burton + BURTON to see what's new for Spring 2013. For 30 years, burton + BURTON has been a leading supplier of balloons, coordinating gift accessories, containers, and florists' supplies to floral professionals worldwide. We offer low minimum orders and shipping within 24 hours on most items.

Booth #913
B & H FLOWERS INC.
Carpinteria, CA



B & H Flowers produces a variety of commercial, VeriFlora-certified, and organic flower crops for mass market, retail and wholesale distribution, providing customers nationwide with sustainably grown, vibrant, and long-lasting beautiful California flowers.

Booth #941
WESTBROOK FLORAL LTD.
Grimsby, Ontario, Canada



Westbrook Floral Ltd. is a full service wholesaler offering floral supplies, home and garden décor, botanicals and potted plants. In our 1.5 million square feet of greenhouses, we specialize in supplying North America with mini roses, Phalaenopsis orchids, Kalanchoes, African violets, ferns, succulents and seasonal potted plant varieties.

Booth #1025
CHRYSAL USA
Miami, FL



Chrysal Americas is an international company offering a multitude of products for the complete nutrition and care of fresh-cut flowers for growers, wholesalers, florists and supermarkets in the United States, Canada and Latin America.

Booth #1113
ALPHA BOTANICAL INC.
Homestead, FL



You won't find a better mix of grade "A" interior foliage! With spacing guidelines 1 1/2 times the industry standard, our finished product is exceptional. Make Alpha Botanical your source for florist quality foliage and exceptional customer service to see how we are capable of satisfying any discerning promotional buyer.

Booth #1117
ALDERSHOT GREENHOUSES LTD.
Burlington, Ontario, Canada



One of North America's premier potted blooming producers, Aldershot Greenhouses Ltd. unsurpassed commitment to quality has made us a top producer of potted blooming plants in North America. Long lasting blooms for home and office, Aldershot's potted plants continue to perform with excellence.

Booth #1125
WORLD CLASS FLOWERS
Egg Harbor City, NJ



If you agree spotting and utilizing trends is vital, then visit our booth! We are focusing on what's new, marketable and what's going to sizzle for the next year. We have everything your customers are looking for: designs, concepts and tools that will educate and inspire them to have fun with flowers.

Booth #1135
KOEN PACK USA



Koen Pack USA is known for its innovative packaging for bouquets and potted plants. We have a large selection of sleeves, sheets, bouquet holders, picks, bags, and more, to meet your every design need. This year we are introducing new hot designs for several holidays.

Booth #1141
CHESTERFIELD, MO



Aerial Bouquets has been committed to bringing you the best of the best for over 25 years with a variety of merchandise including balloons, floral accessories, plush and gift items. In addition to our diverse product line, we also offer extensive sales support, competitive pricing, and category management to ensure your balloon program has complete support.

Booth #1608
WHITE'S NURSERY & GREENHOUSES INC.
Chesapeake, VA



White's has been growing quality potted plants and outdoor annuals and delivering throughout the United States for over 55 years. Customers include supermarkets, wholesalers, other growers and mass marketers. Contact us to find out what's new and exciting!

Booth #1613
BAY CITY FLOWER CO.
Half Moon Bay, CA



In business since 1910, the family-owned Bay City Flower Co. is known for growing premium potted blooming plants, especially varieties of proprietary hydrangeas in amazing colors and characteristics. Seasonally, we have calla lilies, gardenias, lilies, hellebores, Philadelphus and more. Our wrap designs of original hand drawn art are seasonally centered.

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

INTERNATIONAL
FLORICULTURE
EXPO



JUNE 19-22, 2012
MIAMI BEACH CONVENTION CENTER
MIAMI, FLORIDA

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producebusiness
MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

AISLE-BY-AISLE BOOTH REVIEW

Booth #1616
MICKY'S MINIS

St. Louis, MO
Micky's Minis specializes in growing, shipping and merchandising miniature potted plants. This year we will introduce Fairy Garden Kits, new plants and a unique new promotional concept that will surely make you smile and add sales.



Booth #1817
THE SUN VALLEY GROUP

Arcata, CA
Maximize sales and create excellent floral experiences for your customers by offering our premium California-grown cut flowers. In addition to consumer bunches, specialty cut flowers and California-style bouquets, we offer POS material to complement any program. Sun Valley's Farms and crops are all VeriFlora-Certified.



Booth #1825
SYNDICATE SALES

Kokomo, IN
Syndicate Sales is a manufacturer, importer, and distributor of over 1,500 items to the floral industry. Brand names including AquaPic®, Aquafoam®, Aquaplus the Difference is Clear®, Aquahold®, Garden Collection®, Hoosier Glass®, and Designer Vases are known throughout the industry as representing the highest quality products second to none.



Booth #1901
SUNSHINE BOUQUET CO.

Miami, FL
Sunshine Bouquet will offer a bountiful selection of new ideas, 2013 color trends, fresh new arrangement- and bouquet-program collections for your viewing pleasure. Let us create something exciting, just for you.



Booth #2017
NURSERYMEN'S EXCHANGE INC.

Half Moon Bay, CA
Nurserymen's Exchange is the one of the largest wholesalers of indoor blooming plants in the nation. We pride ourselves on horticultural excellence and inspired design.



Booth #2031
AVERY IMPORTS

Batavia, NY
Whether you are a garden center, florist, greenhouse, nursery, designer or gift store, Avery Imports offers a variety of more than 1,000 different items to choose from.



Booth #2125
BALL HORTICULTURAL CO.

West Chicago, IL
The Ball Horticultural company offers the newest innovation in vegetative material for summer cut fresh flowers and the newest breeding and selection. Through distribution companies we offer seeds, plugs, bulbs, cuttings and tissue culture plants to the professional flower growers all over the world. We are happy to color the world!



Booth #2125
BALL HORTICULTURAL CO.

West Chicago, IL
Burpee Home Gardens gives retailers easy entry into bedding plants with a fully merchandised, turnkey program of garden-ready flowers, herbs and vegetables, including the new BOOST high-antioxidant collection. Burpee is synonymous with consumer gardening success. Join this fast-growing category with the best national program from Ball Horticultural Company.



Booth #2301, 2401
PENANG NURSERY INC.

Apopka, FL
For over 30 years, Penang Nursery Inc. has been a top producer of unique bamboo, Bonsai, and tabletop gardens, including the popular braided Pachira tree. We pride ourselves in offering beautifully designed gardens in the latest, trend-setting containers available at an exceptional value.



Booth #2413
GALLERIA FARMS

Miami, FL
Galleria Farms is a grower, importer and distributor of fresh-cut flowers and one of the largest growers of chrysanthemums and specialty flowers in the world. We are a solution and service provider of premium floral products to supermarkets, mass retailers, bouquet manufacturers and wholesale florists nationwide.



Booth #2517
KENDALL FARMS

Fallbrook, CA
Kendall Farms is proud to be a California grower. We specialize in growing long-lasting flowers such as Protea, Pin Cushion, Waxflower, Sunflowers, Leucadendron and Eucalyptus. Our flowers come fresh from our fields and are naturally longer lasting than the typical imported varieties.

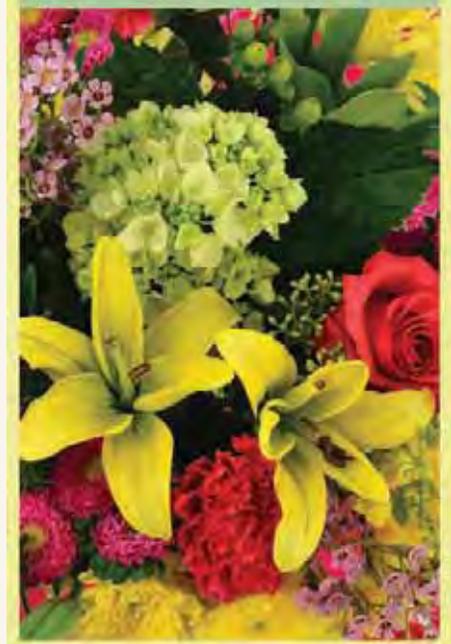


Booth #2527
MELLANO & CO.

Los Angeles, CA
For more than 85 years, Mellano & Co. has been a premier grower of cut flowers, fillers and foliage. Our crops are found in our uncommonly appealing bouquets, consumer bunches and cutting edge floral offerings. We are "your destination for the world's finest fresh flowers and foliage."



USA BOUQUET
1500 NW 95 Ave
Miami, FL 33172
800.306.1071



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

Consumer Attitudes Toward Packaged Fruits and Vegetables

BY RICH THOMA, VICE PRESIDENT OF SALES AND MARKETING, YERECIC LABEL

Consumer lifestyles are busier and more hectic than ever, and we know they are on the look-out for products that speak directly to their needs. Convenient and simple solutions are important factors in consumer purchase decisions, and growing interest in healthy lifestyles has created an increased demand for convenient and enticing fresh foods. This presents the produce industry with new opportunities to look for innovative ways to appeal to consumers with packaging and label design, giving produce a fresh voice that speaks directly to consumers' needs.

In a collaborative effort to explore the truth behind this industry-wide opportunity, the Produce Marketing Association (PMA), Yerecic Label and the Perishables Group (PG) completed a research study focusing on consumer behavior and preferences toward packaged produce. The three-phase study consisted of an Internet consumer survey, in-store consumer intercepts and in-store consumer video interviews.

Survey And Study Findings

All three phases of this study revealed a number of similar insights about consumers and packaged produce. We know that consumers are buying fresh produce frequently; more than 80 percent claim to purchase fresh fruits and vegetables weekly. Of this 80 percent, consumers say 15 percent or less is packaged. The most important driving factors for purchasing packaged fresh produce are price and cleanliness, with nutritional information and convenience not far behind.

When it comes to packaged produce, nearly 90 percent of consumers say the most important attribute is the ability to preserve freshness and taste. Consumers also like packaging that protects the product and stores easily in the refrigerator.

Consumers indicate that where print occurs on a package or label, size is important because they wish to be able to inspect the produce before purchase. In addition, consumers also indicated that they are attracted to packages displaying:

- Imagery that offers cooking inspiration
- Recipes that call for commonly known



ingredients

- Nutritional information
- Clearly marked sell-by-date
- Information about where the product is grown

Surveys revealed that convenience is the main reason consumers choose packaged produce over bulk items, but one of the main reasons consumers are deterred from purchasing packaged items are the perceived higher price and the inability to see or inspect produce through the packaging.

More than half of consumers surveyed prefer packaging that is environmentally friendly. As consumers become more conscious about the environment, packaging that indicates it is recycled, recyclable and biodegradable is preferred.

Consumers also revealed that they are not going far to find information about fresh produce, with more than half saying their information is gained in the store while shopping. These insights indicate that the content found on produce packaging and labels is paramount.

Label Findings

During the in-store intercepts, consumers were randomly shown different cauliflower and Brussels sprouts labels created by Yerecic Label. The new labels contained the imagery and information that consumers in previous perishable research stated that they desire to see.

A majority of consumers stated that they are attracted to the recipe on the cauliflower label as well as the picture of the cauliflower dish. When asked to name the most important factors on a label that impact their

purchase decision, consumers stated that nutrition information and recipes with an associated image are the most enticing.

Two-thirds of consumers said they were attracted to the Brussels sprouts on-label recipe, and more than half said they like the picture and the brand image. Consumers said the most important factors on the label that influence their purchase decision are the recipe, nutrition information, and image of the prepared dish.

Items Consumers Would Like to See Packaged

More than half of shoppers interviewed stated that everything they need can already be found as a packaged product. Of those interested in seeing more packaged products, apples and lettuce/greens are the most highly requested. Other responses include citrus, bananas, and avocados.

Industry Implications

This study shows that consumers want to see more packaged produce in an effort to add convenience and simplicity to their daily routine. Consumers seek to find information and inspiration about the product directly on the package. The research concluded that consumers would be motivated to purchase a fresh packaged product when imagery and simple recipes are prevalent on the label. Price continues to be the biggest deterrent to purchasing packaged produce, so produce companies should find ways to offer the consumer multiple reasons to purchase their product by applying innovative design and labeling to their products that indicates convenience, nutrition, inspiration and the ability to preserve freshness and taste.



Yerecic Label, headquartered in New Kensington, PA, has brought innovative label designs and constructions as well as a lean manufacturing process to the perishables industry for more than 40 years. After conducting consumer research to determine how to inspire the consumer at the point of purchase, Yerecic offers a strategic, innovative and sales-driven approach to fresh produce packaging that provides positive results for fresh produce packers and retailers.

Are Consumers Confused About Packaging Vs. Processing?

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

The issue of packaging and fresh produce gets confusing fast. Partly this is because the terminology is awkward. When consumers tell researchers that the key attribute of packaged produce is its ability to preserve freshness and taste, or that convenience is the main reason they select packaged produce, one doesn't know if they are reporting on reality (the produce that is packaged is selected to be packaged precisely because packaging has these attributes — thus salads are placed in packages and not sold as bulk products) or if they actually are expressing a preference for the kind of products consumers prefer to see packaged.

Suggestions that things such as recipes are important attributes of packaging seem to be general statements that, in reality, are likely to vary substantially with the novelty of the product in question. It does not seem accidental that companies such as Frieda's and Melissa's use a lot of recipes as they sell many specialty items that consumers would not know what to do with otherwise.

Consumer responses are somewhat cryptic because the responses seem to be referring to different things. The chart on page 18 indicates that the No. 1 thing holding consumers back from purchasing more packaged produce is a "higher price," which leads one to think that consumers are responding not to the issue of packaging but the issue of processing. After all, lower priced items are often packaged — bagged apples, potatoes, onions — and are generally sold cheaper, at least on a per pound basis, than bulk items.

Although many pricey items, say gourmet varieties of tomatoes, may be packaged, these are not the same items as are sold more cheaply in bulk. One can only imagine that consumers are referring to packaged salads and cut vegetables and, perhaps, cut fruit, and comparing these items to uncut versions of these products, noting that the cut versions are comparatively pricey. This is true, but not really a function of packaging. Costco sells a lot of packaged produce and because it sells multi-packs, it often can sell less expensively than if it were selling bulk.

Consumer research is often problematic

because consumers may know what they want, but they don't always know the real choices that have to be made. For example, it is unlikely that the one recipe on a package is going to be the one for each individual consumer. Even if they express a preference — in abstract — for recipes on the package, consumers may actually be saying they would like all the information desired — such as the perfect recipe — spoon-fed right on the package. But if that can't be delivered, if the recipe won't change frequently enough or is likely to be too bland and generic to appeal to the tastes of many, then maybe the space is better spent driving people to a web site where what they really want can actually be made available.

This research project is impressive, but the missing link is obvious as well. The Perishables Group has access to an incredible data pool: actual scan data from loads of supermarkets. One wonders if there is any data that indicates that, for instance, giving information beyond the legal requirement detailing "where the product is grown," for example, actually produces higher sales?

In the absence of such hard data, we would speculate that consumer attitudes toward packaging are likely to be heavily influenced by the marketing that goes along with it. The farmstand look is appealing, but it is not obvious to us that some retailer couldn't gain an edge by washing all its produce, selling it in bags, trays or clamshells and promoting it as "sanitized."

Another approach is to worry less about the attributes that consumers report they want on packaging and more about value perception. Black labels and trays with gold type create an upscale image that might justify premium prices. The sturdy nature of certain packaging, say, a clamshell, tends to imply to consumers that the item inside is of value and importance.

Packaging also seems likely to influence a sale when it can substantively solve a problem. So a resealable bag, for example, can lengthen shelf-life in a consumer's home.

Obviously, the best packaging is that which creates value for the consumer, yet

Obviously, the best packaging is that which creates value for the consumer, yet value can be created in unexpected ways.

value can be created in unexpected ways. For example, there is almost no possibility that Clementine sales would have reached the levels they have, save that Clementines are mostly sold boxed or bagged with minimum quantities. That packaging creates a minimum purchase level that catapulted the item out of a specialty niche and into a mass market. Many a family would never have realized that they would regularly consume three or five pounds of the fruit if that had not been the only purchase option.

Health-conscious consumers certainly want nutrition information. But, unlike manufactured products, most marketers of produce sell items with identical nutritional attributes. So it is difficult to get a competitive edge by providing nutritional information. Maybe the real idea is that labels and packaging provide a tool to promote attributes if breeding programs can produce a competitive nutritional edge.

The whole issue of asking consumers about packaging is constrained by the difficulty of consumers imagining things that don't exist. Imagine consumers saying that they wanted a bag that would be able to control gas intake and output so that produce could be cut, yet still stay fresh. Yet it was that technological advance in packaging that spawned the fresh-cut salad industry. One wonders what consumers *aren't* asking for that they would really like?



California Avocados

Celebrate 4th of July

Promote California Avocados. Independence Day sales increased +31% and volume +17%.

Source: IFA/ProduceLink Marketing (2009-2011)

Call (800) 344-4333 or visit CaliforniaAvocado.com/Retail to order in-store POS



INSIST ON CALIFORNIA AVOCADOS



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MAY 1 - 3, 2012
UNITED FRESH

The United Fresh Marketplace features marketers and merchandisers of fresh produce for retail, foodservice and wholesale levels of trade.

Conference Venue: Dallas Convention Center, Dallas, TX
Conference Management: United Fresh Produce Association, Washington, D.C.
Phone: 202 303-3424
Email: united@unitedfresh.org
Website: www.unitedfresh.org

May 1 - 3, 2012
FMI SHOW

Conference Venue: Dallas Convention Center, Dallas, TX
Conference Management: Food Marketing Institute, Arlington, VA
Phone: 202-452-8444 • **Fax:** 202-429-4519
Email: fmi@fmi.org
Website: www.fmi.org

May 5 - 8, 2012
NRA SHOW

The International Foodservice Marketplace
Conference Venue: McCormick Place, Chicago, IL
Conference Management: National Restaurant Association, Chicago, IL
Phone: 312-853-2537 • **Fax:** 312-853-2548
Email: kskibbe@restaurant.org
Website: www.restaurant.org/show

May 5 - 8, 2012
AMERICAN FOOD FAIR

Your recipe for global success
Conference Venue: McCormick Place, Chicago, IL
Conference Management: NASDA, Fairfax, VA
Phone: 703-934-4700 • **Fax:** 703-934-4899
Email: aff@naylor.com
Website: www.nasdatradeshow.org

May 9 - 11, 2012
SIAL CHINA

The 13th International Food, Beverage, Wine & Spirits Exhibition in China
Conference Venue: Shanghai New Int'l Expo Centre, Shanghai, China
Conference Management: IMEX Management, Inc., Charlotte, NC
Phone: 704-365-0041 • **Fax:** 704-365-8426
Email: erich@imexmanagement.com
Website: www.imexmgt.com

JUNE 10 - 12, 2012
DAIRY DELI BAKE SEMINAR & EXPO

Conference Venue: Morial Convention Center, New Orleans, LA
Conference Management: International Dairy Deli Bakery Association, Madison, WI
Phone: 608-310-5000 • **Fax:** 608-238-6330
Email: IDDBA@iddba.org
Website: www.iddba.org

June 13 - 15, 2012
FLORIDA CITRUS INDUSTRY ANNUAL CONFERENCE

Conference Venue: Hyatt Coconut Pointe, Bonita Springs, FL
Conference Management: Florida Citrus Mutual, Lakeland, FL
Phone: 863-682-1111 • **Fax:** 863-682-1074
Email: flicitrusmutual.com
Website: www.flicitrusmutual.com

June 17 - 19, 2012
NASFT SUMMER FANCY FOOD SHOW

North America's Largest Specialty Food & Beverage Event
Conference Venue: Walter E. Washington Convention Center, Washington D.C.
Conference Management: NASFT, New York, NY
Phone: 212-482-6440 • **Fax:** 212-482-6459
Website: www.fancyfoodshows.com

June 19 - 22, 2012
IFE

International Floriculture Expo (formerly The Super Floral Show) is the only U.S. venue where people from every aspect of the floriculture industry will converge under one roof.
Conference Venue: Miami Beach Convention Center, Miami, FL
Conference Management: Diversified Business Communications, Portland, ME
Phone: 207-842-5313 • **Fax:** 207-221-1471
Email: floriexpo@divcom.com
Website: www.floriexpo.com

JULY 17, 2012
FRESH PRODUCE AND FLORAL COUNCIL EXPO

Conference Venue: Disneyland Hotel, Anaheim, CA
Conference Management: Fresh Produce & Floral Council, La Mirada, CA
Phone: 714-739-0177 • **Fax:** 714-739-0226
Email: info@fpfc.org
Website: www.fpfc.org

July 20-22, 2012
PMA FOODSERVICE CONFERENCE AND EXPO

Conference Venue: The Monterey Conference Center, Monterey, CA
Conference Management: Produce Marketing Association, Newark, DE
Phone: 302-738-7100
Email: solutionctr@pma.com
Website: <http://fsc.pma.com>

AUGUST 15-17, 2012
TEXAS PRODUCE CONVENTION

Conference Venue: Grand Hyatt Hotel, San Antonio, TX
Conference Management: Texas Produce Association
Phone: 956-581-8632 • **Fax:** 956-584-3307
Email: sparkslaura@hotmail.com
Website: www.texasproduceassociation.com

August 16-18, 2012
APPLE CROP OUTLOOK

Conference Venue: Ritz Carlton, Chicago, IL
Conference Management: U.S. Apple Association
Phone: 703-442-8850 • **Fax:** 703-790-0845
Email: lstephens@usapple.org
Website: www.usapple.org

SEPTEMBER 4 - 9, 2012
JOINT TOMATO CONFERENCE 2012

36th Annual Joint Tomato Conference
Conference Venue: Ritz Carlton, Naples, FL
Conference Management: Florida Tomato Committee, Maitland, FL
Phone: 407-660-1949 • **Fax:** 407-660-1656
Email: diana@floridatomatoes.org
Website: www.floridatomatoes.org

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



European flavors

For your healthy lifestyle!



A message from Europe

Since 2008, the European Flavors program has been present at the top trade shows in the produce industry, organized in-store promotions and developed an entire campaign highlighting and promoting the qualities found in fruits and vegetables from Europe in the U.S. The program's success has exceeded our expectations.

We are happy to announce the renewal of the program with commitment from the European Union, the Italian Ministry of Agricultural Affairs and support from the Centro Servizi Ortofrutticoli.

The program will continue to promote the extraordinary quality of both fresh and processed produce grown in compliance with strict European directives -safeguarding the environment, health and safety of the consumers.

Together with you, we can look forward to continued growth and success in North America.

México

ADVERTISEMENT

BEST QUALITY AT THE RIGHT MOMENT – GRAPES FROM MEXICO!

When you want to be first with profits, look at Mexico and Sonora spring grapes, available during May, June and July. The growers of the Hermosillo and Caborca regions of Sonora and their U.S.-based marketing offices have teamed up to ensure your customer's favorite Spring grape varieties are harvested, packed and shipped, on time, with the upmost care.

duction of grapes from Sonora has reached 12 to 16 million 18 pound boxes per year. Additionally our producers have recently expanded their plantings, committing more of their land and resources to increase volume during critical weeks, when no other fresh grapes are available.

Available varieties include Perlette, Flame, Sugaone, Red Globe and Black Seedless as well as other varieties under development.

During the past few seasons, total pro-

AVAILABILITY

VARIETIES	MAY				JUNE				JULY			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Perlette												
Flame												
Sugaone												
Red Globe												
Black Seedless												

A COMMITMENT TO QUALITY

High technology and new production systems in vineyard, along with good climate conditions allow for the production of table grapes with an excellent flavor and appearance. Sonora Grape Growers commitment to the customer's needs is proven every day of

the season through a variety of custom packs. More than 98% of Mexican table grape exports come from the state of Sonora.

All shipments to the United States are inspected by the USDA and must be at least US#1 to fulfill the required minimum standard of quality. Fruit is inspected and graded for sugar levels, color, cluster size, berry size and defects. The spring Table Grape produced in Sonora, Mexico, normally exceeds the minimum standards of quality (US#1). In an average year, over 75% of Sonora Table Grapes are graded as "US fancy.



Location: The area of production for the "desert grape" is a tropical climate which is optimum for production and ensures our commitment to quality.

One hundred percent of the Sonora table grape vineyards are certified in Mexico Supreme Quality, México GAP, and "Good Agricultural Practices" by Mexico's interna-

tionally recognized programs and organizations. The United States Food and Drug Administration continuously inspect and test our shipments at rates well above those for U.S. producers to ensure that table grapes comply with all FDA microbial

and chemical regulations.

Table grapes for export from Mexico are produced in only two regions in Sonora that are isolated from other growing regions in the rest of Mexico and the United States by

large mountains, deserts and seas. This isolation means that there are fewer pests, allowing for significantly reduced use of pesticides.

Eating grapes can be promoted as a smart health move to customers. People think of grapes as a fun snack or kid's food but everyone benefits from their nutritional qualities. One serving of grapes (1 1/2 cups) provides:

- 25% of the daily requirement of Vitamin C.

- And serves as a source of fiber, Vitamin A, calcium and iron.

Resveratrol, found primarily in the skin of grapes, has been found, in preliminary studies, to fight breast, liver and colon cancer. As well, resveratrol is believed to help reduce heart disease.

Sonora's grapes fill the "gap". As customers catch spring fever and look to the fresh products of summer, Sonora grapes can be promoted as the first fresh product of the season.

Insight from Mexico

An interview with John Pandol, director of special projects for Pandol Bros. in Delano, CA

Q: How long have you been importing grapes from Mexico and how did you get started?

A: Pandol has been involved in the Sonora grape business since the late 1970's. Uncle Steve used to go hunting in Sonora and became friends with many of the farmers. Grapes were a fairly new crop in the area. Farmers did what farmers do, they asked each other advice. We've been exchanging viewpoints ever since.

Q: What benefit do grapes from Mexico have for U.S. retailers and consumers?

A: In May, June and July the grapes on the supermarket shelf are fresher than during many other times of the year. Sonora has the biggest supply anywhere on the planet during this timeframe.

Q: How committed are Mexican grape producers to meeting U.S. market requirements?

A: The U.S. and Canada have always been the primary market for Mexico. In Mexico there is a business culture of identifying the requirements and preferences of the North American market and then meeting and exceeding those expectations. Knowing how to continue to satisfy those north of the border is what keeps Sonoran grape growers awake at night.

Q: Do you have any examples that show how Mexican grape producers regard safety and quality?

A: While many U.S. growers complain about multiple audits and certifications, the growers in Mexico demonstrate a different outlook. Walking into the field office of one grower, I noted something like 30 framed certificates covering all kinds of certifications. His practice was not to avoid but to seek out and comply with any and all certifications. "Bring it on" was his attitude.

Q: What is the most important thing for

a U.S. buyer to know about grapes from Mexico?

A: In the desert the grapes are shipped directly from harvest, not from cold storage. Buyers must understand the supply chain works differently at this time of the season. Think strawberries, not apples.

Q: What challenges does the deal still face?

A: There is a larger use of intermediaries in the supply chain in Nogales than at other times of year in the grape business. From the outside looking in, many times it seems these intermediaries' objectives are not aligned with the retail consumer. The Sonoran grape deal is one where supermarkets with more robust buying organizations really differentiate themselves. Down-sized procurement organizations that don't realize the extent to which they have outsourced the buying function tend not to do as well. We need to reign in lateral trading to benefit the trade and not the traders."

FOR MORE INFORMATION:

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1911 Pennsylvania Ave NW • Washington, DC 20006



For more information on the Mexican grape industry, please visit www.aalpum.com.mx



Marion Nestle, Organic Facts, And Why The Organic Trade Association's Numbers Don't Make Any Sense

FROM JIM PREVOR'S PERISHABLE PUNDIT 02.27.2012

Marion Nestle wrote a piece titled, *Jim Prevor on Organics, Crop Yields and Food Politics*. We were, of course, flattered to be quoted so extensively by such a thoughtful and eminent scholar. Yet when we read the piece, we were reminded of how often what seems like differences of opinion are actually differences in regard to facts.

Professor Nestle closed her piece by mentioning a "fact." Here is what she said:

According to the Organic Trade Association, organic sales totaled nearly \$27 billion in 2010, and constituted 11 percent of produce sales. Is this "tiny and insignificant"? I don't think so.

Now one can hardly fault Professor Nestle for these statistics — she is quoting the Organic Trade Association — a reputable organization. The relevant excerpt from the OTA piece Professor Nestle links to is as follows:

Organic food and beverage sales represented approximately 4 percent of overall food and beverage sales in 2010. Leading were organic fruits and vegetables, now representing over 11 percent of all U.S. fruit and vegetable sales. Source: Organic Trade Association's 2011 Organic Industry Survey

We'll leave total organic sales to someone else to deconstruct, but we took one look at the produce statistic, "11 percent of all U.S. fruit and vegetable sales," and said that was way off. After all, less than 1 percent of all U.S. farmland is certified organic, so where would this 11 percent come from? In other parts of the report, OTA says that 92.5 percent of organic produce sales are fresh — 2.8 percent canned, 3.2 percent frozen, 1.5 percent dried — so this almost all is supposedly fresh product.

First off, one should be clear that we are talking dollar sales. The Nielsen Perishables Group has found that organic fresh prices average 80 percent higher than conventional, so if 11 percent of sales were organic, that would mean that organic would account for 6.45 percent of the volume of produce.

Now we've seen sales statistics from lots of mainstream supermarkets and few are near that number in volume or dollars. We've seen numbers in foodservice distributors and major chain restaurants and those numbers are even less. Even farmer's markets and CSA's don't typically reach this number if one is talking about certified organic product as the OTA presumably is.

We know the market share for natural food retailers and know that even if their organic percentages were much higher, they wouldn't add up.

It is not even that the number is wrong; *half* of that number would be way off.

So we called the Organic Trade Association and asked how they got that number. They explained that *Nutrition Business Journal*, a private publisher that produces various publications, trade shows, etc., that serve the organic and natural communities, did an industry survey on behalf of OTA. This survey was managed and conducted by Carla Ooyen, Director of Market Research at *Nutrition Business Journal*, with the help of the *NBJ* staff. They operated

under the project direction of Laura Batcha, OTA's Chief of Policy and External Relations, and Angela Jagiello, Associate Director of OTA's Conference and Product Development.

In the end, the research product as it related to fresh produce was so unlikely to produce anything approaching accurate numbers that the OTA should be embarrassed for publishing such numbers. New numbers based on the same methodology are due out soon for the 2012 study, and OTA should put a kibosh on them before they publish.

