

inside... PUNDIT LOOKS AT CHILD LABOR • SUPER BOWL MARKETING • MEXICAN PRODUCE • FLORIDA STRAWBERRIES • TEXAS PRODUCE • FLORIDA CITRUS
POTATO AND ONION CATEGORY MANAGEMENT • CHILEAN GRAPES • THE PALLET PUZZLE
POWER OF PACKAGING • REGIONAL MARKET PROFILE: BOSTON • FLORAL TRANSPORTATION
DRIED FRUIT AND NUTS: ALMONDS

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produce trends & 2010 issues report

More than 20 industry leaders identify
10 issues that will affect us all.





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HEALTH INITIATIVES SUPPLEMENT 51



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THIS MONTH'S WINNER:



Tricia Taplac
Buyer/Inspector
Supervalu
Fresno, CA

Having grown up surrounded by fresh fruit and vegetables, it's no surprise that Tricia Taplac ended up in the produce business, nor that she has been at her current position at Supervalu for 13 years. "My dad was a small fruit and vegetable shipper in Reedley, CA, so I started off helping out in the fields and the packing shed," she says.

Before joining the Supervalu team, where she is responsible for buying fresh vegetables and strawberries for the company's northern region's chain stores, Tricia worked with the USDA for five seasons while in college. "I had the opportunity to do some international business as an inspector for Fuji apples that were being exported from Brazil to the United States," she remarks.

Tricia has relied on PRODUCE BUSINESS for the past 10 years to keep her updated on industry happenings. "It's incredibly informative," she says. "I count on it to keep in the loop about new packaging and other industry developments."

As the winner of the PRODUCE BUSINESS quiz, Tricia, an avid golfer, will receive a 19-piece golf set from Zevo.

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 February 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 DECEMBER ISSUE

- 1) What is the telephone number for the Farmer's Best sales office? _____
- 2) How many varieties of squash does Frank's Distributing offer? _____
- 3) What is Donna Fagundes' e-mail address at Cal-King? _____
- 4) How many square feet is Garden Fresh Salad Co.'s new facility? _____
- 5) Name three employees at S. Strock & Co. Inc. _____
- 6) In what Florida city does East Coast Growers and Packers Inc. have an office? _____

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

Name _____ Position _____
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Photocopies of this form are acceptable. Please send answers to:
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WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY ROBERT GUENTHER, SENIOR VICE PRESIDENT, PUBLIC POLICY • UNITED FRESH PRODUCE ASSOCIATION



A Step Forward for Food Safety: S.510

If the FDA Food Safety Modernization Act of 2009 (S.510) — legislation that stands to dramatically alter the food safety system in the United States — looks familiar, it's because United Fresh worked with House lawmakers on similar legislation earlier this year. It's still a work in progress, and United remains engaged to improve the language, but the framework of S.510 is similar to the Food Safety Enhancement Act of 2009 (H.R.2749), which passed the House in late July with widespread support. Both the House and Senate versions reflect a continued effort from both sides of the aisle to acknowledge the key priorities of the produce industry.

United has long maintained that the future success of any food safety legislation rests on three main principles: First, any policy governing food safety must be both commodity-specific and based on sound science; second, the policy must be consistent for each individual crop regardless of domestic or foreign origin, and third, the policy must be provided with significant federal oversight to rebuild consumer confidence.

After feedback and testimony from multiple industry stakeholders, lawmakers revised the House version of the bill to include provisions that strengthen the bill's commodity-specific approach to produce, guarantee equal treatment of imported and domestic produce in food safety standards and ensure the FDA would work with USDA, state departments of agriculture and other agencies in implementing all produce provisions. These three elements represented a strong step toward fulfillment of the industry's priorities in the form of comprehensive and fair food safety legislation.

The Senate Committee on Health, Education, Labor and Pensions ensured that S.510 contained similar improvements to

multiple aspects of the food safety landscape that remain consistent with these policy priorities and expand FDA's reach in a number of areas.

First, the bill requires all facilities that manufacture, process, pack or hold food to have in place risk-based preventive control plans to address identified hazards and prevent adulteration and gives FDA access to these plans and relevant documentation.

Second, S.510 requires importers to verify the safety of foreign suppliers and imported food, allowing FDA to require certification for high-risk foods and to deny entry to a food that lacks certification or that is from a foreign facility that has refused U.S. inspectors. The bill also creates a voluntary qualified importer program in which importers with a certification of safety for their foreign

product upon FDA's request.

This legislation is most certainly an aggressive and comprehensive approach to reforming food safety law. Many of the tough issues and difficult questions raised by concerned consumers and industry members alike have been addressed in the bill, and we hope that the Senate will move quickly toward its debate and passage.

The produce and food industries as a whole stand at a crossroads. The integrity of many food products — produce and non-produce — has been called into question. Consumers are asking tough questions about the safety of what they eat. It is critical that the produce industry support legislation that reforms our federal system of food safety oversight and restores public confidence in what too often appears to be a broken system.

We are an industry that provides more than a billion servings of fresh produce a day, almost universally without incident, yet even a single illness associated with contaminated produce can have far-ranging impact on consumer confidence. As such, the industry must work hard-

er than any other — from the solvency and functionality of our internal food safety systems to the ability of the federal government to have an impact on the safety of our nation's food supply — to ensure both the transparency and accountability of our practices. S. 510 provides a clear roadmap to pursue a set of policy recommendations that brings us closer to a comprehensive food safety program and will achieve our end goal of a stronger fresh produce industry.

As we continue to move forward toward a solid, workable food safety bill, it is the involvement and integration of the members of the produce industry that will help to ensure our industry's priorities are not only well-represented in the bill, but an integral part of its framework.

S. 510 provides a clear roadmap to pursue a set of policy recommendations that brings us closer to a comprehensive food safety program and will achieve our end goal of a stronger fresh produce industry.

supplier can pay a user-free for expedited entry into the U.S.

Additionally, as part of the bill, more accountability will be asked of FDA, mandating that the administration conduct more frequent inspections of food facilities including inspections of high-risk facilities at least once a year and inspections of other facilities at least once every four years. With that accountability comes expanded authority for FDA to administratively detain any food that is misbranded or adulterated under the Food, Drug and Cosmetic Act.

Finally, S.510 also equips FDA with the ability to order a mandatory recall of a food product if the food will cause serious adverse health consequences or death and a company has failed to voluntarily recall the



Lessons From The Year's Great Issues

Like the three wise men carrying gifts of gold, myrrh and frankincense, the year 2009 brought the produce industry in contact with three great issues, each one carrying lessons for the future.

The first issue was that of the financial crisis and recession. It has taught us the value of conservatism and preparedness.

All during 2009, conversations with this writer were not based on the usual complaints about buyers or competitors; instead it was the many small businesses that make up this industry looking for help. It was voices filled with consternation as they found credit lines cut and credit cards eliminated.

To what degree a business has room to survive these difficult times and anticipate future financial needs is crucial to a company's long-term success. After all, one can't be successful in the long run unless one stays in business!

Financial strength is key. A business must have enough financial strength to not only survive, but also pay its bills even if it loses a line of credit or if it suddenly has to pay for supplies.

We have also observed that a shortage of funds can lead even giant businesses to do counterproductive things. We've seen this with some of the upscale retailers. Instead of simply acknowledging that their market — rich people — shrunk a bit and, accepting that profits will be down or even non-existent for a while, some of these upscale vendors have taken actions to boost sales today by muddying their position in the minds of consumers. If a recession hurts sales of Rolls Royce automobiles, the correct strategy is not for Rolls to produce a \$10,000 econo-car. It is to maintain its strategic positioning serene in the confidence that it will be successful over time.

The second issue was the defeat of the generic promotion program. We learned the limits of collective action and the importance of individual initiative.

Many well-meaning people wanted to see this happen. But they ran fast into the enormous difficulty of getting producers of wildly disparate commodities, with wildly different cost structures and wildly different profit margins, to find a way to work collectively.

The truth is that the produce industry is an awkward construct. What ties together a Maine potato grower and a coconut grower in the Dominican Republic is really the decision of retailers to market them in the same department.

In thinking through the generic promotion proposal, we have learned that this is not your father's produce industry. Once upon a time, almost everything was bulk produce, typically unbranded and of limited varieties. Collective action was almost the only way to boost consumption because we were selling a series of commodities.

Now, two things have changed: First, the product has changed. It can be specially packaged, branded, grown for niche markets, such as upscale or organic; it can be a proprietary bulk item such as Jazz apples; it can be fresh-cut. Secondly, marketing has changed. In the trade, there are national shows, local shows, trade newspapers and magazines and there are many digital and web-based communication tools. There is also a new way of reaching out to consumers utilizing websites, social media and niche consumer publications.

The combination of the ability to variegate the product with new marketing tools makes collective action less crucial and the opportunity for individual initiative to pay off more substantial.

The third issue was the inching through the Congress of food safety legislation. In coming to the decision to embrace, rather than oppose, such legislation, the industry came to recognize the benefit of having an authority to buttress industry product safety claims.

There are many things in the food safety legislation not to like. Giving FDA recall authority could lead to abuse and there are a lot of expenses for inspections and what not; plus there is no evidence any of this will help make food safer.

The overwhelming win for the industry, is simply in building consumer confidence in the FDA. If the FDA has the confidence of consumers when it declares food safe, consumers will listen. In an age when many are quick to make junk-science allegations, a credible U.S. safety authority is a priceless asset.

In the various food safety struggles since the spinach crisis, the industry has not always been treated fairly or well by government agencies, and the industry would have legitimate cause to oppose any increase in the authority or funding. Transcending this inclination

is evidence of a wisdom acquired only with time and reflection.

In Matthew 2:1-12, the visit of the Magi is described. King Herod asked the three wise men to find the child in Bethlehem and then return to tell him where the child was. He pretended he wanted to worship the child. In reality, Herod was threatened by the child as the child was "the one who has been born King of the Jews" and thus, was a rival for Herod's throne.

The Magi were warned in a dream that King Herod intended to kill the child so they went home directly "returning another way" so as to avoid King Herod. The intellectual and moral implication of that decision, though, is that once one has been exposed to the truth, one is enjoined from going back to falsehood.

As we move into 2010, may the light we have seen in 2009 stay with us and grow brighter still.

Like the story
of the Magi,
once one has
been exposed to
the truth, one
is enjoined from
going back
to falsehood.

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Change For The Better

Change is the only constant in business. This adage also rings true for associations with one caveat: change must revolve around the benefit to members, not the organization itself. That's why recent changes in Produce Marketing Association's governance and leadership structures have been spurred by our members, for our members.

PMA's new strategic plan, approved by its board in late 2008, defines a bold vision for PMA to strengthen and lead the global community, and a mission to connect, inform and deliver business solutions that enhance members' prosperity. To ensure we could achieve this bold course of direction, the association's governance and volunteer leadership structure required realignment. The result is a new volunteer leadership structure that will provide greater opportunities for PMA members to participate in their association than in the past – from across the supply chain and around the world, from produce and floral, to participate in their association to grow leadership skills and to grow their businesses.

For clarity, "governance" refers to the system used to make policy and strategy decisions; governance is the role of an association's board. "Leadership" speaks to the volunteer structure created to deliver value through programs and services. To ensure these critical components of an association match directives of the new strategic plan, PMA assembled a task force of industry leaders to evaluate our current structure and our future needs, and best close that gap.

They were aided by leading association management consultants who brought to the table their knowledge of association industry best practices. The task force's work included conducting environmental scans, reviewing standard association best practices and gathering input from current volunteer leaders and grassroots members. Young professionals in the industry were also surveyed.

Three key changes resulted from this effort. First, the responsibilities of PMA's board of directors will shift from a "report and review" body to a more strategic, proactive,

PMA's new strategic plan, approved by its board in late 2008, defines a bold vision for PMA to strengthen and lead the global community, and a mission to connect, inform and deliver business solutions that enhance members' prosperity.

long-term, direction-setting body. New board committees will be established to specifically address key topics. Second, the current constituency-based division board and council leadership structure will transition to content-based committees. These initial "committees of the enterprise" will include membership; government affairs; produce safety, science and technology; and supply chain efficiencies. Other committees will also be established relative to PMA events, including Fresh Summit. And third, as new opportunities are identified or emerge, the board can weigh adding other committees and subgroups.

A recent survey of member needs also validates the need for a shift to more volunteer involvement. PMA members told us they want more opportunities to contribute and build their leadership skills, and to build business relationships in the process. Our new structure will do just that: create more opportunities for all PMA members to participate in their association.

This association's history has been shaped by the wisdom of early volunteers who planted seeds that grew into our core values of community, character and courage. Now, as we work to achieve the goals of our new strategic plan, that same volunteer wisdom will be employed at greater levels to shape PMA's future. By the time you read this column, PMA will have contacted members to

provide more information and educate them on how they can volunteer. You can learn more by visiting PMA.com.

What isn't changing is PMA's longstanding commitment to our core values – especially the core value of courage to change when that means better serving our members.

Another change is also in store, involving this column. You're reading PMA's last Research Perspectives column in *PRODUCE BUSINESS*. When Jim and I began this series back in 2005, our goal was to help our industry stay on top of important consumer trends and to encourage our readers to be more marketing-focused and less sales-oriented.

Over the years, our dialogue has provided *PRODUCE BUSINESS* readers with valuable food for thought, which hopefully has encouraged some of you to change your thinking. The series has now run its course, and just as PMA governance task force has done, it's time to look forward into the future.

I thank Jim Prevor for the opportunity to stimulate this conversation; I am grateful for the friendship built over these years. The staff and I look forward to continuing to work with the *PRODUCE BUSINESS* team to bring our voice elsewhere in the magazine.



Research Perspectives Will Go On

"Americans of all ages, all conditions, and all dispositions constantly form associations... Wherever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association."

— Alexis de Tocqueville
Democracy in America

Trade associations provide a quintessentially American response to the question of how businesses ought to deal with the challenges of the day. As with most things worthwhile in life, though, it is easier to found an association than to maintain one as they are often established in the midst of a furor over some governmental action and often dissipate as the anger dies.

When associations are small, they typically do not have the resources to provide great value to an industry, yet when they get large they run the risk of being more interested in perpetuating the association than in helping the industry. This is not solely a challenge for industry associations... it is why, for example, the March of Dimes keeps marching, even though polio, its *raison d'être*, has long since been vanquished.

This column was founded when PMA undertook a new consumer research program and it represented something rare and precious and wholly commendable on the part of PMA: A willingness to subject one's work to withering scrutiny.

Most associations — for that matter most people and organizations of any type — are hesitant to state their views in a forum where they will be critiqued. The executive team at PMA, including CEO Bryan Silbermann, was shrewd enough to recognize that research is meaningless unless its lessons are accepted and acted upon, and acceptance depends crucially on the notion that the results have been scrutinized by third parties.

Another thing that PMA has long done well is to work hard at anticipating and changing to meet that future. This is a

The genius of PMA and its board has really been the discipline of methodically evaluating and undergoing strategic planning on a regular schedule without financial pressures.

strength that many organizations lack. This author remembers attending a PMA Board of Directors meeting many years ago when PMA distributed to all board members a copy of Robert J. Kriegel and Louis Patler's book, *If it Ain't Broke...Break It!* This book gave a different perspective from the oft repeated saw, "If it ain't broke, don't fix it." We recall Dick Spetzano, at the time the vice president of produce for Vons and the chairman of PMA, pulling us aside, handing us the book and saying, "You see what a great association this is?"

We've been around long enough to have watched a series of strategic planning processes with PMA and, so far, each has kept the association strong. This is no small accomplishment in this day and age. When PMA's show in Anaheim this past October broke attendance records, it spoke volumes about the strength of the show and the organization in a year when many shows were seeing drop-offs of 20 to 30 percent or more.

Not fearing change is a big part of preparing for success in the future. This is true in associations, in the produce industry and in publishing. With PMA's consumer research project being completed, we finished up a number of other outstanding topics and now it is time to move on.

When I spoke at the Produce Solutions Conference this year, I was asked to discuss ways in which businesses should approach the recession. One of the most important ways was to reassess what activities each business undertook and to concentrate resources where they can do the most good.

The genius of PMA and its board has really been the discipline of methodically evaluat-

ing and undergoing strategic planning on a regular schedule, so it can make decisions about what to pare, what to keep and what to plant, without financial pressures. There is a valuable lesson there for companies throughout the industry.

Publishers have to change, too, so we have launched digital operations such as that at PerishablePundit.com and thus moved into cyberspace. Yet many questions stand the test of time. Starting in January, we will be inviting different organizations each month to submit their research. We hope to help publicize it, assess it, understand it and lay the groundwork for future research. If your organization has been conducting some research, and would like to participate, please e-mail us at Research@PhoenixMediaNet.com.

I would be remiss if I didn't close by thanking Bryan Silbermann for undertaking this project for the last four years. Writing an article is difficult, and committing to do one every month, inspired or not, healthy or sick, busy or on vacation, is a formidable commitment. He didn't have to undertake it, and he deserves my thanks and the industry's praise for doing so.