Here, from the OTA's 2011 Organic Industry Survey, is the "Data Collection" portion of the methodology:

A primary objective of this project was to collect and compile data from the manufacturing community in the organic industry. To maximize the amount of information collected, NBI structured a survey similar to previous OTA surveys to facilitate quantitative assessment and comparison and to assess qualitative issues impacting the organic industry. NBJ distributed the survey and collected the responses through an online survey network. Further e-mails and telephone calls were used to improve response rate and clarify survey responses.

In the survey, NBJ assessed the "universe" of manufacturers in organic products so that survey data could be most effectively modeled into total industry statistics. In other words, traditional statistical modeling usually involves random sampling of defined subcategories (i.e., organic manufacturers between \$5-10 million in sales) and conversion to total based on the knowledge of the survey universe. In this case, NBT used a somewhat hybrid approach, where respondents were not randomly selected, but

The Nielsen Perishables Group has found that organic fresh prices average 80 percent higher than conventional, so if 11 percent of sales were organic, that would mean that organic would account for 6.45 percent of the volume of produce...It is not even that the number is wrong; *half* of that number would be way off.

MEXICAN PRODUCE EXPORTER OF THE YEAR AWARD

PRESENTED AT THE AMERICA TRADES PRODUCE CONFERENCE ON MARCH 21, 2012
BY PRODUCE BUSINESS, FPAA AND TPA

CESAR CAMPAÑA



Ken Whitacre and
Cesar Campaña

Persistent, objective, and a man who works for the greater good are just a few of the ways colleagues, co-workers and competitors describe our second annual Mexican Exporter of the Year. This award, presented by the Fresh Produce Association of the Americas, Texas Produce Association and PRODUCE BUSINESS, recognizes an exporter who has contributed the most to the industry over the years.

This year's honoree will join last year's recipient, Martin Ley of Del Campo Supreme, as among the first luminaries to receive this prestigious award.

The members of FPAA and TPA voted overwhelmingly in the selection of this honoree, stating: "He works for the common good, even when it means going against his own personal interests."

Like many in this industry, our honoree was born with produce in his blood. He began his career on his family's land, soon becoming a recognized quality grower in the industry.

He is now considered one of the most progressive and influential growers in Mexico. His two true loves are farming and his family. When he's not on the job, he enjoys spending time with his wife and son.

He is known for his great love for the industry and is very proud of his origins as a grower. A colleague quotes, "He is a grower 365 days of the year and is available 7 days a week on a 24-hour basis. He's an inspiration to many growers, and his pride and love for farming are contagious. He has touched many lives."

He has dedicated his career not only to furthering his own company, but also to developing greater industry cooperation. He has been integrally involved in several organizations, including the Eggplant Promotion Board in Mexico, Confederation of Agricultural Associations of the State of Sinaloa (CAADES) and the Mexican Asso-

ciation of Protected Horticulture (AMHPAC). He's also a staunch promoter of social responsibility, and has worked against child labor.

Countless industry members on both sides of the border look to him as a friend and mentor. An industry friend says, "He is a real innovator. He dedicated years of his life to give birth to one of the most united and productive grower organizations in Mexico. He has followed in the leadership footsteps of his grandfather. He is a true leader, built to meet the modern requirements of today's industry."

Sadly, all great leaders also have their weaknesses – our honoree is a Tigres fan in Mexican soccer, and – what some consider his worst fault – he loves the Washington Redskins in American football.

As they say, behind every great man is a great woman. Our honoree is supported in numerous ways by his wife, and we discovered that when he travels, she is responsible for packing his luggage.

I must share how a breakdown of this system that once led to an unfortunate incident...

A source reported to us that during a past Produce Marketing Association Convention, our honoree traveled with only one pair of shoes. For some reason, while he was in the plane flying to the show, the sole of his shoe fell apart. Not having enough time to buy another pair of shoes, he went to the show anyway and left a trail of pieces of leather all over the convention floor. Later that evening he bought a bargain pair of "Italian" shoes from a unique Hindu store. The shoes killed his feet, but he suffered because he felt they looked very fashionable. However, our source confesses: "I have to say those were the ugliest shoes I had ever seen!"

Ladies and gentlemen, please join me in congratulating the 2012 Mexican Exporter of the Year – Cesar Campaña, Agrícola Campaña and former president of AMHPAC.

*Excerpt from the speech by Ken Whitacre, publisher and editorial director of
PRODUCE BUSINESS*

rather 'self-selected' by their responses. Distinct efforts were made to obtain responses (or as a last resort revenue, product breakdown and sales channel estimates) from the top 100 or so manufacturers and private label brands to maximize the "revenue capture" of the survey database and industry model.

Of course, the bias slips in right at the start. If the "primary objective" is to "Compile data from the manufacturing community in the organic industry," then the survey may provide useful information about organic manufacturers, but the survey will not be useful to compare organic and non-organic market share because the survey will not generally include non-organic manufacturers, or, at least, the non-organic manufacturers are highly likely to be under-represented.

We will assume the word "manufacturers" is broad enough to include farmers and packers. Even so, to generate market share statistics, one needs to have a picture of all manufacturers — organic and non-organic. This survey wouldn't do that.

Ok, so who did they actually survey?

"...respondents were not randomly selected, but rather "self-selected" by their responses and our efforts to make the entire industry aware of the survey."

OK, in this case, "entire industry" must mean the organic industry, not the fresh produce industry. We know they didn't advertise the survey on the Perishable Pundit, nor PerishableNews.com's produce channel. They didn't run any ads in PRODUCE BUSINESS magazine, nor did they exhibit at The New York Produce Show and Conference — so whatever "efforts" were made in produce were limited.

More broadly, self-selected surveys are pretty close to worthless. One needs to make sure that survey respondents correspond to the general population one is looking to survey. It is especially easy to throw the numbers off if one only markets in a particular community.

Think about doing a survey where the "primary objective is to compile data from the Jewish community"... to promote responses, you advertise in publications geared toward Jewish people, get press releases published there, hand out flyers in synagogues, etc.

Now you might gain some useful information about Jewish people — although you would need to be very careful as certain groups, say younger Jews, may not read the Jewish newspapers or affiliate with synagogues in proportion to their numbers. What is very clear is you couldn't possibly use such a survey to compare the percentage of Jews in the population with non-Jews.

So what might be a reasonable estimate of organic market share?

Well, the Nielsen Perishables Group maintains a database from scanner data that represents about 62 percent of U.S. food retailers. Steve Lutz, the Executive Vice President at the Nielsen

Perishables Group, tells us that their data shows that organic accounted for 5.5 percent of produce department sales for the 52 weeks ending July 30, 2011. This is pulled from scanner data, so is much more accurate than survey results.

Once again, this is a dollar figure and the Nielsen Perishables Group has found that organics, on average, are priced 80 percent above conventional produce. So if 5.5 percent of sales is organic in dollars, that would translate to 3.1 percent in volume.

Yet this number is probably way too high as a percentage of produce sales. The Nielsen Perishables Group database is an incredible resource, but it does not include Wal-Mart, and Wal-Mart skews significantly lower on organic sales than mainstream supermarkets, such as Safeway and Kroger. This alone could drop a point or more off the percentage that organic represents.

Then we know that at retail, where consumers can see the organic product and elect to pay more for it, organic has much higher penetration than in foodservice. Sure, white tablecloth restaurants use organic sometimes, but that is 1 percent of the business. Organic is hard to find at McDonald's.

It is difficult to figure consumer prices in foodservice as the product is not sold independently from the ambiance, service, etc., but if we figure that retail dollar sales are 4.5 percent — the Nielsen Perishables Group number less a percentage point for the Wal-Mart effect — then with organics costing 80 percent more, the volume of organic at retail would be 2.6 percent of the volume.

It is reasonable to think that foodservice is half that percentage. In other words, about 1.3 percent of the produce used in foodservice is organic. If foodservice accounts for 35 percent of produce usage, that would mean organics account for 2.15 percent of the total

volume of produce sold in America.

We always like to give people the benefit of the doubt, so we assume that this is all an innocent mistake caused by OTA choosing to contract with a company not really deeply involved in fresh produce to do its research in this area. Though many, less charitable than us, would note that OTA has an interest in exaggerating the importance of the organic industry and that it may have purposely contracted its research out to an organization that produces the Natural Products Expo and similar products, and thus, has a similar interest rather than to a neutral party.

Surely, OTA wants its research to be above reproach. It should consider working with a reputable university-based researcher. Perhaps we should give our friends at the Organic Trade Association the contact info for Ed McLaughlin, the Robert G. Tobin Professor of Marketing at Cornell University. He and his staff have done dozens of these studies for the fresh produce industry and other facets of the food industry.

In the end, the research product as it related to fresh produce was so unlikely to produce anything approaching accurate numbers that the OTA should be embarrassed for publishing such numbers. New numbers based on the same methodology are due out soon for the 2012 study, and OTA should put a kibosh on them before they publish.



SOCIAL SUSTAINABILITY

Kroger Empowers and Enables Employees to Engage with Their Communities

BY MIRA SLOTT



PHOTO COURTESY OF KROGER

LAST YEAR, KROGER HIT \$90.4 BILLION IN ANNUAL SALES ACROSS TWO-DOZEN BANNERS IN 30-PLUS STATES, EVEN AS IT RAISED SUSTAINABILITY TO THE NEXT PLATEAU. Countering trends by racking up multiple quarters of consecutive same-store sales increases through the recession and economic downturn, the strategy seems to be working.

In a world where corporate executives drive or discard sustainability initiatives based on the bottom line, Kroger champions the social humanitarian leg of sustainability, so often subjugated or played superficially as a marketing tool. Yet Kroger's social initiatives pack a punch that parallels its size, reverberating through communities with life-altering outcomes.

Produce executives should take notice, as most of Kroger's social initiatives channel fresh fruits and vegetables, beseeching industry opportunity. Many of these programs, whether it is through donations to charitable groups or through produce department volunteerism, touch on a range of social issues, from the fight to end hunger and addressing the obesity epidemic, to health and nutrition issues and supporting environmentally friendly, locally grown and state agriculture programs.

Ironically, Kroger's success stems from an uncanny ability to morph from corporate conglomerate grandiosity to an independent, neighborhood store mindset. The company generates a groundswell of support by engaging and enabling its employees — more than 330,000 strong — as well as growers, suppliers and customers.

Kroger's mantra is to empower those throughout the company to stay nimble and attentive to local community needs. This undertaking could seem daunting with 2,400-plus stores dispersed among its varied super-

market banners including Kroger, City Market, Dillons, Jay C, Food 4 Less, Fred Meyer, Fry's, King Soopers, QFC, Ralphs and Smith's. The mission, however, is rooted in historic precedent.

Deep Roots In Charity

Kroger's pledge to social sustainability is personal, deep and committed. This is not a fleeting trip to the altar. "We have pictures during the Depression of founder Barney Kroger giving away food to the hungry, opening his arms to people lining up at the store for day-old bread," says Lynn Marmer, senior vice president of corporate affairs, chief sustainability officer. "So the concept of giving was always there. However, the ability to scale that to hundreds and hundreds of stores, each facing different criteria, has required real partnership," she says, of the infrastructure, logistics and other complexities involved in building and running Kroger's Perishable Donations Partnership (PDP) program.

With participation at almost 90 percent of Kroger's stores, PDP gener-



PHOTO BY MARTY WHITACRE

PRODUCE BUSINESS Editor-in-Chief, Jim Prevor, presents the Retail Sustainability Award to Lynn Marmer, Kroger's senior vice president of corporate affairs, chief sustainability officer.

ated 41 million pounds of food, or an equivalent of some 35 million meals, in 2011, and is on trend to match those numbers this year. In the spirit of the common good, Kroger has no qualms sharing its innovative program model with retail competitors, including discussions with some of Kroger's fiercest competitors, says Marmer.

"We're happy to pass on our learning. Many times it's the smaller grocers who are overwhelmed by the idea," adds Janet Ausdenmoore, manager of corporate affairs, and one of the chief staff members who is instru-

mental in cause-marketing initiatives, including managing the Kroger Foundation, its non-profit organization that makes grants to other charities, schools and public entities.

"PDP wasn't an easy program to implement and scale, and there were barriers we had to overcome tied to food safety from both sides of the spectrum," Ausdenmoore continues. "First, internally for the food safety and risk management teams, we had to get comfortable partnering with an outside agency and developing and monitoring standardized guidelines



PHOTOS COURTESY OF KROGER

and certifications; then, training employees on handling procedures and insuring proper storage, refrigeration and temperature control once the product leaves our facility."

Kroger's commitment to alleviating hunger and doing the right thing wasn't about "going green," she says. However, putting these causes under the sustainability umbrella raises them to the level of an institutional imperative; looking through the sustainability lens creates a collective conscience as a community, she explains.

PDP's genesis began eight years ago, pulling from programs within specific banners and looking at what other supermarket chains were doing, according to Marmer. "We looked at what our Fred Meyer folks were doing with food rescue in the Pacific Northwest, a joint effort with some local food banks collecting fresh food that needed to be turned around quickly, and to Food Lion in the South, where it was happening on a very small scale."

Catapulting PDP, Kroger teamed up with Feeding America, the country's largest domestic hunger-relief organization, which orchestrates a network of some 200-member food banks. "I spent 15 years on the board of a local food bank, so I understood the importance and challenge of offering variety and fresh nutritious items like healthy fruits and vegetables," says Marmer.

"Food banks live and die on excess," a crude reality, says Eric Davis, director of retail product resourcing at Feeding America, headquartered in Chicago, IL. [See his interview detailing the Kroger partnership on page 32].

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Yet the food industry continues to become much more efficient, managing leaner inventories and cutting out shrink.

Role Of Produce

Due to its highly perishable nature, produce presents further challenges, according to Joe Miskimins, Kroger's vice president of produce and floral, who remains undeterred in efforts to grow the produce department's participation in the program. [Miskimins discusses sustainability from a produce perspective on page 44-45].

PDP's survival hinges on the frequency of pickups and seamless logistics. To that end, PDP is managed through Kroger's shrink department, rather than public affairs. "The reason the shrink department has taken over PDP operations is because we have more boots on the ground. Operations people in our stores and in our districts can help us to educate and follow up on a regular daily basis," says Ed Taylor, director of shrink management, pointing out that Ausdenmoore and Marmer have done a great job developing relationships with food banks.

Produce is the biggest challenge for PDP. "We need better execution through the supply chain. Turning product is key. How can we increase pickup frequency?" asks Taylor. "As we look through the enterprises, the divisions and food

banks, we see variable sophistication and frequency of pickups with donations," he continues.

Kroger began pilots at Fred Meyer, and its Fry's division in Arizona is just getting its feet wet, Taylor reports. "We knew it was tricky going in, modifying guidelines and Best Practices for produce," he says, adding, "a big opportunity is in bulk produce — the harder items, such as apples and potatoes."

Kroger also has expansion plans in play for its 212-store Atlanta division, as well as its Indiana operations, says Max Ostermyer, logistics shrink manager. "We still have a lot of work to do in Atlanta, but we've got the commitment from St. Vincent De Paul and the Atlantic Community Food Bank to do that. Jay C Food Stores is a little subset of stores that we have in southern Indiana. Last year, they had one store in the PDP program and we got commitment at the end of last year to add another 29 stores to the program by this year, so that's a big win for us as well."

"Produce has always been a part of PDP, but we've recently put new emphasis on it, re-launching the program to increase produce donations," says Kelly McGamon, public affairs leader for King Soopers in the Colorado region. "It comes at an important time with so much economic hardship," she says.

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Kroger Partners With Feeding America

While donations might technically be bruised or past their “sell-by date,” Kroger puts them to good use and into the hands of those who need them. Eric Davis, director of retail product resourcing at Feeding America, based in Chicago, IL, sits down with Mira Slott, special projects editor for PRODUCE BUSINESS, to discuss the ins and out of its partnership with Kroger.

PRODUCE BUSINESS: Could you tell us about your partnership with Kroger?

Eric Davis: Kroger, as the largest traditional supermarket chain, has been very progressive about rescuing nutritious food and making sure it comes to us and doesn't go to waste so we can feed the hungry through our network of some 200 food banks. We are now the largest domestic hunger-relief organization, but Kroger is one of our oldest retail donors. It was donating food when we were named Second Harvest, from the very beginning more than 20 years ago.

PB: How did Kroger's involvement evolve?

Davis: Initially, we began testing the concept with Kroger about eight years ago. I actually started the program, and Diane Letson, director of business development, is assigned specifically to the Kroger account.

Traditionally, food banks have received food donations through reclamation — damaged non-perishable goods — but these have been on the decline because retailers are becoming more efficient. We asked Kroger what other items were being thrown away and learned that meats, deli products, produce, bakery and dairy, although still wholesome and useable, didn't meet standards for customer purchase.

Perhaps the banana didn't have enough shelf-life. The same went for meat. If Kroger is marketing freshness, it didn't want to sell meat past its sell-by-date, even if it was still good. We wanted to recover those products.

PB: How are standards determined and maintained for this program?

Davis: We went to the Conference

for Food Protection, a non-profit organization made up of food industry people, based in Washington, D.C., which created a set of guidelines to allow companies to donate perishable products to food banks. We took those guidelines to Kroger to use in setting aside perishable products still wholesome and useable for food banks to collect.

Basically, we sat down with Kroger and came up with a program strategy and more comprehensive standards. Food banks could come to the stores two to three times a week. To make sure product was picked up and stored at the right temperature, Kroger set up an additional set of guidelines that food banks would use to do a second inspection and double check that everything meets those guidelines, and if something falls through the cracks, the product is discarded.

PB: Could you take us through a typical scenario?

Davis: At the beginning or end of the day, associates walk those departments and pull everything off the shelf or case that doesn't meet Kroger market standards, and they place products in appropriate storage units, so meat goes in a freezer, produce in a cold dry place, etc.

Typically with Kroger product, it is picked up two to three times a week and goes back to the food bank where product is again inspected and sorted, and then distributed to organizations that supply products to clients directly, such as a church or food pantry, any place where the mission is to help people having a hard time making ends meet.

The working poor might come to a food pantry at the end of the month. Maybe it is someone who had to pay a large hospital bill and couldn't afford food. They pick up a

box that could contain meat, deli, produce and bakery products.

PB: Is that range of variety and freshness unusual?

Davis: The great thing about this particular program is that almost all products we're picking up from the grocery store are nutritious, except perhaps bakery. The produce, meat and deli items meet nutritional guidelines.

One of the things in food banking is making sure the food we supply is nutritious. We want to make sure the poor are receiving food that meets all the nutritional guidelines. We may not pay for a tomato that has a slight bruise or cut in it, but there is nothing wrong with it. This product was going to a landfill, or at best, to a composting facility, and now we are able to feed someone in need.

PB: In speaking with Joe Miskimins, Kroger's vice president for produce and floral, he pointed out that many fresh fruits and vegetables can be difficult to donate due to their highly perishable properties, but that the program is continuing to expand in this area. What is your perspective?

Davis: When the program started, in general, all categories were authorized, but some Kroger divisions started with bakery and then added meat and then added dairy and now are adding produce. Not all Kroger divisions have all categories, but that's the current mission — to get all programs on board. This program started in the West and is going east, and so goes produce. Slowly, the programs are growing the produce portion.

Early on, people weren't sure what produce would be available, and when they started to see the

quality, and what was being set aside for composting and trash, the reaction was, “Wow, this product still has two to three days shelf-life and we can use it.”

PB: How do you work with Kroger to balance pockets of the country where the food banks are less sophisticated or unable to meet the demands of the community?

Davis: This program has exponentially grown over the years. Opportunity has exceeded capacity. In areas where Kroger has hundreds of stores that exceed food bank capacity, there has been a need to elicit smaller organizations to help pick the product up. While this empowers food kitchens and pantries to pick up food directly, we have to be sure they can do that safely. We can't just turn that over to the agency until they have the proper equipment and operations to handle it.

PB: Who determines that?

Davis: That's Feeding America's job — to certify those organizations and ensure they have the proper operating environment. Kroger also supports Feeding America through cause-marketing programs that help us build the infrastructure program. We can buy thermal blankets, refrigerators and other equipment to ensure the program's viability.

PB: What opportunities do you envision going forward that might interest the produce industry?

Davis: Our goal is to continue to grow this program. As an organization, this is only a small fraction of what we do at Feeding America on the produce side. Produce is a huge initiative for us going forward.

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PDP has been embraced by associates, the community and management, she continues, noting that the total amount of food donated through the program in Colorado translates to 3,550 meals a day. "Many people can't afford fresh produce. While the donated items may not be to the standards we sell, they are still edible, nutritious, good quality fruits and vegetables," she says.

Adds Marmer: "We knew it was going to be a powerful combination; it was just getting it right so we could have it run on auto pilot in

each place, while adjusting to variances on a store-by-store basis. That really has come about because of the belief and the dedication of our own store associates and store managers."

Charitable programs envelop the Kroger culture, according to Bill Dankworth, vice president of grocery merchandising, and point person for Bringing Hope to the Table, an annual merchandising-driven program that gives back to charity. Essentially, the way Bringing Hope to the Table works is that Kroger collects money earmarked in trade funds from

select suppliers in exchange for guaranteeing quality promotion and merchandising of their brands, he explains. In turn, Kroger donates that equivalent amount of money to local food banks in the communities that Kroger operates, while Feeding America also gets a portion.

Since its launch seven years ago, the size of the program and amount of money donated has stayed constant — \$4 million cash value, or \$3 million in cash each year and \$1 million in product.

"We select 30 suppliers, not because we don't want the additional dollars, but we could not give quality merchandising if the space got too crowded. Also, since it is a merchandising event, we have to focus on items most relevant for our customers," he says, adding, "We're doing this for an altruistic reason, so look for ways to make it a better program."

A new door may open for produce companies. "Bringing Hope to the Table is almost 100 percent grocery right now, but we encourage the idea of extending it to perishable categories like produce, meat and deli because these are areas of the store not used yet," says Dankworth.

"We would love to have produce companies participate and get our store counterparts involved." It's much easier to do a UPC-coded product than it is to do a stalk of romaine lettuce, he points out, but there are plenty of UPC-coded items now in the produce department, including bagged salads and dried fruits and nuts that are incredibly nutritious.

"Food is a point of entry for providing hope to people who have lost jobs or are struggling," Dankworth continues. "First of all, we have to take care of people nutritionally and start to move them into more paths of self reliance. And because we're a food company, that fits very nicely with our core business and our mission to fight hunger in America as our Number One charitable platform."

At the corporate level, Kroger champions three major causes: Hunger — Bringing Hope to the Table; Breast Cancer — Giving Hope a Hand; and this year, it has added a new partnership to support the fundraising of USO's — Honor our Heroes.

According to Ausdenmoore, while these are national priorities, the execution still happens at the local level. That money is actually allocated out to the divisions, so when a check is issued from the Kroger Foundation, it is going to a King Soopers, for example, and the local divisions drive how these funds are allocated.

The same thing applies to Kroger's disaster-relief efforts. In fact, during an early March visit by PRODUCE BUSINESS editorial staff to Cincin-



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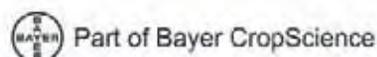


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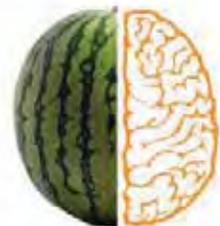
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At Kroger's Harper's Point store, the focus on perishables and produce is strong among the associates who represent the pulse of the community. Pictured from left to right are: Peggy Jones, salad bar manager; Terry Coughlin, store manager; Kayla Hall, nutrition associate; Alex Crocker-Lakness, produce associate; Ruth Krekeler, salad bar associate; Lucie Walker, produce manager; Phally Chen, assistant produce manager; and Tim Stullenberger, produce associate.

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nati, Kroger was dealing with the aftermath of several tornadoes that had touched down in the Greater Cincinnati area. According to director of external corporate communications, Keith Dailey, teams were put into place to evaluate community needs and work to provide non-perishable donations to victims.

All divisions offer grassroots fundraising opportunities. Kroger empowers its customers to choose where the money will go, allowing a percentage of their grocery spending to be credited toward organizations tied to their interests. "It's all returned to local communities, elementary schools, food pantries, girl scouts, soccer teams, and it's very meaningful," says Ausdenmoore. Overall, these efforts raise about \$40 million annually.

Locally Grown

In addition to reaching out to local charities to support Kroger's many communities, the corporation also sees its engagement with local farmers as part of its sustainability mission.

"We're all touching sustainability these days," says Carl York, public affairs leader for the Mid-Atlantic marketing area, which comprises all Kroger stores primarily in North Carolina, parts of South Carolina and West Virginia. "The whole locally grown business for us is about supporting farmers and helping neighbors, especially in a tough economy."

"Promoting local resonates well with our customers, builds loyalty and we get the added bump of sustaining the community," he says. "How great it is for our own associates, who are so proud that we carry local products? There is something magical about that kind of involvement. Sometimes that gets overlooked," he continues.

"Produce is our crown jewel, and nothing says fresh better than local produce. At the same time, we're not interested in partnering just to partner. It has to be great quality at a great price, and we make sure product is within a certain area, tells a story and is meaningful to the shopper. After all, in our business

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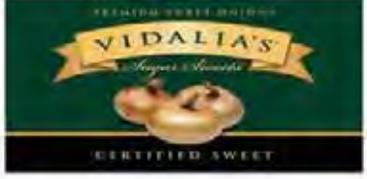
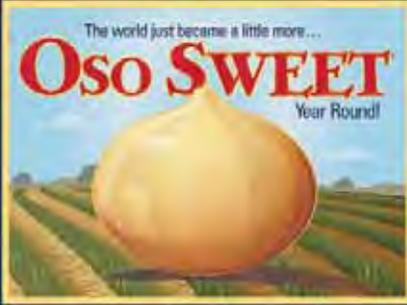
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it comes down to what sells," he says, noting customer anticipation each year in Virginia during the holidays, when families come to Kroger to pick out their locally grown Christmas trees from eye-catching displays. "Virginia customers remember that."

"When we do customer surveys, we get high marks for buying local," says Gary Huddleston, public affairs leader in Dallas, TX, for Kroger's Southwest marketing area, including Texas and Louisiana. "Our customers embrace it and realize product is fresher because it gets to the store quicker and should improve the price as well," he contends.

"Especially for a large company like Kroger, we make sure that we're more localized in the community," Huddleston says, noting that partnering with state agriculture departments on promotional programs is a great way for Kroger to show that it supports local growers and farmers.

In Texas, for example, "we have a relationship with Texas Department of Agriculture Commissioner Todd Staples, who has a staff that travels the state visiting retailers encouraging them to buy Texas produce and then providing marketing materials, camera-ready art and logos," he explains. Kroger obliges, filling shelves with Texas produce based on availability, including grapefruit, cantaloupe, onions, mushrooms and blueberries, he says, pointing out that the Buy Texas program has expanded dramatically throughout the state, in no small part due to Kroger's participation.

"Our customers love local and we love local, but it's a challenge when you operate hundreds of stores to make sure that you've got all the systems and the execution right," says Marmer. Kroger capitalizes on balancing centralized procurement while enabling both store-level and regional buying.

"Store-level buying does exist; it's just not something that can be done in isolation," she emphasizes. "We've got expert merchandisers in local markets, who are able to say, 'Hey, there's a great beet farmer here,' or 'This local tomato grower will have enough supply.'"

In some instances, Kroger collaborates with farmers to build a program, which could involve training on growing practices and help in meeting the food safety prerequisites and certifications. Regardless of size or circumstances, "you can't be exempted from any food safety requirements," Marmer emphasizes.

Consumers clamor for Olathe corn from Colorado. "We work with those suppliers and do our best to try to have enough Olathe corn to sell not only inside of Colorado, but also in other markets," she says.

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PHOTO BY MARTY WHITACRE

Kroger's store associates were recently joined by energy, engineering and operations executives to showcase environmental and sustainability measures as well as perishables department accomplishments at the Loveland store. From left to right are: Bill Hunt, assistant customer service manager; Cathy Hignite, floral manager; Kathleen Armstrong, Starbucks manager; Denis George, energy manager; Tanya Wilhite, store management; Jason Hensley, produce manager; Keith Oliver, VP facility engineering; Micky Beagle, deli manager; Karen Jones, deli clerk; Carl Bosse, retail operations; Lori Jones, associate produce manager.

Companies have created all kinds of definitions for what constitutes "local," yet Kroger is less preoccupied with a standardized definition, but rather appealing to its customers' expectations, which differ based on geography and demographics, according to Nate Shepley-Streed, who was recently promoted to a sustainability-specific role, working to ensure that Kroger's Corporate Brand initiatives are in alignment with Kroger's larger sustainability commitments. (In Kroger's journey to build its sustainability platform and accelerate progress, the company also recently named Susanne Lindsay as its first director of sustainability.)

Kroger fosters an environment where its associates feel part of the process and that their input is valued. A quintessential exam-

ple is the Cultural Council. A diverse group of employees representing different positions and aspects of the company come together and act as a sounding board for what's going on and provide feedback, direction and guidance. From senior executives to merchandisers to entry-level employees, the membership rotates to stimulate varied viewpoints and provides a really great leadership opportunity, explains Ausdenmoore.

Beyond Charity

Marmer points out that beyond PDP's humanitarian attributes, the program also saves \$1.2 million in waste expense by not throwing away edible product. In efforts to reduce waste, Kroger walks the line on what's desirable with what's feasible. In many cases, a decision has

to be made in the backroom of a store to determine whether a product can be donated or composted. The trick about composting, Marmer continues, is putting it in the context of the whole supply chain, separating out the compostable from the non-compostable, and who has the infrastructure to take that and do something with it.

"Actually, we're going to try and pilot composting in every division and see where it makes the most sense to scale it down across multiple stores," says Streed. Much depends on finding local composting companies that can take that on, assessing transportation miles and fees and where it makes the most financial sense, he adds.

"Discussing labor issues [and their relationship to the subject of composting], we came up



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Taking it to the Store...

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Visiting Kroger's Cincinnati, OH, headquarters, one might expect this mammoth supermarket conglomerate to brandish an attention-wielding flagship store with an engraved plaque indicating it is a Leadership in Energy and Environmental Design (LEED)-certified store. But that wouldn't fit in the spirit of Kroger's philosophy to sustainable development. The firm actually takes a decidedly unpretentious approach, coming at sustainability from the social side, a community-centric, charity-rich platform at the core.