Bryan and I have been friends for many years and I knew him well before we began this project, yet through these four years and 48 columns, we argued the problems of the industry like Yeshiva boys debating the holy texts. This has given me an insight into his intelligence, background and belief system that one man rarely gets of another. I think we gave the industry a small gift and I am proud we had the chance to do it together.

SUNNYRIDGE FARM WINTER HAVEN, FL

Sal Toscano was hired as product manager. He brings more than 23 years of agriculture experience and more than 18 years of strawberry-specific experience having worked with various strawberry organizations in the Plant City, FL, area.



SYSCO CORPORATION HOUSTON, TX

Craig Watson was appointed to vice president of agricultural sustainability. Most of his career was spent leading the quality assurance department into what it is today. Most recently, his responsibilities have moved into the area of agricultural sustainability.



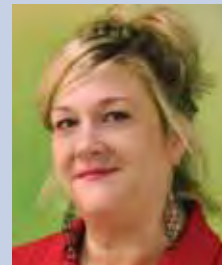
PERISHABLES GROUP CHICAGO, IL

Brian Allen was hired as retail data programs manager. With more than 20 years of experience in IT management and user support, he has worked at Textron Inc. and Ameritech/SBC, First USA and Warner Electric. His primary role will focus on the management of core client deliverables, client databases and quality improvement.



FRESHERIZED FOODS FORT WORTH, TX

Tracey Altman was appointed to vice president of marketing for foodservice and retail divisions. This newly created position complements the company's management teams. Directly involved with the Wholly brand since its launch in 2007, she is credited as being the force behind the re-branding and re-launching of the entire company.



DUDA FARM FRESH FOODS OVIEDO, FL

Jason Bedsole was hired to the position of sales manager, Eastern sales. He joined the company in 2000 as an assistant sales account manager and has earned progressively more responsibilities within the fresh vegetable sales division. Duda's vegetable and citrus programs will benefit from his leadership in this position.



SAHLMAN WILLIAMS TAMPA, FL

Theresa Zuroick was hired as an account executive for the company's Southern California office. She brings five years of public relations experience, a youthful fervor and genuine appreciation for the produce industry. As PMA's previous public relations manager, she gained valuable experience in media relations, promotional events and crisis communications.



Russell Dollar was appointed to regional sales manager. He brings more than 20 years of experience in the food and beverage industry. He previously worked for Duda's parent company's food-processing subsidiary, Duda Products Inc., where he served as a regional sales manager. He will work out of Phoenix City, AL.



Jennifer Velasquez was promoted to account executive from associate executive. She works on media relations and event coordination for the Chilean Avocado Importers Association and the Georgia Peach Commission. She maintains the social media programs for key Sahlman Williams clients.



FRUIT PATCH DINUBA, CA

Scott Wallace was elected to the Board of Directors. Currently president and CEO, he also sits on the boards of the California Grape and Tree Fruit League and ML Macadamia Orchards. Under his leadership, Fruit Patch has improved overall pack outs this year to 80 percent, significantly above results achieved in previous years.



Meredith Holland was promoted to associate account executive from account associate. She works in the fast-paced retail world with Sweetbay Supermarkets. She coordinates a bi-monthly newsletter distributed to the retailer's more than 8,500 associates. She works directly with the client's marketing department to ensure corporate and key store public relations programs are well implemented.



NEW PRODUCTS

SOY-BASED VEGGIE BRAND PRODUCTS

Galaxy Nutritional Foods, Orlando, FL, launched Veggie Slices, a soy-based cheese alternative that provides an excellent source of calcium without cholesterol, saturated fat, trans-fat or lactose. The Veggie line is available in slices, shreds, blocks and a grated topping, with flavors including cheddar, pepper jack, American, Swiss, mozzarella and more.



Reader Service No. 300

RUSSET POTATO PACKAGING

Curry & Company, Brooks, OR, jazzed up its brown tubular potatoes with eye-catching packaging containing recipes and health benefits. Recipes include All American Potato Salad, which contains other produce department favorites such as onions and celery.



Reader Service No. 301

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

VOICE PICKING SOLUTION

Robocom Systems International, Farmingdale, NY, released R-Voice 3.0 Voice Picking Solution to help warehouse and distribution center managers achieve the productivity gains being demanded of them. A key technical advancement is the integration of an XML interface, which enables an enhanced integration with the warehouse management solution.



Reader Service No. 300

ECO-FRIENDLY PACKAGING ALTERNATIVE

Clear Lam, Elk Grove Village, IL, launched its revolutionary new rollstock packaging innovation, EarthClear PrimaPak. Produced from a roll of film, the stackable, flexible package joins the EarthClear product line of advanced packaging technologies and materials that help processors and retailers minimize their environmental impact.



Reader Service No. 301

SALSA SNACK PACKS

Fresherized Foods, Fort Worth, TX, added Wholly Salsa Snack Packs to the Wholly Salsa line. The all-natural, preservative-free Wholly Salsa comes in a convenient, ready-to-eat, under-50-calorie serving cup. The new item is available in 3.6-ounce packages in a Classic variety – mild, medium and hot – and a sweeter Garden Fresca version.



Reader Service No. 302

PREMIUM JUICE WITH ANTIOXIDANTS

Sambazon, San Clemente, CA, launched a powerfully nutritious premium juice line. Antioxidant Elixir is an organic beverage that provides powerful antioxidants and 600 percent of the recommended daily value of vitamin C, yet remains refreshingly light on calories, sugar and contains no fat. It's available in three flavors: açai berry, açai passionfruit and açai blackberry.



Reader Service No. 300

ANNOUNCEMENTS

TANIMURA & ANTLE EMPLOYEES CELEBRATE MILESTONES

Tanimura & Antle, Salinas, CA, hosted its fifth annual 20-Year Employee Club celebration in Corral de Tierra, CA, to honor employees who have served 20 and 25 years with the company. Ten new members were inducted into the 20-Year Club and 12 employees were honored for their 25 years of service.



Reader Service No. 304

PAKSENSE ADOPTS TEMPERATURE LABEL RECYCLING PROGRAM

PakSense Inc., Anaheim, CA, launched PakSense GreenSense, a recycling program that facilitates the return of PakSense temperature monitoring labels for proper battery and component recycling. Through the GreenSense program, PakSense provides customers with eco-friendly return boxes and pre-paid postage return labels free of charge.



Reader Service No. 300

Reader Service No. 305

WONDERFUL PISTACHIOS CAMPAIGN UNDERWAY

Paramount Farms, Los Angeles, CA, launched its \$15 million Get Crackin' campaign, which features eight celebrity figures demonstrating how they crack open a pistachio – each in their own unique, light-hearted way – through a series of commercials airing on national prime-time programming. The national campaign also includes promotions, event sponsorship and public relations designed to communicate pistachios as a healthful and safe snack option.



Reader Service No. 306

CMI SHOWCASES NEW KIKU APPLE

Columbia Marketing International, Wenatchee, WA, showcased the new KIKU apple and packaging at the PMA Fresh Summit convention in Anaheim, CA. The KIKU is a strain of a Fuji apple that is up to 20 percent sweeter than traditional Fuji apples. To complement the uniqueness of this new variety, CMI developed the Apple Carriage, new apple packaging that replaces plastic clamshells.



Reader Service No. 307

GOLF TOURNAMENT HONORS TERRANCE TIP MURPHY

The Tip Murphy Legacy Fund, which was created by Ready Pac, Chiquita, Paramount Citrus and Naturipe Farms to honor the life and career of industry veteran, Terrence "Tip" Murphy, hosted the Tip Murphy Memorial Golf Tournament at the Oasis Golf Club & Conference Center in Loveland, OH. The first place team (pictured) is Bill Piper and Dan Floyd from Grant County Foods, and Jim Warken from Chiquita/Fresh Express. Not shown is Mark Gagnon from Chiquita/Fresh Express.



Reader Service No. 308

KROGER INCORPORATES NEW TECHNOLOGY INTO SALAD LINE

Kroger Co., Cincinnati, OH, incorporated HarvestMark traceability technology on the packaging of its private-label fresh salads that enable consumers to learn where the produce was grown. Each bag of Fresh Selections carries a 16-digit code consumers can enter on HarvestMark's Web site to learn more about the salad's origin.



Reader Service No. 309

BOOTH RANCHES BREAKS GROUND ON NEW OFFICE

Booth Ranches LLC, Orange Cove, CA, will consolidate its accounting, sales and management staff under one roof in a new office building. Construction on the new 10,500-square-foot facility is expected to commence in late October 2010. The building should be ready for occupancy at the end of 2010.



Reader Service No. 310

VILLAGE FARMS INTRODUCES 'BAREFOOT PLAN'

Village Farms, Eatontown, NJ, introduced its Barefoot Plan, an industry awareness program aimed at promoting the efficiencies and environmental benefits included in Village Farms hydroponic greenhouse growing methods. These include water conservation, land preservation, integrated pest management, recycling CO₂ and food safety.



Reader Service No. 311

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When Child Labor Laws Don't Necessarily Help Children

From Jim Prevor's Perishable Pundit
November 9, 2009



JIM PREVOR'S
PERISHABLE PUNDIT

When ABC broadcast an exposé on child labor in agriculture and specifically focused on the Adkin Blue Ribbon Packing Company, the reaction was both predictable and inevitable. It was certainly no surprise to us. In a piece published over two years ago in Pundit sister publication, *PRODUCE BUSINESS*, titled *Wages And Social Responsibility*, we warned that interest in sustainability and social responsibility will inevitably circle back to labor and working conditions in the fields, both in the United States and developing countries.

To deal with the exposé, several things happened quickly:

The United Fresh Produce Association sent out a letter to its members, basically saying that everyone has to redouble their efforts to make sure there is no illegal child labor in their operations.

After the buying organizations identified in the ABC Report — Wal-Mart, Kroger and Meijer — announced they were suspending purchases from the farm pending further investigation, news outlets published many pieces saying things like, *Blueberry Grower Shunned Over Child Labor Charges*. All these buying organizations, of course, wanted to distance themselves from this illegal activity:

Wal-Mart and two other top retailers said Friday they are suspending business with a large southwestern Michigan blueberry grower after investigators found children as young as 6 working in the grower's fields.

Wal-Mart, Kroger and Meijer said pending further information, they have stopped buying products from Adkin Blue Ribbon Blueberry Co. near South Haven, about 85 miles northeast of Chicago.

And the U.S. Department of Labor announced that it was imposing fines on Adkin and others:

Two blueberry growers, Jawor Brothers in Ravenna and Adkin Blue Ribbon Packing Co. in South Haven, have been fined a total of \$2,584 for child labor violations.

The fines are the result of an investigation by the U.S. Department of Labor, which found children younger than 12, including a 6-year-old in one case, working in the fields.

Tony Marr, general manager for Adkin Blue Ribbon, said the company has strict policies on allowing children in the field. It is written in English and Spanish and employees must sign it before they start work.

"We allow no children under 12 in our field," he said. "A couple of kids

were out there hanging out with their parents. It's something we're looking into and reviewing to make sure that doesn't happen again."

Poor housing conditions also resulted in fines totaling \$33,550 for seven fruit and vegetable growers, including another \$4,600 fine for Adkin Blue Ribbon.

Marr said they were surprised by the federal violations because the company meets all state standards.

"What we're finding out is their standards are different from the state," he said.

He said some outdoor bathrooms were too close to the living units, and they didn't have enough showerheads.

"Everything at the labor camp was corrected within three days of them pointing it out to us," he said.

There was hardly another way to handle it. The use of farm labor under age 14 is typically illegal. Still, it is worth a moment to think about the practical effects of this law and of everyone's reaction to the exposé:

1. It is important to note that the investigation, though broadcast now, was done during the summer when school was out. There is no suggestion of truancy here.

2. It is also important to note that though the activity is illegal, it is only illegal because the parents of these children are hired help or because the farm is a large one.

If the parents owned the farm, the children could engage in the EXACT SAME WORK, and it would be perfectly legal:

Exemptions from Child Labor Rules in Agriculture:

Complete Child Labor Exemptions: Youth of any age may be employed at any time, in any occupation in agriculture on a farm owned or operated by their parent or person standing in place of their parent.

In fact, if they worked on a "small farm" and the parents gave consent, the children could, once again, do the EXACT SAME WORK and it would be perfectly legal:

If the youth is younger than 12, he or she can only work in agriculture on a farm if the farm is not required to pay the Federal minimum wage. Under the FLSA, "small" farms are exempt from the minimum wage requirements. "Small" farm means any farm that did not use more than 500 "man-days" of agricultural labor in any calendar quarter (3-month

When we pass laws banning behavior without providing alternatives, we are not being ethical; we are just allowing ourselves to feel self-righteous because we "banned" an activity — whatever the consequences for those these bans actually affect.

period) during the preceding calendar year. "Man-day" means any day during which an employee works at least one hour. If the farm is "small," workers under 12 years of age can only be employed with a parent's permission and only in non-hazardous jobs.

3. Since Wal-Mart, Kroger and Meijer can't be associated with illegal activity, they all did the smart thing by disassociating themselves from this farm and this controversy. It is, however, worth noting, that it is not at all obvious that their actions help these children, which is, presumably, the point of the child labor laws.

The parents who bring their children to the fields are poor. If these chains won't buy their employer's blueberries, the company will have to lay off the workers. When you live close to the waterline, you drown if you miss one paycheck. So in all likelihood, although disassociating from the situation may be legally required and create good press, it is not likely to help the children if their parents lose their jobs.

4. We have to guard against a kind of moral obtuseness where if we don't see the harm, it doesn't exist. These poor people can't afford to send their children off to day camp in the summer so they can learn archery and go swimming. They can't afford an academic program so the children's achievements won't dissipate over the summer. They can't afford to have Mom quit work and stay home to watch them, so they bring their children to work.

It is not in any way obvious that the children would be better off if their parents made them sit by the side of the field all day long doing nothing. By harvesting, they get to be closer to their parents; they get to do something useful and feel like they are making a contribution to their family.

These people get paid by the piece, so a little extra money from the kids working for a family at this level means a new pair of sneakers before school, a chance to go the dentist or maybe a little something in a Christmas stocking.

In all the anxiousness of retailers to distance themselves from this morally "shocking" activity, nobody stepped up to say the only thing that would really make a difference, which would be to pay more for blueberries and set up an arrangement so that the money would go to fund a free summer camp for these children.

5. There is not the slightest indication that the parents of these children don't love them and want the best for them. We all know there are cases of child abuse and neglect but, in general, parents are the ones who know what is best for their children, and when we pass laws banning behavior without providing alternatives, we are not being ethical; we are just allowing ourselves to feel self-righteous because we "banned" an activity — whatever the consequences for those these bans actually affect.

 There is a very interesting book titled *Outliers: The Story of Success*, by Malcolm Gladwell, that explores the nature of what makes certain people successful.

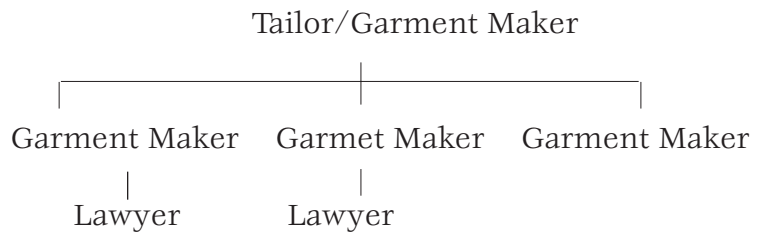
One chapter has to do with Joe Flom, a living legal legend and the last living named partner of Skadden, Arps, Slate, Meagher and Flom, the prominent and very successful law firm. The author uses Flom as a symbol for a generation of Jewish families that arrived in New York at the turn of the century and who worked in the garment trade and whose descendants became professionals.

He quotes a study done by a grad student, named Louise Farkas, who went to nursing homes in New York City and Miami Beach to write up

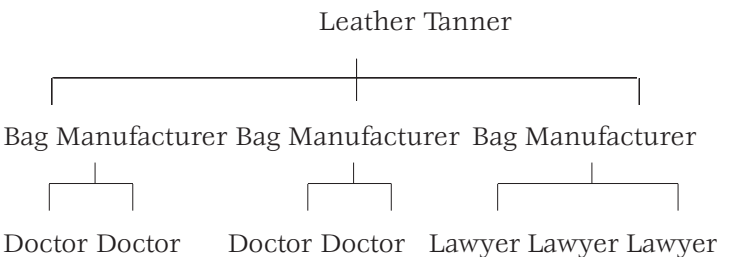
the family trees of these Jewish families, but these "trees" were based on occupation, and they were remarkably consistent. Here is her account of "Subject #18":

A Russian tailor artisan comes to America, takes to the needle trade, works in a sweatshop for a small salary. Later takes garments to finish at home with the help of his wife and older children. In order to increase his salary he works through the night. Later, he makes a garment and sells it on New York streets.