It's not that Kroger rejects LEED attributes — many of its stores incorporate sophisticated initiatives that exceed the LEED checklist. In fact, Kroger has many multifaceted, yet targeted strategies to reduce energy and carbon footprint, slash waste, and switch to eco-friendly products, explains Carl Bosse, expense, sanitation and sus-

tainability manager for Kroger's retail operations. He, along with Keith Oliver, vice president of facility engineering, and Denis George, energy manager, were on the scene during a trip to Kroger's Harper's Point and Loveland stores in the suburbs of Cincinnati to highlight accomplishments and share innovative on-going research to increase efficiencies.

Kroger's engineering, logistical and technology-savvy feats underlie a broader sustainability policy and guiding principle intimately tied to the community it serves.

"This year, we are elevating the engagement of our division, embracing our customers and associates," says Terry Coughlin, store manager of the Harper's Point store, in Montgomery, OH.

"Two years ago, Kroger razed and rebuilt the Harper's Point location, doubling square footage

to 106,000-square-feet, the largest conventional store we have in the enterprise," he says. Employees mirror the multi-ethnic and religious makeup of the community. "They speak the languages and live the cultures, helping me to better understand our customers," says Coughlin, noting a vibrant Jewish community and pointing out that one of the largest Catholic churches graces the neighborhood. "We also have a sizable population of Asians and Middle Eastern customers as well as a pocket of Russian immigrants. We have a pulse on the community."

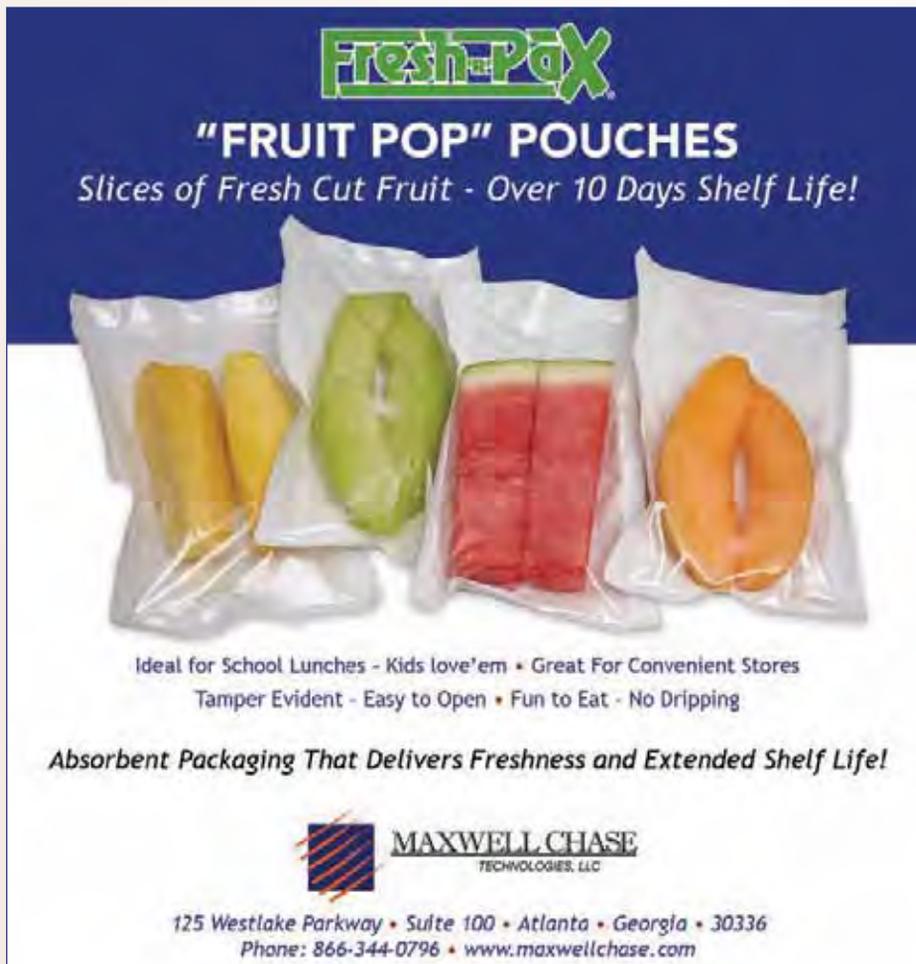
That pulse can be felt shaking up a robust produce department, where customized product selection, promotions and merchandising tap into community needs. "We're on an 'Extreme Program.' Whatever items are available, we'll order," says Coughlin, adding, "The focus is perishables, a

with the three-second rule," says Ted Julian, senior manager of corporate expense/sanitation/sustainability. If it takes the associate more than three seconds to prepare a product for

composting, it doesn't make sense.

It's a mindset, he continues. "In our industry, it's pennies, not dollars, but pennies add up real fast extrapolating across 2,400 stores. Sus-

tainability has become a buzzword tagged on to a title, but we're the guys in the trenches, going to the landfills, charged with finding ways to take costs out of the business. We'd love to



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trend we're going to see escalate."

"Based on customer feedback, we didn't carry enough organic," he explains of the dramatically re-merchandised produce department, where dominant organic displays welcome shoppers.

First To React

While Kroger runs a strong centralized procurement operation, it prides itself on creating an infrastructure that allows flexibility at the store level to capitalize on local buying opportunities to support grower communities while connecting to customers. "We do as much local produce and floral as we can. I'm friends with Danny Grant of Grant Farm and Greenhouse, located 15 minutes away from here [in Williamsburg, OH]. He can get ears of corn freshly picked at 8am and delivered to the store by 2pm that day," says Coughlin, adding, "We're not taking corn from the backyard; he's a professional farmer and the quality is outstanding. Local product is encouraged and endorsed from our merchandising team, and food

safety is paramount," he emphasizes. "Our customers want home-grown, and there is nothing fresher than that."

Environmentally Friendly

While the store's diverse product selection and employee enthusiasm invite community engagement, the physical plant itself is a work in progress to achieve sustainable benchmarks. "[Ample] use of skylights have become a huge deal for us," says Oliver. "Our lights will sync on and off depending on how sunny it is outside," adds George, noting, "On a nice day, we don't even need them."

The Loveland store added solar panels last year. While highly efficient, George explains, they only account for three percent of the total energy usage. Solar will remain a niche investment based on numerous factors, including federal and state incentives. "Will we put solar in every store some day? Probably not," he says.

Other sustainability initiatives are sure bets. Kroger is transitioning to LED lighting across store

banners for significant energy savings. "When converting tracks to LED, we have to be careful we get it right for merchandising," says George. LED spotlights well positioned in the produce department can put the emphasis where needed, according to Jason Hensley, produce manager of the Loveland store, located in Miami Township. Other energy savers include motion sensors and automated systems for turning lights on and off, and re-engineered refrigeration.

Kroger's nationwide composting initiative translates differently on a store-by-store basis. "Out of 190 stores in our division, 34 are now composting," says Bosse. Extrapolating the impact, the plan is to increase participation to 75 percent of stores. If product can't be sold, Kroger's first priority is donating food when possible through the Perishable Donations Partnership (PDP), Bosse continues, and then to recycling non-food products and composting. "Our goal is to help our communities and send as little product to landfills as we can," says Bosse.

be doing composting everywhere, but the infrastructure is not there yet."

In the same way, while the firm has dabbled in LEED-certified stores at the Fred Meyer

chain in Oregon, Kroger has not found the payback that it feels is necessary to justify the cost of LEED certification. "We've made a personal choice as a company to more likely pursue an

Energy Star certificate," says Marmar.

Streed adds, "In some cases, if you look at our EPA certificate, we would meet those LEED requirements when comparing carbon



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Introducing Joe Miskimins, Kroger's Vice President Of Produce And Floral

In honoring Kroger for its progressive sustainability initiatives, we were captivated by Kroger's perishable donations partnership (PDP), symbolic for many reasons: notably the company-wide engagement; the powerful impact for people in need; and the scalable nature of a community-centric program. Exploring the impact of PDP on Kroger's produce department, we contacted Joe Miskimins, a 32-year Kroger veteran who recently replaced Reggie Griffin and now leads the company's vision and strategy for the produce and floral departments.

CONDUCTED BY MIRA SLOTT

PRODUCE BUSINESS: Could you share with our readers how produce is being incorporated into PDP?

Joe Miskimins: To start with, PDP is a great program. Our first inclination is that we want to sell product. If that doesn't work, it goes to those in need through PDP, a critical and far-reaching social cause. If someone can use it to help stave off hunger, we feel good about that.

PB: What challenges particular to produce do you face in executing the program?

Miskimins: It's best to look at the logistics piece of that as both a challenge and opportunity for us. Produce is a highly perishable product, but if there's a food bank right down the road and good logistics, we can make it happen. In the same way, if the distance to the food bank, church or other charitable organization presents obstacles or there are other operational issues, we need to partner to overcome them.

Meat you can freeze and use another day, but you can't do that with produce. In many cases, perishable products designated for the food bank can be shipped to the warehouse. Produce, however, is normally picked up from the store and doesn't go back to the warehouse.

The distance thing is what we worry about. Produce items differ on shelf-life and levels of perishability. Some produce categories gear themselves more easily to PDP. A potato, for instance, has product attributes

to withstand various elements and hold quality longer, while berries and soft foods are more sensitive, highly perishable and go bad quickly.

Much depends on how sophisticated the food bank and warehouse operations are; how far away is it, and whether they have proper trucking, logistics and refrigeration.

PB: Does Kroger work with food banks and other charitable organizations that are not set up properly to handle produce donations? How does Kroger handle issues of food safety? Could you elaborate on how a program of this scale and magnitude becomes implemented across so many banners covering such a diverse nationwide landscape?

Miskimins: In many ways, it comes down to the individual store. There are pockets of the country where the program is more developed. We keep food safety standards a priority and requirements remain uncompromised. Some success depends on how frequent the pickup, and environment makes a difference. For example, is the area highly populated or not?

PB: How far along is the produce portion of the Perishable Donations Partnership? Out of the total 41 million pounds of food Kroger donated last year through the program, what percentage of that was produce-related items?

Miskimins: We have no number,

but we're continuing to grow. It depends on how sophisticated we can get, how engaged we become as a company, how our associates — I call them ambassadors — help build the program.

From an operational strength basis, we have a conditioning program and culling program to make sure we're offering the best products to our consumer, or they are pulled off and put in a markdown program or in a different bin for PDP.

PB: Does composting play a role here as well?

Miskimins: The composting is not done straight through produce; it's something we are doing in some divisions and testing. Much depends on the capacity of the community we're in. In California, there are plenty of places to compost, and companies that will take it.

It's a new process for our associates. Both composting and the Perishable Donations Program are novel experiences for our associates, but ones they're really

anxious and excited to run. We go to stores and they want to help. The younger associates are enthusiastic, and many of our long-term associates know we've been getting rid of food for years and now we can use it to feed the hungry. It gives people such an important cause to rally behind.

PB: In a broader sense, a reoccurring theme throughout our visit to Kroger was the concept of community engagement, both internally and within the markets you serve. How does this mantra relate to produce? Could you comment on sustainability programs such as zero waste initiatives in the context of produce?

Miskimins: Engagement is important. You don't move an organization like this without engaging your associates or customers. It must work at the corporate level and divisionally down to the individual store. I wouldn't use that phrasing of "zero waste." We



Joe Miskimins

are not there yet. Some places in California are easier in regards to sustainability. There are a lot of programs we're working through to reduce waste. I can talk about goals and objectives in produce, to load all trucks to full capacity. For years we'd have trucks half full. Be sure we're not wasteful of energy, and increase use of Returnable Plastic Containers (RPCs). RPCs have been around for awhile, and we've meddled in it a little bit. As we move forward, RPCs will be a stronger initiative.

PB: How and why? What percentage of produce is shipped via RPCs? Are you considering using RPCs on the retail floor?

Miskimins: We're looking at options of merchandising with RPCs in stores. We have several pilots going on, along with refrigerated cases. We're testing it. We ship roughly 18 to 19 percent of produce in RPCs currently. Obviously, we're talking about eliminating cardboard waste. It's a returnable container, so there are a lot of advantages from a social aspect. Also, our goal is delivering fresher product to our consumers and we see RPCs as a tool in that mission.

PB: How important is locally grown produce and how is the concept of local being pursued within the produce department? What are some of the key challenges and opportunities in this area? Do you have any vignettes that you could share with our readers about your experiences with local farmers?

Miskimins: Local is huge. I'll tell you that. Consumers are asking for it and our job is always to react to consumers. We're identifying more farmers and suppliers. We try to partner with states; Michigan for blueberries, Olathe corn is a big deal for us, Vidalia onions out of Georgia, to name a few.

We feel we're only at the tip of

the iceberg on what local will mean to Kroger in the future. We want fresh product, and local resonates with our customers. Local is dear to my heart. It goes back to the engagement piece. I've been in Seattle for the past two years, enjoying the local produce and relishing that northwest flavor. If you read and see what's going on around us, younger generations want to eat healthfully, and they connect fresh and local with that.

PB: Do you face unique issues when procuring local produce? For example, is it more complex to ensure food safety controls? Do you partner with local farmers to create special deals, etc.?

Miskimins: Food safety is always an issue with local farmers. We need to get boots on the ground to determine specs, packing options, how much they can supply, etc. Maybe they can supply 30 stores in Dayton, Ohio, or Nashville, Tennessee, and it means us giving them solid commitments.

PB: How does organic produce fit within the mix? Is there an initiative in Kroger's produce department to increase organic SKUs?

Miskimins: I can tell you organic is extremely important. Are we growing organic? The answer is, absolutely. One initiative is to continue to boost the category. It's one of the fastest growing categories in the produce department. We need to continue to look at individual stores and expand varieties. Increasing SKUs is part of our objective to grow the organic selection we offer our consumers.

I would tell you if we have eight or 12 feet of organic in a store, we'll probably have 20 feet in the future. We're going to be an organic destination. We're still going to highlight conventional and build our multicultural initiative moving forward. You have to serve the communities.

PB: Let's revisit the theme of community engagement... you expound on this multicultural initiative? Does this involve customizing produce selection, merchandising and marketing based on store locations? Does the employee makeup match those varying customer bases?

Miskimins: We have to know our customers in any given market. We do a lot of consumer research. Diversity is very true. It's hitting right in my sweet spot saying multicultural. We have different educational programs, but most times associates know their customers, what they buy year in and year out. Our job is making sure we get the right product selection at the right times and at the right price.

PB: Kroger is a huge corporation. Often, independent stores contrast their customization and flexibility to big conglomerates mired in layers of bureaucracy and centralized, cookie-cutter buying. Kroger is a mammoth organization, yet seems to have an independent store mentality in many ways.

Miskimins: I've been in this company 32 years, and I can attest to the fact that most stores are viewed as individual units because the consumer looks at their store as a local store. They don't see a big corporation. Each of our individual stores helps meet the needs in that area, but as a big company, we have to be sure we're leveraging that.

PB: By leveraging, are you saying that Kroger can capitalize on the benefits that a large, sophisticated buying organization can realize, such as economies of scale, a wider supplier base, financial resources for research studies, etc.?

Miskimins: We do have the best of both worlds being able to do some things with scale and

also remain community-based. We have a produce buying organization — Wesco Foods — that we manage from here. Our buying operation is comprised of a very talented group of individuals. The divisions know they can call Wesco and get what they need.

We can react to local markets very well, and Wesco is very intertwined to respond. If someone calls at the last minute, I have four loads that just came in, we can react to that, and take advantage of local deals and market shifts if we choose.

PB: I understand you have a floral background. Would you like to comment about floral and its sustainability efforts, recycling, etc.?

Miskimins: Our floral initiatives are in line with produce operations. Whether it's recycling buckets or composting, we're taking the same avenues in floral as in produce. Our floral group attends the same meetings. Sustainability strategies are aligned, staying true to Kroger's core values.

PB: What most inspires you about Kroger and the produce department in the context of future sustainability goals? Do you have any insight you could provide industry executives as Kroger looks to reach new plateaus in sustainability?

Miskimins: I would tell you for me, it's the people that bring me back. I wake up and want to come to work. To be in the produce arena and experience the change of seasons, the colors, the challenges of the perishability side, it really motivates me. I love to go to the stores and talk to produce managers and floral managers. That's where I learn things. They're telling me what the customers want, and it is constantly evolving and changing. We are driven on data, but we have to remember to listen to the customer.



PHOTO BY MARTY WHITACRE

Kroger's Harper's Point produce department offers customized product selection, promotions and merchandising that tap into its community needs.

footprint and water usage, but Kroger sacrifices the marketing image that accompanies that LEED aura."

Some things make sense everywhere with new technologies, such as installing LED lights. "If you have a capital budget that's a very large one, as we do, that budget has competition for new stores, technology, all kinds of things, including more sustainable or alternative energy sources, so you have to pick and choose," Marmer reasons.

"We shouldn't be the tail wagging the dog," says John Winkels, senior director of logistics engineering and network strategy, emphasizing the need to step out of your silo and think about the whole picture. "There's often a healthy tension when weighing the alternatives. For example, deliveries every other day might be

much more efficient, but we think that everyday deliveries are the right answer."

It isn't hard to get people excited about working on sustainability projects; even the guy on the forklift feels invested. "And Kroger employees are not shy about holding us accountable on sustainability," says Winkel.

Turning to the company's annual sustainability report, David Dillon, chairman and CEO, touts some astronomical energy and waste-reduction figures and lofty goals:

- Since 2000, the company has reduced overall energy consumption by 30 percent.
- In 2010, Kroger stores and manufacturing and distribution facilities recycled more than 1.2 billion pounds of corrugated cardboard and paper.
- In 2010, through better bagging tech-

niques and increased sales of reusable bags, Kroger saved more than 159 million plastic bags, more than 35 percent of the way to its goal of saving a billion bags by 2014.

- With a collective transportation fleet logging in over 295 million miles from distribution centers to stores, Kroger improved its fleet efficiency by 8 percent in 2010, compared to 2009. (Its goal is to improve fleet efficiency by 40 percent by 2012.)

Kroger is not shrinking violet on business-savvy strategies, and executives are well aware of the dramatic cost savings sustainability measures can generate. For Kroger, those numbers are at times mind-boggling. Weighing costs/benefits, Kroger's priorities will always remain true to its founding principles, grounded in social sustainability. **pb**

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Better identification of locally grown products can increase each state's sales.

State Departments Of Agriculture Capitalize On Popularity Of Locally Grown Trend

Ahead of their time, state ag marketing programs continue their push to represent locally grown products at retail. **BY CAROL M. BAREUTHER, RD**

Locally grown produce is hotter than ever, even surpassing consumers' desire for organic. In fact, 52 percent of consumers surveyed reported that it's more important to them to purchase local produce than organic options, according to data from Mintel's *Global New Products Database*, released March 21, 2012. Farmers, like chefs, are now taking the spotlight on the celebrity food stage. The appeal for local agriculture is giving way to new and renewed interest in State Department of Agriculture marketing programs.

Al Murray, assistant secretary of the Trenton-based New Jersey Department of Agriculture (NJDA), describes the importance of the local food trend: "Twenty-eight years ago when we first launched Jersey Fresh, retailers jumped onboard, which was the key reason for the program's success. But because our season runs from April to mid-November, we had a tough time re-introducing ourselves the next season. Compounding this challenge was the slew of retail consolidations in the late 90s and

early 2000s, which resulted in a number of West Coast-based buyers with a preference for West Coast produce. Flash-forward, and in spite of the downturn in the economy and budget cuts, it's consumer interest in locally grown produce that is helping us carry our message. Retailers today can't afford not to sell local produce."

Locally Grown Movement A Boost For States

There's a great deal of momentum behind the local movement, agrees Richard De Los Santos, state marketing coordinator for horticulture, produce and forestry for the Austin-based Texas Department of Agriculture (TDA). "According to a consumer study performed by the University of Texas, 81 percent of respondents stated they are likely to purchase local products over similar products grown elsewhere," he reports. "Additionally, 97 percent perceived the quality of Texas goods as superior or of equal quality to similar non-Texas products. This is why the TDA's Go Texan

program is so beneficial to consumers — it helps them identify which products are local."

The ability of consumers to find local products at their neighborhood supermarket is crucial. Martin Eubanks, senior marketing specialist for the Columbia-based South Carolina Department of Agriculture (SCDA), remarks, "According to research we conducted in 2011, 90 percent of respondents said they were interested in purchasing local products. However, 70 percent said they couldn't identify local products in store, yet 83 percent said they would shop at a venue where local products were readily identifiable. This means better identification can increase sales. Retailers in our state fully understand this and incorporate our Certified SC Grown logo as an identification strategy."

Most state department of agriculture marketing programs employ a distinctive logo. These annual advertising initiatives invest a lot of time, energy and resources in growing consumer awareness of the state's brand identity. Wendy Lee White, marketing specialist for

PIGGY WIGGLY PROMOTES CERTIFIED SC GROWN

Piggly Wiggly Carolina Company, a 100-plus-store chain headquartered in Charleston, SC, and Certified SC Grown retail partner, has worked with the South Carolina Department of Agriculture for over 25 years. Stan Ahl, director of produce, adds, “We’ve done so even more in the last 10 to 15 years. Our customers’ interest in state-grown and -produced products has grown tremendously.”

In-store signage points out local fruits and vegetables. Ahl and his staff take it one step further by identifying a specific place or farmer where the product was sourced. “For example,” says Ahl, “John’s Island tomatoes are a favorite every summer. There is a peach grower in the northeastern part of the state whose peaches we’ve been promoting for years. Customers will come in and ask when the McBee peaches are coming in, just like they do the tomatoes. To say ‘local’ is one thing, to put a name to it multiplies the success. That’s because it identifies a specific quality and consistency.”

Ahl makes sure his staff can match a name to a face and a place. “Once a year we take our produce managers on farm tours,” he says. “Then, when a customer asks ‘How are the bell peppers?’ the manager can answer with what he saw at the farm a week or two before.”

Piggly Wiggly stores in South Carolina make an even bigger splash with local produce each year by hosting a farmer’s market each spring and fall. These farmer’s markets have even attracted the state’s commissioner of agriculture who has made guest visits. The markets might be held inside or outside, depending on the particular store’s location and weather. “We’ll put the local product in a designated container and sell by the basket rather than by the pound,” details Ahl. “Customers can even mix and match, for example, put beans and potatoes in their basket. For small families and individuals, we’ll also sell fruits and vegetables by the each. That way, everyone can join in the fun and buy.”

pb

the Lakewood-based Colorado Department of Agriculture (CDA), remarks, “Awareness of the Colorado Proud logo has soared. According to our most recent research, 76 percent of consumers are very or somewhat familiar with the Colorado Proud logo, which is up from 68 percent in 2010 and 59 percent in 2008. Of those surveyed, 84 percent indicated that they buy at least some Colorado products when shopping, and 58 percent look for the logo more often now when shopping than they did before.”

The popularity of locally grown produce has spurred several retailers to start their own signature local programs. Yet, many who do this continue to work with state agricultural programs because of the powerful brand identity of the state’s logo. Dan Sleep, development representative supervisor for the Tallahassee-based Florida Department of Agriculture and Consumer Services (FDACS), shares, “We’ve had remarkable success in bringing Florida agricultural production awareness and availability to an array of retail partners throughout Florida. For example, you can see Fresh from Florida logos on an assortment of products in Publix stores. Sweetbay also features Fresh from Florida products often in its circular advertising. Harvey’s literally redesigned its stores, at its own expense, to feature a wide assortment of Fresh from Florida signage. The fact that major chains have incorporated the logo into their displays is a sign that the logo itself has sales lift merit. No one does signage at their own expense unless it is far more valuable than the cost.”

More Than A Logo

State agricultural marketing and promotion programs offer more than just a logo.

“According to research we conducted in 2011, 90 percent of respondents said they were interested in purchasing local products. However, 70 percent said they couldn’t identify local products in store, yet 83 percent said they would shop at a venue where local products were readily identifiable. This means better identification can increase sales. Retailers in our state fully understand this and incorporate our Certified SC Grown logo as an identification strategy.”

— Martin Eubanks, South Carolina Department of Agriculture

They are multifaceted and will be even more so in the coming year, as several programs expand in a variety of ways. “For example,” the NJDA’s Murray says, “We’ve seen what Jersey Fresh has done to boost produce sales and are expanding the Jersey Grown program to include nursery products such as pansies, hyacinths, daffodils and mums. These items will now carry a special POS tag identifying them as state-grown.”

North Carolina, Texas and Idaho continue to expand their marketing methods as well. Leah Clark, trade specialist and program manager for the Boise-based Idaho Department of Agriculture’s (IDA) Idaho Preferred program, shares, “We’ll be using more social media, such as Facebook, to let customers know what products are in store. For example, we’ll post that Idaho-grown peaches or cherries are available this week at Paul’s Markets.”

The TDA’s De Los Santos adds, “We’ll be working this year with the Texas Vegetable

Association and the Texas Watermelon Association to air a series of television commercials promoting watermelons and vegetables. Additionally, we will coordinate grocery store demonstrations to help consumers identify Go Texan fruit and vegetables.”

In addition to a strong retail presence, Jeff Thomas, marketing specialist for the Raleigh-based North Carolina Department of Agriculture and Consumer Services (NCDACS) says, “We’ll be continuing to reach out in different ways and in unconventional places. This includes sports marketing and a continuation of our Got To Be NC Ag Jam, where visitors can sample state-grown products such as cut watermelon, sweet potato fries and roasted corn.”

Other states, such as Colorado, California and Georgia, are branching out in a variety of ways. The CDA’s White notes, “Due to budget restrictions, our advertising efforts have always focused on the summer months when fresh



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SWEETBAY PROMOTES FRESH FROM FLORIDA

Customers have an easy time identifying Florida-grown produce at Sweetbay Supermarkets, headquartered in Tampa, FL. Some 20 to 30 state-grown fruits and vegetables are spotlighted with bright green “Florida-grown” sign toppers at point-of-sale. Some items, such as strawberries and cauliflower, are even more greatly highlighted via a 2- by 3-ft. poster that sits on an easel next to the product. In addition, ad circulars feature a photo of the local fruit or vegetable on price promotion as well as the Florida Grown logo.

Kevin Hurley, manager of produce merchandising at Sweetbay, says, “We’ll work with folks from the Florida Department of Agriculture at the beginning of the season to get a calendar of availability and anticipated peak production times. We’ll also visit local farms and talk with the growers directly. We’ll utilize this information when writing our ads. Then, we’ll stay in touch with both the Department of Agriculture and specific suppliers for any weather-related changes in availability throughout Florida’s eight- to 10-month season. The Department of Agriculture also offers incentives to promote the state’s produce.”

Sweetbay’s produce staff goes beyond simply carrying local product and advertising it to hosting special events in-store. These events include display contests for items such as tomatoes and strawberries. “The display contests raise awareness and add excitement,” says

Hurley. “Our produce managers can get really creative.”

Other produce items targeted for big promotions are corn, blueberries and peaches. For example, Sweetbay ran its Corn Crazy promotion last May, which featured truckload-size displays either in the store’s front lobby or outside on the front sidewalk as well as roadside billboard signs letting customers know about the promotion. Florida blueberries are spotlighted in-store with photos of the farmers. The state’s blueberries are available in a unique marketing window between Chilean imports and domestic fruit from Georgia.

“We’ve received accolades for our Florida sweet peach program, as well,” says Hurley. “These peaches are relatively new, commercially available in the last four to five years, and are available for about six weeks once imports are done and before other East Coast states come in. We’ll build satellite displays with large posters that focus on the grower, and offer sampling demos.”

The effort to source and sell Florida-grown produce is worth it, says Hurley. “When several of the Florida tonnage items are available at the same time, items like lettuce, tomatoes, strawberries, melons, celery, broccoli, cauliflower, cucumbers, citrus, peppers, eggplant, cabbage, radishes, beans and squash, it will certainly add up to 40 percent and possibly higher of our total produce department sales.” **pb**

produce is available. In 2012, we’ll be promoting Colorado Proud products year-round in the hope of increasing awareness of the Colorado Proud program and expanding sales of local products.”

The Buy California Marketing Agreement (BCMA) is in the middle of a strategy-planning process, according to Kasey Cronquist, chairman of the board of the Santa Barbara, CA-based organization. “We are looking at what’s next for California Grown,” he says. “In other words, we want to know how we can best leverage our brand across the country and how this will fit in the minds of consumers. California supplies U.S.-grown produce to much of the nation year-round, often when other state’s production is dormant.”

Matthew Kulinski, director of markets for the Atlanta-based Georgia Department of

Agriculture (GDA), describes the all-new Georgia Grown program. “While Georgia Grown has been around for roughly 12 years, the program was re-launched in January and it covers all agricultural products produced in Georgia,” he explains. “We are currently working to inform growers and producers of the new program, and we are planning a late summer/early fall coordination meeting with food retailers to coordinate a major 2013 retail campaign for Georgia Grown products.”

Behind The Scenes

Logos and marketing efforts are very visible, yet state agricultural personnel work behind the scenes in a number of ways in order to help retailers source state-grown product. Thomas of NCDACS says, “It’s all about introducing people and building relationships

around good, fresh, local food.”

“One-on-one meetings with category buyers start this process for us each year,” says the FDACS’ Sleep. “In these meetings, you can introduce products that do not necessarily come to mind when retailers are sourcing. We’re, of course, best known for our citrus. But Florida has a wide level of production in strawberries that many just weren’t aware of when supplies came into the market from December to March. We’ve successfully brought this information into the retail sector and witnessed significant sales expansion over the years.”

Idaho Preferred’s Clarke sets up vendor meetings between Idaho’s farmers and retailers. “These are chain-specific,” she notes. “For example, last year we did this with Wal-Mart. Farmers had an hour where they were able to talk one-on-one, make a connection and find out what it takes to be a Wal-Mart vendor. This is huge, especially for small farmers who otherwise might find it hard to get their foot in the door. Most recently, I set up an appointment for 25 of our growers to meet with the buyer from Whole Foods. This national chain is opening a store in Boise at the end of 2012 or early 2013, and this will change our retail landscape.”