He accumulates some capital and goes into a business venture with his sons. They open a shop to create men's garments. The Russian tailor and his sons become men's suit manufacturers supplying several men's stores...The sons and the father become prosperous...The son's children become educated professionals.



Malcolm Gladwell gives another example to show how consistent the story is. Here is another family tree illustrating a leather tanner who came from Poland in the late 1800s:



The Russian tailor, who brought home piecework for his wife and children to help with, did not do it because he hated them. He did not do it because he was indifferent to their well being. He did it because they were poor and, in his opinion, this was the best route to get the family out of poverty.

We don't know what is the best available option for the children of migrant farm workers in the blueberry fields of Michigan. And, of course, we have to follow the law.

Still, we are wondering if this law really helps the children or if it just helps advocates feel good. We suspect that our Jewish tailor from Russia and his family would not have been better off had the government inserted its judgment for what was best for the tailor's children between the tailor and his family.

Just because these migrant farm workers are a different religion and from a different place, we are not really convinced that they shouldn't be given the same right to exercise judgment in order to help their children as we extended the Russian tailor decades ago.

produce issues & trends report 2010

More than 20 industry leaders identify 10 issues that will affect us all.

BY CAROL BAREUTHER, RD

"A business in the produce industry today needs to be a rapid response team for opportunities that make sense."

— Ed Kershaw, co-owner and CEO,
Domex Superfresh Growers Inc., Yakima, WA

Food Safety. The Economy. Value. These are just a few of the topics making headlines in the produce industry. How will these issues and others play out in 2010? PRODUCE BUSINESS asked more than 20 of the industry's leaders to look into the future and give us their predictions.

1. FOOD SAFETY & TRACEABILITY

New food safety legislation that will give the Food & Drug Administration (FDA) new powers to oversee the nation's food supply is expected to pass by Congress and become law sometime in 2010, predicts Tom Stenzel, president and CEO of the United Fresh Produce Association, headquartered in Washington, D.C. "We think food safety legislation — new rules and regulations — is a good thing. We have pushed for mandatory national oversight to level the playing field and build consumer confidence."

What will this mean for retailers? Stenzel contends, "It will be harder to source something when it runs out. They will now only be able to go to vetted and approved suppliers. This is a big trend line."

If government oversight does become mandatory, industry leaders agree that legislation impacting produce should be science-based. "We don't want to see requirements made on the industry that don't actually make food safer," says Mike Stuart, president of the Florida

Fruit and Vegetable Association (FFVA), based in Maitland, FL.

"Food safety and traceability will remain key to boosting consumer confidence in buying safe and wholesome food," says Dave Corsi, vice president of produce and floral operations for Wegman's Food Markets Inc., in Rochester, NY. "These topics shouldn't be a competitive issue, but an industry collaboration for overall comfort of the consumer."

Lorna Christie, chief operating officer for the Newark, DE-based Produce Marketing Association (PMA), agrees and adds, "Food safety is all about the supply chain. It's a shared responsibility — a partnership — and one that should continue as a collaborative approach, both within the industry and with government. The end result should be a safe food supply, but not at the risk of putting farmers out of business, reducing the availability of produce or by creating exorbitantly high prices for produce."

"In the past, the industry has tried hard to enact voluntary solutions to produce safety through vehicles such as the Leafy Greens Market-

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ChileanAvocados.org/retail



So Good. So Many Ways.



Bill Bishop



Mike Celani



Lorna Christie



Roberta Cook



Dave Corsi



Matthew D'Arrigo



Jan Delyser

ing Agreement," notes John McClung, president of the Mission-based Texas Produce Association. "These efforts will continue. There will also be a continued push toward food safety on the national level, and this will include a continuing effort toward uniform standards not just on a national basis, but globally. We hope that these standards will be consistent and equally applied to both large and small growers."

"This focus on food safety will increase the demand for supply chain transparency," explains Bill Bishop, chairman of Barrington, IL-based Willard Bishop Consulting Ltd. "Buyers, for example, won't want just a promise. They will want greater assurances that companies are doing what they say they are doing and doing it right, which will lead to a more sophisticated way of doing business. This is what consumers are looking for and what retailers want to offer."

Mike O'Brien, vice president of produce for Schnuck Markets Inc., located in St. Louis, MO, asserts, "Food safety and traceability initiatives will have a huge impact on our business. For example, every retailer has to rebuild its system to capture this data. It's expensive. Trace back from field to fork is a huge, but necessary, undertaking."

Traceability is now voluntary, admits Stenzel, "but it will likely be part of a new federal food safety law."

In spite of all precautions, produce companies must be prepared should an outbreak of a foodborne illness occur. Steve Tursi, director of business development for Seald-Sweet International, based in Vero Beach, FL, asks, "What would you do if CNN was in your parking lot, the cameras rolling and talking about your product? You have to have an emergency preparedness plan in place. Have you put your traceback plan into action? Do you have someone who is media savvy? How would you articulate your message?"

2. THE ECONOMY

There are hints of recovery from the current recession, especially if you look at the stock market, says Wegman's Corsi. "Nonetheless, it will be some time before we get back to what's been recognized as 'the new normal.'"

Bill Schuler, president and CEO of Castellini Co. LLC, headquartered in Newport, KY, agrees and adds, "The third quarter

showed some positive GDP [gross domestic product] numbers, but these were led primarily by government stimulus programs. Sustained growth is not strong. Weakness in consumer spending is still the key issue, especially with unemployment hovering at 10 percent. Consumers will remain protective of their disposable and discretionary income. Businesses remain very cautious and cost cutting will continue. For increased output, businesses are relying more on productivity improvements and less on employment increases."

"What this all adds up to is the realization that there will be no 'straight lines' in this economic recovery," continues Schuler. "We will experience many ups and downs with some spikes more severe than others."

"Pressure on prices means conventional retailers are fighting for sales against discounters and dollar stores."

— Steve Lutz
Perishables Group

The produce business, in many ways, is like every other business, says Ed Kershaw, co-owner and CEO of Domex Superfresh Growers LLC., headquartered in Yakima, WA. "There are two places to access capital — profits and borrowing. The impact of serious economic problems and greater taxation is less profit to spend on capital and new hires to grow the business."

At the same time, produce is different than other businesses. "Lenders aren't lending," Kershaw continues. "Produce is a high-risk business. For example, we have zero control over the weather."

Chris Nelson, president and CEO of the Mixtec Group, based in Pasadena, CA, reveals, "An emergent trend, and one that has been happening over the last five years, is the participation of investment banking in the produce industry. Produce is capital-intensive. When banks stopped lending, some growers looked to private equity companies who bought a share in the business in exchange for capital. The problem is, produce isn't pro-

jectionable. A company can make \$20 million one year, for example, and perhaps lose \$10 million the next because the market has changed. Investment bankers look to make a return on their investment. This has been a success for some and a shock for others. Those who haven't had success aren't lending and this will make this route of financing even more difficult in the future."

3. NEW WAYS OF DOING BUSINESS

As economic pressures continue into 2010, Jim Lemke, vice president of produce for C.H. Robinson Worldwide Inc., headquartered in Eden Prairie, MN, notes, "There will be pressure on operators to contain costs. This means either cost-reduction or revenue-production and it applies to both retail and foodservice."

Willard Bishop's Bishop believes, "Retailers will be driven to reduce costs by consolidating suppliers and by greater efficiency, perhaps by electronic communication with suppliers and the judicious use of logistics and/or contractual agreements. This has been going on in the package side of the store and it now applies to produce."

"Wal-Mart's move to buy direct from growers may signal a real change in the industry," says Nelson. "Wal-Mart is a leader, a trendsetter and a hard act to follow. Other retailers may match them in sourcing strategy just to stay competitive. I think this is a trend that's here to stay."

According to Steve Lutz, the West Dundee, IL-based executive vice president of the Perishables Group, "Pressure on prices means conventional retailers are fighting for sales against discounters and dollar stores. Wal-Mart is the big one, but there are also others, such as Aldi in Chicago, that are increasing their role in fresh foods. Conventional stores need to keep prices aggressive to maintain customers. This creates a downward pressure on price, and unless you can move more volume, you end up with fewer dollars at the end of the day. Price pressure will still be a significant trend into next year."

Mike Celani, senior vice president of sales and marketing for Irwindale, CA-based Ready Pac Produce Inc., points out another trend. "There is an acceleration of customer brands," he says. "This is designed to help build store traffic. It's also a profit and pricing strategy,

something that has moved from the center of the store out now to produce.”

Bishop foresees the same trend and adds, “I think the creation of strong brands by retailers will prompt more grower/shippers to offer branding. The concept of branding goes beyond just the idea by consumers that the food is safer. If your thinking stops here, then you’re underestimating the magnitude of this trend. Branding also lends an assurance, trust and consistency in a product that are all of value to the consumer.”

Retailers will find increasing competitive pressures within their ranks. PMA’s Christie remarks, “Smaller format stores and neighborhood stores are becoming more of a trend.”

Dr. Ed McLaughlin, director of the Food Industry Management Program at Cornell University, headquartered in Ithaca, NY, adds, “Smaller stores have the advantage of not needing as much land to build or construction of ‘food deserts’ like inner city neighborhoods. They can also yield high productivity without sacrificing variety. For example, smaller stores can offer the same assortment as larger for-

foodservice or retail.”

PMA’s Christie points out, “Value is not just about a cheap price. There’s a broader definition. It’s something that consumers have been moving toward, but now the recession is accelerating it. Part of this definition is about how people connect with their food. They may feel better, for example, because they’re eating something grown locally or in a sustainable way or because its produced by a company that treats its workers fairly.”

Produce is definitely something that consumers value, says McLaughlin. “For example, consumers will more readily trade down in

grocery to, say, a generic or No. 2 or 3 brand paper towel, than they are to trade down in produce. In produce, they want quality. Quality is a value.”

Cook agrees, and explains, “There’s definitely a price-quality relationship that equals value. Fresh produce has not fared as well in this equation over the last year. For example, consumers may decide to buy frozen blueberries instead of fresh because they are less expensive. But, consumer behavior is not always indicative of consumer intent. Consumers may not really want to make this change and they may switch right back to

“Next year, we’re going to continue with a deflationary affect to sales based on the savvy consumer looking for value everywhere.”

— Dave Corsi
Wegman’s Food Markets Inc.

mats using less facings and not using floor area for warehousing.”

As for what’s in store, Dr. Roberta Cook, cooperative extension marketing economist for the Department of Agriculture and Resource Economics at the University of California at Davis, says, “There are implications for operating systems and use of information technology beyond traceability to assist in SKU rationalization, getting the right product to the right store at the right time, which can lead to benefits such as reduced shrink and cost containment. CPGs [consumer product goods] have this down. We’re behind in produce, but it will become more evident as retailers respond to more competitive pressures.”

4. VALUE RE-DEFINED

“Next year, we’re going to continue with a deflationary affect to sales based on the savvy consumer looking for value everywhere,” says Wegman’s Corsi. “The commodity business is the target and many buyers are jockeying to be the shoppers’ choice for great value. This affects all of us, across the industry, whether in

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their former buying habits when the economy improves. Or, they may indeed stick with their new buying habits. Companies that figure out how consumers will react as we come out of this recession will be the most successful."

Despite the economy and cut budgets, retailers must remember, "Taste is a huge factor in consumer's perception of value," says Jan DeLyser, vice president of marketing for the California Avocado Commission (CAC), located in Irvine, CA.

Russ Hanlin, president and CEO of Sunkist Growers Inc., headquartered in Van Nuys, CA, agrees. "Taste is everything when it comes to fruit. For example, we were pleasantly encouraged to see an increase in demand for specialty citrus. That is an important message for our industry to hear. During the most challenging economy since the great depression, consumers were willing to pay a higher price for varieties that taste great. I believe this trend will continue in 2010."

Consumers are looking for value in different ways, says Ready Pac's Celani. "Foodservice is down, but we've seen a real opportunity in home entertaining. For example, sales of party trays have increased."

In the foodservice sector, Celani adds, "We're seeing value pricing on meals. For example, a QSR format that offered a \$5 foot-

long sub has a new ad: 4 five-foot subs for \$13.99. In the supermarket, this will translate into more meal solutions in-store or in a bundled ad."

The trend for value pricing is also an opportunity for foodservice, says C.H. Robinson's Lemke. "We will see more operators look to provide health and wellness on the menu in a value format. This might take the form of more healthful side dishes, lower-sodium selections or more produce in the center of the plate."

5. THE "NEW" CONSUMER

A new customer has emerged over the past 18 months, says Castellini's Schuler. "Americans have become savers. They stick to lists, eat at home, shop at discount formats and buy store brands. Consumers will remain protective of their disposable and discretionary income. What we have to do is be aware of this change in buying patterns and adapt to this change."

Schnuck's O'Brien agrees. "Customers who are back to work and spending again have a change in psychology. They're more conscious of price. We as retailers need to figure out how do we get this customer back after they've left fresh produce."

The eating-at-home trend will be one way,

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Reader Service # 20



Charles Hall



Russ L. Hanlin



Ed Kershaw



Jim Lemke



Steve Lutz



John McClung



Ed McLaughlin

acknowledges Douglas Riley, assistant vice president of produce operations for Hy-Vee Inc., headquartered in West Des Moines, IA. "Expect a lot more cooking at home. This may call for unusual items — those produce consumers have seen featured in recipes on TV cooking shows. There will be more experimentation — the opposite of convenience as families look to cooking meals as a way to share family time."

Neil Hendry, vice president of consulting for consumer and retail markets and financial services for Chicago, IL-based Datamonitor Inc., says, "Fresh produce is now more relevant as consumers are cooking more from scratch at home. This is an opportunity for retailers to have high quality, fresh and crisp produce on hand and leveraging this by providing recipe ideas and other information to help consumers learn how to include more fresh produce in their meals."

"Our industry is passionate about food, but we don't tell the story. What we need to do moving forward is to share the story. This builds a relationship with the end user. It puts a face behind the food, which in turn can make price less of an issue because there's a value in the newfound knowledge about the product and its perceived quality."

— Lorna Christie
Produce Marketing Association

Consumers want to get the most out of their shopping experience, adds Hendry. "Fresh and loose is the real deal," he explains. "Shrink-wrapped produce, for example, dilutes the experience of buying fresh produce. Thus, we may see a move away from packaging in favor of bulk produce."

This focus on freshness may lead to more

home gardening, contends Charles Hall, executive director of the Georgia Fruit & Vegetable Growers Association, based in Lagrange, GA. "The White House vegetable garden has made headlines and in this economy, there's more interest in people doing things for themselves. I don't think this will hurt retail sales, though."

Marcia Mogelonsky, global food and beverage analyst for the Mintel International Group Ltd., located in Chicago, IL predicts home canning and preserving will continue to make a resurgence. "For example, we're seeing consumers buy a flat of tomatoes at the farmer's market and canning or freezing them to make this fresh produce last longer."

Some retailers have already embarked on what's emerging as the "food as education" trend, reports Christie of PMA. "I think we'll see more of this in the form of in-store cooking classes, tasting events and even wellness clinics led by the chain's Registered Dietitian. There will be a re-definition of the supermarket as not just a merchant, but as an information destination."

On the other hand, consumers who are nesting more at home may not know how to cook or have the time, notes Christie. "This creates opportunities for meal assembly options in-store with produce as an integral component. In foodservice, we're seeing some of the fast casual concepts experiment with ordering online and take-out."

There will also be new ways of marketing to this "new" consumer. Cornell's McLaughlin says, "Pretty soon we'll have a whole generation of 30- to 40-year old shoppers who just have cell phones, no land lines. In Japan, 90 percent of the population has Smart Phones. The applications on these phones are vast. This can lead to unique marketing opportunities such as couponing. Research indicates over 95 percent of text messages are read."

6. LOCALLY GROWN

Sustaining loyalty for local and/or regional products will make headlines in 2010, believes Wegman's Corsi. "Let's face it, the consumer has high trust in many regards for their local grower. To me, this will continue to drive customer loyalty. This just doesn't start and stop in fresh produce. Customers will look for other items produced either locally or regionally to connect better in supporting

their community. If you're a retailer who wants to attract and retain the true locavore, then your credibility is at stake if you're not offering local produce. If I owned a restaurant, I would hone in on local supply and make it work. I believe part of those who want to dine will see a value in local/regional sourcing. Even the USDA is campaigning about "Know Your Farmer, Know Your Food," so local is king and will remain for some time."

PMA's Christie believes the locally grown concept is so powerful because consumers are looking for simplicity in an increasingly complex world. "It's a way for them to reconnect and feel good about the food on their tables," she explains. "Locally grown also has educational, entertainment and sustainability connotations that make it desirable."

Regarding locally grown, the CAC's DeLysyer says, "There is an opportunity for our industry to further define it as being about who is growing the food and how it is grown, in addition to where it is grown. This ties into the term 'pragma patriotism' or how consumers feel that supporting products from the USA is the right thing to do."

Christie adds, "Our industry is passionate about food, but we don't tell the story. What we need to do moving forward is to share the story. This builds a relationship with the end user. In most cases, it's a compelling story. It puts a face behind the food, which in turn can make price less of an issue because there's a value in the newfound knowledge about the product and its perceived quality."