Farm tours are something that the SCDA orchestrates. Eubanks says, “We’ll either set up tours with farms a retailer is already doing business with, or we’ll put together a tour for retailers of three or four farms that provide the commodity they are looking to source.”

Trade shows are another venue for match-making between farmers and retailers. Tammy Algood, marketing specialist for the Nashville-based Tennessee Department of Agriculture, explains, “This year, we’ll hold our Pick Tennessee Trade Show in conjunction with the Tennessee Grocer’s Association. Several hundred buyers attend this show. It will be a one-stop shop for Tennessee products.”

Similarly, the CDA’s Colorado Proud was represented at the Associated Food Stores annual trade show last June. White provided the retailers’ buyers with a list of Colorado-grown and processed products as well as the address of the Colorado MarketMaker website, which is promoted as a one-stop-shop for Colorado products.

The Value

The economic impact of selling a locally grown program that includes fresh produce is huge for retailers and states alike. For example, when two Albertsons stores in Idaho hosted a traveling farmer’s market that displayed local produce and used Idaho Preferred POS, sales

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SAFeway FEATURES COLORADO PROUD FARMER'S IN-STORE

Colorado represents the state with the third largest number of stores of the Pleasanton, CA-based Safeway Inc., or 141 of the chain's 1,694 stores. It's no wonder then that Safeway has partnered with the Colorado Department of Agriculture's Colorado Proud campaign since the program started in 1999. Safeway has done so in a number of ways. One is to hold news conferences in-store at the beginning of the season to increase customers' awareness of locally grown products. Another

is to produce and run 30- and 60- second television spots on Denver's NBC affiliate that shows local growers in the field and then their product in a Safeway store. These are filmed and played throughout the season.

According to Kris Staaf, regional director of public affairs and government relations for Safeway Inc., in Denver, CO, "One particularly popular partnership is our Meet the Grower days. We'll set up an area in a handful of stores on a Friday and Saturday and

increased on displayed local items between 13 and 170 percent, according to the IDA.

In Texas, the message, "Look for Texas produce at your favorite retail grocery store and ask for it at your favorite restaurant," was shared with more than 2 million television viewers. In addition, promotions indirectly

impacted sales at more than 3,500 retail grocery stores and 150 Texas restaurants. TDA's De Los Santos says, "Based on reports submitted by the participating retail grocery stores, the range of increase in sales of Texas vegetables was between 65 percent and 1,263 percent for an average of 228 percent."

The economic, environmental and public health benefits of consumers buying more Georgia-grown produce are astounding. According to GDA's Kulinski, "A May, 2010, a University of Georgia *Local Food Impact* study found that if Georgia households devoted \$10 per week of their total food dollars —



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invite a dozen farmers. The farmers are stationed next to displays of their products. Imagine customers come in to shop and are able to meet the farmer that grew the product they just placed in their cart. It's fun, exciting and sets us apart."

Even when farmers aren't in store, customers can see where and who grew their food by way of an in-store poster that depicts a map of the state and location of specific farms.

Before the season begins, Safeway's produce staff will meet with the Colorado Department of Agriculture staff as well as visit

farms and farmers. This is something the chain's produce executives have done long before Colorado Proud began. "There are some farmers with whom we have had a 20- to 30- and even 60-year relationship," says Staaf.

Today, Safeway's Colorado stores will source and sell over 100 SKUs of fresh fruits and vegetables in over 20 produce categories. This translates into a lot of produce, or as Staaf says, "We sell about 10 million pounds annually of Colorado produce in our stores." **pb**

purchased from any source — to locally grown products, it could mean more than \$1.94 billion food dollars reinvested back into the state."

The FDACS' Sleep offers some impressive numbers. "Upon examining our marketing impact, from 2001 to 2004, cash receipts of the

products we primarily focus on, such as vegetables, watermelon, berries and potatoes, began to recover on a fairly steady path," he says. "During those four years, Florida cash receipts of the items identified averaged \$1.63 billion. As the program expanded with more stores and more store ads, we experienced a quantum

shift in sales from 2005-2008 to \$1.83 billion, and during the past three years we averaged \$1.93 billion. This last figure represents a \$300 million dollar per year difference from the beginning of the decade. That's the direction we hope we can continue to assist our industry stay on." **pb**

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Ripened Fruit Programs: Challenges And Opportunities

While many retailers worry about an increase in shrink, a properly implemented ripened fruit program can bring big rings to registers. **CAROL M. BAREUTHER, RD**

If you want to sell fruit, make sure it's ripe. Sounds too simple to be true? Consider three points. First, suppliers' concern over fruit making it through the distribution channel and retailers' fear of shrink can put unripe fruit on the shelf. However, Jim Weber, produce supervisor at Econo Foods, a 12-store chain based in Brillion, WI, counters, "Consumers would rather pay \$1.48 or \$1.68 for ripe fruit than 99-cents for fruit that's rock-hard."

Secondly, many shoppers don't know how to pick ripe fruit, especially in those varieties that don't change color. And third, today's customers aren't content to wait a week to allow fruit to ripen on their windowsills. Raul Gallegos, director of produce and floral for Bristol Farms, a 13-store chain based in Carson, CA, knows, "Customers want to buy fruit at the peak of ripeness and flavor. They want to buy fruit for today or tomorrow."

Yet selling ripe fruit isn't as simple as turning on a light switch. Nonetheless, it's a process that when done right can not only increase sales, but serve as a retailer's profitable point of differentiation and competitive advantage.

Why The Hype About Ripe?

"Fruit is an impulse purchase, and customers like to look, touch, and if it's ready to eat they'll buy," says Dennis Kihlstadius, CEO of Bemidji, MN-based Produce Technical Services.

There's no doubt ripe fruit sells. Gallegos recalls, "Last week, I visited one of our stores and there were only green bananas on the shelf. All the yellow ones were sold. That was a pretty potent indicator that customers want ripe fruit."

This same scenario holds true for tree fruit. Weber notes, "Not only do consumers want a soft peach or nectarine they can eat in a day or two, but the aroma is a real selling feature. By selling fruit that is ripe, we've increased tree fruit sales by 15 to 20 percent."

"According to a study commissioned by the now defunct California Tree Fruit Agreement (CTFA)," says Dovey Plain, marketing coordinator for Reedley, CA-based Family Tree Farms Marketing LLC, "91 percent of customers surveyed stated that they would buy more peaches and nectarines if the fruit on display was 'firm' or 'firm with a little give.' Note that 'firm' is

not the same as 'hard.' 'Hard' was also a choice in the survey and 'hard' fruit caused most to respond that they would 'buy less.' In addition, in a qualitative study conducted by the CTFA, consumers who had a 'bad' stone fruit purchase assumed they didn't know how to pick out good fruit, threw it away, and waited two to three weeks before attempting to purchase again."

"Rather than a program or process, the tree fruit industry is moving toward the development of better varieties that are less susceptible to internal breakdown," shares Steve Kenfield, vice president of marketing and business development for the Kingsburg, CA-based The HMC Group Marketing Inc.

"Avocados are another fruit customers like to buy and eat right away," maintains Econo Foods Weber.

Jan DeLyser, vice president of marketing for the Irvine-based California Avocado Commission (CAC), says, "The demand for preconditioned fruit has continued to grow each year and in every region of the country. Retailers across the nation that have adopted a ripe program have seen a monthly lift in sales, with an average sales increase of 11 percent



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“Four or five years ago, we started a ripe avocado program with Mission Produce and our avocado sales more than doubled.... Then, last year, we started a preconditioned pear program with Rainier... Sales in the pear category increased 25 percent.”

— Terry Romp, Heinen's Inc.

during the first year. Research also shows that 77 percent of shoppers purchasing avocados plan to eat them within 48 hours of purchase.”

Ripeness is the biggest hurdle to increasing sales of pears, especially Anjou pears that don't change color when ripe. Kevin Moffitt, president and CEO of the Milwaukie, OR-based Pear Bureau Northwest (PBN), acknowledges, “Customers get confused. They eat what they believe is a sweet juicy piece of fruit and are disappointed when it doesn't deliver, or they ignore pears altogether because they haven't had a good experience. For this reason, we estimate that 35 percent of the Anjous out of the Pacific Northwest are now being preconditioned.”

Indeed, according to a 2002 study commissioned by the PBN, stores carrying conditioned

Anjou pears saw a 16 percent increase in sales over control stores selling non-conditioned Anjous. “In addition,” says Suzanne Wolter, director of marketing for the Rainier Fruit Co., in Selah, WA, “retailers undertaking a conditioned pear program have reported average sales increases of 24 to 50 percent in the first year. More significantly than the first year, research shows that consumers are willing to pay more for conditioned pears.”

Do Your Ripe Program Right

A good example of a retailer doing ripe right is Heinen's Inc., a 17-store chain based in Cleveland, OH. Produce buyer, Terry Romp, shares, “Four or five years ago, we started a ripe avocado program with Mission Produce and

our avocado sales more than doubled. Next, we went to our California stone fruit grower and asked him to take the pressure even further, from 12 to eight pounds. We told him we would still accept the fruit if it didn't work out, but it did. We found sales of peaches and nectarines increased 60 percent. Shrink did increase from 4 to 8 percent, but compared to the 60 percent lift, we think that's pretty good. Then, last year, we started a preconditioned pear program with Rainier. We decided to do it on the Anjous. Sales in the pear category increased 25 percent.”

Success at Heinen's came from abandoning the same old techniques and implementing something new. Romp explains, “It took education for both our associates and our customers. For example, we sampled the fruit out to our customers, who were used to rock-hard fruit they'd have to wait 10 days to eat.”

Romp continues, “We had to merchandise the fruit a different way. Because the preconditioned fruit can bruise more easily, we used bruise buster pads, didn't pile the fruit high and replenished the displays more often. Previously, we put the pears in the same refrigerated case, but with more of a bulk look piled four to seven deep. We don't do the high-piled look anymore.”

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SHRINK YOUR SHRINK

Shrink can actually decrease — not increase — in a ripe program. However, there are a few key practices that are crucial for success. First, don't be afraid to order ripe fruit. David Byrne, the vice president of sales at Thermal Technologies, based in Blythewood, SC, explains, "Bananas at a color 5 that are mostly yellow with green tips release half as much heat as those at a color 3. The greater heat in the color 3 fruit can actually make it deteriorate faster."

Second, be sure to order ripe fruit in the right type of packaging. Jim Weber, produce supervisor at Econo Foods, a 12-store chain based in Brillion, WI, says, "We order our tree-ripe peaches and nectarines in single layer boxes to prevent bruising."

Third, plan to order more frequently. Bill Tarleton, director of marketing and communications for Mission Produce Inc., in Oxnard, CA, advises, "Don't keep a huge supply of avocados in your back room. Instead, set up just-in-time or deliveries three to four times per week."

Fourth, it's important to educate personnel about proper fruit handling practices to minimize any damage, especially in the backroom, suggests Dionysios Christou, vice president of marketing at Coral Gables, FL-based Del Monte Fresh Produce N.A. Inc. "Then, when displaying ripe fruit, retailers should consider placing additional padding in shelves or displaying fruit in single layers to prevent fruit from bruising," he details.

"Rotation is crucial," adds Roger Pepperl, marketing director at Stemilt Growers LLC, in Wenatchee, WA, as a fifth best practice. "Be sure to put ripe fruit on the top of the display and turn the

display often."

"Sixth, prevent shrink caused by customers squeezing the fruit by instituting and maintaining a consistent ripe program at all stores to drive consumer confidence, taste expectations and repeat purchase behavior," says Suzanne Wolter, director of marketing for the Rainier Fruit Co., in Selah, WA.

Jan DeLyser, vice president of marketing for the Irvine-based California Avocado Commission (CAC), agrees. "Retailers have told us that their shrink has been reduced by as much as 50 percent when they switched to a dedicated ripe program. These shrink decreases stem from consumers not squeezing the fruit as much when looking for a ripe avocado."

Seventh and finally, one of the biggest challenges is communicating to consumers the fruit is ripe. At Bristol Farms, a 13-store chain based in Carson, CA, Raul Gallegos, director of produce and floral, describes how he accomplishes this in two ways: "We use ripe stickers for melons, pears and avocados. Bananas don't need them since customers can recognize the color change. In addition, we'll often segregate ripe fruit in a separate area of the same display, for example, ripe avocados on one side and firm on the other, so customers don't have to dig through."

Wolter sums it up: "Education of store personnel, advertising to launch the program, store sampling, location within the department and signage for consumers to indicate pears are ripe, juicy and flavorful are key components for executing a successful ripe fruit program." **pb**

In addition to education, sampling and new display techniques, signage plays an important role as well. "We used signage to let our customers know we had ripe pears," adds Romp. Specifically, we used the words 'tree ripe.' Even though it's not exactly accurate, it's something simple that customers can understand. We thought if we started getting into the science of ripening it might scare them off."

There are many different routes for retailers to offer their customers ripe fruit, and it's certainly not a one-size-fits-all approach. Some retailers request this service of their grower/shipper suppliers or wholesalers, while

others do it themselves. For example, Raley's ripens its own pears and avocados; Wal-Mart takes care of its pears, bananas and avocados; and HEB ripens its stone fruit, melons, avocados and bananas. It all depends on who has the facilities, technology and trained personnel.

David Byrne, the vice president of sales at Thermal Technologies, based in Blythewood, SC, says, "Advances in ripening room technology over the past decade have really been in the area of fine-tuning. For example, efficiency in temperature, humidity and ethylene control are at the forefront. However, the human element is still important. Someone has to

evaluate the condition of the fruit on arrival and monitor its progress."

Once the fruit is at the desired pressure, it's important to keep it there. Dave Biswell, president and CEO of Selma, CA-based Ethylene Control Inc., says, "We make products that control ethylene gas to reduce ripening. These products can be used in everything from sea containers, reefer trucks and walk-ins to individual boxes of produce."

Global producers, marketers and distributors such as Del Monte Fresh Produce and Dole Fresh Fruit have brought innovative ripening advancements to the market in the past few years. Bil Goldfield, communication manager for Dole Fresh Fruit Co., in Westlake Village, CA, reveals, "Dole has developed a program called Ethylene Release Canister (ERC) Container Ripening. Through the ERC technology, we can supply ripened bananas — color stage 2.5 to 3 — delivered to the customer's door, in the same container in which they were originally packed at the farm. The canister's internal valve releases compressed ethylene gas from a magazine containing multiple ERCs at a controlled rate for adjustable periods of time from one to seven days," he explains. "This time-release system provides for starting the ripening cycle on board a ship or on the road, in time to deliver directly to the customer. The revolutionary technology allows for the reduction in potential handling damage caused by ripening."

At the shelf level, Dole's FreshPack is a chemical-free system for controlling the banana-ripening process and is designed to eliminate the millions of pounds of spoiled bananas discarded annually in the United States. Goldfield explains, "The system features a specially designed, two-pouch banana bag with micro-perforations that significantly slows the ripening process by reducing the concentration of oxygen and increasing the level of carbon dioxide. Consumers can open one side of the bag and save the other side for future consumption. Each sealed pouch is sized to fit a hand of bananas, or four to five pieces of fruit. FreshPack keeps bananas fresh up to six days longer, and has the potential to increase banana consumption."

Similarly, Coral Gables, FL-based Del Monte Fresh Produce N.A. Inc., offers its proprietary Controlled Ripening Technology (CRT) packaging. Dionysios Christou, vice president of marketing, explains, "The CRT bags extend the shelf-life of products by up to three days and improves produce appearance and quality due to less handling and moisture retention. Benefits also include labor saving, fewer deliveries and reduced shrink." **pb**



PHOTO COURTESY OF WCCPF
PHOTO AT RIGHT COURTESY OF SEALD-SWEET INTERNATIONAL LLC



There is great growth potential in the imported summer citrus category, as it complements the domestic season.

Add New Sales With Summer Citrus

A growing variety of citrus products from Southern Hemisphere sources helps liven up summer profits. **BY JODEAN ROBBINS**

Summer citrus products from Southern Hemisphere countries promise added sales for the produce department. “Retailers should be very aware of the existence of summer fruit,” says Dick Rissman, produce director with Dahl’s Food Stores, an upscale independent chain with 13 stores, based in Des Moines, IA. “A little work is worth it because it generates extra sales. In most cases, they are sales you weren’t getting before.”

“We have found that citrus in the summer does not cannibalize traditional summer produce items,” agrees Paul Marier, senior vice president of sales and marketing for Fisher Capespan, headquartered in Gloucester City, NJ. “For many retailers, the Southern Hemisphere citrus is just add-on sales.”

“Summer citrus is a solid category with strong consumer demand and a continued source of increased revenue,” asserts Mayda Sotomayor, CEO of Vero Beach, FL-based Seald-Sweet International LLC.

Consumers and producers alike continue to increase the potential of summer citrus. Suhanra Conradie, CEO of the Western Cape

Citrus Producers Forum (WCCPF) in Citrusdal, South Africa, points out, “As more fruit enters the market, it continues to be well received. Consumers are accustomed to having summer citrus as an option.”

“There is still huge potential for growth because orchards are continually being renewed and new plantings are happening with the introduction of new cultivars,” adds Miles Fraser-Jones, vice president of operations for AMC Direct Inc., in Glassboro, NJ. “This makes the business more sustainable.”

Megan Schulz, West Coast business development manager for the Giumarra Companies, located in Los Angeles, CA, maintains, “We are seeing potential for growth with this category because it peaks during the North American summer and complements the domestic citrus season. For example, we have seen good growth with our Meyer lemons from New Zealand.”

Quality Counts

Quality, visible fruit is a foundation for added sales. “Quality matters greatly,” advises Paul Kneeland, vice president of produce and floral for Kings Super Markets in Parsippany,

NJ, with 24 Kings and 6 Balducci’s stores. “Domestically, we take great pains to ensure quality and flavor so our customers get that great taste experience. The same should be true for the import summer program.”

“Our ongoing commitment to ship only the best fruit has helped importers and retailers become even more reliant on our products,” says Conradie.

Southern Hemisphere citrus is available during the summer months and is contra-seasonal to U.S. production. “The window starts when California Navels finish in late June/early July and closes when the California Navel season starts in late October or early November,” explains Mark Hanks, vice president of North American sales and marketing for DNE World Fruit Sales, headquartered in Fort Pierce, FL. “A wide variety of citrus is available from Australia, South Africa, Chile and Peru between June and October.”

“Clementines and Mandarins start the season from Chile, South Africa and Peru,” adds Sotomayor. “We transition into Navel oranges from South Africa and Chile, and Minneolas from Peru, then finish with Chilean and South African late Navels and

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PHOTO COURTESY OF AMC DIRECT INC.

finally Midnight oranges from South Africa.”

“This year we expect increased volumes to arrive to the U.S.,” reports Fisher Capespan’s Marier. “The biggest opportunities are with bags that offer consumers an easy option while giving the retailer a high ring. Many retailers are experimenting with bags in secondary display bins to create more opportunities. We also see an increase in bag size as retailers experiment with 5- and 8-lb. bags of Navels.”

Fun With Variety

Stores can up the fun of summer citrus by focusing on different varieties. “Clementines have become a weekly shopping list item,” states Marier. “Clementine growth has been phenomenal this year with the California crop, and we expect it will carry over to summer imports as consumers continue their established buying patterns. Our recommended best practice is to stay in the same size bag year-round on Clementines.”

“We’ve seen Clementines and smaller-sized orange varieties become incredibly popular, especially as snack items for kids,” agrees Giumarra’s Schulz.

Newer varieties are making inroads as well. “We have carried the Midnights three years in a row and it’s really growing,” says Kings’ Kneeland. “Fruit quality is getting better every year.”

The Minneola is another category targeted for expansion this year. “Our Category Best Practices studies have determined that Minneolas are a great impulse item,” reports Linda Cunningham, director of sales and marketing and national account manager for

Alliance International, headquartered in Bakersfield, CA, a partnership owned by Fisher Capespan and Anthony Vineyards. “Because Minnies arrive after stores are reset for summer plan-o-grams, they often don’t have a home on the stands. Our data shows retailers who establish space to display them when they arrive in July have great movement

“Many retailers just stick it in as replacement product for the California crop but they overlook opportunity. It’s a whole different item with potential for sales if highlighted.”

— Paul Kneeland, Kings Super Markets

right through September.”

Grapefruit from South Africa may provide possible growth as well. “We have tested grapefruit for the past few years and we’re excited to bring in marketable volumes this year,” states Cunningham. “South Africa fills a gap for Eastern retailers when Florida and Texas are not shipping. South Africa’s Star Ruby is deep red, with a nice clean thin skin. It sold exceedingly well in test retailers the past two years.”

Touting the freshness and benefits of the products will draw customers. “Southern Hemisphere citrus is an exciting opportunity to display fresh fruit on the shelves when domestic harvest has been completed,” says AMC’s Fraser-Jones. “A marketing campaign should focus on fresh, imported product with exceptional eating quality.”

“There are some good shippers doing a great job with quality and flavor,” states Dahl’s Rissman. “Citrus can get lost in the summer because everyone is focused on melons and

grapes, but it’s a product stores should be getting out in front of consumers.”

A Visible Category

Treating summer citrus as a star and not an understudy yields great results. “Don’t let summer citrus get lost in the shuffle,” emphasizes Rissman.

“Many retailers just stick it in as replacement product for the California crop, but they overlook opportunity,” adds Kneeland. “It’s a whole different item with potential for sales if highlighted. The flavor profile fits well with the summer season and hot weather. It doesn’t take much to influence consumers to buy it, like incorporating citrus into summer themes or cross-merchandising with other summer fruit items.”

Kim Flores, marketing manager for Seald-Sweet, explains, “Summer citrus was once considered a source to fill a product availability gap but over the past decade, the numbers have proven it to be a solid category and respectable source of revenue. Retailers have grown to recognize its value.”

“Citrus should be viewed as a complete category to be maintained year-round to meet consumers’ needs,” adds Giumarra’s Schulz. “Use citrus from the Southern

Hemisphere to strengthen the category and underscore it during the summer.”

Research commissioned by Australia in the United States indicates consumers have a neutral or positive view of Southern Hemisphere citrus. “As yet, consumers show no preference for specific countries of origin as long as price and quality are overall favorable,” reports Judith Damiani, CEO of Citrus Australia Limited, based in Mildura, Victoria, Australia. “Even those not familiar with Southern Hemisphere citrus tended to display positive opinions based on their experiences with other categories of imported fruits and vegetables. There is a great opportunity for Australia to drive more sales by differentiating itself as a distinctive supplier through promotion and consumer education.”

“Creating an inviting shopping environment while grabbing consumers’ attention and providing them with product information including health benefits, storage and usage will leverage sales and generate repeat buyers,” says DNE’s Hanks.

THEY'VE GOT YOU COVERED

A wide variety of citrus products are now available all summer long from various Southern Hemisphere sources.

CLEMENTINES

Chile: Mid-May through early September

South Africa: Mid-June through August

LATE SEASON MANDARINS

Australia: Late September through October

Chile and South Africa: September through October

NAVELS

South Africa: Late June through Mid-September

Australia: June through Mid-October

Chile: July through October

CARA CARA NAVELS

South Africa: Mid-July through August

Australia: August through Mid-September

MINNEOLAS

Australia: July through September

Peru: Mid-July through September

MIDKNIGHTS

South Africa: Mid-September through Mid-November

DAISY MANDARINS

Australia: Early July through September

BLOOD ORANGES

Australia: Late August through September

GRAPEFRUIT

South Africa: June through September

MEYER LEMONS

New Zealand: May through September

Suppliers are looking to tailor programs to help increase produce visibility. “We listen to what the category managers and chains have and need, and then we adapt our offerings to what works within their store and corporate policies,” reports Conradie of the WCCPF. “For example, if our multi-page recipe brochure is a better fit in a smaller card-sized

“As yet, consumers show no preference for specific countries of origin as long as price and quality are overall favorable. Even those not familiar with Southern Hemisphere citrus tended to display positive opinions based on their experiences with other categories of imported fruits and vegetables.”

— Judith Damiani, Citrus Australia Limited

option, we provide it in that format. It is never our plan to define and dictate which of our offerings buyers must incorporate, but rather, our preference is to create something specific to their need.”

Get The Word Out

The greater the communication with customers, the greater the sales. “Anytime you run citrus on ad it’s a positive experience,” advises Rissman of Dahl’s.

“Advertising and creating more in-store displays will draw customers, even though shelf-space is difficult during the summer due to more traditional summer fruit,” says AMC’s Fraser-Jones.

Volume and variety allow for easy advertising. “The traditional retail ad moves fruit, and because we plan so far in advance, we can often commit early for ads,” says Fisher Capespan’s Marier.

“There are enough citrus varieties to have a different feature every week,” explains Hanks. “Retailers who promote citrus with weekly ads, colorful displays, offer bags and in-store sampling during peak flavor periods have successful programs and grow their citrus sales.”

In-store communication is another important tool. “Our research tells us that American consumers make their fruit purchase decisions on the basis of real or perceived health benefits,” reveals Damiani. “Having made that initial decision, they then tend to look at price and in-store promotions. However, their value perception tends to justify cost if the quality is consistent and demonstrable.”

“If the goal is to generate interest for a new or interesting variety, sampling and demos are helpful,” reports Giumarra’s Schulz. “To educate consumers about the product and/or growing regions, POS materials and recipe cards can help accomplish this.”

The South African industry has created

menu options showing consumers how to use citrus in meals. Conradie explains, “We would like retailers to utilize various POS options, such as QR codes on signage, so consumers can learn immediately how to use the citrus at home. Allowing expanded POS options would be beneficial to sales for the retail outlet.”

Sampling is an effective way to engage customers. “Enticing customers to sample fruit before purchasing helps boost sales,” says DNE’s Hanks. “Studies show that 84 percent of people say they remember the product received during sampling, and 42 percent have a more favorable impression of the product after tasting it.”

“We encourage retailers to do a sampling program,” says Cunningham of Alliance International. “We have successfully paired sampling with meet-the-grower opportunities. The growers love to visit the states and meet consumers in the stores.”

“Sampling encourages flexibility with people who already buy in the category,” adds Kings’ Kneeland. “They’ll buy more.”

Greater interaction and discussion with consumers is beneficial. Citrus Australia’s Damiani recalls, “We have had success with hosting citrus growers in-store. It gives them a chance to tell the story behind the product.”

Seald-Sweet’s Flores says, “Our growers attend in-store product demonstrations to educate consumers on products, growing practices and the uniqueness of the country of origin.”

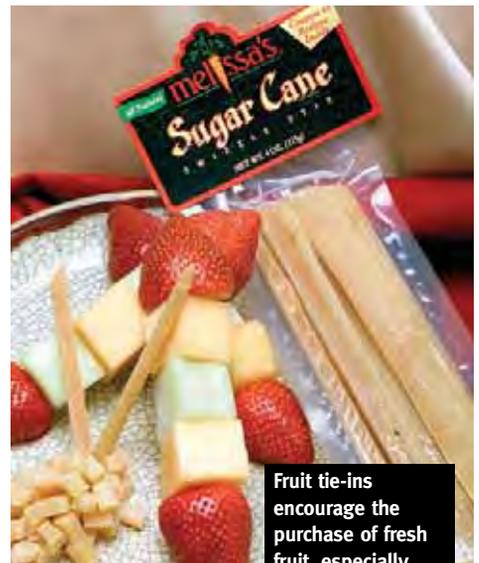
“Consumers want to know where their food comes from,” adds WCCPF’s Conradie. “We have seen positive results with point-of-sale sampling and grower visits.”

Look for peak production times to get the best internal flavor and ideal promotion. “For Clementines, this is in July,” says Seald-Sweet’s Sotomayor. “Navels are in late July to August, and late-season Mandarins in September have exceptional quality with great flavor.”

pb



PHOTO ABOVE COURTESY OF SACO FOODS INC.
PHOTO AT RIGHT COURTESY OF MELISSA'S WORLD VARIETY PRODUCE INC.



Fruit tie-ins encourage the purchase of fresh fruit, especially when displayed alongside their produce pairs.

Let Fruit Tie-Ins Maximize Your Produce Sales

Complementary non-produce items can boost category sales with proper placement and POS. **COMPILED BY JENNIFER KRAMER**

While it's a given fact that smart merchandising, plenty of signage, sampling and consumer education will help boost produce sales, there's another way to increase rings from fresh fruit. Many produce marketers also sell complementary products, such as crepes, caramel dips, dessert sauces, sugarcane sticks, smoothie mixes and more. While they may be small in stature, they are powerful produce compatriots that provide meal solutions and new usage ideas to consumers.

PRODUCE BUSINESS spoke with some of the experts in the field to determine how best to use these fruit tie-ins in the produce department, including Mary Beth Cowardin, senior marketing manager - produce dips, and Carla Laylin, group marketing manager - Marzetti produce dressings and toppings, at T. Marzetti Co., in Columbus, OH; Hazel Kelly, promotions manager for Frieda's Inc., in Los Alamitos, CA; Samantha McCaul, marketing assistant at Concord Foods, in Brockton, MA; Tony Sanna, director of marketing at Saco Foods Inc., in Middleton, WI; and Robert Schueller, director of public relations for Melissa's World Variety Produce Inc., in Vernon, CA.

How does your product enhance the sale of fruit?

Cowardin/Laylin: Marzetti's dips are great additions to a variety of fruits, such as apples paired with Marzetti's Caramel Dip. Offering consumers at-shelf coupons that encourage combined fruit and dip purchases helps to drive fruit sales.

Kelly: Frieda's French Style Crêpes are an excellent fruit tie-in item, especially during peak berry season. Consumers love to enjoy Frieda's Crêpes with Nutella (a shelf-stable chocolate-hazelnut spread) and bananas, another excellent tie-in.

Another great fruit-tie in item is Frieda's Sugar Cane Swizzle Sticks. These are pre-peeled, thin strips of natural sugar cane vacuum sealed in a shelf-stable package. Swizzle Sticks are an excellent garnish for drinks like iced tea, mojitos and tropical smoothies, and shoppers like to purchase them for special occasions, such as tropical-themed parties and entertaining.

McCaul: Concord Foods' Smoothie Mixes require consumers to add fresh fruit. So, retailers will sell fruit with every smoothie mix purchased. For example, Concord Foods' Strawberry Smoothie Mix

requires 1 cup of fresh strawberries. Additional flavors available include Banana, Chocolate Banana, Orange, Pineapple and Mango. When consumers see our products in the stores, they are immediately reminded of additional uses for fresh fruit, thereby increasing the sales of fresh fruit. This is a great way for consumers to add fresh fruit to their diets!