Despite the prevalence of the locally grown trend, many are still unsure exactly what it entails. "What we may see in the year ahead is a better definition of the meaning of 'locally grown,'" hypothesizes C.H. Robinson's Lemke. "For example, does it mean the leafy greens the California farmer grows is considered 'local' only when he sells in-state and not when he sells his product in the East? For us, we're using the grower name and face on more packaging and signage to make sure we're giving consumers what they want. I don't think this is a trend. Moving into 2010 and even 2011, it will become the new way of doing business."

Consumers will continue to be interested in local food, but not at the expense of food grown in major production areas such as California, says Cornell's McLaughlin. "What con-



Chris Nelson



Mike O'Brien



J. Miles Reiter



Bill Schuler



Tom Stenzel



Mike Stuart



Steve Tursi

sumers are interested in is genuine food. Food that is grown by someone they can trust."

United Fresh's Stenzel agrees. "Food grown on a family farm is food grown on a family farm, whether it is ten miles away or 1,000 miles away. This is where good marketing comes in."

7. SUSTAINABILITY & SOCIAL RESPONSIBILITY

Sustainability and social responsibility have captured public interest in the past, says Seald-Sweet's Tursi, but it's represented a minority. "Now, this awareness and concern is moving into Middle America," he notes. "Even third-party audits are incorporating a social responsibility section. Senior management and decision-makers need to figure out how to address these issues as we go forward, or risk loss of profits."

Castellini's Schuler adds, "Sustainability is more than just about carbon footprint and packaging, it's about sensibly managing natural resources. For example, water is the new oil. Agriculture uses 70 percent of the world's water and there's not enough to sustain growth. That's why we'll see drought-resistant seeds in development and more greenhouses. It also adds up as a cost of doing business."

Accountability will be an important watchword of sustainability, says Mintel's Mogelonsky. "If you say you're sustainable, consumers are going to want you to provide it, define it, or justify it on your label."

The FFVA's Stuart adds, "There are definitional issues with sustainability and issues that address this are be practical and meaningful, not window-dressing. In addition, no sustainability or social responsibility efforts will be successful if profitability is missing. Profitability needs to be an equal leg on the stool."

8. PRODUCT INNOVATION

PMA's Christie believes consumers are looking for new flavors, new textures and new eating experiences.

Schnuck's O'Brien adds, "Excitement is the way to get people into produce, and taste and flavor is what keeps them coming back. For example, what will be the next Honeycrisp apple? Convenience is always important, too. We'll see an aggressive push toward innovation in the coming year."

There is especially a need for foodservice

innovations, says Willard Bishop's Bishop, "Specifically, we need options that can align with a price reduction at the same time. For example, suppose someone could create a mango that has a smaller pit, but not any less flesh so that yields and efficiency would be increased per the same amount of fruit."

There is a need for innovation in product marketing too, says Matthew D'Arrigo, vice president of D'Arrigo Bros. Co. of NY Inc., located in the Bronx, NY. "Some items need a shot in the arm. I'll call them your grandmother's vegetables. They're generically sold, there's nothing innovative about them, and less and less are selling. Yet, they are still significant categories. Look at what happened to pomegranates with savvy marketing. Pomegranates are in everything now and acreage is up. These other vegetables need the same type of marketing."

Mintel's Mogelonsky adds, "What is fading today is 'super fruit.' Not the fruit, just the word. It's a word consumers are tired of hearing. It was okay at first where the fruits were exotic, like gogi berries and mangosteen, and there was a mystique associated with them. Then blueberries and cranberries started to be called super fruits. There's no doubt these are healthful fruits, but consumers are confused. Are super fruits exotic or from your backyard? Marketers need to come up with another word."

9. GROWING CONSUMPTION

There's good news for increased consumption of produce, says United Fresh's Stenzel. "Participants in the WIC program are now buying fresh fruits and vegetables with their vouchers. Collectively, this represents \$700,000 in annual retail produce sales. Retailers have an opportunity to embrace these shoppers and make them feel welcome in the department. To do this, they can provide these Moms with information on how to stretch their food dollar and help them to purchase additional produce."

Stenzel continues, "As foodservice struggles to entice customers back into restaurants, I foresee there will be more fruits and vegetables on the menu. These are items that are healthful and at the same time, can lower plate costs and menu prices."

Castellini's Schuler agrees. "I think we'll see foodservice go way beyond the typical

salad and baked potato and move more produce toward the center of the plate."

"Consumers today are in the process of recognizing that produce consumption and longevity go hand-in-hand," says Domex's Kershaw. "To drive this point home, we, as an industry, will need to provide continual reinforcement of this message and do a better job of getting this message out. We also need to recognize that demand for consumption isn't all in the USA. There are emerging new economies — China, India, Russia, for example — that are willing and able to spend their money on food. Ethnicity will be the new driver in produce consumption."

10. HEALTH & WELLNESS

According to J. Miles Reiter, president and CEO of Driscoll's, in Watsonville, CA, "The debate on health care reform has brought diet's role in disease prevention into the light of day. We need to keep consumers focused in this direction by making produce more available, making it an attractive choice over something else and keeping it affordable."

The CAC's DeLyser agrees. "We're starting to see produce positioned as a preventative, for example, in the treatment of obesity."

Food as medicine will get more play in the coming year, says Mintel's Mogelonsky. "In today's economy, people are running to the doctor for everything. They are self-medicating more with food. This is an opportunity for retailers and foodservice operators to tell why a certain product or dish is good for you."

Ready Pac's Celani agrees. "The time has never been better to encourage consumers to eat more fruits and vegetables. One way to do this is to make it easy. Research shows that consumers eat more snacks than they do breakfast or lunch. Retailers who figure out how to create an effective snacking section in-store will capitalize on this."

The produce industry needs to get together on the topic of health and wellness, says Seald-Sweet's Tursi. "It's not about Company A versus Company B. Produce's biggest competitor is cookies, chips and other snacks. These industries aren't as close to healthful as we are; yet they are marketing health better. For example, look at the popularity of the 100-calorie snack packs of cookies. We have to show consumers that our products are just as tasty, convenient and healthful."

pb

Get In The Game With Super Bowl-Themed Produce Promotions

Super Bowl promotions help produce retailers develop happy customers and future sales.

BY BARBARA ROBISON

It's time to get ready for Super Bowl XLIV, to be held in Miami, Florida, in Landshark Stadium on February 7, 2010.

The 2009 Super Bowl was the second most watched in history, with more than 95 million viewers. Figures for the 2010 Bowl game will likely be similar, providing tremendous potential for supermarket produce departments and their suppliers. "We treat the Super Bowl period like it is another holiday, with store-wide promotions," says Ricky Takemoto, produce director at HOWS Markets, a five-store chain headquartered in Pasadena, CA.

Basic produce Super Bowl promotional programs should begin with the start of the football season, continue building through the college bowl games and climax with the pro play-off games and the Super Bowl, according to Shane Towne, marketing and new business development coordinator for the Indianapolis Fruit Co. Inc., based in Indianapo-

lis, IN. "By building up to the Super Bowl, consumers will say, 'I know where to go for my tailgating and football viewing party.' Waterfall displays, showing the options of convenient party trays or make-your-own sauces and dips, are effective sales builders during this period," he adds.

AVOCADOS ARE A STAR PERFORMER

Produce departments can offer a myriad of items to enhance Super Bowl viewing and entertaining. "Avocados and guacamole have long been associated with the Super Bowl, as well as football tailgating in general," says Rob Wedin, vice president of fresh sales and marketing for Calavo Growers Inc., based in Santa Paula, CA. "Shoppers love avocados and supplies should be excellent for their 2010 Super Bowl needs."

A large Mexican crop will be at peak season volume, with about 55 percent shipped at that time. The best California crop since 2006 will just be beginning. The Chilean crop will provide some of its last shipments to the United States for the year. Primary volume for the Super Bowl will be from Mexico, with primary growth starting up for the large California crop. "Avocados from Mexico are on track with volume projections," reports Emiliano Escobedo, marketing director for APEAM, based in Michoacan, Mexico. "We expect to keep strong movement this fall and winter in order to guarantee another record season."

The avocado associations have invested years of resources into the high profile Super Bowl. This year is no exception. The Chilean Avocado Importers Association (CAIA), based in Washington, D.C., has focused on the promotion of Hass avocados from Chile. The Chilean Avocado Lovers Club consumer contest began in September and



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will end February 15, 2010, following the Super Bowl. A new in-store display unit contains a sweepstakes tear-off pad and handy ripening bags. "We've been conducting a Make the Most of Your Produce program throughout the Kroger divisions," reports Maggie Bezart, CAIA's marketing director. "It focuses on educating consumers through in-store events, signage and multi-media contacts. Chilean Hass avocados will be featured from January 3 to January 30, 2010, leading up to the Super Bowl."

APEAM's fall/winter marketing program features new general market and Hispanic consumer radio, television and online advertising, providing more than 1.7 billion impressions in key markets. National print ads will reach consumers through popular publications. Also, Chef Rick Bayless' PBS show "Mexico — One Plate at a Time" will be sponsored. APEAM will launch a high profile in-store Super Bowl program January 25 through February 7, 2010, under the umbrella theme Your Game-Day Upgrade. The retail-centered promotion will tell shoppers how to easily make game-day gatherings more festive.

"Avocados are thoroughly entrenched in Super Bowl activities," asserts Jan DeLyser, vice president of marketing for the Irvine-based California Avocado Commission (CAC). "Everyone has their favorite guacamole recipe, providing an excellent opportunity to cross merchandise avocados with other produce items. While the produce department is the ideal spot, such displays in the chip and beverage aisles have been successful in some markets," she continues. "Also, as we move into January and February, consumers are more weight- and nutrition-conscious. Avocados have a great nutrition message to present."

SALSAS AND DIPS ARE FAN FAVORITES

Produce departments can also be a source for a wide selection of dressings, dips, sauces and salsas for Super Bowl events. A display of these items along with fresh vegetables for dipping, and perhaps some chips and beverages, can be an inviting welcome to the department. "We do a weekly mailer to promote the Super Bowl and run an avocado ad during Super Bowl week," offers Takemoto of HOWS Markets. "Then we display an array of items for the event. Snack foods and party trays are always popular."

Fresherized Foods, in Fort Worth, TX, marketer of Wholly Guacamole and Wholly Salsa, will be concentrating on retailer promotions. Last year, the company rewarded retailers who focused on football themes.

The company's special Dallas Cowboys packaging has created interest and has been particularly successful in Texas. The package will be available in stores for the duration of time the team lasts in the play-offs.

"We are launching a new Party Time Dip, which is one layer of Wholly Guacamole topped with a layer of our spicy pico de gallo," reports Tracey Altman, vice president of marketing for foodservice and retail divisions. "It's different and will generate a 'wow-effect' when it's served at a Super Bowl party."

Altman suggests produce departments set up displays that make customers stop, smile and want to know more. Provide them with ideas for centerpieces they can do at home. A contest with the produce team for the best display is another idea. "I'm amazed at how creative they can be," admits Altman. "No big agency is needed — just great, creative produce teams."

"Center aisles may have the chips, but they don't have the fresh, authentic and healthful refrigerated salsas and guacamoles available in produce department coolers."

**— Karen Caplan
Frieda's Inc.**

Salsa is the No. 1 condiment in the United States and more guacamole is consumed on Super Bowl weekend than any other time. Retailers should use suggestive selling football-themed decorations and point-of-purchase signage. It's a once-a-year opportunity. "Center aisles may have the chips, but they don't have the fresh, authentic and healthful refrigerated salsas and guacamoles available in produce department coolers," points out Karen Caplan, president and CEO of Frieda's Inc., in Los Alamitos, CA.

Frieda's salsas come in four varieties for every flavor preference: Hot, Mild, Roasted Garlic and Pico De Gallo. The salsas are never heated, preserving the bright, authentic flavors. The Pico De Gallo is especially complimentary to Baja-style fish tacos for

Super Bowl festivities. The guacamole is topped with a thin layer of mild salsa for added texture and flavor.

Many consumers prefer to make their own salsa or guacamole. Once again, produce departments can come to the fore by providing recipes and suggestions. The availability of Florida tomatoes makes them an ideal partner for cross promoting Super Bowl entertainment ideas. The Maitland-based Florida Tomato Committee promotes an easy-to-prepare Salsa for Everyone. It includes tomatoes, lemon, bell pepper, parsley and onion from the produce department.

The recipe is available on the Committee's Web site. "Sandwiches and wraps are popular for game day events and Florida tomatoes are a great sandwich or wrap addition," says Samantha Winters, director of education and promotion. "The Florida Tomato Committee is planning a recipe publicity release at Super Bowl time."

"Avocados are our big seller during Super Bowl time," shares Lee Reynolds, produce director at Haggen Inc, a 33-unit chain based in Bellingham, WA. "We are on ad with them that week, tying in with a store-wide Bowl promotion. We don't offer party

IN MEMORIAM

Steven Craig Hood

August 1, 1955 - October 29, 2009



Keystone Fruit Marketing regrets to announce the sudden and unexpected death of Steven Craig Hood, member of our Northwest office in Walla Walla, WA, October 29th 2009 at the age of 54.

Steve was a dedicated employee, co-worker, friend and valued member of our Keystone family. He will be greatly missed. Steve was also a family man who was deeply religious and enjoyed spending time with his wife Penny, three children and four grandchildren.

As a dedicated leader in our industry, Steve will always be remembered by his friends and those who had the pleasure of working with him.

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Colorful Party Trays Score Big

Party trays of all shapes and sizes continue to increase in popularity. They are especially welcome during Super Bowl time with informal entertaining at its height. Apio Inc., based in Guadalupe, CA, provides a selection of large- and small-foot-print party trays in a variety of product sizes and configurations. The Gourmet Beef and Cheese and Gourmet Turkey and Cheese trays are especially popular.

"The Apio patented flip-tray design includes a rigid serving base, unmatched in both durability and convenience," says Candice Blackmoore, director of marketing. "For retailers, the design provides merchandising efficiencies and display attractiveness, combined with modified atmosphere packaging that maintains quality and reduces shrink."

To emphasize the bright appeal of its rainbow carrots, Colorful Harvest LLC, headquartered in Salinas, CA, offers a football-themed tray of carrots. "We've introduced a line of sports-themed trays with our eye-catching multiple colored carrots for the retail market," reveals Douglas McFarland, marketing director. Kids especially enjoy the crunchy carrots, and parents know they are good for them. We believe Super Bowl sales can be carried over to other sporting events with our special packaging."

A complete line of event trays and platters, along with salad kits and party bowls, are available from Irwindale, CA-based Ready Pac Foods Inc. Besides the more traditional fruit and vegetable trays, the selection includes: Fruit & Chocolate Platter, Harvest Veggie and Cheese Platter, Apple and Caramel Dipping Platter, Tropical Fruit with



Photo courtesy of Ready Pac

Lemon Chiffon Dip and Apples & Cinnamon Crème Dip. "Consumer surveys show that more than 60 percent are entertaining at home versus going to a restaurant," points out Ali Leon, senior director of strategic business development. "Our products make it easy to serve restaurant inspired food to guests for Super Bowl events. The retailer benefits from increased incremental sales at a generally higher ring."

"Vegetable party tray packs are an excellent addition to any market's Super Bowl promotions," asserts Lorri Koster, vice president marketing and co-chairman of the board for Mann Packing Co. Inc., based in Salinas, CA. "We offer a variety of them, and can change the label to 'Tailgaters,' emphasizing that the tray is to enjoy during the football season."

A bean dip is the featured ingredient in the football-shaped party tray marketed during the tailgating season by Renaissance Food Group LLC, located in Rancho Cordova, CA. "We also offer other vegetable and fruit trays and will have aggressive pricing during the Super Bowl period," adds Phil Fendyan, director of sales and marketing. **pb**

trays or salsas and dips in our department. They are part of the deli area, so our big push is on avocados, which we sell a lot of during that period."

When making your own vegetable tray, Tom Iles, sales manager for Erie-James Ltd., headquartered in Leamington, Ontario, Canada, suggests trying the company's Cool Cukes. "They have become popular with customers of Hannaford Brothers in Maine and Sweetbay in Florida, and are ideal for a fresh vegetable platter," he says.

Fresh fruit may seem neglected during the Super Bowl period, but there are many attractive fruit platters and trays available for produce departments to promote. Or, a market might encourage customers to put a twist on the typical salsa recipe. The National Watermelon Promotion Board, based in

Orlando, FL, has been promoting a Watermelon Fire and Ice Salsa. "It's easy to prepare and is ideal for Super Bowl parties to serve as a dip or a garnish for chicken or fish," suggests Stephanie Simek, marketing and communications manager. The recipe is available on the Board's Web site.