Sanna: This spring, Dolci Frutta will be celebrating its 24th year in the produce department, and it has grown to be the produce department's No. 2 strawberry tie-in item, according to the corporate produce buyer of one of the country's largest retailers. During the early and late seasons when strawberry prices are high, Dolci Frutta can spur sales by making a few strawberries into an



PHOTO COURTESY OF T. MARZETTI CO



PHOTO COURTESY OF FRIEDA'S INC.

extraordinary treat. Through the peak months of March through June, however, berries are flush, prices drop and promotions abound, which is all in for naught if consumers can't find a variety of ways to serve them. This is why tie-ins are so important to strawberry sales, and easy, too! The big berry displays of summer are built on the unrefrigerated real estate of flat tables and open cases, ideal for all of the tie-in items that suggest new ways for the consumer to consume more fruit.

Schueller: It's the classic peanut butter-and-jelly marketing. If you merchandise our items that tie in with fresh produce, sales will increase because you just gave the consumer a meal solution. For example, our Melissa's brand Sugar Cane Swizzle Stixs are used for various reasons throughout the year, during grilling season in place of a kabob skewer, or in a Mojito drink for celebratory occasions, such as New Year's. Placing the Swizzle Stixs near the fruit, such as pineapple, melons and berries, will clue consumers in to using them for grilling the fruit, or even as a fondue dipper.

Where do you recommend displaying your product?

Cowardin/Laylin: For our fruit dips and caramel dips, we recommend displaying our products in close proximity to fruits such as apples, strawberries, grapes and bananas. During the fall season in particular, we display the Marzetti Caramel Dip with apples to further encourage purchase.

Kelly: We recommend that retailers display the crêpes in their refrigerated berry case for impulse sales. The eye-catching packaging features an image of crêpes with fresh strawberries, providing shoppers with a quick and delicious serving idea. Frieda's French Styles Crêpes are also a shelf-stable item, so they can easily be cross-merchandised with any produce item, from apples to bananas and beyond. Another idea is to display the crêpes with apple during the

fall, as Frieda's also has a simple Apple Pie Crêpe recipe.

The swizzle sticks are a hot seller in tropical fruit displays during Memorial Day and graduation party season.

McCaul: To increase sales of fruit and Concord Foods' Smoothie Mixes, we highly recommend that retailers display the smoothie mixes adjacent to the produce/fruit companion item. For example, display Concord Foods' Banana Smoothie Mix on the banana table. This is where consumers look for our products. Adjacency is the key; the sales of the relevant fresh fruit item and the Concord Foods products increase three-fold if the items are displayed together. Position is the most important issue to focus on regarding merchandising our items.

“Concord Foods’ Smoothie Mixes require consumers to add fresh fruit. So, retailers will sell fruit with every smoothie mix purchased. For example, Concord Foods’ Strawberry Smoothie Mix requires 1 cup of fresh strawberries.”

— Samantha McCaul, Concord Foods

Sanna: Dolci Frutta is made to be displayed with the strawberries. Its microwavable canister, similar in size to a pint of berries, fits easily into any strawberry display. In addition to a 12-pack case, Dolci Frutta comes in a unique 72-count

shipper. Inside are six “berry flats” of Dolci Frutta that can be used with the shipper base as a floor display, or easily stacked next to the strawberry flats for an instant, low maintenance tie-in.

Schueller: As previously mentioned, it makes sense to place our Swizzle Stix near the grilling items and fruit during grilling season, which runs from May to early September. During the late fall and winter months, it's a better idea to merchandise them near the fresh mint, to cue consumers into using them in Mojitos.

Another product of ours that works well in the produce department is our crepes and dessert sauces. These are a natural fit with berries. Generally, one might think of shortcakes and angel foods cake to use with berries, but these items turn what could be a healthful dessert into something fattening. Offer consumers a more healthful choice by merchandising our crepes and dessert sauces near the berries and bananas. Holidays such as Valentine's Day, Memorial Day,



PHOTO COURTESY OF CONCORD FOODS

Mother's Day and the Fourth of July are perfect times to highlight this product, most of which fall in the peak of berry season.

How much space should be allocated for the display of your product?

Cowardin/Laylin: Products should be easily visible and have adequate spacing that allows consumers to conveniently find the items they need.

Kelly: Frieda's Crêpes are sold in attractive, ready-to-display purple boxes with 12 packages. One or two boxes are a great addition to the berry case for stores with limited space. For stores with ample floor space, Frieda's offers a French Style Crêpe Shipper display case, which comes pre-loaded with four cases of Crêpes. The Crêpe Shipper is a hot item with retailers during Valentine's Day, Easter, Mother's Day and Memorial Day. Some retailers also choose to display Frieda's Crêpes packages individually on clip strips that hang below or alongside the berry case.

McCaul: Retailers want to maximize their display space to sell as much produce as possible. With that in mind, Concord Foods offers some great merchandising displays for retailers, such as 18-unit cases, 144-unit display shippers and spinner racks. These attractive displays were designed for produce departments. We also custom-design fixtures if retailers require us to do so.

Sanna: Feedback from several of our high-volume customers suggests that in a horizontal display of strawberries, where the Dolci Frutta is stacked behind the berries, they plan for the Dolci Frutta to extend about half the width of the strawberry display. However, unlike

the grocery department where product facings are assigned and evenly spaced, the produce department is home to some of the most creative people in the grocery store. Strawberry displays can vary so much in size, shape and configuration that it is really up to the produce manager as to how he works the ancillary items into the whole. As a guess, however, I would say 15 to 20 percent of the display, maybe a bit more. While the purpose of the display is to sell strawberries, the purpose of the tie-ins is to sell more strawberries, and not to forget, these are non-perishable goods that carry perishable margins, and that can be a real profit-booster.

Schuller: Retail shelf-space changes with the seasons, but the great thing about these products is that they don't take up too much room, and can be nestled right it to the fresh produce items they complement.

How important is POS recipes, signage, etc., to marketing the product?

Cowardin/Laylin: Consumers are always looking for new and creative usages ideas, and recipe suggestions when trying new products or trying to reinvent old standbys. Clear signage has been proven to impact sales, and continues to be an integral part of retail promotions and our marketing plans.

Kelly: Frieda's French Style Crêpes are packaged with all the information a consumer might need, including a full recipe printed on the back and an invitation to Frieda's website to find additional recipes and suggestions. So, POS signs are not needed! The crêpe shipper also acts as an attractive POS piece.

McCaul: Collateral is very important for marketing Concord Foods Smoothie Mixes. Our 144-unit shipper display contains attractive signage. The signage helps the Smoothie Mix stand out against the fruit displays.

Sanna: The best answer to this is that our product IS our POS. We have kept the labels and lids of Dolci Frutta as colorful and descriptive of the product uses as possible, which includes

other fresh and dried fruit and nuts from the produce department, as well. What we have found is that in the produce department, product, produce and displays are constantly being worked, reworked, and moved about. It is probably the most active part of the store. Because of this, we've found that POS material can be of a particularly temporary nature. For example, years ago we changed the design of our floor shipper to better reflect this dynamic. Instead of a single assembled unit, we changed to a modular design that can transition from floor to table display in an instant.

Schuller: It's extremely important. Melissa's offers brochures, recipes, detailed packaging (with QR codes on many new packages), various web portals and social media sites to educate our customers. Education is key for increased distribution and forming loyal customers.

pb

“Through the peak months of March through June...berries are flush, prices drop and promotions abound, which is all for naught if consumers can't find a variety of ways to serve them. This is why tie-ins are so important to strawberry sales, and easy, too.”

— Tony Sanna, Saco Foods Inc.

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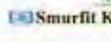
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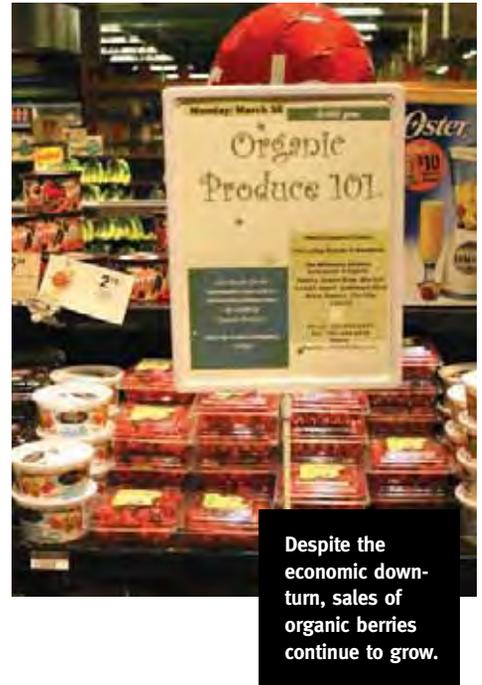
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Organic Berries Continue To Perform

Despite the higher cost and growing challenges, the organic berry segment continues to grow. **BY LISA WHITE**

Even the economic downturn and higher cost have not impacted the growth of organic berry sales. U.S. sales of organic food and beverages have grown from \$1 billion in 1990 to \$26.7 billion in 2010, according to the Organic Trade Association's (OTA) 2011 Organic Industry Survey. Sales in 2010 represented 7.7 percent growth over 2009 sales.

Experiencing the highest growth in sales during 2010 were organic fruits and vegetables, which were up 11.8 percent compared with 2009 sales, according to the OTA survey. As a result, certified organic acreage in the U.S. reached more than 4.8 million acres in 2008, according to the most recent data from the USDA.

Contrary to public opinion, mass-market retailers, including mainstream supermarkets, club/warehouse stores and mass merchandisers, were responsible for 54 percent of organic food sales in 2010, with natural retailers selling 39 percent, the survey reveals.

"The heaviest buyers of organic products are higher income households taking in more than \$70,000 annually," says Chris Christian, vice president of the Watsonville-based California Strawberry Commission (CSC), "They are more likely to be younger and medium-

sized households with three to four family members. These consumers also are more likely to be college graduates and full- or part-time employed professionals living in the city or affluent suburbs.

Berry Category Growth

In terms of organic berries, supermarkets were even more dominant. According to the CSC, 91 percent of organic strawberry purchases are made in traditional supermarkets.

With added attention on food safety, commercial farming has migrated in the direction of organic farming over the past decade. "Integrated pest management is used in both types of farming," says Dan Crowley, sales manager at Watsonville, CA-based Well-Pict Inc. An increasing number of traditional farms is incorporating predator programs and bug vacs, for example.

During the past year, in particular, there has been even more attention on and growth in organic produce, with Americans becoming more confident in the economy and increasing their spending. "About 8 percent of the population today is hard-core organic consumers and the main buyers of these products," reports Brian Bocock, vice president of product management at Naturipe Farms LLC, head-

quartered in Estero, FL. "For the entire berry category, it skews to middle- to upper-income consumers, while the organic segment is upper-income buyers. As the economy improves, we are seeing an overall increase in the organic produce category, including berries."

Impeding the growth of the organic berry category is pricing, which is still significantly more than traditional products. While amounts can vary, depending on the region and product, costs per pound can be as much as 20 to 30 percent more than conventional produce. Yet, the number of organic devotees show no signs of waning. Gary Wishnatzki, president and CEO of Wish Farms, located in Plant City, FL, acknowledges, "Without a doubt, consumers are gravitating toward the organic category. It is a mindset with certain people, but this segment would grow faster if organic pricing was closer to traditional produce."

Consumers who buy organic are worth more because they spend more. "Organic strawberry buyers spend nearly 14 percent more per shopping trip than the average consumer, which is valuable to retailers," Christian of the CSC says. "These shoppers make an average of 84 shopping trips per year, compared to 74 for buyers of traditional strawberries. Plus, when looking at cross-purchasing, organic



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GROWER CHALLENGES

There are a number of challenges with which growers and retailers of organic berries are contending. For example, when growing organic berries, there is a significant loss of production per acre compared with traditional product. “The yield is less, and there are a lot of disease pressures,” says Brian Bocock, vice president of product management at Naturipe Farms LLC, in Estero, FL. “It is very hard to manage organic versus conventional farms, because berries are so perishable. It is difficult to cut yield and deliver a high quality product.”

Also, more money on the grower side is needed to make it worthwhile, since growing costs can be as much as 50 percent more than conventional grow operations. In addition, the yields are much lower, and can be as much as 50 percent less than traditional berries. What adds to the issue is the decreased acreage for growing these products. “Several years ago, mainline retailers decided to get into berries, then pulled out, so the acreage decreased and there weren’t enough organic berries produced for the demand,” recalls Dan Crowley, sales manager at Watsonville, CA-based Well-Pict Inc.

Well-Pict, which has offered organic produce for 15 years in addition to traditional produce, has now increased its organic berry acreage by 10 percent, but it has not been an easy task. “It is a challenge to transition ground to commercial from organic,” Crowley acknowledges. “It takes three years [for land to produce certified-organic produce] and generates much lighter yields that can only be marketed commercially at first.”

Organic growers also are very limited in their arsenal for fighting viruses and insects. This raises the farming costs,

since more labor is typically required. “It is certainly more labor-intensive, requires more hand-weeding and more goes into the cultural practices to maintain an organic field, and yet, the yield is typically less,” says Cindy Jewell, marketing director at California Giant Inc., in Oxnard, CA. “It costs more to grow organic berries, but how much more depends on the grower and region, so we can’t put a number on it.”

Jewell adds, “We have a consistent demand and remain cautious in expanding our acreage to make sure we don’t jeopardize that. It’s a balance to grow enough to meet demand, but not too much where product can’t be sold.”

Along with finding appropriate land, fertility is a big challenge in growing organic berries, especially in Florida. “California probably has better production numbers and cost, but here in Florida, with our weather conditions, we don’t have the same opportunity to produce organically as they do out West,” says Gary Wishnatzki, president and CEO of Wish Farms, located in Plant City, FL. “Even though the demand for these products is growing, organics only comprise less than 5 percent of California’s acreage, and maybe only 2 percent of the acreage in Florida.”

Because it’s not financially feasible to transition conventional strawberry farms to grow organic product, Wish Farms has had to grow its berries on new land. Some of its farms are not yet certified, having only produced two out of the required three years. “We’re not sure how sustainable it will be due to buildups of pests,” admits Wishnatzki. “So even though we are currently growing in organic fields, we’re not sure we can keep them organic. We are trying to figure out ways to make these fields sustainable, but it’s too early in the process to tell if that is realistic.” **pb**

buyers are heavy strawberry buyers in general. These consumers purchase at least seven times per year on average. It’s also important to note that 85 percent of organic buyers also purchase conventional produce.”

Many of those who purchase organic berries are not immune to price increases. “There are those consumers who are die-hard organic buyers and others who mix in these items with conventional produce and buy when they can or when prices go down,” remarks Cindy Jewell,

marketing director at California Giant Inc., in Watsonville, CA.

There is no denying the strong growth in sales of organic strawberries, in particular. The CSC conducted household panel research at the end of last year in partnership with AC Nielsen looking at purchases and household buying. The report revealed that organic strawberries represent about 2 percent of total strawberry purchases, and there was 8 percent growth of household purchasing of these



products. The volume of organic strawberries purchased equates to 14.2 million pounds, compared with 631 million pounds of total strawberries purchased.

“Still, there is an increase in overall household penetration,” Christian recognizes. “Organic strawberries are growing faster than conventional strawberries right now.”

In fact, the growth in most organic berry categories has been steady recently. “The organic berry industry has grown between 2½ and 3 percent annually, and organic strawberries have been stronger than that,” Bocock reveals. “Organic blueberry growth has been very strong as well, surpassing conventional items.”

One downside is organic blackberries, which have not seen the success of strawberries and blueberries. “The demand for these products hasn’t quite been there for the volume being produced,” Bocock says. “However, organic raspberries have been pretty steady.” Naturipe Farms produces strawberries, blackberries, blueberries and raspberries. Blueberries are available 52 weeks a year, while strawberries are offered for about 10½ months. Organic blackberries and raspberries have a tighter window, peaking between June and September.

Marketing And Merchandising Debates

Because of the price markup, retailers don’t typically heavily promote organic berries. “Organics work on a different gross profit margin than conventional products, so the price consumers pay is quite a bit higher,” Wishnatzki says. “Right now, conventional strawberries are three pounds for \$5, compared with organics, which are \$3.99 a pound. These products are not mainstream yet because of cost factors.”

There are differences of opinion on whether organic berries should be integrated with conventional berry displays or warrant



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“Retailers who are most successful are those who merchandise organic strawberries in separate organic sections. This provides differentiation for organic consumers who are looking for these products, and makes it easier to find them when they are in a separate section.”

— Chris Christian, California Strawberry Commission

separate spots within the produce department. It may come down to the store’s location and demographic to determine which method is best. “Marketing depends on the store and individual merchandising plan,”

Naturipe’s Bocock says. “I’ve seen success with stand-alone organic berry sections. This can be a great way to move these products, especially when a store has a strong organic presence in the produce department.”

However, this can also work against the retailer. If a store doesn’t have a strong stand-alone display, it can be difficult competing with conventional produce. When the price difference is substantial, the consumer will be more aware of organic products that are integrated with traditional items. Also, the quality differences will be more apparent when combining these displays.

It’s important to consider the traffic the display will attract, as well. “The better format is to create an island at retail that is side-by-side with traditional berries,” Well-Pict’s Crowley suggests. “Otherwise, you risk isolating organic products when they are segregated.”

Yet some say that those looking to differentiate their departments can bring more attention to organic produce that is segregated. According to the CSC’s Christian, “Retailers who are most successful are those who merchandise organic strawberries in separate organic sections. This provides differentiation for organic consumers who are looking for these products, and makes it easier to find them when they are in a separate section.”

Ultimately, how organic berries are displayed is dependent on what the retailer wants to accomplish. California Giant’s Jewell says, “It comes down to demographics and the retailers knowing what their consumers want.”

Looking ahead, many see more marketing opportunities for organic berries in the future. “As we grow more of these products in the future, retailers will be more willing to conduct organic berry promotions,” Wish Farm’s Wishnatzki says. “Unfortunately, we don’t have the acreage planted in organics right now to accomplish this, but that may change in the future.”

If and when it does, the growth opportunity may lie in upsizing packs during peak production to provide added value for consumers. Bocock explains, “By increasing strawberry packages from one pound to two pounds, growers can increase yields and retailers can provide consumers with better value on these products.”

The future of organic berries looks bright, especially as the economic climate begins to improve and technology advances. “We will figure out how to do a better job controlling diseases with organic products with the use of the latest technology,” Bocock says.

Growers will continue to grab ground to meet the increasing demand for organic berries. “We expect moderate growth and increased supply in the future,” Crowley says. “The challenge will always be to show a profit at the farm level.”

pb



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Sensationally Southern Crops Create A Bountiful Spring

Southern growers embrace their heritage as they look to the future. **BY JULIE COOK RAMIREZ**

The southeastern United States is known for many things, and when you begin ticking off the many wonderful things that can be found there, you can't forget the great array of vegetables. From onions, sweet potatoes and peppers to kale, collards, green beans and eggplant, the South is a veggie lover's delight. So just what is it about the Southeast that makes it so hospitable for producing great vegetables? Is it the climate? The traditions? The growing practices? According to those who know the business best, it's all of the above, and then some.

"A lot of hard work, a lot of dedicated farmers throughout the Southeast, the proximity to a large portion of the U.S. population, and the locally grown push has brought the capability of the Southeast to the forefront," details Ashley Rawl, director of sales and marketing at Pelion, SC-based Walter P. Rawl & Sons Inc.

Freshness is a big draw for southern vegetables as the "buy local" movement continues to spur consumers to seek out produce grown as close to home as possible. Because of the vastly

populated nature of much of the Northeast and Midwest, millions of consumers have the ability to partake of delicious southern produce within hours of harvest. "Generally, our produce can get to market within 24 hours of harvest, so it's not going to be shipped extremely long distances," says Charles Hall, executive director of the LaGrange-based Georgia Fruit and Vegetable Growers Association (GFVGA). "That makes for great, fresh, local product."

For many consumers, the draw of southern vegetables is all about nostalgia. Even if they don't personally have time to cook, the smell and taste of down-home cooking transports them back to childhood when their mothers and grandmothers would slave all day over a hot stove cooking the most delicious meals they'd ever tasted. "As more people become familiar with southern cooking and cuisine, they understand it's a healthful way to cook," says Kevin Hardison, agricultural marketing specialist for the Raleigh-based North Carolina Department of Agriculture. "It's all about filling your plate with fresh fruits and vegetables."

Even though modern technology and aggressive importing now give consumers the opportunity to have just about anything at any time, Brian Rayfield, vice president of sales and marketing at J&J Produce Inc., headquartered in Loxahatchee, FL, believes the desire for nostalgia is bringing consumers back to "old faithful," in other words, southern vegetables. In part, he believes that is because southern vegetables are grown using essentially the same techniques as 60 years ago, which gives them a unique flavor profile that imported "protected agriculture" may not be able to replicate. "People are getting used to greenhouse-grown products coming in from around the world, and while they may look great, I would argue that they may not taste as good as they look," he adds. "There's just something about the natural sun that invokes a great flavor profile."

As they look to eat more nutritious meals, while still retaining that "comfort food" appeal, many consumers are indeed turning to southern vegetables. Their high nutrient value has made a number of southern crops, such as sweet potatoes, beans, cabbage, squash, and most recently, kale, media darlings in the past

NEW CROP DEVELOPMENT MAY BE A GAME-CHANGER

The South has traditionally been known for sweet potatoes, collard greens, black-eyed peas, cabbage, turnips, squash and other “down-home” type vegetables. In recent years, however, southern growers have begun dabbling in vegetables usually found along the West Coast. Broccoli, cauliflower, lettuce, asparagus and other traditionally western vegetables — even items such as celery, Napa cabbage and Bok Choy — are now cropping up in southeastern fields, giving retailers a regionally grown alternative to vegetables shipped cross-country. Not only does that cut down on freight costs, it speaks to those consumers who are concerned with the carbon footprint of their food.

“When you are looking at diesel fuel that’s over \$4 a gallon in a lot of places, it’s certainly had an impact on transportation,” says Martin Eubanks, assistant commissioner of agricultural services for the Columbia-based South Carolina Department of Agriculture. “Distribution is a huge factor in today’s marketplace, along with concerns about the overall carbon footprint, road miles, travel miles, etc. All that plays into the equation wherever we are in the country.”

Growing such vegetables is nothing new for Pelion, SC-based Walter P. Rawl & Sons Inc. The company has been a pioneer in growing traditionally western crops in the South for the past 50 years, according to Ashley Rawl, director of sales and marketing. That includes green onions, cilantro, parsley, beets and leeks, which Rawl says are often classified as western vegetables. More recently, the company has been moving into growing some broccoli, although Rawl admits, “It’s not a huge crop for us.”

Likewise, Raleigh, NC-based L&M Companies Inc. is growing “a fair amount of broccoli from South Florida to Virginia,” according to Bobby Creel, director of business development.

However, not everyone is completely sold on broccoli, cauliflower and similar crops coming out of southern fields. Randy Lineberger, executive vice president at General Produce Inc., at the Atlanta State Farmers Market, in Forest Park, GA, says his company buys “a little bit” of Florida broccoli and cauliflower, but “hardly any iceberg lettuce” because Florida-grown lettuce tends to be more bitter than its California-grown counterpart.

When it comes to growing traditional western veggies in the Southeast, it’s primarily a matter of finding varieties that can thrive in such a drastically different climate. Fortunately, growers have plenty of help when it comes to that endeavor. “The USDA

is getting involved, and is putting some technology and weight behind creating the right varieties to be grown in different geographic regions,” Rawl reports. “That’s going to be a game changer, whether it’s the Southeast, the Mid-Atlantic or the Northeast that becomes better tuned in to the growing environment.”

Even with the right seed in place, there is still work to be done in perfecting one’s growing techniques, according to Brian Rayfield, vice president of sales and marketing at J&J Produce Inc., headquartered in Loxahatchee, FL. “Anytime you try a new crop in a new area, you have to learn how the varieties handle the different climates,” he points out. “It’s humid in the East. It’s dry in the West. There are different rain patterns. You have to learn the dirt, the water and how the varieties handle the different climates.”

Tifton, GA-based Lewis Taylor Farms Inc. experimented with 400 different varieties of broccoli before it was able to identify four strains that would thrive in the southeastern climate, according to president Bill Brim. These days, the crop is doing so well, the company is looking to increase its acreage and look to other traditionally western crops to grow.

When it comes to retailers, the verdict is still out with regard to the quality of traditionally western vegetables grown in the Southeast. Parsippany, NJ-based Kings Supermarkets, a chain of 24 stores, generally sticks to western-grown product, in large part due to quality concerns. “I think growing things in valleys versus on flatlands down South is beneficial to the product,” says Paul Kneeland, vice president of produce and floral.

Eden Prairie, MN-based Supervalu Inc. is more open to southern-grown broccoli, cauliflower and lettuce. Spokesperson Michael Siemienas says the chain sources such products from the South because they are in close proximity to many of its distribution facilities. That allows Supervalu to cut back on the distance such product has to travel to get to its stores. While he is confident that newer seed varieties and improved agricultural practices have “erased much of the advantage that western growers have,” Siemienas still harbors some reservations about Southern growers’ ability to replicate the quality of western-grown product. “In many cases, you cannot beat some of the West Coast areas for sheer growing conditions,” he says. “The southern part of the United States does not typically have the ideal combination of temperatures and weather, so turning out a quality, superior item can be challenging.” **pb**

few years. “We are really seeing some great movement in kale,” says Rawl. “A lot of it has to do with The Food Network and all the health magazines that are talking about kale. It’s gotten pretty big in the juicing communities, too.”

Great Growing Conditions Help

Granted, southern growers wouldn’t have all these great crops to tout were it not for the growing environment. Many southeastern growers speak enthusiastically of the ideal growing conditions of the region — conditions

that lend themselves to producing top-notch vegetables, many of which simply cannot flourish elsewhere. “This is the only place you can grow many of these vegetables during most of the year,” says Rayfield. “In the spring, it’s the most ideal growing conditions — cool when planted, warm when harvested.”

“We grow in hot and humid growing conditions on slightly acidic soils, high in minerals,” says Martin Eubanks, director of marketing at the Columbia-based South Carolina Department of Agriculture. “The natural environment produces a high-quality

eating product.”

It also produces a strong, consistent supply of product, giving retailers more reason to rely on southern growers to provide them with the vegetables consumers have come to expect. That has strengthened the reputation of southern growers. “The entire region is becoming more and more consistent throughout the season,” adds Eubanks. “There’s a longer period, a longer window that retailers have an opportunity to source product of consistent quality, great taste and great value from southern suppliers.”

Fighting Mother Nature

That's not to suggest southern growing conditions are always picture perfect. On the contrary, extreme weather conditions have posed quite a challenge in recent years, as the South has been barraged with hurricanes, extreme temperatures and alternating periods of heavy rainfall and drought. For the most part, such mischief on the part of Mother Nature can be overcome by good old-fashioned southern ingenuity, not to mention a hefty dose of science.

"We've been blessed in that we've had some bad weather, but we've always managed to find ways and means to work with it," says Hardison of the NC Department of Ag. "If it's too rainy, we find a sponge to soak it up; if we have a drought situation, we find alternate sources of water."

This year's excessively warm spring has brought with it additional challenges that may be harder to overcome. Randy Lineberger, executive vice president at General Produce Inc., headquartered at the Atlanta State Farmers Market, in Forest Park, GA, harbors concerns that the early heat wave could lead growers in the Northeastern and Midwestern states to begin planting early, and consequently, steal southern growers' thunder. "If the unseasonably warm weather keeps up, the folks in Ohio and Michigan may plant early, which would cause an overabundance of produce and bring the market down," he worries.

Already, the early heat has led to

"A lot of hard work, a lot of dedicated farmers throughout the Southeast, the proximity to a large portion of the U.S. population, and the locally grown push has brought the capability of the Southeast to the forefront."

— Ashley Rawl, Walter P. Rawl & Sons Inc.

misshaping of peppers and an overabundance of some southern crops, including cabbage and tomatoes, according to Bobby Creel, director of business development at L&M Companies Inc., located in Raleigh, NC.

Other concerns aren't specifically weather-related, but could affect profits nonetheless. Bill Brim, president of Tifton, GA-based Lewis Taylor Farms Inc., says his company is deliberately cutting back on the number of acres dedicated to cantaloupe, following last year's Listeria outbreak. "We don't know how the stores are going to react, given all the problems we had last year," he admits. "We are hoping the consumers will forget about it and go on eating cantaloupe, but we are going to cut back 10 to 15 percent just to make sure."

In-Store Activities

Whether they are dealing with cantaloupe, kale, or anything in between, it falls to retailers to aggressively promote southern vegetables. For many consumers, the very appearance of

such vegetables serves as a harbinger of spring. After a long cold winter, consumers couldn't be happier to buy what is traditionally considered warm-weather vegetables. "Especially when the loose corn starts coming around, it really is a sign of spring," says Paul Kneeland, vice president of produce and floral for Kings Supermarkets, a 24-unit chain, headquartered in Parsippany, NJ. "The grills start coming out and it ties in with everything else we are doing at that time."

According to Kneeland, Kings strives to "tie the commodities together," often creating a farm-stand-type of display containing not only corn, but also yellow and green squash, eggplant and other favorite grilling vegetables. As soon as the weather starts heating up, Kneeland encourages his produce managers to take advantage of spring's arrival and put extra promotional efforts behind Southeastern vegetables. "When we have 80-degree weather coming on, stores are told to use their promo areas and expand on watermelon and corn and everything that's got to do with warm weather," he remarks. "People get excited with the change of seasons. That's the best marketing tool you can have."

As soon as consumers begin doing more outdoor cooking, it can also be beneficial to build outdoor displays of popular picnic and grilling vegetables. "We encourage both our corporate stores and independents to take their departments outdoors as soon as the weather is conducive," says Michael Siemienas, spokesperson at Supervalu Inc., headquartered in Eden Prairie, MN.

That strategy can be especially helpful when taking advantage of spring and summer holidays, such as Easter, Mother's Day, Memorial Day and the Fourth of July. Rayfield of J&J Produce suggests that retailers make commitments with growers as far in advance as possible, reserve ample supplies, build attractive end-cap displays, and utilize ads for extra pull. "Commitments in ads are the best way to have win-win situations where the grower can have guaranteed movement and the retailer can get guaranteed lift," he explains. "While



Yams are experiencing a surge in popularity, thanks to their nutritional content and economic price point.