An unusual appetizer that has gained consumer fans is the fresh garbanzo bean. "Fire Roasted Fresh Garbanzos are a hit as a tasty and nutritious appetizer for tailgating and football parties," asserts Morgan Murray, managing member of Califresh of California LLC, based in Sanger, CA. "Quickly prepared, in about six to seven minutes, the roasted garbanzos are eaten as finger food, similar to edamame. We can provide product information, recipes and point-of sale materials for our retail customers." **pb**

Mexican Promotion Kicks Into High Gear

Retailers and other buyers can take advantage of a variety of promotion and support programs backing the Mexican industry.

BY JODEAN ROBBINS

As one of the leading suppliers of fresh fruits and vegetables in the U.S. market, Mexico has long been established as a reliable and quality source of product.

Now, the Mexican industry, along with its U.S. partners, is offering a host of promotional programs for retailers and foodservice buyers. "Promotion programs are important in our market," reports Jimmy Ross, vice president produce operations for Lewis Foodtown, headquartered in Houston, TX, with 26 stores. "Making our customers more aware of the products definitely increases sales."

Whether you're in a mainstream or more ethnic market, promotion of Mexican products has bene-

fits for all. "Promotion really pushes the cross-over business," states Alfonso Cano, retail produce director for Gonzalez Northgate Market, a 30-store chain headquartered in Anaheim, CA. "We can sell mangos or avocados with our eyes closed to the Hispanic market, but cross-over customers are attractive for building sales. As customers look for alternative markets to shop because of the economy as well as the growing interest in different foods, they're making our stores a staple. Promotional programs give us some additional tools to reach out to these cross-over customers."

Having a storehouse of promotional tools at their fingertips can give retailers an advantage. "Programs are being driven by industry need for more sophisticated support," reports Jerry Wagner, director of sales and marketing for Farmer's Best International, headquartered in Rio Rico, AZ. "Retailers today are under a lot of pressure for profits, especially during this economic crisis, and it means they depend on strategic programs that achieve real results."

STRONG BACKING

Mexican growers and exporters have invested time and resources into building a competitive business with solid support. "Produce from Mexico is becoming very competitive, which helps on pricing and with quality," says Cano. "Companies coming out of Mexico and getting into the U.S. deal are now sourcing year-round and they have a lot of strength and support behind them."

Mexican producers are fortunate to have some stable programs backed by the Mexican government. "The Mexican government is working very hard to increase the export offer to the entire world," says Jairo Luke Verduzco, manager of HortiAmericas LLC, in Nogales, AZ, and Los Mochis, Sinaloa, Mexico. "ASERCA runs programs that help Mexican growers to find new markets and new clients. This program is under the Secretary of Agriculture in Mexico [SAGARPA] and the manager and



Photo courtesy of The Oppenheimer Group

Mexican producers and their marketing partners offer a host of promotional programs for retailers and foodservice buyers.

her team work very hard in promoting Mexican growers all over the world.”

Two valuable programs backed by the Mexican government are the MexBest Pavilions at trade shows and the Direct Buying Program. “These programs are managed by ASERCA in coordination with the five Foreign Agricultural Offices [located in Canada, the United States, Europe, Asia and Central America],” reports Froylan Gracia, counselor for agricultural affairs at the Embassy of Mexico, in Washington, DC. “With MexBest, the Mexican government sets up pavilions at trade shows where Mexican firms of food products exhibit their goods. Participation is fully subsidized including construction, samples shipping, exhibits, etc. The only costs exhibitors incur are lodging and travel expenses. The Direct Buying Programs objective is to link as directly as possible the Mexican growers/exporters with international buyers such as retailers, wholesalers, or distributors. This is done mainly by the organization of trade missions to Mexico, participation in trade shows and visits from Mexican companies to U.S. buyers.”

Buyers benefit from the easy contact these programs provide. “The programs help support the Mexican producers in better participating in the market and making our products more available to buyers,” explains Verduzco. “For example, in the recent Produce Marketing Association show, the Mexican Pavilion (MexBest) was organized so the buyers could most easily find the type of product they’re looking for. Additionally, having a kitchen where chefs prepared the different Mexican products was helpful to allow attendees to try the different ways you can prepare or use these products.”

Gracia adds, “By establishing a direct link between Mexican suppliers and U.S. buyers, we allow for information to flow between the buyer and the growers so that the needs, requirements, specifications of the buyers and consumers are passed along to the grower level. This helps avoid unnecessary handling and repacking of products at mid-point distribution points. The idea is not to eliminate the middlemen, but to create better channels of communication so that the quality, deliveries and logistics are consistent with what the retailer needs, helping to reduce the margins in the distribution chain and getting a better return for the growers.”

COMMODITY-SPECIFIC HELP

Commodity-specific programs abound to help promote products where Mexico has a high participation in the supply. “The National Watermelon Promotion Board promotes watermelons year-round for the

Tips For Retailers

In addition to taking advantage of established promotional support from companies and organizations, retailers have a variety of tools available within their own hands to better promote Mexican products. Here are some tips:

Start with quality. “All the promotion in the world won’t help if you don’t maintain the product and give the customer the right stuff,” warns Alfonso Cano, produce director for Gonzalez Northgate Market, a 30-store chain in Anaheim, CA. “You have to make sure the quality of the product is right for the sales floor.”

Don’t shy away from prominence and variety. “Consistent promotion, prominent positioning, larger displays and consumer education are all part of the formula for success in any mango season,” says Wendy McManus, director of marketing for the National Mango Board, based in Orlando, FL. “During the Spring/Summer months, many retailers can build sales by carrying more than one variety and/or more than one size of mango.”

“I normally run two to four Hispanic items in our ads,” reveals Jimmy Ross, vice president of produce operations for Lewis Foodtown out of Houston, TX. “We also promote by displaying a larger end-table display. We draw attention to it and try to tie items in together.”

Emiliano Escobedo, marketing director for APEAM, based in Michoacán, Mexico suggests, “Retailers can create hype and

increase sales by creating displays with ripe avocados that are eye catching. Ripe avocados can outsell unripe by 2-to-1. Increase shelf space by using multiple display stations to promote large and small sizes and different price points.

Make the most of POS. “The use of flyers and in-store tasting activities are key to promoting any product,” states Froylan Gracia, counselor for agricultural affairs at the Embassy of Mexico, in Washington, DC. “Consumer education is essential and showing them things such as when the product is ripe as well as the best ways to eat it will help position the products in stores.”

“Showcase promotional cards and recipes ideal for the football season as well as healthy items such as packaged salads,” advises Escobedo.

Utilize suppliers and educate yourself. “Be ahead of the curve and know when the product is going to be available,” says Cano. “Be nosy and get more information from the Internet, from suppliers, and even from visiting the competition.”

Cross-merchandise. “We suggest displaying avocados next to items they partner with in meals and recipes such as tomatoes, onions, lemons and limes,” says Escobedo. “This reminds customers to purchase these items, and provides a beautiful color contrast as well. And don’t forget the power of suggestion! Try displaying avocados with pre-cut vegetables and platters, as well as chips and beer.”

pb

industry,” says Brent Harrison, president of Al Harrison Co. Distributors, located in Nogales, AZ. “Its basic function is to increase consumption, promote health benefits and work with retailers. Through their promotions, we move more volume and bring better returns to the farm, both domestic and foreign. Retailers can benefit from the experience and data they provide, as well as the available printed material. This makes a difference for Mexican product since 45 percent of consumption comes from imports during the year.”

In its efforts toward year-round promotion and sales of watermelon, the National Watermelon Promotion Board (NWPB) relies heavily on regular consumer research to gauge attitudes and awareness of watermelon. “Current research has confirmed consumers are getting the message that watermelon is healthy and delicious,” says Gor-

don Hunt, marketing director for the National Watermelon Promotion Board, based in Orlando, FL. “For the retailers, this means the more consumers know about the health benefits of watermelon, the more they will consume. This is particularly the case in the winter import season, since much of North America experiences frequent inclement weather and consumers are more concerned about health issues, weight loss and the need for exercise.”

During this time of year, the NWPB works to inform retailers and consumers of the results of the latest scientific research in areas such as the heart healthy aspects of watermelon. “The success of these efforts can be seen in the steady increase in imports of watermelon over the past several years in the winter months,” says Hunt. “Unlike the summer season, winter season growth continues to be in the fresh-cut and

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**Source: Perishables Group Best Practices for promotions Report 2009.



Photo courtesy of APEAM

APEAM has launched a fully integrated marketing program to increase consumer purchase frequency and market demand for avocados from Mexico during the Fall and Winter seasons.

mini watermelon categories. To counter the misconception that winter is not watermelon 'season,' NWPB encourages retailers to remind their customers that no matter where it's from, or when they buy it, watermelon is 'always in season.'

VIRTUAL TEST KITCHEN

The Orlando, FL-based National Mango Board (NMB) will introduce two dynamic programs for 2010, the Virtual Test Kitchen and Celebrate Summer with celebrity chef, Ingrid Hoffmann. "The groundbreaking Virtual Test Kitchen program will be the centerpiece of our 2010 outreach to consumer newspaper and magazine editors," says Wendy McManus, director of marketing for the NMB. "It will include deliveries of mangos, videos and information to various publications. Each delivery will be themed, with our focus being on mango varieties and using mangos at different levels of ripeness. We expect to see the initial results of this program show up as print and online coverage for mangos in Spring/Summer 2010, which will be perfect timing for the Mexican mango crop."

McManus continues, "During our Celebrate Summer program, Ingrid Hoffmann will appear on TV and the Web with great summertime mango recipes. Ingrid always takes the time to show viewers how to judge

mango ripeness and how to cut a mango, which can really help to overcome the 'fear factor' that consumers sometimes associate with mangos. Between June and August 2010, this video will be viewed about 28 million times, so the exposure will be fantastic."

These programs were designed specifically in response to consumer and press feedback. "With all of our marketing programs, we are ultimately looking to the consumer and trying to understand how we can help them choose mangos more often," says McManus. "Much of what we do is focused on educating consumers to overcome barriers. That means teaching them how to select, ripen, cut and use mangos in their own kitchens, and keeping mangos top-of-mind so they are more likely to pick up mangos on their next shopping trip."

"Virtual Test Kitchen was formed in response to some particular challenges that magazine editors expressed to us," explains McManus. "They wanted test kitchen type experiences, but their busy schedules and shrinking staffs were making it more and more difficult for them to participate in test kitchen events. They also started asking more advanced questions about mangos and helping us understand they were ready to take their readers to the next level in their mango education. A series of intensive brainstorming sessions with our marketing

agency resulted in the Virtual Test Kitchen concept and we can't wait to get started."

The Virtual Test Kitchen has very specific foodservice application as well. "Our foodservice agency got very excited when they saw the plan for Virtual Test Kitchen and they wanted to get involved," says McManus. "As a result, several foodservice publications will be included in the delivery program and these themes of varietal and ripeness differences will be woven into our foodservice PR efforts in 2010. The level of ripeness is particularly relevant to foodservice, where they may not have the storage space or the time to ripen firm mangos. We will be providing recipe ideas that work perfectly for crisp, firm mangos and ideas for very soft mangos, too."

Some new POS materials will assist retailers in educating consumers on different mango varieties. McManus explains, "We are developing some specific green-skinned mango and yellow-skinned mango POS materials to help educate consumers about their different options. Up to this point, when we have communicated with shoppers at retail, the message has been more generic, such as Don't Judge a Mango by Its Color. In 2010, we think some retailers and their customers are ready for the next level of mango education, which includes educating them about green-skinned mangos and yellow-skinned mangos."

TOP CHEF MASTER

Avocados from Mexico have launched a fully integrated marketing program to increase consumer purchase frequency and market demand for avocados from Mexico during the Fall and Winter seasons. Emiliano Escobedo, marketing director for APEAM, in Michoacán, Mexico, explains, "One of the most notable program elements is a special promotion with Bravo's 'Top Chef Master' Rick Bayless during the holiday and football season, which will be supported with online marketing, in-store retail displays offering free celebrity chef recipes and the sponsorship of his nationally aired PBS show 'Mexico — One Plate at a Time.'"

The Avocados from Mexico Fall/Winter Marketing Program features new general market and Hispanic consumer radio, television and online advertising that will provide more than 1.7 billion impressions in key markets. "In addition, Avocados from Mexico is reaching consumers through national print ads in popular publications, the sponsorship of Rick Bayless' national PBS show, strategic online marketing, national public relations efforts and in-store advertising," reports Escobedo.

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Prior to the development of the new Avocados from Mexico radio and television spots, APEAM conducted Hispanic and general market focus groups in Houston and Dallas, TX, in order to gain consumer insights to aid in the development of their strategy. "We wanted something relevant and motivating," Escobedo explains. "We wanted to brand Mexican avocados by differentiating them from all other avocados. Based on the learning from the initial strategic research, APEAM created and tested several potential campaigns in order to identify the one most likely to motivate consumers

to increase usage and purchase avocados from Mexico. After months of research and development, the new creative is ready to go and scheduled to air starting November 9th through the 'Big Game' in February."

Retailers very much look forward to the avocado program. "The biggest promotion we've had has been with avocados," says Cano of Gonzalez Northgate. "This past year, there was an entire media promotion and educational pamphlet using our store as a base to illustrate their points. APEAM does a really good job in providing a lot of POS materials and in promoting Mexican origin

as a positive. As far as our customers are concerned, their passion and pride is to buy Mexican avocados."

According to APEAM, this season, Avocados from Mexico have increased their promotional support and added more ways for the trade to get directly involved with promotions, including the Avocados from Mexico "Best of Show" Display contest as well as new POS materials. Escobedo describes, "In addition to our extensive marketing efforts, Avocados from Mexico are offering retailers a variety of newly-designed POS materials featuring mouth-watering avocado dishes to help generate impulse sales in-store. Materials can be ordered online and include secondary displays, POS cards, recipe cards featuring seasonal recipes by Rick Bayless, and danglers in English and Spanish."





















"By establishing a direct link between Mexican suppliers and U.S. buyers, we allow for information to flow between the buyer and the growers so that the needs, requirements and specifications of the buyers and consumers are passed along to the grower level."

**— Froylan Gracia
Embassy of Mexico**

"The avocado program gives us great advertising support with radio spots, POP materials and demos," says Foodtown's Ross. "The radio spots, POP and contests are very valuable. You can tie it all in and really create excitement at the store level with produce managers. It gets them involved and gives them motivation."

Additionally, Avocados from Mexico has launched a training program aimed at retailers featuring the S.M.A.R.T. (Storing Mer-

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In addition to offering a number of Mexican-grown products, including tomatoes, Farmer's Best claims to be the first Mexican importer to have a dedicated category management program that provides retailers with promotional tools and support.

chandising Arranging Ripening Training) Kit to train produce managers about the latest in Best Practices for handling and merchandising avocados. APEAM's Escobedo says, "The hands-on training is available to retailers in need and includes a training DVD in Spanish and English on handling and merchandising, backroom posters in Spanish and English, a training brochure and even an opportunity for produce managers to

earn the 'S.M.A.R.T.' certificate."

COMPANY INITIATIVES

Many retailers find ample and valuable support from individual suppliers. "We get promotional material and support from many of our suppliers," points out Ross. "This is a great addition to the commodity-specific programs."

Farmer's Best is introducing a unique

tomato category management program. Wagner explains, "Our marketing program is trade-directed, and we count on our customers — the retailers — to do what they do best in their own outreach to their customers. However, we provide communication and promotional tools and support to help them. For example, our tomato category program is the first of its kind by a Mexican importer and the only major one by a

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shipper in recent memory. Our goal is to help retailers train their personnel on better management of this complex category to

"In today's economy, consumers respond particularly well to attractive pricing promoted through newspaper flyers as well as prominent displays in stores."

**— Jaime Tamayo
Divemex/Mexico**

offer to any chain that contacts us. Then, we have a more customized educational program just for our customers. This latter one delves into regional sales data and offers specific guidelines for building a true category management plan. It is a soup-to-nuts approach to the category. We have several foodservice clients, and we will adapt some general guidelines of the retail program to suit that segment."

Divemex, with its North American marketing partner, The Oppenheimer Group, routinely promotes its bulk and packaged peppers through co-op ads with retailers. "In today's economy, consumers respond particularly well to attractive pricing promoted through newspaper flyers and prominent displays in stores," says Jaime Tamayo, marketing manager for Divemex/Mexico in Guadalajara, Jalisco, Mexico. "By including quality items, such as Divemex peppers in their regular promotions, retailers help us convey the fact that our Mexican peppers are top-quality. The reputation for Mexican products has improved significantly in the last few years, largely because many growers are committing to food safety practices."

"Appealing pricing and visible promotion helps move the product the first time," says Tamayo. "When consumers try it and have a good experience, it leads to repeat sales, which benefits the entire supply chain." **pb**

increase sales. We also offer ad or demo support, plus try to meet any custom demand. Soon, we are also planning to expand our Web and online presence so we can further target and customize our communications."