“The entire region is becoming more and more consistent throughout the season. There’s a longer period, a longer window that retailers have an opportunity to source product of consistent quality, great taste and great value from southern suppliers.”

— Martin Eubanks, South Carolina Department of Agriculture

the growers have to have a certain minimum pricing to make money, it’s a great time to have some aggressive promotions and sell southern vegetables.”

This year, in particular, Creel urges retailers to plan their print ads as early as possible, since crops will be harvested early due to the excessively hot spring. Kneeland and others make a point of calling out vegetables that were grown in nearby states, such as Florida, North Carolina and South Carolina. Increasingly, consumers are attracted to locally or regionally grown produce, leading many northeastern and midwestern retailers to tout the fact that certain vegetables were grown in the Southeast, rather than being shipped all the way from the West Coast. “American consumers have a

desire to know where their food comes from,” says Eubanks of the SC Department of Ag. “There’s a strong emphasis on local foods, and we are seeing that demand increase at the retail level, at roadside markets, even in the foodservice arena.”

The GFVGA believes so strongly in promoting its produce as Georgia-grown, it has worked with the Georgia Department of Agriculture to design a special logo and encourage growers to include it on their products. According to Hall, it can be advantageous to the retailer to promote produce grown in the region.

Younger consumers aren’t as likely to engage in home cooking as their predecessors, according to General Produce’s Lineberger.

More often than not, they gravitate toward fresh fruit or raw vegetables. To encourage them to spend a little time in the kitchen, Rawl provides non-traditional recipes. Meanwhile, Hardison of the NC Department of Ag recommends working with popular TV chefs and restaurants to show consumers exactly what they can do with southern-grown vegetables. “After all,” he says, “the best way to sell good food is to make good food.”

Likewise, GFVGA’s Hall encourages retailers to conduct in-store promotions and sampling events. It’s a strategy that Super-Valu employs whenever possible with all produce, not just southern-grown. “Sampling and engaging the customer is always a great way to drive additional consumption,” says Siemienas.

Regardless of what approach retailers take, all indications are this will be an exceptionally good year for southeastern vegetables, as long as Mother Nature plays nice and retailers step up to do their part. “The weather has been favorable, and we are seeing lower prices and good volume due to the bumper crop,” says Rayfield. “Everything I’m seeing is an A-plus crop and we are looking forward to strong retailer support.” **pb**



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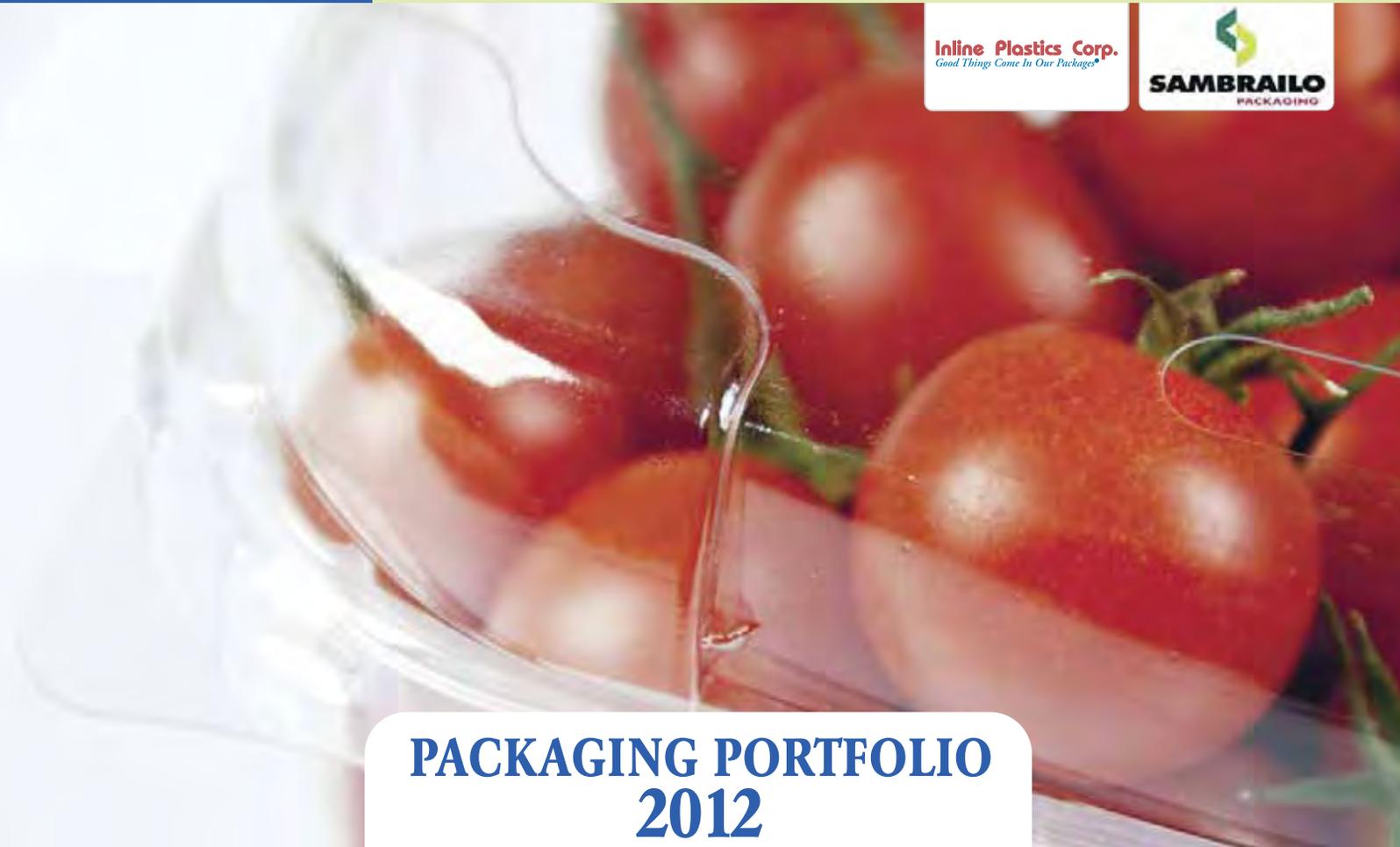
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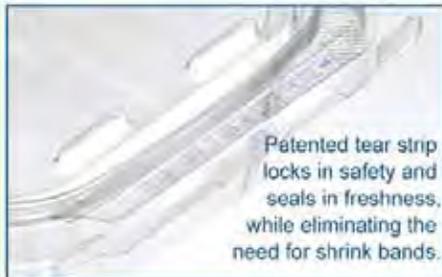


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Sambrailo proudly specializes in improving and designing packaging systems for all types of berries, grapes, tomatoes, leafy greens and value-added produce. We then enhance our products with superior service—including on-site clamshell labeling, tray make-up, vendor-managed inventory and warehouse-to-field distribution.

Sambrailo starts by listening; listening to the needs of the grower/shipper, the retailer and the consumer. By staying closely in step with each of these three segments, we are able to develop innovative packaging solutions to add tremendous

value to the produce and floral industries. Through years of collaboration, Sambrailo has accumulated unparalleled knowledge about our customers and their products. When this experience is combined with our ingenuity and unique ability to forecast trends, the results are beneficial for all.

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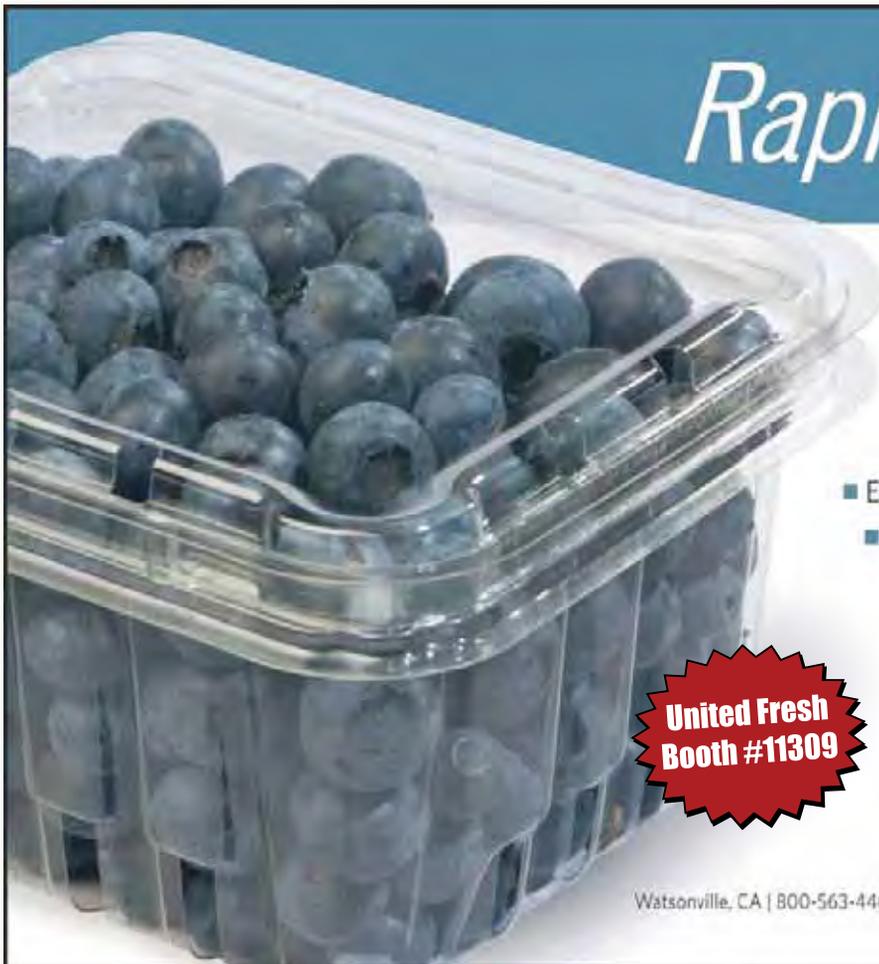
Several years ago we foresaw the effects that new, larger strawberry varieties would have on the clamshell capacity needs and proactively came to the market with a MIXIM LV (large volume) 1lb. clamshell. Recently, Sambrailo worked closely with machine manufacturers to create the RunRite family of clamshells. This new design for packaging

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Drive Mango Sales To New Heights

The popularity of mangos is flourishing as retailers watch consumption and sales soar to new heights. **BY JANEL LEITNER**



Year-round availability and increasing sales are two reasons retailers should give mangos ample shelf-space.

Known for their sweet, juicy taste and, increasingly, their nutritional content, mangos are seeing newfound popularity in the United States. Wendy McManus, retail program manager of the National Mango Board (NMB) in Orlando, FL, explains, “In 2011, mango dollars per store per week rose 11.5 percent to \$172, and mango volume per store per week rose 9.7 percent to 189, compared to 2010 results. When we look at 2010 compared to 2009, the increases were 24 percent in dollars and 23 percent in volume.”

Year-round availability and increasing sales mean profit potential. “Mangos are one of the fastest growing commodities in the produce aisle,” reports Gary Clevenger, managing member of Freska Produce International, located in Oxnard, CA. “It’s proven that mangos are popular and can really drive sales with good, attractive merchandising.”

“Per-capita consumption of fresh mangos has been steadily increasing over the years and

is currently at 2.23 pounds per capita,” states Sandra Aguilar, marketing manager at Ciruli Brothers LLC, in Rio Rico, AZ.

U.S. consumers are catching on quickly to what the rest of the world has generally known. “Mangos are consumed primarily by the fastest growing demographics of Asian and Latino consumers,” says Aguilar. “Right now, about one-in-three U.S. consumers has tried a mango, but worldwide, they are the most popular fruit, often referred to as the ‘King of Fruits,’ both for their flavor and nutritional properties.”

“While mangos make up just 0.4 percent of produce sales nationwide, many retailers are watching mangos carefully and giving them the support that a rising star deserves,” states McManus.

Overcoming Mango Challenges

Several stigmas attached to mangos can create challenges in promoting the fruit. “Many consumers think cutting a mango is

difficult,” says McManus. “Retailers have the power to help them overcome this obstacle by showing shoppers an easy three-step method to cutting a mango.”

“We have signage to educate customers on the proper way to cut a mango,” adds Tom , a 222-unit retail chain, based in Pittsburgh, PA. “The National Mango Board also provides accessible information on their web page.”

Color is another consistent complication in promoting mangos. “One of the biggest challenges is overcoming consumer perception that red equals ripe,” says McManus.

Steve Yubeta, vice president of sales for Farmer’s Best International LLC, headquartered in Rio Rico, AZ, states, “With more than a reported 60 percent of mango buyers who don’t know how to select ripe fruit, this means consumer education is very important in ensuring increased category sales.”

Another difficulty is the misunderstanding of storage and display. “It is important that retailers communicate with their suppliers



“It is important that retailers communicate with their suppliers about proper backroom handling. They should know that mangos hold color well at 55 degrees in cold storage, but are best displayed at room temperature, away from ethylene-sensitive items. Mangos should not be stored below 50 degrees, or the fruit will be subject to chilling injury.”

— Sandra Aguilar, Ciruli Brothers LLC

about proper backroom handling,” asserts Ciruli’s Aguilar. “They should know that mangos hold color well at 55 degrees in cold storage, but are best displayed at room temperature, away from ethylene-sensitive items. Mangos should not be stored below 50 degrees, or the fruit will be subject to chilling injury. They also do not require misting.”

“Hard and chilly fruit doesn’t convert new customers,” states Yubeta. “While ‘mature’ mango customers may know how to use unripe fruit in recipes, the new mango user must be presented with ripe fruit for immediate enjoyment. Unripe fruit can scare away new mango consumers for months at a time.”

Crucial Education And Training

Education and training on all levels is imperative to properly merchandise mangos. “In order to educate the consumer, education

is needed for the folks at store-level,” explains Ronnie Cohen, vice president of sales at Vision Import Group LLC, located in River Edge, NJ. “Through educating the growers, we can improve our growing techniques and the quality of our mangos, which will increase U.S. consumption of mangos.”

“Training warehouse and store-level associates on how to best handle and merchandise mangos is one of the biggest obstacles to increasing sales,” states Freska’s Clevenger.

With that in mind, retailers can find helpful support from suppliers. “To help train warehouse and store-level associates, the National Mango Board offers a back-room poster and a helpful video with handling tips,” explains McManus.

“It is important for retailers to pair with a reliable supplier who can work with them to develop a mango promotion program,” adds Aguilar of Ciruli Brothers. “We work with our

customers to develop programs that suits their needs. Among the materials we provide are POP/POS signage, photography, nutrition information and a variety of recipes.”

One of the best ways to capture the shopper’s attention is through taste. “Customer education and in-store demonstrations promote trial, since many of our customers did not grow up eating mangos,” explains Giant Eagle’s Eynon. “For that same reason, it is important we educate and push our store teams to promote mangos.”

Show Them Off

There are many opportunities to create mango awareness. “Tropicals like mangos give customers options at the produce aisle,” reports Clevenger. “Retailers need to display in a more visible area as this will drive sales.”

“If the mango display consists of four sad little mangos in a dark corner, they won’t sell,” says the NMB’s McManus. “Retailers need to give mangos ample space and to build out secondary end-caps when mangos are on promotion or in high volumes.”

Yubeta of Farmer’s Best adds, “We have seen successful secondary displays and front/center-of-department Mango Mania-type theme events create excitement and drive sales.”

Displays promoting different ripeness levels will provide choices for consumers. “It is a good idea to have a large display that has different stages of ripeness so the consumer can buy ready-to-eat fruit and have some to hold for a few days,” suggests Larry



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Nienkerk, owner and general manager of Splendid Products LLC, in Burlingame, CA.

Another advantage every merchandiser has is price. “Mangos are generally very inexpensive, and in today’s economy, price is the leading factor for most consumers,” explains a northeastern independent store produce buyer/merchandiser, who prefers to keep his store under wraps. “On the retail side, it should be easy for most merchandisers to establish seasonal mango programs, which would then guarantee supply and allow them to set margins three to four months in advance.”

“Many stores also offer special per-box prices to encourage volume purchases,” adds Yubeta.

Promote Value-Added Products

Consumer demand for the mango is expanding as value-added products are more available. “The processed and pre-packed fresh mangos are growing as consumers try them and re-buy,” states Freska’s Clevenger.

“The hard data on fresh-cut mango is challenging because at this time we are only able to track mango-only packs, which means we are missing the mixed bowls and tropical trays that we think accounts for a large portion of mango movement in fresh-cut,”



White Champagne — or Ataulfo mangos — are generally smaller, their seed is thin, giving customers more fruit to enjoy.

PHOTO COURTESY OF CIRULI BROTHERS



Red does not always equal ripe, so educating consumers is key to having them experience a ripe mango and come back for more.

says McManus.

Along with fresh-cut, there are many ways the taste of mango is making its way into many parts of the store. “We offer some cut fruit medleys which include mangos,” says Eynon. “Packaged goods manufacturers have introduced mango-flavored items such as smoothies and frozen fruit bars in recent years. Our growing assortment of international items also includes many mango-flavored items.”

Offering new packaging options is an important tool to grow sales. “We have helped various chains increase category sales by offering mangos in value-added packaging, including different size clamshells and smaller, display-ready cartons,” says Aguilar of Ciruli Brothers “These value-added packs are designed for convenience and to educate the consumer about the fruit.”

“Other forms such as frozen, dried and juice are gaining shelf space, and mango as an ingredient is soaring in popularity,” says McManus. “The popularity of mangos’ flavor profile will feed future sales of whole mango down the road.”

Variety And Color Factors

Undoubtedly, some varieties sell better than others. “There are hundreds of mango varieties worldwide, but the primary varieties marketed in the United States are Tommy Atkins, Kent, Keitt, Haden and Ataulfo,” says Aguilar.

“We regularly carry three varieties including Tommy Atkins, Kents and Keitts, of which Tommy Atkins is our bestseller,”

reports Giant Eagle’s Eynon. “There is a fourth variety we offer when available known as Ataulfo or Champagne mango.”

“Depending on the time of year and availability, the yellow Ataulfo variety dominates in terms of taste and excellent eating quality,” explains Aguilar. “They are extremely sweet with smooth, velvety flesh due to minimal fibers. This mango also tends to be slightly smaller, but its seed is very thin, giving you more fruit to enjoy.”

Color can be a huge obstacle for many consumers due to the lack of knowledge about different varieties. “Some mango varieties, such as Keitts, stay green even when the fruit is completely ripe,” notes Aguilar. “This is why it’s so important to educate consumers about mangos, how to select them, and how to know the difference between green and ripe fruit.”

“Tommy Atkins are the best selling variety within the mango family because they have the most presentation due to their outer blush,” says produce buyer/merchandiser Miles.

Some consumers may choose a lesser quality mango, assuming red skin means it is ripe and ready to eat. “U.S. consumers tend to look for red mangos, thinking red is a sign of quality or ripeness,” explains NMB’s McManus. “In fact, the red blush on some mangos is simply a varietal characteristic.”

Freska Produce’s Clevenger points out, “You can have a green mango that eats as well or better than one with color. Most

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“Customer education and in-store demonstrations promote trial, since many of our customers did not grow up eating mangos. For that same reason, it is important we educate and push our store teams to promote mangos.”

— Tom Enyon, Giant Eagle

consumers assume red means ripe, but with mangos this is not the case.

“The Tommy Atkins and Ataulfos are proof that most consumers purchase their produce based on what their eyes show them,” adds Miles. “As long as a Tommy Atkins has a beautiful red blush and the Ataulfos are a bright yellow, the consumer will keep buying those varieties.”

A ripe mango should be easy to come by. “Mangos are generally harvested mature but not ripe, and a mango that’s picked mature will ripen, becoming softer and sweeter until it’s ready to eat,” states McManus.

“A ripe mango will announce itself by its distinct, sweet aroma,” explains Yubeta of Farmer’s Best. “Fruit that yields lightly to the touch also indicates ripeness.”

Best Mango Promotion Characteristics

Retailers can pump up mango sales by focusing on the fruit’s versatility in flavor. “The tropical flavor works in sweet, salty or savory dishes, from breakfast to kids’ snacks to entrees to desserts,” says McManus. “If retailers highlight this versatility and show consumers the many ways they can use mangos in their home kitchens, sales will continue to soar.”

Miles adds, “With all the mainstream cooking channels and travel shows, it seems there is always some type of mango recipe for cooking dinner or a mango salsa for appetizers, and today’s consumers want to do most of their cooking from home to save money. However, they also want the same innovation they saw at the local restaurant.”

Retailers can also promote mangos as an easy and unique ingredient for baking. “The flavor is adaptable to most any other soft fruit recipe,” states Splendid Product’s Nienkerk. “For example, if you had a recipe for peach cobbler, you simply substitute mango for the peach.”

“The flavor profiles and textures are unique with each variety having a different flavor, and due to these qualities alone, mangos have such growth potential,” maintains Vision Import Group’s Cohen.

With today’s exceptionally health-conscious consumers, retailers can also capitalize on mango’s nutritional benefits. “Mangos are excellent sources of vitamins A and C, a good source of fiber and contain over 20 vitamins and minerals,” states McManus.

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Ten Ways To Sweeten Cherry Sales

Strike while the iron is hot to maximize sales of fresh cherries. **BY CAROL M. BAREUTHER, RD**



As one of the few remaining seasonal produce items, cherries deserve plenty of retail attention.

Cherries are one of the few remaining mainstream fruits to have only seasonal availability and hence a limited merchandising window. Jim Weber, produce supervisor at Econo Foods, a 13-store chain based in Brillion, WI, acknowledges the cherry's seasonal excitement with a registering three-prong approach: "First, we source the largest sized cherries," he says. "Then, we display them in the first position. Finally, we feature cherries in our ads at a hot price three or four weeks in a row during the month of July."

Fresh cherries are available about six months of the year and contributed 1.7 percent to total produce sales for the 52 weeks ending January 28, 2012, according to the Nielsen Perishables Group, a West Dundee, IL-based fresh food consulting firm. Yet, they deserve such a powerful merchandising push because in July, cherries are the No. 1 dollar generator per square foot in the produce department. The category brings in \$208 per square-foot, or \$31 more than berries, according to data supplied by Northwest Cherry Growers., headquartered in Yakima, WA.

1. Capitalize On Windows Of Opportunity

"When the domestic California and Pacific Northwest cherry crops come in during the late spring and summer, it's huge," remarks Raul Gallegos, director of produce and floral for Bristol Farms, a 13-store chain based in Carson, CA. "The same thing cannot

be said of the Chilean winter crop," he admits. "One of the challenges of not having cherries year-round is the missed sales opportunities, but then again, I think it is the seasonal excitement that makes cherries such a favorite with consumers."

The summer months of July, August and



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— Raul Gallegos, *Bristol Farms*

September, during the third quarter, represent the largest selling period for fresh cherries — 60.8 percent of total cherry dollars in 2011, according to Nielsen data. The second quarter, or April, May and June, follows at 28.6 percent of annual cherry dollars. These two time periods cover the domestic season. Meanwhile, cherry sales in the first and fourth quarter of 2011 were 7.4 percent and 3.2 percent, respectively, and are predominantly Chilean imports, although Argentina and New Zealand do export their cherries to the United States as well.

Eric Patrick, the Yakima, WA-based marketing director for Grant J. Hunt Co., headquartered in Oakland, CA, reveals, “The seasonal availability of fresh cherries is getting significantly longer. California can begin harvest in late April and the Pacific Northwest

can run into the first week of September. That’s a chunk of cherries.”

Finishing out the year, Chile began harvest around the first of November this past year with air shipments until December 15, according to Mark Cotton, a sales associate at Grower Direct Marketing LLC, based in Stockton, CA. “Then, ocean shipments continued through February 10,” he details.

The domestic cherry season kicks off with California. Dave Parker, director of marketing for Scattaglia Growers & Shippers LLC, in Traver, CA, details, “The cherry deal in California now draws from all three districts — southern, central and northern, so that’s why we see harvest start the last part of April or beginning of May.”

The amount of cherries planted in Cali-

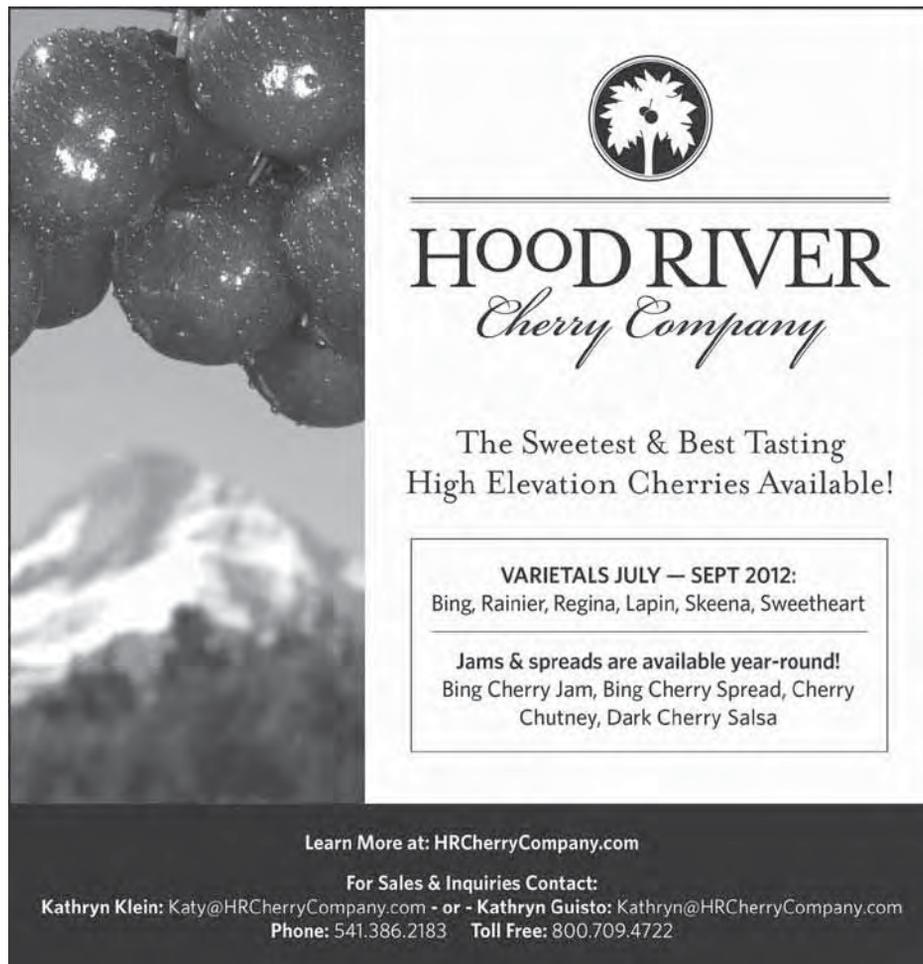
fornia means there is the chance of a record crop, or more than the 12 million 18-lb. equivalents harvested last year, reports Roger Pepperl, marketing director for Stemilt Growers LLC, headquartered in Wenatchee, WA. “However, weather can change that, and I expect at least 10 million this season,” he says. “More acreage planted in the southern district means better volumes on the front end with better opportunities for Memorial Day ads. Varieties such as Brooks and Tulare are driving this business, and Corals, too.”

“It’s critical to know the timing of the transition from California to the Pacific Northwest,” says Patrick. “We send out regular cherry updates to our retail customers so they can accurately plan promotions.”

Mac Riggan, vice president of marketing for Chelan Fresh Marketing, in Chelan, WA, expects “a full crop with a normal start date around the first week of June.”

The Fourth of July is a key holiday for Pacific Northwest growers. Grant J. Hunt’s Patrick shares, “One retailer told me he sold 25 percent of his total summer cherries with Fourth of July promotions.”

According to BJ Thurlby, president of the Northwest Cherry Growers, the Pacific





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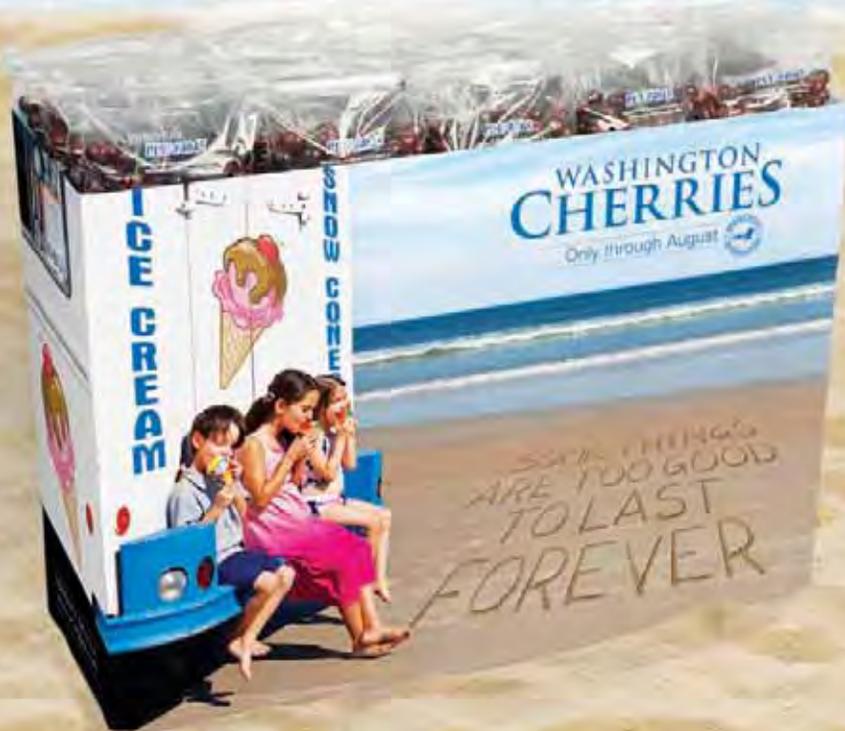
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Northwest's season, which produced 18.5 million 20-lb. equivalents last year, is stretching out. "There has been more planting of late varieties, and plantings of these in later

districts at higher elevations. Therefore, retailers should plan to merchandise and promote cherries until mid-August to maximize sales."