Wagner continues, "We have a general tomato commodity information program we

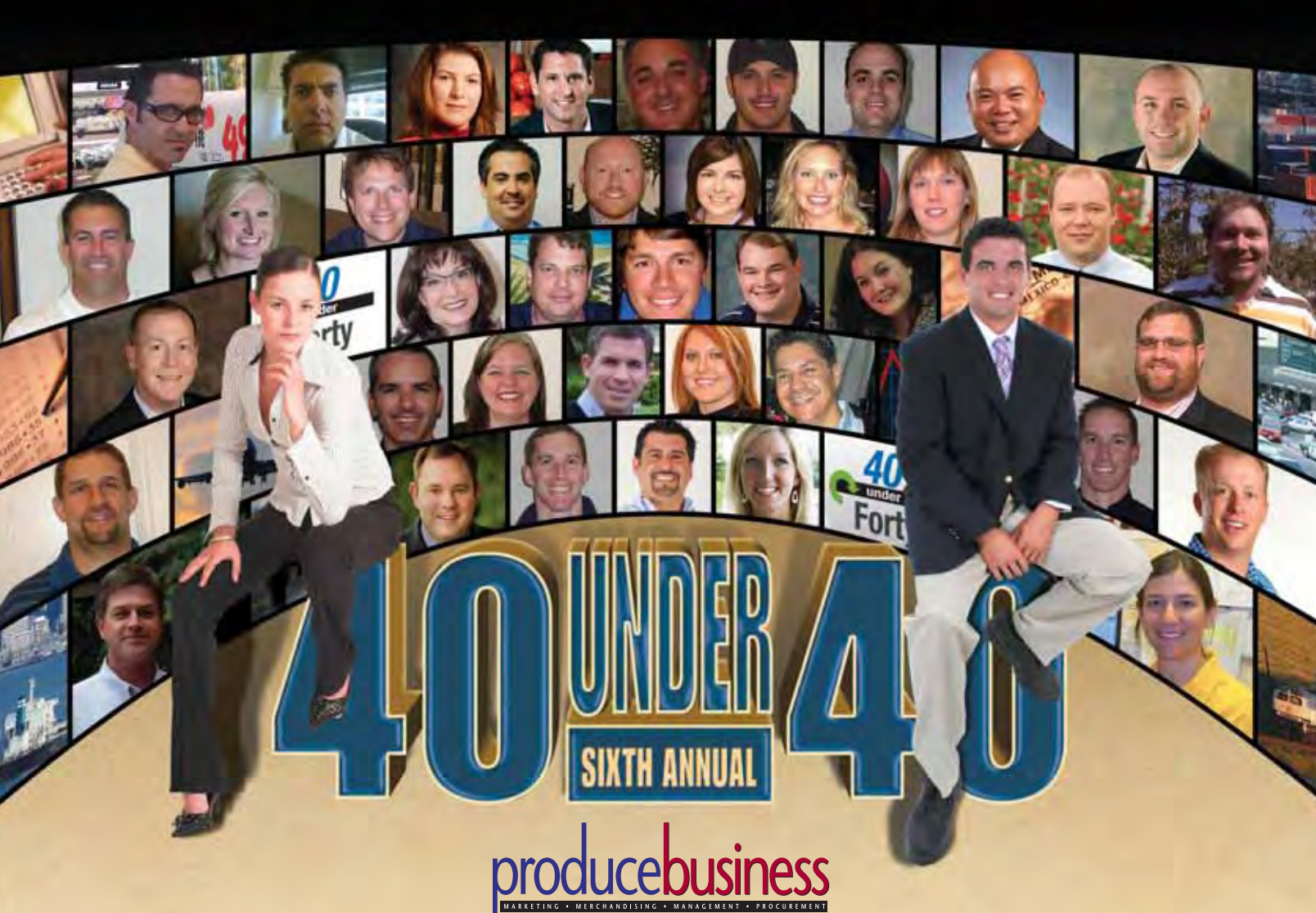
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Texas Produce Industry Adapts To Adversity

The Texas produce industry continues to evolve as it recovers from past weather disasters and develops stronger shipping ties with Mexican growers.

BY THERESA BRAINE

Texas, always a larger-than-life state, boasts an equal-sized produce industry, with an expanded growing area thanks to Mexico.

From sweet ruby-red grapefruit grown on Texas soil to the Mexican-grown avocados that supply a leading guacamole maker, produce grown in and exported through the state has a reputation as far away as Asia and Europe.

"Take a bite of Texas produce and you quickly learn why we say Texas growers produce the best fruits and vegetables in the world," says Texas agriculture commissioner Todd Staples. "Our produce is well-known for its excellent taste and quality. Our farm-fresh fruits and vegetables enable our producers and industry to continue to be recognized leaders in the global marketplace."

Texas' produce industry is vital, though it has undergone many changes throughout the past 20 years. In 2008 the state produced \$481 million worth of vegetables, the top three being onions, cabbage and watermelon, according to the Texas Department of Agriculture (TDA).

"Right now citrus production is in full swing, and retailers and farmers markets are pushing locally grown produce to their customers," says Julie Andrews, TDA's coordinator for media and advertising. "Cabbage will soon be available in stores, and pecans are being promoted in China, as well as here at home. Texas also produces many types of winter greens that are shipped across the country. Texas carrot production will also soon be available."

According to John McClung,

head of the Texas Produce Association, the top produce items being shipped out of Texas are: citrus, predominantly grapefruit (75 percent) oranges (25 percent); vegetables such as the state's famed Texas 1015 onions, cabbage and a few other commodities.

"We're growing more and more greens and herbs. They tend to be small-acreage, high-value crops," McClung says. "The dominant import is limes but we also import most of the mangos consumed in the United States, and those are huge volume crops."

Texas has a very healthy produce industry, but it is changing, says McClung. "Twenty, twenty-five years ago Texas was the No. 3 producer of fruits and vegetables, always trailing California and Florida."

However, he adds, a study conducted for the Produce Marketing Association (PMA) earlier this year "confirmed what I'd been saying for quite some time, which is that Texas has slipped for some reason ... from number three to below number ten."

"At the same time we're shipping more products from Texas to the rest of the nation than we ever have," McClung says. "We're going from being exporters to importers. The trend is to be more importers than domestic producers."

"So that is probably the single biggest economic reality we deal with in Texas... this shift to production in Mexico and sales in the U.S.," McClung says.

DIVERSE ITEMS AND SHIPPERS

Many shippers focus on citrus. Texas' red grapefruit is known for its sweetness and is sold from California to New York. Its oranges, though not as picturesque as California oranges, are big in west coast markets because they make great juice, according to Trent Bishop, sales manager for Lone Star Citrus Growers, Mission, TX.

"Basically we have the West and Midwest," says Bishop. "Florida tends to pretty much wrap up the Eastern Seaboard; they have a freight advantage, for one thing."

But from Texas north to Chicago, Detroit and



Photo courtesy of Texas Department of Agriculture

Cabbage is among the state's top three produced vegetables.

West, Texas orange sales flourish.

"Ethnic consumers are huge supporters of our orange crop," Bishop adds. "Our oranges are the best juicing fruit out there. What we find is that Hispanics and the Asians are still juicing fruits in their kitchens, and they love our oranges."

An innovative seller is the maroon carrot. According to Jeff Brechler, a sales associate at J&D Produce Inc., in Edinburg, TX, "The maroon carrot is the healthiest carrot in the world because it has higher levels of antioxidants, beta-carotene and anthocyanin. That's what gives it the purplish-reddish color. It's the same antioxidant that's in cherries, grapes, blueberries and plums — that color on the spectrum." J&D is the only licensed grower of this carrot in North America. Production moves north to New Jersey during the summer months.

Edinburg, TX-based Frontera Produce Ltd. focuses on other items, shipping onions, cabbage, cilantro, chili peppers, jicama, pineapples, among others, says Ken Nabal, vice president of sales, out of the company's Boca Raton, FL, office.

"We are proud of all of our product quality, especially Texas 1015s and our golden pineapples," Nabal says. "We own our own plantation and have made huge strides in post harvest to deliver the sweetest pineapple with the highest shell color. Our advantage is the proximity to our packing house/plantation in Mexico, [which boasts a two-day turnaround]."

Leigh Vaughn, director of produce and floral at Associated Food Stores Inc., in Salt Lake City, UT, acknowledges, "We sell a ton of Texas grapefruit. We will source cabbage when we get closer to St. Patrick's Day. Texas cabbage last year was superior in quality. And frankly the way they shipped the product was better as well."

REBUILDING THE CITRUS INDUSTRY

One reason the Texas produce industry isn't quite what it used to be is that it has barely recovered from long-term damage inflicted by two devastating freezes that occurred in the 1980s.

"Many of the citrus groves that were affected by the freezes have been lost to development," says Andrews of the TDA. "New plantings and regrowth of damaged trees are in place, but production is not where it was a few years back, because less land is available to plant citrus trees."

Freezes weren't the only adverse weather conditions, the department noted. July 2008 saw Hurricane Dolly sweep through South Texas, causing the loss of up to 10 percent of Texas' grapefruit crop.



Photo courtesy of Texas Department of Agriculture

The Texas Department of Agriculture's works directly with retailers and Texas producers to help them promote their products and make them easily identifiable.

The Edinburg Citrus Association knows about the freezes firsthand. There was one in 1983 and then another in 1989, says marketing director Paula Fouчек, based in Edinburg, TX. "When you get into the twenties for a longer period of time you begin to lose fruit; low twenties and teens, and you begin to lose trees," she explains.

At the time of the 1983 freeze there were about 70,000 acres of citrus, Fouчек says. Then it built back up to about 30,000 until the 1989 freeze lopped a chunk off of that. The growers took the time and effort to rebuild, she says, and it is pretty much back. Now the state is working to earn its place back in the national consciousness.

MARKETING EFFORTS

Even in a down economy, "people are still going to the grocery store and buying fresh produce," says Fouчек. "We've established a reputation out there, and I think that's something that is there regardless of the economy."

Specific marketing efforts by Edinburg Citrus focus on trying "to come up with great ways of using our grapefruit other than just for a breakfast item," she says. "We want people to have grapefruit every day."

More and more, marketing is spearheaded by individual companies, McClung says. But efforts are also under way through the Texas Produce Association and the TDA.

"We are marketing vigorously to the nation's retailers, both those that are headquartered in Texas and those that are outside of Texas," McClung says. "We also are selling vigorously into the restaurant, institutional trade and foodservice industries."

Wholesalers, retailers and farmers markets work with the TDA's Go Texan membership marketing program, "which promotes the products, culture and communities that call Texas home," according to the TDA. The department is working with Mis-

sion, TX-based TexaSweat Citrus Marketing to promote grapefruit in Los Angeles, CA; Minneapolis, MN; Houston and San Antonio, TX; as well as Canada.

The TDA also works closely with the Southern United States Trade Association (SUSTA) and its Go South program to promote other Texas produce in Canada, and partners with SUSTA to promote Texas produce in other international markets, such as pecans in Japan and China.

Some Texas mushroom producers are placing the Go Texan logo on their packaging and shipping their products nationwide, focusing on the Midwestern states.

McClung says much depends on outside factors such as the price of diesel, which gives Texas an advantage in some markets and is a detriment elsewhere. Texas has always had trouble selling to the U.S. coasts because of Florida's "quick shot" up the East Coast and California's equally easy access on the west.

The Texas Department of Agriculture works directly with restaurants, TDA-certified farmers markets, pick-your-own farms, schools, retail chain stores and Texas producers to help them promote their products and make it easier for consumers to identify Texas produce. Its Go Texan Partnership Program awards grants for in-store produce promotions. The 2008 Go Texan Restaurant Program connects Texas producers with restaurants, encouraging local restaurants to purchase Texas produce in return for TDA marketing assistance.

Fresherized Foods, makers of Wholly Guacamole, has taken Texas exporting to a new level by growing avocados in Mexico, Chile and Peru for use in its trademark guac-in-a-pouch and other products. It swears by its Tex-Mex production combo.

"We have Texas values, but we want to go where the fruit's the freshest, and that's in Mexico," says Tracy Altman, vice president

Edinburg Citrus

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Reader Service # 42

of marketing. The company grows and processes 90 percent of its product in Mexico and then distributes it from Fort Worth.

Texas Produce Association members increasingly are buying land in Mexico, McClung says. But that's still relatively less common practice than arrangements between U.S. companies and Mexican growers, he says. Tight controls are in place to ensure that the products meet U.S. health and safety requirements and are grown to U.S. specifications, he adds.

Programs that encourage research and development are also helping, the TDA says. The Specialty Crops Competitiveness Act of 2004, lets the U.S. Department of Agriculture (USDA) assist states in developing specialty crops by enhancing competitiveness through research, marketing, trade, safety, education and product development, among other initiatives. With this, the TDA is supporting 18 projects in food safety, education on the health benefits of produce consumption, increasing consumer awareness of Texas-grown produce and enhancing protection of Texas specialty crops from plant pests and diseases.

OPTIMISM FOR THE FUTURE

State agriculture officials are optimistic



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Reader Service # 31

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**— John McClung
Texas Produce
Association**

by way of admitting that there is lots of untapped potential for Texas produce.

"The outlook is pretty positive," says McClung. Given the new nutritional standards Americans are adopting, "and you look at per capita consumption of fruits and vegetables, and you realize there is a great deal of room for improvement." **pb**



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Reader Service # 14

Marketing Florida Strawberries

These red beauties offer consumers a bright, fragrant treat when winter rolls around.

BY JACQUELINE ROSS LIEBERMAN

Timing is everything, especially when it comes to strawberries. Ted Campbell, executive director for the Plant City-based Florida Strawberry Growers Association, knows Florida strawberries, which are typically available from November through early April, fill a gap in strawberry production from other regions, allowing retailers to offer fresh, beautiful strawberries all year long.

“Florida strawberries fill a market window that comes in the months that California historically has had their lowest production,” explains Gary Wishnatzki, president and CEO of Plant City, FL-based Wishnatzki Farms.

“Florida is the winter strawberry capital of the United States,” proclaims Tom O’Brien, president of C&D Fruit and Vegetable Co. Inc., headquartered in Bradenton, FL. “Retailers and their customers expect the sweet eating strawberries of Florida from December through April.”

“It’s great for consumers because they get a winter treat,” adds Keith Mixon, president and CEO for SunnyRidge Farm Inc., out of Winter Haven, FL.

“The Florida strawberry season is important to the industry, retailers and consumers alike as it

allows for promotion of domestically produced healthy product in ample supply during a time frame which would otherwise have significantly less strawberry availability,” says Vincent Lopes, vice president of sales for Dole Berry Co. LLC, in Monterey, CA.

“During the winter, it’s primarily strawberries and citrus when it comes to domestic fruit supply, and in recent years, the momentum has swung to berries,” Lopes continues. “For some years now, strawberries have been moving toward that banana model of being on the shelf 52 weeks a year, and as the largest part of the category, strawberries have catapulted berries to the No. 1 position in North American retail sales since the end of last year.”

Many California-based growers have jumped on the bandwagon, adding Florida strawberries to their lineup over the years. “It fills a nice production pattern for our year-round harvest,” remarks Dan Crowley, sales manager for Well-Pict Inc., located in Watsonville, CA.

Driscoll’s, in Watsonville, CA, also grows in Florida as well as California and Mexico. “The Florida strawberry season is unique because it marks the advent of winter production for local and regional customers in both the Midwest and East coast, and offers a close-to-market strawberry solution,” explains Val Sill, strawberry business manager. “This is important because it optimizes the fruit quality by reducing time-to-market, ultimately maximizing freshness and shelf-life for consumers.”

HOME-FIELD ADVANTAGE

Regionally, Florida-grown strawberries are celebrated for their freshness. Unlike California strawberries, which must be trucked from coast to coast, Florida strawberries can make it to East coast retailers in a matter of hours.

Lakeland, FL-based Publix Super Markets Inc. uses that proximity to its advantage. “They are Florida-grown, so they have a shorter delivery time from field to store — often as little as 24 hours,” reveals Maria Brous, director of media and community relations. “Publix always strives to offer the



Photo courtesy of Sweetbay Supermarket

Sweetbay Supermarkets take advantage of locally grown strawberries with heavy promotional efforts throughout the season.

best quality and value of produce, grown as close to home as possible. Our Publix produce associates are experts on produce and seasonal items."

At Tampa, FL-based Sweetbay Supermarket, proximity to Florida strawberry growers has made promoting the local fruit at its stores a no-brainer. "It's our home-field advantage," declares Steve Williams, director of produce and floral.

Tom Deblieck, Sweetbay category manager, adds, "The fresher they are, the better they look. They even smell better."

For the past seven years, Sweetbay has worked with the Florida Strawberry Growers Association to promote the berries more and more each year. As a result, "It's the one promotion that absolutely fires up the stores in a big way," says Williams. "We start promoting them in mid-December and go all the way to the first week in April."

Local and regional consumers appreciate that freshness. "When the consumer — mostly Eastern and Midwestern U.S. residents — sees 'grown in Florida' by, say, O'Brien Family Farms, they know they are getting a great eating berry that is grown closer to their area," notes O'Brien of C&D Fruit and Vegetable.

SUPPLY RISING TO MEET DEMAND

Florida strawberry growers hope that this year's volume will be higher than this past year's, which was erratic at times due to weather. "The acreage in the industry is up 10 to 15 percent," reports Mixon. "The increase in demand for strawberries has a lot to do with that."

"The Florida acreage is up overall," agrees Wishnatzki, "and there will be quite a diversity of varieties, meaning supplies should be steady, barring unusual weather events. There is a normal seasonal dip in supplies in early February due to the shortness of the day length. The mix of varieties should help minimize that impact, but Mother Nature is a fact of life."

"Acreage is up relative to last year, but it doesn't necessarily compute to more volume," explains Crowley of Well-Pict Berries. If volume should be lower than demand, Well-Pict is able to fill in with strawberries from other regions, he notes.

At Driscoll's, "This season's plants are looking remarkably strong," reports Sill. "Driscoll's proprietary varieties are showing healthy and uniform plant-stands, which should result in great quality and production. We are very excited about this coming 2009/10 season in Florida," she continues. "Driscoll's Florida volume is expected to be higher this season compared to this past

Improved Varieties

Florida strawberry growers have improved their varieties dramatically over the past 10 years, according to Ted Campbell, executive director of the Plant City, FL-based Florida Strawberry Growers Association. "We've built a strong popularity around having good varieties to offer," he says. And he expects varieties to continue to improve.

Today, "Florida strawberry growers are fortunate to have several varieties that ship well and also have very good flavor profiles," relates Gary Wishnatzki, president and CEO of Wishnatzki Farms, headquartered in Plant City, FL. "I believe that if you ask consumers what they like about Florida strawberries, they will tell you that they like the fact that they taste good."

"Florida has great tasting varieties during the winter season," agrees Keith Mixon, president and CEO for Winter Haven, FL-based SunnyRidge Farm Inc. "They have great shippability. They taste great and they look good on the shelf."

While many growers use common, proven, Florida varieties, some individual companies continue to develop new

ones. "Driscoll's continues to develop and introduce new proprietary varieties in all districts, a constant effort towards our goal of providing premium quality berries with delightful flavor," reports Val Sill, strawberry business manager for the Watsonville, CA-based company. "In Florida, specifically, we are very excited about such new varieties as they will provide a clear point of differentiation for our trade partners."

Well-Pict Berries is excited about its latest proprietary variety. "A third of our acreage will be this proprietary variety this year. It has great flavor, appearance, aroma and yield — especially flavor," says Dan Crowley, sales manager for Well-Pict Inc., headquartered in Watsonville, CA.

At Wishnatzki Farms, "Radiance and Palomar are the two most promising new varieties," says Wishnatzki. "We have been trialing Palomar, a University of California cultivar, for the last two years. We believe its earliness and good flavor will make it popular. The Radiance is a new UF cultivar. It also will fill in the early season market." **pb**

year. Retailers should look forward to great quality and promotional opportunities from Florida January through March."

In addition, growers plan to offer new products and services related to Florida-grown strawberries. "Wishnatzki Farms will have an expanded offering of organic strawberries," Wishnatzki discloses. "We are developing a new 2-pound package for conventional berries."

Two-pound packages are growing in popularity, according to Williams and Deblieck of Sweetbay Supermarket, because they are a slightly better value and good for large families. "It looks very attractive on the display, too," adds Deblieck.

The Florida Strawberry Growers Association is doing its part to increase consumer demand. "We have good press kits available for the media," says Campbell, which promotes the berries as both delicious and healthful. Additionally, the FSGA is working with *Taste of the South* magazine to promote the berries through a Florida strawberry recipe contest.

"We produce a lot of material for schools and educators, as well," adds Campbell. "We're always looking for ways to increase berry consumption."

Campbell believes Florida strawberries will continue to sell well this winter. "Customers are economically stressed, but people will buy things that are an indulgence, even in these times," he says.

Growers expect demand will continue to increase. "Despite many years of tremendous growth, the retail community is not backing away and is still projecting significantly more sales moving forward," notes Lopes of Dole. "Recently, the industry has been selling more berries at higher price levels than before in and more importantly, shippers are able to promote volume at higher prices than in the past. This is important as growing costs have also increased considerably and the improved market tone is necessary to keep growers profitable."

HOW TO SELL MORE

Displays are key to growing Florida strawberry sales. "Strawberries are an impulse buy," reminds Campbell of the Florida Strawberry Growers Association. "People see them, they're beautiful and they buy them. Strawberries have a 96 percent popularity for a reason. When you smell that nice ripe strawberry, it's a trigger. It's a very sensual piece of fruit."

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"I think the best thing is putting the best product out there," agrees Crowley of Well-Pict Berries. "People don't necessarily have strawberries on their list."

Campbell recommends cross merchandising strawberries with other grocery items, such as bakery items and whipped topping for shortcakes to increase not only impulse purchases of strawberries, but of other items, too. This can be done in the produce department as well as other locations around the store. Campbell notes, "If you have multiple locations, you have to watch the refrigeration issue and you have

to watch the display, but you'll gain impulse purchases. You have to measure incremental sales versus the extra labor to care for those displays."

For additional support, the Florida Strawberry Growers Association offers materials for retailers, such as care and handling sheets, as well as information that retailers can offer consumers, such as recipe cards.

Growers can also provide assistance. "We've done in-store promotions and signage. We offer all kinds of promotional materials," says Crowley.

Some retailers create their own promo-

tional materials, as well. "Publix is very committed to our Florida strawberry growers," asserts Brous. "As part of our At Season's Peak program, now in its third year, we promote our Florida strawberries in-store and with media support in the form of radio and billboard ads. Since strawberries are available globally year-round, customers have lost touch with the seasonality of produce. Throughout our At Season's Peak program, we remind our customers when Florida strawberries are at their peak of flavor and ripeness." The At Season's Peak program is also used to promote other produce items, including King of the West Honeydews and Washington Apples.

"During our At Season's Peak program, strawberries are featured in our ad. In addition, we provide recipes for the strawberries," details Brous.

Sweetbay Supermarket stores go all-out when it comes to Florida strawberries, according to Williams. "We filmed our own commercial for strawberries. We're probably the only supermarket that has a commercial just about strawberries. We have roadside signs. We have in-store signage. We have a pretty lucrative contest between stores for sales," he says.

"We do a lot of tie-ins with grocery items, such as strawberry shortcake," says Deblieck of Sweetbay. "We promote every week through the whole season. That creates a destination throughout the season."

Although many shoppers go to Sweetbay specifically for strawberries, their monumental displays ensure that impulse buyers are not ignored. "In 95 percent of our stores, strawberries are the first display they see — it's pretty massive, right when you walk in the store," Williams points out. "The aroma, the nice redness, it just screams fresh. It screams Florida."

In addition, some Sweetbay stores have secondary displays in key locations, such as near the bakery — where cross merchandising is emphasized — or outside in front of the store on weekends. "We encourage sampling," says Williams.

No matter how you choose to promote Florida strawberries, communication with growers is key, especially when it comes to winter's unpredictable weather. "The secret to success in moving berries is to make appropriate plans. All too often, retailers become reactionary," reveals SunnyRidge's Mixon. By keeping communication open with growers, retailers can get the 'head's up' they need. "We'll tell retailers, 'In two to three weeks, there will be a great opportunity for promotion.' Let your consumers know there are going to be plenty of strawberries," he suggests.

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Reader Service # 75

Category Development Practices Reveal Value Option of Potatoes and Onions

Is it time to refresh these traditional categories in your stores?

BY MEREDITH AUERBACH

In today's world, category management tends to mean the detailed process whereby retailer and supplier-partners collect and analyze aggregated and differentiated store-level scan data in an effort to make a category more productive and profitable.

In actuality, both retailers and suppliers have practiced intuitive category management since retail began. Fundamentally, it is offering the right product at the right price to the right consumer. When done effectively, sales and revenue increase.



The wide variety within the potato category, including packaging and regional options, draws consumers back into the kitchen.

Simple to define; harder to pull off.

Sexy Top 10 categories such as berries, grapes and tomatoes attract lots of attention from partners who want to work with retail customers to maximize categories. Items such as packaged salads have some of the best data. Other commodities, squash or smaller more exotic fare, often have trouble getting good data or interest from retail managers. Management time is a finite resource and you have to go where the biggest results happen.

So, consider the potato. Potatoes rank at the top of the volume and sales list for vegetables. There's plenty of activity in areas of varieties, packaging and sourcing and the recession is drawing more consumers back into the kitchen. The concept of value is hot and potatoes fit the bill.

Over the last several years, the Denver, CO-based U.S. Potato Board (USPB) has identified itself as the center of potato category management resources and even developed a separate online portal to allow access by growers, shippers, retailers and other interested parties to take a look at the data. Kathleen Triou, vice president for domestic marketing of the USPB, notes, "We view the process as category development rather than category management and want to allow full access to the data and be as inclusive as possible."

Visitors to the portal can view quarterly and yearly data at the total U.S., regional and major market level. Composite comparisons are between any of the 47 major markets and its region. There's plenty to learn, but it is not effort-free.

You can see the relative volume and dollar sales of the varieties making up the category, the ebb and flow of changing consumer preferences for

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What About Onions? Will The Same Strategies Work?

Long paired in produce department displays, potatoes and onions may share the role of cooking vegetables and require the same conditions in transport, storage and display, but could hardly behave more differently at retail. Some category development principles do remain the same.

Few category management programs are in place, and yet, onions also place in the Top Ten list of produce categories with a category contribution to department sales of 3.5 percent and 2008 per-store, per-week average sales of \$1,365 from data supplied by Barrington, IL-based Perishables Group.

Dick Spezzano, founder and president of Spezzano Consulting Service Inc., in Monrovia, CA, says, "Onions are a unique category as they are so inelastic. Changing the price typically does not impact volume. So ad promotions of basic onions are generally counterproductive and only erode margins. Ads of specialty onions, in essence promoting around more common onions, encourage trial of different varieties and increase sales within the category."

"The onion category falls into the Top 15 categories every quarter," reports Greg Calistro, director of produce for Save Mart Supermarkets, headquartered in Modesto, CA. "As a high volume category, it is vital to our business to have a plan for it. By looking at Rest of Market (ROM) data, planning every-day retails, promotions, quarterly sales and profit goals with our supply partners, we have been able to achieve our goals quarter after quarter."

Grant Hunt, president of Grant J. Hunt Co., based in Oakland, CA, notes, "We view category management programs as a way to develop partnerships between retailers and suppliers to drive sales that involve consistency, coordination and the use of data to better understand the consumer. Our goal is to define value and develop consistent distribution to meet consumer needs. In onions, that means reviewing data to drill down to the individual store level, find out what works where and plan specific go-to-market strategies at store level."

A similar point of view comes from Darrell Kelso, Jr., owner and president of Onions Etc. Inc., headquartered in Stockton, CA, "We

wish more retailers would ask us to be category partners; we'd do it in a heartbeat. Onions are a basic ingredient — and a major one. That makes the category a catalyst for incremental sales from a basis of dry, yellow onions all the way up to specialty varieties such as leeks, shallots and cipollini. We specialize in yellow, white, red and sweet onions packed for bulk display or in 2- to 5-pound bags with high graphic consumer information to attract consumers with recipes and information. We find today's consumer is very educated about onions, especially the specialty varieties such as sweet Italian reds, Maui and Vidalias. Retailers need to offer them as soon as they are available, even if it's not going to be in every store."

The category is composed of dry onions — yellow, white, red, sweet, shallots, pearl and boiler — and fresh onions — leeks, scallions and chives and a relatively new segment of fresh-cut or value added. They are stable, steady performers with good peaks during holidays. Robert Schueller, director of public relations for Melissa's World Variety Inc., in Los Angeles, CA, reminds retailers, "Don't overlook the importance of organic onions as an integral part of the category, especially during peak pre-holiday shopping periods. You can make a strong category even stronger."

Nelia Alamo, director of sales and marketing for Gill's Onions LLC, based in Oxnard, CA, makes a similar pitch for value-added onions — refrigerated, fresh-cut, diced and sliced — saying, "It's not necessarily a different consumer uses fresh-cut, but it may be for a different occasion. There's also a whole new generation of cooks to whom convenience is still in demand."

The need for a full assortment of onions on display mirrors potatoes with products designed for every level of consumer. Clearly segmented and tiered pricing helps gain advantage in sales. Information and recipes attract consumers of all culinary skill levels to make the best use of the many varieties and forms. "Promotions in the form of discounts and BOGOs are a big piece of getting consumers to try new forms and varieties of onions and when done strategically, can double or triple movement, adding incremental sales," says Alamo.

pb

larger or smaller bags, bags compared to bulk and the impact of promotion on sales. These numbers constitute the science of the process. Turning the numbers into manageable, executable strategies for assortment, pricing, merchandising and promotion is the art.

Most of the supply side of the potato industry has gratefully turned to the USPB to provide the service of category management data and analysis. Retailers and suppliers who do work individually together are heavily invested in their process and results and understandably unwilling to share information on what they regard as a competitive advantage. "Our retail customers are particularly interested in comparing themselves to what other people are doing, especially direct competition," says Tom Thomp-

son, category development leader for C.H. Robinson Worldwide Inc., headquartered in Eden Prairie, MN.

Dick Spezzano, president and founder of Spezzano Consulting Service Inc., based in Monrovia, CA, agrees, calling it "show against the town."

A CURRENT SNAPSHOT

For the last year through the end of August, 2009, nationwide, potatoes stand in third place with sales earning 6.2 percent total contribution to produce department sales, over \$1.6 billion. Greatest volume sales occur in the East and Central regions. The share of department sales is highest in the South, and potato sales are increasing. Bag or package size is moving from smaller quantities back to the 10-pound bag of rus-

sets. Growth in specialties, such as fingerlings and varieties, such as purple potatoes, has slowed but is still positive.

Jennifer Campuzano, account manager for potatoes with Barrington, IL-based Perishables Group, points out, "Potatoes continue to be one of the most affordable options in the produce department. The category has seen consumers trading down from the mainstream segment of 5-pound bags to the bargain segment of 10-pound bags, which typically have the lowest price per pound."

Another side of trading down is restaurant patrons cutting back, but wanting to duplicate at home what they have had in favorite restaurants. These consumers help keep the premium and specialty segments moving. According to the *Wall Street Journal*, cookbook sales have been strong relative to

the book market overall and publishers released nearly 14 percent more cookbooks in 2008 than the year before.

WHO HANDLES CATEGORY MANAGEMENT?

Anyway you look at it, the category management process is long-term, time-consuming, expensive and, depending upon implementation and execution, potentially very effective and rewarding.

Suppliers often look at it as a means to build stronger, fact-based relationships designed to build business on both sides of the table and offer the service as one way to differentiate themselves from the competition. This approach can take sales from being simply the lowest cost to being able to look at the role of individual items — increasingly proprietary — and helping to find the right product and mix each demographic group.

Commodity promotion groups, such as the USPB, can bring specific expertise and focus to the process. Working with retail partners, the board has the ability to drill down to the zip code and individual store level to spot opportunities. But in a sense, a given retailer's suppliers may be left out of the loop and pushed more into a commodity mode at a time when specialty, proprietary, private label and value-added offer the promise of greater store identity and differentiation.

Product coding at the consumer package level, only now becoming common throughout the produce department, has the potential to change the dynamic of category development into something we can't quite yet see. Time will tell how big the changes will be.

POTATO CATEGORY DEVELOPMENT GUIDE

"After years of working with retailers, one of our major contributions to the process has been the development of category Best Practices protocols for the disciplines of assortment, pricing, merchandising and promotion," says the USPB's Triou. "There are seasonal considerations, of course, with the strongest results in Quarters 1 and 4, late fall and winter and operational issues based on the ability of individual retailers to implement changes across multiple stores."

The following considerations should be made when managing the potato category:

1) Stock The Full Pyramid

While russet, red, white and gold varieties can comprise well over 90 percent of the category, incremental and impulse sales

come from the specialties. Premium packages boost gross margin. USPB tests and reports indicate adding specialties, organics, premium and value-added products have added up to a 15 percent increase in total category sales in some chains. These enhancements also provide a means to differentiate a chain from the competition and appeal to the specific demographics of individual stores.

Assortment means more than just varieties. Size and packaging also count in the effort to meet consumer demand. In Quar-

ter 1 of 2009, 10-pound bags increased more than 37 percent and topped the 5-pound bag that previously dominated sales for the last several years. USPB has added packaging to its list of Best Practices, pointing out the increase in smaller household sizes and their need for smaller, but no less appealing packages.

2) Pricing: Communicate The Value Proposition

When there is downward pressure on pricing as in hard economic times, it is espe-

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cially important to clearly segment pricing to reflect value, taking increases where they are available in premium or specialty products and driving volume with some of the bargain and mainstream selections. Constant comparison to the rest of the market becomes a key task. "Retailers should avoid having the lowest price in every segment," advises Grant Hunt, president of Grant J. Hunt Co. in Oakland, CA. "It's a one-way road down and not a sustainable strategy."