To illustrate this, Bob Mast, vice president of marketing and food safety for Columbia Marketing International Corp. (CMI), in Wenatchee, WA, says, "Last year, we only moved 2 million 20-lb. equivalents in June, yet 5 million in August."

Pepperl adds, "We picked cherries right through September 8th from our new high-altitude ranch. It provided retailers the opportunity to run Labor Day ads. These cherries are more expensive, but they are large and sweet."

Chile finished up its season having shipped 13 million 20-lb. equivalents, reports Tom Tjerandsen, spokesperson for the Sonoma, CA-based Chilean Fresh Fruit Association (CFFA). "Christmas and New Years are the biggest promotional holidays."

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2. Sell By Color

Red cherries made up 90.5 percent of category sales with the remaining 9.5 percent contributed by yellow-skinned Rainiers during the 52 weeks ending January 28, 2012, according to Nielsen data. Cherries are generally merchandised as either Bings, red, dark sweets or Rainiers. Suzanne Wolter, director of marketing for Selah, WA-based Rainier Fruit Co., explains, "Beyond Bing, consumers don't know varietal names. Bing is still the highest volume variety with the others coming in and out very quickly during the season," she notes. "It would be extremely difficult for retailers to accurately sign their department throughout the season if they were to try and call out each individual variety."

Stemilt's Pepperl agrees, adding, "One percent or less of cherries is sold by variety. When it has been, it's been retail-driven. For example, one of our retail customers ran a special promotion with our Corals by name."

"We have worked with a few retailers who wanted to do niche marketing with specific varieties such as Sweetheart promotions," acknowledges Grant J. Hunt's Patrick.

However, since many of the newer cherry varieties have a brighter red color, as opposed to the deep mahogany of the Bings, "Consumer education may be necessary to introduce shoppers to the concept of cherry varieties and the slight differences between them," suggests Dovey Plain, marketing coordinator for Family Tree Farms Marketing LLC, headquartered in Reedley, CA.

Domex Superfresh Growers LLC, headquartered in Yakima, WA, will roll out this season on a limited basis its patented new Orondo Ruby cherry. This new variety is a chance seedling discovered in a Rainier orchard that has a bright red skin, yellow flesh and a high Brix and acid content that makes for a sweet, yet complex flavor. Loren Queen, marketing and communications manager, remarks, "It's available in a 1-lb. clamshell for a three-week window from the last week in June to the second week in July. The label calls out the unique characteristics. We also offer POS items such as price cards. We're finding great acceptance for the variety and plan to quadruple our volume over the next two to three years."

According to Patrick, consumer education

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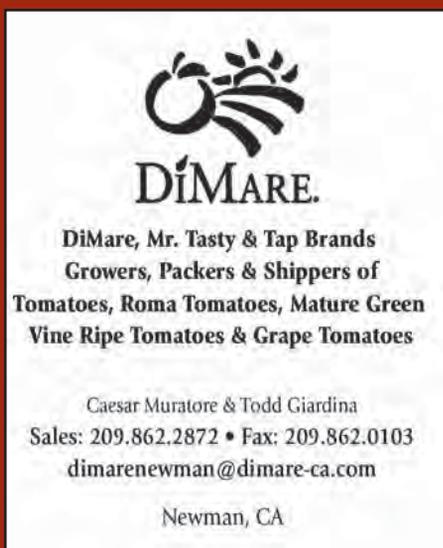







PHOTO COURTESY OF CMI CORP.

Some retailers believe loose cherries encourage sampling, and that customers will buy more when they sample.

“If we could get a 2-lb. rather than 1-lb. clamshell, it might make sense because our goal is to move a certain volume of fruit.”

— Jim Weber, *Econo Foods*

is needed when it comes to promoting sales of Rainier cherries. “Research tells us that only 25 to 30 percent of consumers have ever tried a Rainier cherry.”

As such, there is a tremendous growth opportunity for Rainiers. Rainier Fruit’s Wolter advises, “In weekly ads, retailers should highlight the flavor profile and general characteristics of Rainier cherries, using words such as ‘extra sweet’ and ‘white flesh,’ and then employ these same descriptors on in-store POS. Promote the Rainier cherry alongside the dark sweet cherry in order to maximize category dollar impact.”

One great time to promote Rainier cherries is on July 11 — National Rainier Cherry Day, Patrick remarks, “Retailers should take advantage of all the national press surrounding this day.”

3. Bigger Is Better

Quality equates to size, and ultimately, price. Pepperl remarks, “Larger cherries usually eat best. They are often higher in sugar, more flavorful and firmer.”

CMI’s Mast details, “Many retailers will specify 10½ row or larger cherries. Twelve row are smaller, and may not be as good.”

“Some retailers will run a two-size program in high volume periods with two different price points,” reports Grant J. Hunt’s Patrick. “For example, a jumbo or extra-large 9 or 9½ row, and then a smaller cherry.”

4. Push The Sweet Factor

Brix levels play a large role in harvest and varietal development. Chuck Sinks, president of sales and marketing for Sage Fruit Co. LLC, in Yakima, WA, reports, “Minimum Brix levels must be met before cherries can be harvested. If a grower or retailer tries to put cherries on the shelf and they are not sweet or ready for retail, it can hurt their sales for the rest of the season,” he warns.

Grant J. Hunt’s Patrick says, “Retailers don’t usually test Brix levels on cherries because the Pacific Northwest is known for producing sweet cherries. Brix on red cherries averages 16 percent, and Rainiers are usually over 20.”

There is no minimum Brix level required for red cherries, but there is for Rainiers, according to National Cherry Grower’s Thurlby. “Brix for Rainiers must be over 17, but in actuality, most average 25.”

5. Market To The Organic Consumer

Supply and demand is small but steady for organic cherries. Thurlby reveals, “Organic cherries represent only 3 to 4 percent of our crop. More people are looking, but we are meeting demand with what is out there. Cherries are so seasonal that availability sometimes outweighs the desire for organic.”

Price can be a demand-damper for organic cherries. CMI’s Mast explains, “Conventionally grown cherries command a

premium of at least \$2- to \$3-per-pound. Add another 15 to 25 percent on top of this for organics, and that can make organic cherries a challenge to sell. There is a following, but it isn’t growing substantially.”

Organic cherry sales are more price-sensitive than apples or blueberries, points out Wolter, “so their popularity is strongly dictated by market conditions and pricing.”

6. Handle With Care

Maintenance of the cold chain is the No. 1 way to preserve cherry quality and reduce shrink at retail. Domex’s Queen remarks, “Internal fruit quality loses more in an hour at 68 degrees than in 24 hours at 32 degrees.”

Cherries should ideally be refrigerated at 32 to 34 degrees. “Whenever possible, fruit should be displayed refrigerated at store-level,” advises Rainier Fruit’s Wolter. “Many times, this is not possible, so make sure the displays are at least located in high-traffic areas to take advantage of impulse purchases and keep fruit rotated.”

“If unrefrigerated secondary displays are used to move more volume, place any leftover cherries in a cooler overnight and bring them back out in the morning,” adds Sage Fruit’s Sinks.

Additionally, store personnel should be trained to advise consumers to refrigerate the cherries once they get them home to maintain firmness and flavor, maintains Wolter.

7. Bags And Clamshells Rule

Cherries are sold loose and bagged at Bristol Farms, and Gallegos adds, “We don’t do a lot of clamshell packs, except for organic cherries.”

Plastic bags are the primary merchandising vehicle for fresh cherries at Econo Foods, Weber remarks, “We sell 2½-lb. bags and it makes a nice \$5 or \$6 ring. Clamshells add more cost. If we could get a 2-lb. rather than 1-lb. clamshell it might make sense because our goal is to move a certain volume of fruit.”

Some 94.9 percent of the cherry category was sold in random-weight packages during the 52 weeks ending January 28, 2012, according to Nielsen research, while only 3.5 percent was sold in a fixed-weight package.

“As a supplier,” says Stemilt’s Pepperl, “I prefer open catch-weight bags because it’s easier for consumers to sample a cherry. Sampling adds sales.”

There are specific opportunities where clamshells are preferred over bags, however. “For one,” says the CFFA’s Tjerandsen, “a clamshell can prevent customers from nibbling, and thereby, help reduce shrink.”

CMI's Mast adds, "Some retailers prefer to merchandise jumbo cherries in a clamshell because you can see them better."

"Plus, building big displays without damaging the fruit is easier with clamshells than bags," points out Chelan Fresh's Riggan.

Domex's Queen explains, "The majority of Rainiers go into clamshells because it's a more protective pack that can prevent the light-colored fruit from getting bruised."

8. Build Front-And-Center Displays

"There's no problem finding display space for cherries when they come in because they make such a huge impact," says Bristol Farm's Gallegos.

In fact, many retailers will implement a shelf changeover in mid-May just for cherries. Pepperl details, "This will usually be at the front of the department or other high-traffic areas."

Cherries are merchandised in a primary and prominent 4- to 6-ft. end-cap display at Bristol Farms. Gallegos describes, "We fill the center of the display with loose red and Rainier cherries surrounded by bags. We feel that the loose cherries encourage sampling, and that customers will buy more when they sample."

According to Pepperl, "The optimal size cherry display is one that should need to be refilled throughout the day, but not so frequently as to encounter out-of-stocks."

Top-performing retailers average cherry displays of 22 to 40 square feet, according to 2009-conducted research commissioned by Northwest Cherry Growers.

Rainier Fruit's Wolter maintains, "There is a direct correlation between display space allocation and profitability in the produce department. No summer fruit returns more dollars for each additional square foot of shelf space during the month of July than cherries.

Build bigger displays by adding more SKUs. According to 2012 research provided by Northwest Cherry Growers, merchandising four SKUs of cherries — bagged red, bagged Rainier, a secondary display of red and a clamshell or loose display — can increase late-season dollar sales by an average of 40 percent. Impulse-sales secondary displays of cherries are built at the front of each Bristol Farms' store by the cash registers, and Wolter notes, "We have developed small display units that are perfect for placement near the cashier to encourage impulse purchases."

Secondary displays of cherries are profitable. According to 2010 research provided by Northwest Cherry Growers, secondary displays can increase cherry volume by 13.6 percent and lift dollar sales by 22.4 percent. Fifty-three percent of cherries are bought on

impulse, according to 2006 Northwest Cherry Growers research, which since then, has been re-confirmed.

9. Encourage More Than Out-Of-Hand Snacking

Customers at Econo Foods are encouraged to enjoy cherries beyond just snacking. "I write a different recipe each week," says Weber. It might be for cherry crisp or cobbler, or for a cherry smoothie. This encourages customers to buy extra."

Similarly, recipe brochures are merchandised in cherry displays at Bristol Farms. "Recipes can boost sales of cherries," says Sinks. "Providing a meal solution for consumers is a way to not only boost sales of cherries, but also other items within a produce department or grocery store. Cherries can be cross-merchandised with lemonade, cherry pie ingredients, bagged salad in between the dark and Rainier cherry display, and other meal solutions. If you have a good recipe, it helps to include those items in the display to make it easy for the consumer."

Red and Rainier cherry buyers spend \$28 and \$42 more per shopping trip, respectively, than do their non-cherry purchasing counterparts, according to 2009 Northwest Cherry Growers research.

"Capitalize on the seasonal availability of cherries by recommending to customers in ads and signage to buy extra cherries at the end of the season to freeze and can," recommends CMI's Mast. "Retailers can even do a count-down to the end of the season and provide customers with information on the best ways to freeze cherries."

10. Promote

Cherries are advertised in front-page features for at least three weeks in a row during July at Econo Foods, according to Weber. "We'll go out with a hot \$1.98 per pound cherry ad," he says. "It's easier to promote cherries out of Washington at peak season than out of Chile in the winter, when prices can be upwards of \$5.99 per pound."

"Ad planning is definitely important to a successful cherry season," say Sage Fruit's



PHOTOS COURTESY OF THE CA CHERRY ADVISORY BOARD

The California Cherry Advisory Board provides POS for retailers to use during cherry season.

Sinks. "During peak season it is recommended to run ads frequently."

Rainier Fruit's Wolter agrees, adding, "Retailers can take full advantage of the short cherry season by implementing a season-long merchandising plan. Retailers who run more than five promotions see the largest category contribution from Northwest cherries."

The discount doesn't necessarily need to be deep, but it needs to be noticeable by the consumer, recommends Sinks. "Promotions also need to be tailored to what the retailer is trying to achieve; maybe it is one week with a deep discount and then the other weeks have a noticeable discount."

"One profitable promotional strategy is to merchandise cherries in a visible, high-traffic area without an ad price in the early weeks of the season while prices are high," says Scattaglia's Parker. "Do this to let customers know it is cherry season. You can emphasize the availability through signage. Do this for two to three weeks. Then, when the volume catches, run cherries on ad at a good price point. You'll sell a lot more cherries this way."

What is a good ad price? Grant J. Hunt's Patrick says, "I had a retailer tell me that he had steady movement at \$3.99; at \$2.99 he could sell as many cherries as he wanted, and at \$2.49 he couldn't keep them on the shelf." **pb**

Stone Fruit: The Endless Summer

No longer a summer treat, ample supplies of stone fruit are available nearly year-round, thanks to expanded production regions in the United States and abroad. **BY BOB JOHNSON**



Retailers should focus on including as many stone fruit varieties as possible in one display.

When peach and nectarine growers in California, Georgia and other U.S. stone fruit producing regions look to protect their dormant trees from winter frost, Chilean stone fruit growers are ready to begin their harvest. And although there are short gaps between the Chilean and U.S. seasons, producers from other areas of the world can fill even these gaps. “Retailers can expect with some confidence to be able to sell stone fruit year-round,” says Tom Tjerandsen, North American managing director for the Sonoma, CA-based Chilean Fresh Fruit Association (CFFA). “The gap between U.S. and Chilean stone fruit production is filled by other countries. There are air shipments that come in from New Zealand and South Africa. Some arrive from Greece and Morocco.”

Stone fruit has become a year-round category. But whether it is July or December, the key to merchandising remains displaying fruit that has customers coming back for more.

The Sweet Taste Of Repeat Customers

An effective stone fruit merchandising program has to begin with fruit that is delicious and commands repeat customers. According to David White, president of Trinity

Fruit Sales Co., headquartered in Fresno, CA, “The key to merchandising is repeat customers, who come back based on a great eating experience. Work closely with your suppliers to know the characteristics of your products because every variety is unique,” he advises. “We work really hard on our preconditioning and tree ripening programs. If something doesn’t eat well, we don’t include it in the mix.”

Most consumers base their initial decision on whether to buy stone fruit with a quick glance at the color. Yet, Bob Von Rohr, director of marketing and customer relations at Sunny Valley International Inc., located in Glassboro, NJ, maintains, “Color is not always a true indication of flavor. For the most part, I do not feel that consumers know the difference in varieties. To them, a peach is a peach.” Sunny Valley represents New Jersey peach growers Jersey Fruit and Just Picked.

A few more discriminating consumers may even augment their glance at the color with a quick squeeze and a sniff. “If you watch the customer at the stores, they gently squeeze and sniff,” adds Von Rohr. “Just because a peach is soft does not guarantee sweetness. Since many customers make their initial buying decision based on color, the flavor and Brix levels plays

important roles in repeat sales. Peaches that are left on the tree longer to mature have a better chance of sweetness.”

Most growers, fortunately, have become acutely aware of the marketplace importance of supplying nothing but quality fruit. “I think the varieties out there are better, and the growers are paying more attention to the quality of the fruit. More and more stores are aligning with specific growers,” says Steve Kenfield, vice president of marketing and business development at The HMC Marketing Group Inc., located in Kingsburg, CA. “The most important thing to do is make sure the fruit that is being sold will not disappoint the consumer.”

The Tricks Of Brix

The first purchase may be impulsive, but repeat stone fruit purchases are based on quality. One measure of stone fruit quality is Brix, which puts a number on the sweetness. “Knowing the Brix level of the fruit can help when the market is flooded,” acknowledges Amy Howard London, executive director of the Columbia-based South Carolina Peach Council. The higher the Brix, the sweeter the fruit, and advertising this to consumers may help to increase sales. The Brix/acid ratio is what contributes to the flavor

profile of the peach. South Carolina has a very high ratio, due to our acidic soils. The higher the ratio between the sugars and acids, the sweeter the profile becomes.”

Unfortunately, the Brix alone will not tell the entire story of the fruit quality. “Brix is an imperfect measure of sweetness; it approximates the total amount of three main sugars in fruit juice,” explains George Nikolich, vice president of technical operations for Gerawan Farming Inc., located in Sanger, CA. “Those three sugars vary in proportion but are not equal in sweetness, so Brix is not a reliable measure of sweetness. Furthermore, sweetness is but one of five possible taste components, and taste is only one of our five senses responsible for flavor. In fact, very often, our sense of smell contributes more to flavor than our sense of taste does.”

There are even tricks suppliers can play in the field that will increase the Brix number without improving the taste of the fruit. “Retailers need to be very careful about using Brix as a quality measurement,” warns Ray Gerawan, one of the owners of Gerawan Farming. “For example, some growers girdle trees as a way to get higher Brix, but that also increases tannins. So, though you might achieve a Brix number that looks good on paper, the fruit doesn’t taste as good, and probably tastes worse than fruit that wasn’t girdled.”

Trusted Sources

Because there is no simple way for retailers or customers to tell whether the fruit will be of quality, retailers must work with trusted suppliers. The complexities of getting quality stone fruit on the shelves are even more difficult when that fruit is harvested many thousands of miles away in the Southern Hemisphere. Because the Chileans have an enormous stake in maintaining their winter stone fruit markets, they have gone the extra mile to smooth the road from their orchards to North American stores. “The fruit is transported on a dedicated highway that goes straight from the growing area to the port, where it is loaded onto the boat,” details CFFA’s Tjerandsen. “It’s a well-choreographed dance; there’s no break in the cold chain, and it only takes about 12 days by ship from Chile to the East Coast. It’s not that different from the time it takes California fruit to travel to the East Coast by rail.”

But opinion is divided on whether this well-choreographed dance is enough to get quality peaches to the stores, especially late in the Chilean season. “It’s hard to get an edible peach up here from Chile after the middle of

“Research from the California Tree Fruit Agreement has shown that when two or more stone fruit items are advertised, the lift is greater, even if the items are not on the same page of the ads. When a plum is on the list the lift is even greater. The yellow peach and yellow nectarine drive the category, so they should always be in the ads...”

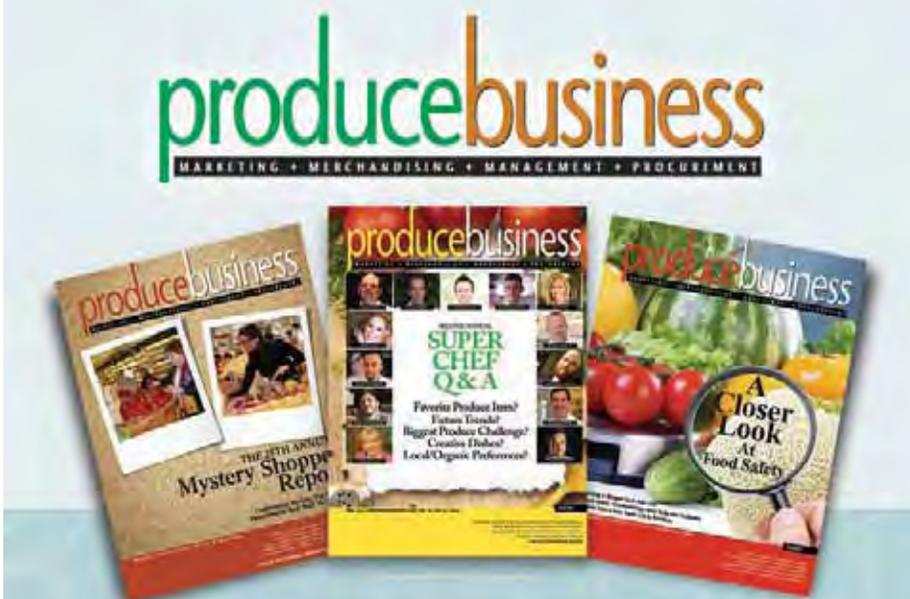
— Dave Parker, Scattaglia Growers & Shippers LLC

January,” admits one stone fruit industry insider who prefers to remain anonymous. “Plums and nectarines are less susceptible to damage than those you can get shipping long distances. You can carry peaches early in the season because those varieties hold up better. Or you can fly them in, which is what Publix does.

Publix finds the high cost of air shipment worth it to maintain the highest possible stone fruit quality during the Chilean season. “We fly in our peaches so that our customers can get a fresher, higher quality piece of fruit,” says Shannon Patten, media and community rela-

tions manager at Publix Super Markets Inc., based in Lakeland, FL. “If we had them delivered by boat, it could take three to four weeks for the product to arrive at our stores. By flying them in, we are able to get the items here the next day.”

Publix pays for air shipment from Chile over the entire season, and this first class transport is used for more than just peaches. “We fly in other items as well, for instance, nectarines,” Patten says. “We fly the peaches in during the entire Chilean season. It is more expensive, but the end result is worth it. Our customers receive premium products, and we offer them at great prices.”



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This year, by early March more than 100 loads of peaches, at 40,000 pounds each, had been flown into the East Coast from Chile, according to the US Department of Agriculture Agricultural Marketing Service. "Most of that is for Publix," comments Tjerandsen. "There are those who feel that flying it in gives their customers a fresher product. It's a substantial incremental expense."

Proprietary Varieties Extend The Season

A few California growers are working with proprietary plum, nectarine and peach varieties that push the season as late in the year as possible. "We probably will be competing with Chile with our late season plums, and end close to Christmas," reveals Dan Spain, vice president of sales and marketing at Kingsburg Orchards, in Kingsburg, CA. "We have an autumn red plum, and we will probably have other varieties in two years. We haven't been competing directly before. I think because we're California, we'll be the preferred fruit when we compete with Chile. We will also be the more local product."

One California grower already extends the peach season well in October with a proprietary variety. "Stone fruit is promotable from May all the way through October because I carry the Prima label, which offers a late peach called Prima Gattie," shares Paul Dzedzic, director of produce and floral merchandising at Scolari's Food & Drug Co., a 16-unit retailer headquartered in Reno, NV. "There's nothing like it in September and October. It's from Gerawan Farming, and they do fruit like no other." Scolari's does not try to extend the Chilean season later, or begin the California season earlier, at the risk of putting out low quality fruit. "There's a little gap," acknowledges Dzedzic. "March 1 is when most people pull out. There is some product, but the quality is scary. Nectarines from Chile are still in the store in the middle of March, and I still have a black plum. By April, I will pretty much have no stone fruit, and apricots out of California start the season the first of May."

How Local Can You Get?

Growers from many areas will tell you it pays to promote stone fruit from their specific region. Dovey Plain, marketing coordinator for Family Tree Farms Marketing LLC, located in Reedley, CA, is just one of them. "I would say it helps to promote California-grown, but you hear different things from different retailers," she says. "At the beginning of the season, it helps to say the fruit is U.S.- or California-grown. We're pretty adamant that the best stone fruit comes from California."



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The Well-Stocked Display

A well-stocked display is almost as important as mouth appeal in driving stone fruit sales. “Retailers only have a limited amount of space, and they need to maximize their shelf-space by offering the best selection of varieties that their demographics demands, whether it be by color, size or value,” remarks Bob Von Rohr, director of marketing and customer relations at Sunny Valley International Inc., located in Glassboro, NJ. “All the unique or romantic names that some growers put on their varieties to entice customers to purchase them does not guarantee a unique eating experience.”

The more varieties in the display the better, especially in the middle of the summer. According to Dave Parker, director of marketing at Traver, CA-based Scattaglia Growers & Shippers LLC, “The essential items depend on the retailer’s history and demographics. In the California season, you want to carry as many varieties as possible — yellow peaches and nectarines, white peaches and nectarines, plums, pluots, cherries, apricots, etc. Early nectarines and peaches begin in mid-May, and the whole deal goes until the end of September. The Angelino plums store well so you can go into October.”

Although stone fruit has become available over a much longer season, there is still a promotion season. “There is a gap from April until June; even though the fruit starts before that, it isn’t very good until June,” says Vince Mastromauro, produce director at Sunset Foods Inc., a five-unit retailer based in Highland Park, IL. “By then, stone fruit is promotable though September. That’s when we carry every variety of peach, plum and nectarine we can.”

During this peak season, Sunset rotates promotions among a wide variety of stone fruits. “We switch varieties with our ads,” Mastromauro says. “We’ll have a peach and a nectarine, and follow up with a plum. We’ll also include white flesh and tree-ripened fruit.”

The particulars of the display vary from store to store, but there are some basics to consider in promoting stone fruit.



“Research from the California Tree Fruit Agreement has shown that when two or more stone fruit items are advertised, the lift is greater, even if the items are not on the same page of the ads,” reports Parker. “When a plum is on the list the lift is even greater. The yellow peach and yellow nectarine drive the category, so they should always be in the ads, and include a plum if you can.”

Another basic to remember is that both yellow and white flesh varieties have to be in the display. “Most customers have a favorite, and 20 percent of the peaches sold are white flesh,” says Parker. “The same thing is true with the nectarine category. There are enough people out there who prefer the white flesh.”

The three mainstream stone fruits also all have to be represented. “I’d like to see peaches, plums, nectarines and some kind of white flesh in there — either peaches or nectarines, or both,” says David White, president of Trinity Fruit Sales Co., headquartered in Fresno, CA.

The variety within the display makes a statement about the importance you give to stone fruits. “You should have enough stone fruit to Dovey Plain, marketing coordinator for Family Tree Farms Marketing LLC, located in Reedley, CA

pb

Producers from Georgia, New Jersey and other local tree fruit areas will also trumpet the market for their harvest as well. “We are proud of being the second highest volume producer of peaches in the United States,” says Sonny Dickinson, retail merchandiser and assistant director marketing for the Columbia-based South Carolina Department of Agriculture. “Consumers within our state boundaries, as well as outside the state, recognize the quality and effort that our growers provide on a consistent basis.”

In the past few years, locally grown fruit has come to occupy a very important market segment. “The regional peach deals from Georgia to New Jersey are our most important competition, but they have to deal with the volatility of the weather,” shares Kenfield of HMC Marketing. “It varies with the district

and with the retailer.”

Over the past five years or so, more and more consumers have come to care about whether their fruit is locally grown. Sunny Valley’s Von Rohr knows, “Today’s shoppers are looking to support their local farmers. Plus, they have an increased awareness of sustainability, which is one of the reasons the locally grown movement has really taken off. Consumers want product that was shipped within a short time to their place of purchase to have a feeling of confidence that product is fresh.”

So far the desire to buy local has only affected competition among different U.S. growing regions, as the Chilean fruit is counter-seasonal. “I believe my competition is locally grown fruit from somewhere else,” says Kingsburg’s Spain. “There is interest in that because of the fuel costs and concern about the

carbon footprint. There is also a desire to support local farmers. It’s very significant for any of the retailers doing local programs, who are showing stories and photos of their local farmers.”

The Chileans have been in the winter stone fruit business long enough now to feel that they, too, have a story to tell, be it local or not. “People advertise that the fruit is from Chile,” says CFFA’s Tjerandsen. “We ship millions of boxes; we are the winter stone fruit supplier.”

Many domestic producers believe it is important to emphasize the arrival of fresh fruit grown in the USA. “We like to let the stores and the customers know that the fruit is from California, not Chile,” asserts Spain. “We have what we call our season opener — the box looks like a baseball field, and we ask the stores to build around that.”

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Marketing Dried Fruit & Nuts As Portable Snacks

Portable snacks belong in produce for maximum impulse sales. **BY BARBARA ROBISON**



PHOTO COURTESY OF MARIANI PACKING CO. INC.

End-cap displays of various dried fruit and nut snacks grab consumers' attention and add to impulse buys.

Nutritious, on-the-go snacks are an important part of today's busy, multi-tasking society. Dried fruit and nuts are a logical choice when selecting healthful portable snacks, and food market produce departments are where consumers are turning for their supplies. "I've been advocating for years that dried fruit and nut snacks belong in the produce department," asserts Andrew Stillman, CEO of Amport Foods/American Importing Co. Inc., in Minneapolis, MN. "There is an advantage to having a department within a department, and retailers are recognizing this. The Kroger chain has set up Healthy Alternative Snack Centers in produce departments across the country. The centers offer anywhere from 36 to 72 items for their customers' selection."

Marc Seguin, vice president of North American marketing for Los Angeles, CA-based Paramount Farms, reports, "Analysis shows that produce is the No. 1 store location for our pistachios. We've seen how impactful a pistachio produce display is and recommend it be located in the front of the department."

There is a higher turnover of dried fruit and nuts when in produce, according to Jim Madala, produce buyer at Jensen's Finest Foods, an 8-unit chain based in Palm Springs, CA. "Consumers equate the products with

freshness when merchandised in produce, rather than the grocery area," he says. "We offer a full line of dried fruit and nuts, with some organic and private label among them. There are whole end-displays of various dried fruit and nut products, with a choice of sizes. Apricots are the most popular of the dried fruits," he adds.

Increased Variety And Package Sizes Builds Sales

With the growing popularity of dried fruit and nuts snacks, available varieties, mixes and added flavors have increased dramatically. Packaging has also changed, with new materials being used and more single-size servings being offered. "Items like our six-pack 1½-oz. Vanilla Yogurt Raisins and Cranberry Crunch [a blend of fruit and nuts] are great portable items for snacking," remarks Miranda Ackerman, marketing director for Vacaville, CA-based Mariani Packing Co. Inc. "The packages, in small cardboard cartons, are excellent for homemade lunches or snacks to keep in a desk drawer. The type of products, plus the single-size serving package, make these convenience items."

Stephanie Blackwell, owner of Aurora Products Inc., in Stratford, CT, shares, "We have developed a snack pack for 99-cents that

can be eaten as a one-serving snack. The package is good for children's lunch boxes or an on-the-go snack for adults. The single-size serving of almonds is one our most popular nuts," she adds.

Sun-Maid Growers of California, headquartered in Kingsburg, CA, offers individual serving boxes (½-oz. and 1-oz. sizes) of natural raisins, vanilla yogurt raisins and organic raisins. "They are a perfect size for kids and even moms and dads to take anywhere for a quick, healthy snack," says Joe Tamble, vice president of sales.

"We have developed a multi-bag Snack Pack — perfectly proportioned snacks for healthful snacking, packed lunches and athletes," reports Brooke M. Bouloy, national sales manager at ICD/Davis Lewis Orchards, Garden Grove, CA-based marketer of dried fruit and nuts. "Consumers are reading ingredient labels more often and are looking for added convenience in packaging, which our multi-bag package offers."

A line of organic dried fruit is marketed in resealable pouches by Peeled Snacks, headquartered in Brooklyn, NY. The products include apricot, cherry, pineapple, mango, banana, raisins, apple rings, and a banana/mango/pineapple combination.

"We've developed our own private label line



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“I’ve been advocating for years that dried fruit and nut snacks belong in the produce department. There is an advantage to having a department within a department, and retailers are recognizing this.”

— Andrew Stillman, Amport Foods

of 4-oz. dried fruit packages,” says Vince Mastromauro, director of produce at Sunset Foods Inc., a Highland Park, IL-based gourmet market chain with five stores. “The products, conveniently located on a spindle rack, have created additional department sales.”

Retail Support Helps Rings

Dried fruit and nut suppliers provide a wide selection of programs, from merchandising tools, consumer promotions and media buys to support the produce retailer. To establish a dried fruit and nuts snack program there are really two options, according to Stillman of Amport Foods. “You can have a permanent program or try a temporary one,” he says. “We’ve been working with retailers on what we call the 5-for-\$5 program. Five different packaged dried fruits are offered for five dollars. The consumer can buy five of the same or five different ones. Single packages can be purchased for \$1-each, but most purchases are five packages. The program runs every four months with different items. Each period lasts for one to six weeks, or until the products run out,” he explains. “It’s been a very successful program. Retailers determine what the most popular items are, which helps them decide what they should handle for any future permanent program.”

“Retailers can receive POS materials to promote peanuts through a section on our website,” states Marianne Copelan, executive director of the Virginia-Carolinas Peanut Promotions, based in Nashville, NC. “In North Carolina and South Carolina, we have provided each Piggly Wiggly store POS materials to encourage consumers to eat healthfully and purchase our peanut snacks. We also are awarding prizes for the most creative displays in each state.”

Sun-Maid Growers uses an extensive, robust marketing plan to get the word out to consumers and increase raisin consumption. The plan includes television and magazine advertising, FSI recipe books and a state-of-the-art website. “We are fully engaged in social

media and use QR codes on our packaging and advertising,” maintains Tamble. “In addition, we work with our retail partners in key promotional events throughout the year.”

Mary Mooney, an owner of Mooney Farms, in Chico, CA, states, “Recently, we introduced a new line of flavored sun-dried tomatoes snacks for produce departments, along with eye-catching merchandising racks to use for display. Our sun-dried tomatoes are packed in convenient, re-sealable bags and are ready to eat directly from the bag. The newest flavor for our dry bagged line is Julienne Cut with Greek Oregano, Basil & Garlic.” The company offers a full-color, single six-pack tray, which can be filled with any of the five varieties of product. Or, a metal floor display with a small footprint and full-color graphic header will hold a case of the dry variety snacks.

“Some retailers prefer an EDLP [Every Day Low Price] marketing strategy, while others build high/low promotional environments,” reports Jane Asmar, vice president of sales at Fowler, CA-based National Raisin Co. “We work with each retailer to provide the appropriate environment of support. Also, different varieties of dried fruit react to different promotional vehicles. Prunes post higher promotional responses to price discounts such as TPRs [temporary price reductions], while raisins peak with secondary display locations. Secondary displays of dried fruit snacks will increase sales and offer attractive price point, with no special refrigeration or handling required at retail.”

ICD/Davis Lewis Orchards customizes retail displays from small grab-n-go sized bags to reclosable tubs in easy-to-find colorful trays displayed on produce department shelves. It also recommends a line of clip strips, which hang easily from any shelf, cold rack or end cap.

Nutritional Benefits A Big Marketing Plus

The nutritional values of both dried fruit and nuts are considered of great importance by suppliers and produce retailers. Health-conscious consumers wanting to follow the

USDA’s new “MyPlate” nutrition guidelines are heading back to the produce department.

Bouloy of ICD/ Davis Lewis Orchards asserts, “Nutritional benefits are important to consumers because they are the people leaving the chip aisle and buying snacks in produce departments. We offer organic items, gluten-free, kosher and generally nutritious products. Now it’s time to better relay that to consumers on our packaging and social media sites.”

Data from the National Raisin Co. suggests that mothers choose dried fruits for their families because they believe them to be healthier and more nutritious than other snacking products. Asmar adds, “The overwhelming majority of our products are private label. We work closely with our retail customers to ensure that nutritional benefits are featured on the packaging through call-outs, such as ‘A great source of calcium,’ as well as eye-catching package design that is fun and appealing.”

Because the product line of Mariani Packing is so diverse, the dried fruit products offer a wide range of nutritional benefits to promote based on what may be most appealing to consumers. “Nutritional benefits can vary from dried plums that are high in vitamins, antioxidants and fiber; California apricots, packed with vitamins A and E; and dried cherries, which are an excellent source of vitamin A, other antioxidants and a natural source of melatonin,” details the company’s Ackerman.

“In marketing our organic dried fruit, the fact that the fruit supplies fiber, vitamins and minerals, including iron, but has no added sugar and no preservatives is important,” declares Anu Karwa, marketing manager of Peeled Snacks.

Snacks are playing a greater role in the way food is consumed today, so it is important that snacks with a nutritional punch be selected. New research, supported by the Davis, CA-based International Tree Nut Council Nutrition Research and Education Foundation, adds to a growing number of studies that have consistently found that those who regularly consume nuts, like pistachios, tend to weigh less and have lower odds of developing certain chronic diseases. Researchers at Eastern Illinois University found that people who were served pistachios in the shell consumed 41 percent fewer calories than those who snacked on the ready-to-eat version. They dubbed this mindful eating approach the “Pistachio Principle.”

Aurora Products is selling only all-natural snacks. “Our fruit contains no sulfites or artificial colorings. Part of our company mission is to promote the genuineness of our products,” affirms Blackwell.

pb

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MEANINGFUL EVENTS



Some events make short-term impact, others long-term, while still others go by almost unnoticed. Some affect large numbers of people and others are purely personal. Everyone experiences all types and the resulting changes are widely varied.

The Korean War started the day prior to my high school graduation. Attending a land grant university, ROTC was mandatory for all males during the first two years. The last two years was voluntary and I qualified with the Air Force as the best option for wanna-be pilots. During late February of my senior year, the top 10 percent of the class was offered 12-month deferments if they attended grad school.

It was a difficult decision. On a cold, snowy evening, a frosh co-ed who had been a now-and-then date for six months discussed with me the pros and cons of each option as it presumably would impact our lives. Eventually, we concluded another year at Cornell was needed to explore our relationship. Now approaching six decades since our first meeting, we recognize the importance of that long-ago decision.

Obtaining a graduate assistantship that late in the year was problematic. Fortunately, a newly funded marketing research project related to selling packaged produce in supermarkets became available. Under the direction of Professor Max Brunk, widely recognized for research techniques proving packaging was the catalyst for increasing apple sales, the opportunity stimulated my interest for considering future supermarket employment.

Eventually, my Air Force experiences lead me to becoming involved with a small super-secret intelligence group at the Pentagon. In contrast with today, besides the President, a handful of congressmen — at most — were aware of the operations, and the media was kept out of the loop. Paranoia reigned, and the only time we didn't carry a concealed weapon was in our living quarters or at the Officers Club swimming pool. You be the judge of whether the handling of events then was better at saving lives and preventing operational compromise than today's right-to-know environment.

The primary event that opened the door to a produce career was my interview at Kroger corporate headquarters. After spending additional time with the people in the produce operation, I left feeling this was a job track worth pursuing.

During the latter half of the 60s, while implementing a produce packaging merchandising program in the Kroger Atlanta division, I attended my first Produce Packaging Association Convention held in Atlanta. Attendance barely reached several hundred, and exhibits occupied only a few rooms.

However, by 1970, the organization changed its name to the Produce Marketing Association to be more inclusive. This not only brought a more diversified group into the membership roles, but also supermarkets were gradually shifting to place a greater emphasis on bulk produce as they addressed consumer dissatisfaction with the concept of one-size-fits-all. By the early 1980s, convention attendance broke 4,000 and PMA had reached critical mass. What a contrast with today's 18,000-plus. Each year has become a meaningful event with the broadening of programs and the focus and involvement in the areas related to globalization.

By the mid 1970's, disillusioned with the Kroger centralization and direction, the opportunity presented itself to me to be responsible for all phases of produce operations at Hannaford Bros. Company. Although the company was primarily a wholesaler, the beginnings of a retail emphasis were expanding rapidly, and soon, produce was playing a more important role in its success, which continues to increase today.

The company encouraged involvement with activities such as PMA and FMI, expanding my interaction throughout the industry. Serving as a director of both PMA and UFFVA alternately

during the 1980s was a privilege.

Company management philosophy could be summarized simply. Treat the customer right with service and value regardless of the competition; support the community; treat your associates well, and if you do, the shareholders will benefit.

By the time of my retirement from Hannaford, I fully understood the importance of those earlier years of graduate study. Writing a thesis under the direction of Professor Brunk was gain only after pain to meet his expectations.

Nearly 50 years later, the opportunity came to write this column for more than 10 years, thanks to the support of Ken Whitacre and Jim Prevor, as well as those performing the editing. Hopefully, the commentary has been thought-provoking to various readers. My reward has been continuing contact with so many successful people and friends throughout the produce industry. Product and process are fine, but people make it special.

I'm reminded of the following from a friend's charitable foundation: "It has been said what we have done for ourselves alone dies with us; what we have done for others and the world remains and is immortal."

Gain often comes with pain. May you find resulting success and be charitable to those less fortunate.

Editors Note: PRODUCE BUSINESS would like to thank Dave Diver for his many contributions to this magazine. His retirement as a regular columnist begins after this installment, but we will continue to see Dave's byline on occasional feature stories in the future.

"It has been said what we have done for ourselves alone dies with us; what we have done for others and the world remains and is immortal."

By Dave Diver

Dave Diver is the former vice president of produce at Hannaford, and a regular columnist for PRODUCE BUSINESS.

“THEY JUST DON’T GET IT!”



When I was asked to write a column dealing with the ins-and-outs of the mysterious workings of the world of retail, I felt it was necessary to come up with a title that would identify the intrinsic conflict, duplicity and idiosyncrasies of the “retail mind.” It was a search for a common, yet universal sentiment that would frame the discussion in a manner that would focus

the attention on the subject at hand.

In order to identify a common theme, I wracked my brain, trying to recall all the countless interactions I had been in where discussions of produce and its relation to retail came up. Most of them had to do with a lack of understanding or concern for the plight of one side or the other. Nothing jumped out at me and it looked like it might be a fruitless — no pun intended — search. Then my mind wandered to discussions with retail management, and I realized that they bore an uncanny resemblance to discussions among the management of supplier and grower companies. While contemplating this “revelation,” a phrase I had heard many times came to mind: “They just don’t get it!”

I am sure many of us have heard this phrase during discussions on various situations, ranging from new programs to execution, morale to buy in, expectations vs. goals, and motivation vs. attitude. These discourses generally become emotional and sometimes quite heated, which results with the presenting side uttering the exasperated cry: “They just don’t get it!”

This is a phrase that has been used in discussions of suppliers, retailers, growers, the younger and older generations, employees and employers, unions and management, and men and women. Now here was the phrase with universal, yet common appeal I was seeking. While providing an initial point of contention and controversy, this notion provides a solid platform from which we can launch varied discussions of the causes of the conflicts and reasonable solutions that would provide resolution to said conflicts.

It is my intention to utilize this phrase to formulate discussions on key topics in the produce industry and provide glimpses into the retail way of thinking to present insights to both retail and the industry — insights that can help promote understanding among all parties and spark creative thinking to provide direction on how to resolve the situation to the satisfaction of all. In this manner, we will be able to initiate discussion and creative thinking on any and all subjects, controversial or common. It is the goal of these pieces to

initiate innovative thinking, along with tried-and-true factors to provide concepts that can be molded into creative new approaches to industry and retail concerns and obstacles.

We will take on a wide variety of topics in upcoming columns. These topics will run the gamut of retail operations and the industry’s influences that affect them. Subjects will include: food safety, labor concerns, “local” produce, risk-taking and merchandising know-how. We will also explore leadership, participation, time management, theater, value and service. Additional topics will include mentorship, category development, “the Pendulum,” and formulas for success. These discussions are bound to generate strong opinions on all sides and should stimulate some lively exchanges.

This type of exchange is the desired result of this effort, and by soliciting reactions and opinions from all concerned we, as an industry, can develop a better understanding and appreciation for each other. I encourage feedback on each article from all concerned, as it is the best way to bring out all sides to the situation. Too often we suppress our true feelings and opinions in the name of “not making

waves” or “staying under the radar.” In the new and challenging times facing the industry, we can no longer afford the luxury of “not getting involved.”

If we allow things to continue as they are, the industry will eventually face a severe crisis that will threaten the industry itself. It will be, among other things, a “crisis of confidence” in the industry and

our own personal beliefs. Without all of our participation, we will all fail. I don’t claim to be one with all the answers, but it will be my charge to stimulate everyone to assist in providing the solutions to the situations we discuss. To be sure, these topics can be called symptoms of the larger situation, but we must treat the symptoms to cure the “patient.”

If there is one thing that nearly 40 years in this business (35 of which were at retail) has taught me, it is that unless we solicit all points of view and reach consensus, we will make flawed decisions and develop faulty solutions. All that these faulty solutions do is postpone the inevitable and force additional effort to be expended solving the same problem. This is wasted time that could have been used on another matter. With the challenges the industry faces, we can’t afford such missteps, as if we don’t act swiftly and decisively solutions will be forced upon us by outside interests and entities.

I am looking forward to presenting these retail topics and the ensuing comments and discussions. Hopefully, together we will unlock the “mysteries of retail” and the produce business in general, and help move the entire industry forward. It may seem like a lofty goal, but one that is worthwhile to pursue.

pb

It is the goal of these pieces to initiate innovative thinking, along with tried-and-true factors to provide concepts that can be molded into creative new approaches to industry and retail concerns and obstacles.

By Don Harris

Don Harris is a 38-year veteran of the produce industry, with most of that time spent in retail. He has worked in every aspect of the industry, from “field-to-fork” in both the conventional and organic arenas. Harris is presently consulting on all subjects of retail, category development and sales strategies, among others. Comments can be directed to editor@producebusiness.com

A JUICY ANALYSIS: PRODUCE TRADE BETWEEN THE U.S. AND E.U.



The produce business is arguably one of the industries that fluctuate the most. Not only does the industry transform with each season throughout the year, it is also highly dependent on weather conditions. Droughts, floods, hurricanes, tornados, you name it, the produce business is truly at the whim of Mother Nature. These natural disasters often strike with little warning and frequently leave devastating

effects on suppliers, as well as importers across the world.

For example, following the March, 2011, earthquake and resulting tsunami in Japan, U.S. imports of fruits and vegetables from the country tumbled 22 percent in just one month. Throughout the seasonal trends and unpredictable weather changes, however, one thing remains certain for the produce industry: prices are rising. This article highlights some of the big changes in 2011 in regards to produce trade between the United States and the European Union, paying particular attention to how prices have risen in recent years.

and the Netherlands are the top two importers of produce from the United States, with import market shares of 26 percent and 17 percent, respectively. Of the 27 countries that compromise the European Union, 16 posted increases in imports of produce from the United States in 2011. Noteworthy increases and decreases by country can be seen in the figure below.

Figure 7
Countries of Destination for U.S. Exports of Produce, 2011

Country	Value (US\$)	Change from Previous Year
Ireland	\$4,892,413	+6.46%
Netherlands	\$84,791,018	+3.59%
Estonia	\$1,513,130	+28.87%
Belgium	\$21,874,944	+25.10%
Finland	\$7,319,092	+13.12%
Germany	\$78,877,858	+11.69%
Italy	\$91,945,731	+10.52%
United Kingdom	\$29,527,487	-13.06%
Greece	\$3,479,720	-14.84%
Hungary	\$1,380,918	-76.48%

U.S. Produce Imports Flourish in 2011

U.S. imports of fruits and vegetables from the E.U. increased for the second consecutive year in 2011, rising nearly 5 percent from 2010 and 17 percent from 2009. Roughly 60 percent of all U.S. inbound produce from the E.U. originates in Spain and the Netherlands. The bulky market share can be attributed to the large quantity of Clementines entering from Spain and the colossal amount of mushrooms from the Netherlands. The chart below illustrates statistics for the top products imported to the United States in 2011.



U.S. Produce Exports Reach Three-Year High

U.S. exports of fruits and vegetables to the E.U. grew in 2011, rising 5 percent from 2010 and 8 percent from 2009, in terms of U.S. dollars. Dried grapes (raisins) and prunes accounted for nearly 40 percent of all U.S. produce exported to the E.U. in 2011. The United Kingdom

Pricing Breakdown

As mentioned earlier, one of the few consistencies within the produce business is the rising price of fruits and vegetables. The price per kilogram of U.S. imports of produce from the E.U. was \$1.33 in 2011, up 7 percent from 2010. Conversely, the price per kilogram of U.S. exports of produce to the E.U. was \$1.37 in 2011, up from \$1.33 in 2010. The figure below compares the price per kilogram of U.S. produce trade with the E.U. as well as with the rest of the world. Overall, produce trade between the United States and the European Union showed significant increases in 2011, compared to 2010. So far, 2012 has started on a positive note; how will this year change from the last?

pb

Price per Kilogram of U.S. Produce Trade			
	\$Kg 2010	\$Kg 2011	% Change
U.S. Imports from E.U.	\$1.25	\$1.33	7.00%
U.S. Exports to E.U.	\$1.33	\$1.37	3.08%
U.S. Imports from All Countries	\$0.66	\$0.70	6.56%
U.S. Exports to All Countries	\$1.00	\$1.11	11.11%

Note: all data above reflects trade by water vessel

From competitive intelligence to supplier sourcing, Zepol helps those dealing with the opportunities and perils of global trade. For information on specific importers and suppliers of produce, please visit www.zepol.com.

By Chelsea Craven
Marketing Coordinator, Zepol Corp., Minneapolis, MN

PRODUCE SHELF LIFE: ISSUES AND EXTENSION METHODS FROM HARVEST TO RETAILER



With national averages of produce shrinkage at 6 percent, shelf-life costs U.S. retailers in excess of \$2.1 billion per year. According to the U.S. Environmental Protection Agency (EPA) the United States generates more than 34 million tons of food waste each year, costing around \$1 billion annually to dispose of all its food waste. This waste has significant impact financially and environmentally on

individuals and businesses alike.

The main factors that affect shelf-life of produce include improper handling, inadequate humidity, temperature abuse and Ethylene exposure. If produce is improperly handled during harvest and is damaged or bruised, this causes the fruit or vegetable to expend more energy faster than undamaged produce, reducing its shelf-life. Additionally, if harvesting conditions are not sanitary, bacteria has the chance to thrive as bacteria feeds off of stored energy. This results in more rapid decay and spoilage. Additionally, damage to produce due to improper handling causes the produce to release large amounts of ethylene. Ethylene production is another shelf-life-shortening factor that hastens decay in surrounding healthy produce.

Temperature and humidity also play an important role in shelf-life, and are directly related to each other. As an example, if a cold room temperature increases by only two degrees Fahrenheit, the relative humidity drops approximately 7 percent, which reduces produce shelf-life by 50 percent. Leafy greens last four times longer when stored in a room with 95 percent relative humidity than in a room with 80 percent relative humidity.

It is important to note that a byproduct of respiration is heat, which means a truck with an ambient temperature of 32 degrees Fahrenheit may have produce registering two to four degrees higher. Therefore, monitoring the ambient temperature alone may not be sufficient. Using multiple methods to monitor and analyze both ambient and product temperature and humidity during their processes allows handlers to better manage shelf-life.

Ethylene is a hormone produced by plants and released as a colorless, odorless gas, which the plants use to regulate their growth, flowering, ripening and aging. Injury and damage to plant cells, plus the natural process of maturation causes plants to increase ethylene production. This is an increasingly damaging cycle since the presence of more ethylene means hastening of decay. Ethylene increases cellular respiration, which in turn increases metabolic rate. After produce has been harvested, this increase in respiration will shorten shelf-life. Ethylene also causes plant

cells to lose water, leading to dehydration, drying and shriveling. Pallets of produce experiencing any extended period of shipment may arrive with damaged unsellable product due to ethylene exposure.

Proper handling methods, careful monitoring and control of temperature and humidity and use of shelf-life extension packaging methods are key factors that contribute to extending the shelf-life of produce.

Storing produce in cold temperatures with appropriate relative humidity levels protects fruits and vegetables from decay and bacteria, which extends shelf-life. Transporting and storing produce at low temperatures slows the aging and respiration process of produce, and it minimizes moisture loss. Today, there are many cost-effective ways to monitor temperature and humidity. The most effective solutions utilize tools and data management methods that allow for fast and accurate access to the data produce handlers need to make important decisions quickly.

Produce exposed to alternating cold and warm temperatures may increase the chances of decay as it results in the accumulation of moisture on the food's surfaces. Refrigeration rooms and transportation vehicles should have adequate air flow and insulation to assist in maintaining temperatures. Modern day solutions provide cost-effective and efficient environment temperature monitoring systems that can monitor temperatures and alert produce

Proper shelf-life control holds tremendous financial benefits for produce handlers and is key to helping them remain competitive.

handlers of temperature excursions.

Temperature tools to monitor produce and environmental conditions include thermometers, thermo-hygrometers, data loggers and wireless facility temperature monitoring systems, along with devices to measure produce firmness and sugar content. Combining low-cost temperature monitoring with efficient ethylene control packaging can protect produce and extend shelf-life.

New packaging strategies have been developed to address the challenges of limiting ethylene exposure in transport. Modified Atmosphere Packaging, or MAP as it is commonly known, is a technology that attempts to manipulate the atmosphere surrounding the produce in such a way to reduce or eliminate its exposure to ethylene. Ethylene Adsorption Packaging is a new technology that falls into this category of MAP methods. Pallet cover, carton liners and sheets of this type of product can decrease produce exposure to ethylene.

Managing the shelf-life of produce has become increasingly more difficult to monitor and control in today's lengthening transportation chain. Proper shelf-life control holds tremendous financial benefits for produce handlers and is key to helping them remain competitive. Temperature, humidity, produce monitoring and ethylene packaging tools have improved significantly in the past few years to aid processors in managing produce shelf-life.

pb

By Val Cureton

Val Cureton is the marketing communications manager at Pleasanton, CA-based DeltaTRAK Inc., a leading food safety, cold chain and environment monitoring solutions provider. Cureton has over 20 years of experience managing communications programs within multiple industries, including the food and beverage industry, and holds a Bachelor of Science degree in education from Florida State University. She can be contacted at vcureton@deltatrak.com. For more information on DeltaTrak, please visit www.deltatrak.com.

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Marketing Association	88	613-226-4187	www.cpmma.ca
Capital City Fruit Co., Inc.	46	515-981-5111	www.capitalcityfruit.com
Center for Produce Safety	111		www.cps.ucdavis.edu
Christopher Ranch	97	408-847-1100	www.christopherranch.com
Ciruli Brothers	85	520-281-9696	www.cirulibrothers.com
Columbia Marketing International	89	509-663-1955	www.cmiapples.com
Crowley Maritime Corp.	9	800-CROWLEY	www.customizedbrokers.net
Del Monte Fresh Produce	112	800-950-3683	www.freshdelmonte.com
DiMare Fresh	91	209-862-2872	www.dimarefresh.com
Dole Fresh Fruit Company	2	818-879-6600	www.dole.com
Double D Farms	70	559-884-2000	www.doubledfarms.com
dProduce Man Software	43	888-PRODMAN	www.dproduceman.com
Eclipse Berry Farms, LLC	70	310-207-7879	www.eclipseberryfarms.com
Eclipse Berry Farms, LLC	90	310-207-7879	www.eclipseberryfarms.com
Ethylene Control, Inc.	56	800-200-1909	www.ethylenecontrol.com
European Flavors/CSO	21	39-0532-904511	www.europe flavors.eu
Floral Business	99	561-994-1118	www.floralbusinessmagazine.com
Florida Department of Agriculture	51	850-488-4303	www.freshfromflorida.com
Gourmet Specialty Imports LLC	96	610-345-1113	
Greenhouse Produce Company, LLC	90	888-492-1492	www.greenhouseproduce.net
Growers Express	7	831-751-1379	www.growersexpress.com
Harris Consulting	42	269-903-7481	
Hood River Cherry Company	88	541-386-2183	www.hrcherrycompany.com
I Love Produce LLC	97	610-869-4664	www.iloveproduce.com
Idaho Potato Commission	15	208-334-2350	www.idahopotato.com/retail
Inline Plastics Corp.	76	800-826-5567	www.inlineplastics.com
Jem D International	90	800-286-0691	www.jemd farms.com
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COMPANY	PAGE #	PHONE	WEBSITE
Keystone Fruit Marketing, Inc.	38	717-597-2112	www.keystonefruit.com
LGS Specialty Sales, Ltd.	59	800-796-2349	www.lgssales.com
Litco International, Inc.	30	330-539-5433	www.litco.com
Mann Packing Company, Inc.	11	800-884-6266	www.veggiesmadeeasy.com
J. Marchini & Son / LeGrand	43	877-899-9077	www.jmarchinifarms.com
Maxwell Chase Technologies, LLC	42	404-344-0796	www.maxwellchase.com
Melissa's/World Variety Produce, Inc.	40	800-468-7111	www.melissas.com
MIXTEC Group	56	626-440-7077	www.mixtec.net
Mooney Farms	91	530-899-2661	www.moneyfarms.com
Mooney Farms	28	530-899-2661	www.moneyfarms.com
Mucci Farms	91	866-236-5558	www.muccifarms.com
National Mango Board	83	877-MANGOS-1	www.mango.org
New Jersey Department of Agriculture	49	609-292-8853	www.state.nj.us/agriculture
Nunhems USA	35	615-584-8794	www.nunhemsusa.com
OsoSweet Onion Co.	38	304-545-6470	www.ososweetonions.com
P-R Farms, Inc.	52	559-299-7278	www.enzooliveoil.com
Pacific Tomato Growers/ Pacific Triple E	90	209-835-7500	www.sunripeproduce.com
Primus Labs	46	805 922-0055	www.primuslabs.com
Pro Act, LLC	14	831-658-1961	www.proactusa.com
Produce for Better Health Foundation	107	302-235-2329	www.pbhfoundation.org
PuraVida Farms	31	480-588-7012	www.puravidafarms.com
Roberson Onion Co.	38	912-375-5760	
SAGARPA - Embassy of Mexico	22-23	202-728-1727	www.sagarpa.gob.mx
Sambraio Packaging	77	800-563-4467	www.sambraio.com
Silver Creek Software	40	208-388-4555	www.silvercreek.org
Spice World, Inc.	96	800-433-4979	www.spiceworldinc.com
Sun Dried Marketing Inc.	33	559-433-3777	www.greengiantfresh.com
Tanimura & Antle, Inc.	29	800-772-4542	www.taproduce.com
Taylor Farms	36	831-772-6664	
Thermal Technologies, Incorporated	55	803-691-8000	www.gotarplless.com
Torrey Farms, Inc.	14	585-757-9941	
Trifecta Foods	34	818-834-8222	
Uesugi Farms, Inc.	53	408-842-1294	www.uesugifarms.com
United Fresh Produce Association	109	202-303-3400	www.unitedfresh.org
The USA Bouquet Co.	17	786-437-6502	www.usabq.com
Village Farms	91	877-777-7718	www.villagefarms.com
Vision Import Group	81	201-968-1190	www.visionimportgroup.com
Well-Pict Berries	70	831-722-3871	www.wellpict.com
Wonderful Brand Sales	13	732-546-8994	
Yakima Fresh LLC	87	800-541-0394	www.yakimafresh.com

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SAM THE STRAWBERRY MAN



Peter Carcione, president of Carcione Fresh Produce Co., a wholesaler located on the San Francisco Terminal Market, has a long and storied history in the produce business. In 1920, his grandfather and namesake, Pete Sr., started the family produce business in the San Francisco area. By 1933, the business had grown substantially, and Peter's father, Joe, began working side-by-side with his dad. Joe, known as the original "Green Grocer," had a television segment during the 70s and 80s on ABC-7 and KCBS Radio in San Francisco. Soon it was time for Peter to join the industry, and in 1969, he opened Carcione Fresh Produce Co., building on the tradition started by his father and grandfather.

Peter's uncle, Sam Carcione (pictured above), also followed in the family footsteps, working with his brother, Joe, and father, Pete Sr., who became the owner of Scatena Galli Produce Co. "As the businesses' top salesman, Pete was given the business by A.P. and George Giannini when they left the produce business for the world of banking," shares Peter.

"Scatena Galli sold a full line of produce, and Uncle Sam was the main

strawberry salesman," he recalls. "Since Ned Driscoll was a good friend of my grandfather's, Driscoll's was the main shipper. Sam had every carton of strawberries sold before they even came in — he had to. Remember, this was a time when there was no pre-cooling or hydro-cooling; the produce came in hot! So the market had to be a commission market, since everything was on consignment. I can still see Sam on the floor with stickers on each box noting exactly where it was going," Peter says fondly.

Peter estimates the photo was taken around 1965, in The Terminal Café in the Golden Gate Produce Terminal, following the market's 1962 move from the San Francisco Embarcadero. "Looking at the decor, it would have been from when it was still owned by the original owner," says Peter. "It later became Yolanda's, and is now called Hogan's café, named after a San Francisco policeman who, on the old market at the Embarcadero, liked to make a 'Hogan' from the collection of produce he acquired as he made his rounds at the market." Sounds like a delicious sandwich, indeed.

The *Blast from the Past* is a regular feature of *PRODUCE BUSINESS*. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, *PRODUCE BUSINESS*, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com

CPS CENTER for PRODUCE SAFETY

presents

3rd Annual Produce Research Symposium



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Center for Produce Safety (CPS) is focused exclusively on providing the produce industry and government with open access to the actionable information needed to continually enhance the safety of produce. Established by public and private partnership at the University of California, Davis, initial funding for CPS was provided by the California Department of Food and Agriculture, the University of California Produce Marketing Association and Taylor Farms.

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