Additionally, USPB recommends tier pricing with perceptible gaps between all segments. The organization's tests have

found tiered pricing can increase net dollar sales up to 4 percent.

3) Merchandising: Match Display With Information

Merchandising is most powerful when it matches consumer needs and solves problems. That can mean displays grouped by usage and type, rather than segment or packaging, or by including nutrition information and quick recipes.

The goal is to encourage shoppers to try different potatoes and understand the best ways to use them. Make sure specialty and



premium selections have enough space and are easy to reach, although lower priced bargain and mainstream bags and bulk will earn most of the space and drive the vast majority of the sales. Aligning display space with sales ratios is the first step, while recognizing store audiences and their preferences comes next.

USPB test stores that used effective consumer information and Best Practices recommendations outperformed matching stores with such consumer communication in the same chain by up to 40 percent in volume and 52 percent in dollar sales.

4) Promotion: Grab Consumer Attention And Dollars

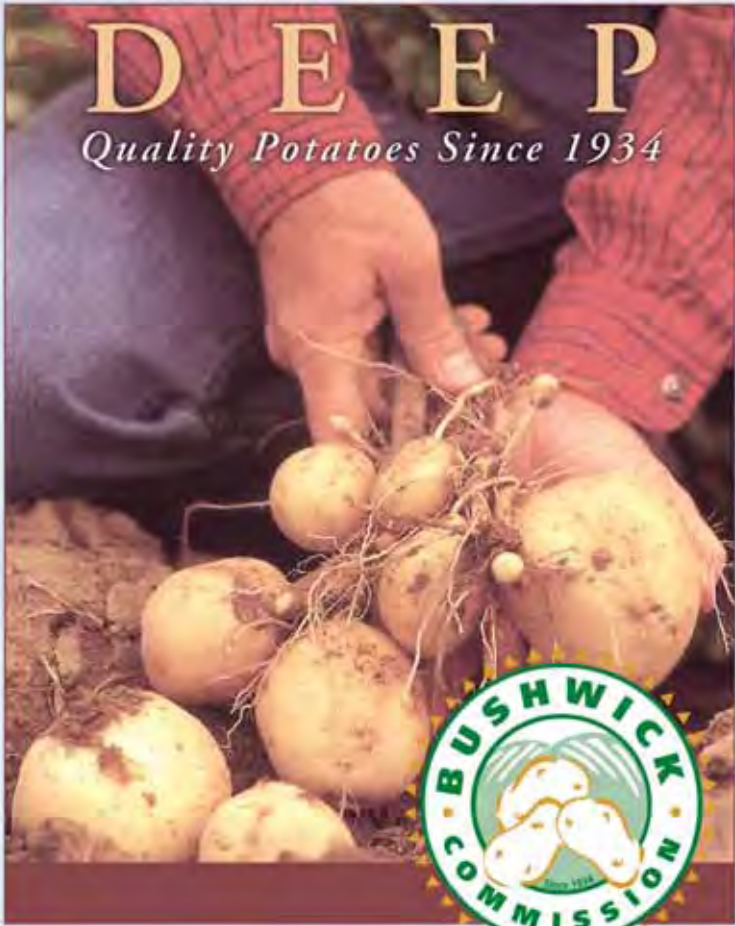
Most retailers expect that investment in a good promotion should yield between double, and perhaps triple, the lift in volume and increase sales of the department as a whole. Data shows the greatest potato lift in support of major holidays such as Thanksgiving, Christmas, Chanukah and Easter.

While the USPB recommends retail potato promotions nine to 10 times each quarter, C.H. Robinson's Thompson has found once a month to be effective for the company's retail customers. He reports shares of promotion over the last three years has changed, "In 2007, 10-pound bags represented only 16 percent of promotions, increasing to 18 percent in 2008 and 24 percent in 2009. However, the opposite movement has occurred in 5-pound bags, dropping from 47 percent of promotions in 2007 to 39 percent in 2009. Three-pound bags have also gained promotion share. The implication is better results at both the top and bottom ends of the spectrum."


USPB Best Practices include discounting potato pricing less than 25 percent on promotion and making promotions multi-variety-packaging-type and making sure to include bagged potatoes as part of every promotion. Regional preferences are important, too.

pb

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8700 Fargo Ave.,
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CATEGORY:
Kiwifruit

Interview with John Fagundes, President, Cal-Harvest

Cal Harvest Marketing, Inc., a large grower of kiwifruit, was formed in 1988 and is owned by Fagundes Agribusiness, based in Hanford, CA. Cal Harvest markets fresh fruit in North and South America and the Pacific Rim.

Q: Can you point to the nutritional properties in your product that make it an essential part of a healthful diet?

A: Kiwifruit, already on Dr. Steven Pratt's elite list of SuperFoods, has been found to be among the highest in bio-availability compared to other anti-oxidant rich fruits and berries according to research at the USDA's Arkansas Children's Nutrition Center in Little Rock. Dr. Ronald Prior and his team also claim, "Learning that antioxidants should be consumed with every meal, and if you routinely skip antioxidants in your diet, over time, the excess number of free radicals being produced may begin damaging cellular components, ultimately leading to atherosclerosis and cancer."

Q: What are the latest news flashes/surprises regarding health/nutrition benefits of eating kiwifruit?

A: Bite for bite, kiwifruit contains more essential nutrients than 27 of the most popular fruits, as proven by a Rutgers University study, making it one of the most nutrient-dense fruits in the world.

Recent research conducted by the University of Oslo in Norway reveals that consuming two to three kiwifruit per day can work to thin blood, reduce clotting and lower fat in the blood that can cause blockage. In short, kiwifruit consumption has similar effects to the daily dosage of aspirin recommended by physicians to improve heart health.

Q: Are there any notable health reasons to target specific demographics or age groups with your product?

A: Kiwifruit is popular among children because of its small size, convenience, sweet taste and colorful appearance! And because of its nutritional value and year-round availability, moms love it, too.

Kiwifruit is also popular among adults and senior citizens. Research has linked it to reducing the risk of age-related macular degeneration, the leading cause of irreversible blindness in older Americans.

Kiwifruit also has a moderate-to-low glycemic index of 52, making it a safe choice for those with Type 2 diabetes.

Q: Are there simple, catchy phrases to market the health benefits of kiwifruit?

A: Here are some messages developed by Cal Harvest and the kiwifruit industry: Fuzzy Fruit — Fabulous Flavor, Power Up with Kiwifruit — A Nutritional Superpower, Kiwifruit — The New SuperFood, Green Kiwifruit — The Classic Original — A Super Tropical-Sweet Sensation, Organic — 100% Super Natural Quality, Chewable Vitamins, Lean, Green Kiwifruit Machine.

Q: How does your product deliver a powerful punch of nutrition? Do studies back up these claims?

A: Many studies, available on the Cal Harvest and industry Web sites, support the previously mentioned health claims. Green kiwifruit also works well as a natural digestive aid and may help relieve asthma symptoms in children.

Q: Since the FDA has strict guidelines on what health claims a company can make, what can be advertised or put on your product's labels?

A: FDA has approved the following nutrient content descriptors for kiwifruit: low-fat, saturated fat-free, sodium-free, cholesterol-free, high in fiber, high in vitamin C, a good source of vitamin E and a good source of potassium.

Q: What challenges do you face in getting the health message about kiwifruit to consumers and what solutions can you offer?

A: Though kiwifruit has been readily available in North America for many years, some consumers have never tried one. Efforts should always be made to get consumers to try the fruit and experience its unique taste year-round. California produces the most volume of fruit, from October through April, Chile offers fruit April through August, New Zealand exports kiwifruit to North America June through October and Italian kiwifruit comes in January through April.

Q: What are the best strategies to relay nutritional/health information to consumers on the retail floor?

A: **Display:** Display kiwifruit next to other SuperFoods, such as avocados, blueberries, oranges, broccoli and pomegranates to form a "Power Aisle," and display kiwifruit sliced and over-wrapped.

Point of Purchase/Signage: Signage should promote the health and nutritional benefits of kiwifruit. Make sure consumers see placards showing the ease of cutting and scooping the fruit. It can also be eaten whole (skin included) once the fuzz is rubbed off.

Offer in-store demos: Most people will buy kiwifruit after sampling it.

Sell in multiple pack styles and sizes: Give consumers a choice by placing bags or multi-unit packages with bulk displays.

Advertise: Sales increase as much as three times when advertised.



A world of kiwifruit profits at your fingertips



"Cal-King", being the oldest continuously used label of kiwifruit, represents one of the largest kiwifruit growers in California. This label is marketed by Cal Harvest Marketing, Inc., a family-owned farming and marketing organization that has been at the fore-front of the kiwifruit industry in California since the 1970's. This kiwifruit has been grown, picked and packed with care and pride for over 30 years. And as your customers start asking about food safety and the environment, you can assure them that Cal-King kiwifruit is safe and has one of the lowest carbon footprints of any kiwifruit sold in North America. The label is now available in both conventional and organic styles. Cal Harvest also markets kiwifruit from Chile and New Zealand to assure you have a high quality, year-round source of kiwifruit.

For information contact: Donna Fagundes • donnaf@calharvest.com • John Fagundes • john@calharvest.com
Phone: 559-582-4000 • Fax: 559-582-0683 • www.CalHarvest.com

**DOLE FOODS**

One Dole Drive
Westlake Village, CA 91362-7300
1-800-356-3111
www.dole.com

CATEGORY:
Salads

Interview with Jennifer Grossman, Vice President, Dole Nutrition Institute

Dole Food Company, Inc. is the world's largest producer and marketer of fresh fruit and vegetables. Chairman and owner David H. Murdock started the Dole Nutrition Institute nearly six years ago to "feed the world with knowledge" through publications, Web sites, videos, articles, packaging and consumer outreach. The institute's main mission is to educate the public about the benefits of fruit and vegetable consumption, while also providing nutrition marketing, labeling and research support for internal Dole divisions.

Q: How can you distinguish your product from the pack and all the competing nutrition information as people focus more on the obesity epidemic?

A: Simply put, eating our products — specifically salads — is the solution to the obesity epidemic. Fruit and vegetables have low-energy density, a fancy way of saying they have very few calories compared to other foods, pound for pound. Compare a pound of spinach (104 kcals) to a pound of potato chips (2247 kcals) and you'll see what we mean. Not only does the spinach have fewer calories, but it also has a much higher water and fiber content, which helps fill you up so you eat less of other, more fattening foods. Leading scientists are exploring the link between obesity and nutrition deficiencies.

A balanced meal with salad can nearly fulfill your requirements of several key nutrients, providing a deeper sense of satiety and curbing the overeating cycle. Researchers have proven when you start with salad, you consume fewer calories overall. Pennsylvania State University researchers found women who began their meal with a salad ended up eating 100 fewer calories in total. We're also taking very deliberate steps to differentiate our products from the competition — such as the reinvention of our DOLE Salads line to provide consumers with tangible ways for them to experiment with new salad blends and ultimately eat more salad.

Q: What are the best strategies to relay nutritional/health information to consumers on the retail floor? Can you provide creative merchandising/marketing/promotional ideas that directly link your product to health and encourage action-oriented steps?

A: Absolutely. One very current example is our reinvented line of DOLE Salads that now incorporates various new packaging and consumer education elements created in response to research showing that bagged salad users are reluctant to try new blends if the blend they usually buy is out of stock. From a new Easy-Open bag to on-pack taste and texture scales, "pairs well with" information and a recipe unique to that blend, we're making it easier for consumers to break out of their every-day salad routines. We've even introduced a compelling new DOLE Salad Guide spokesperson to guide consumers through these new features and inspire them to expand their salad horizons.

Q: Are there any notable health reasons to target specific demographics or age groups with your product?

A: Yes! Adolescents ages 14 to 18 are as a group falling down on key nutrients needed for development and health maintenance. For example, 97 percent of adolescents fail to get enough fiber — almost all DOLE Salads contain some fiber and

offer a convenient, healthful way to get what you need. Harvard researchers found middle-aged women who ate the most leafy greens and/or cruciferous veggies boosted their odds of maintaining mental sharpness in later years, and those who ate at least three servings of spinach and broccoli actually did better on cognitive tests than those who ate less.

Q: Are there any myths or confusing nutrition information about your product that you'd like to clear up?

A: A serving of iceberg lettuce actually provides nearly a quarter of your daily needs for vitamin K, higher intakes of which are linked to a 65 percent lower risk of fractures among the elderly. It's a decent source of the antioxidant quercetin, linked to lower Alzheimer's risk and a lower risk of catching colds and viruses. It also supplies lecithin, which helps promote healthy skin.

Celery is also hugely underrated. It is an excellent source of vitamin K and a good source of folate, potassium and vitamin C. Scientists from Case Western Reserve University just found the celery phytonutrient apigenin may slow prostate tumor growth.

Q: Are there any simple, catchy phrases that could be used to market health benefits of your product?

A: That's what the Dole Superfoods campaign is all about — we wanted the message to be simple and concise enough to put on a banana sticker or call out on a head of cauliflower. We can quickly and powerfully communicate that spinach is an "Antioxidant Superfood" and provide a URL to drive consumers to a Web site to get more information, details about our labeling criteria, recent studies and the like.

Q: Since the FDA has strict guidelines on what health claims a company can make, what can be advertised or put on labels of your product packages?

A: Simple nutrient content claims can be added to all our products letting consumers know it's not just a case of what's NOT in the product — sugar, sodium, fat, cholesterol etc. — but what IS in it — vitamins and minerals. For example, DOLE Field Greens packaged salad contains over 100 percent of vitamins K and A. DOLE packaged salads can also display FDA-approved health claims. For example, DOLE Baby Spinach and Radicchio can display the following: "Diets containing foods that are good sources of potassium and that are low in sodium may reduce the risk of high blood pressure and stroke."





Introducing the NEW Salad Guide from DOLE



Salad Guide

TASTE MILD 1 2 3 4 5 BOLD

TEXTURE TENDER 1 2 3 4 5 CRUNCHY

Part brains, part beauty, the new DOLE Salad Guide is a revolutionary new packaging feature placed prominently on the front of each DOLE blend, helping customers shop for salad in a totally new way.

The DOLE Salad Guide's easy-to-read Taste and Texture scales rate each DOLE salad to enable the customer to quickly find the type of flavor and level of crunch he or she wants. Each bag also features a "Pairs well with..." section, right below the scales. These helpful suggestions are unique to each blend and are created by our Dole Chefs, encouraging customers to spruce up their salads by sending them to parts of the produce section they never even imagined.

The new DOLE Salad Guide is transforming salad as we know it. With flavors that range from mild to bold and textures that take you from tender to crunchy, the possibilities and pairings are endless and the culinary inspiration is right there on the bag.

For more information on our new packaging or produce, please contact your Dole sales representative.

dole.com





MANN PACKING COMPANY, INC.

1250 Hansen Street
Salinas, CA 93901
800/884-MANN(6266)
www.veggiesmadeeasy.com

CATEGORY:

Sweet Potatoes

Interview with Gina Nucci, director of food service marketing, Mann Packing Company

Mann Packing Company is the leading provider of innovative ready-to-eat fresh vegetable products. Mann is dedicated to growing and selling the freshest vegetables. The company first introduced Broccolini brand baby broccoli to Americans in 1998, and has proudly watched the popularity of this new-to-the-world vegetable grow with both culinary professionals and home cooks. The family-owned business remains committed to its vision of increasing consumption of fresh vegetables in America.

Q: *As America fights the obesity epidemic and other health problems, consumers are inundated about the nutritional values of just about everything. How can you distinguish your product from the pack?*

A: Sweet potatoes are a nutritional power house! There are not many companies with fresh-cut sweet potatoes. Most are found in the frozen aisle full of additives and preservatives. Where Mann's fresh-cut sweet potatoes are in produce and have just one ingredient: Sweet Potatoes. We also have the nutritional deck on the front package and easy-to-use recipes on the back with the nutritional panel.

Q: *What are the latest news flashes/surprises regarding health/nutrition benefits of eating sweet potatoes?*

A: Sweet potato consumption increased due to its status as a 'good carbohydrate' on the popular Atkins and South Beach diets. That, coupled with its high nutrient content, has moved sweet potatoes out of the holiday food category and into the mainstream. They're a great source of vitamin E and are fat-free. Sweet potatoes are also a good source of dietary fiber, which helps promote a healthy digestive tract and a feeling of "fullness." One cup of cooked sweet potatoes provides 30 mg (50,000 IU) of beta carotene. It would take 23 cups of broccoli to provide the same amount.

Mann is the cooking-vegetables expert, and our line of fresh-cut sweet potato fries and cubes achieves our mission of fresh vegetables made easy.

Q: *Are there any notable health reasons to target specific demographics or age groups? Why?*

A: According to the Center for Science in the Public Interest (CSPI), the single most important dietary change for most people, including children, would be to replace fatty foods with foods rich in complex carbohydrates, such as sweet potatoes.

CSPI ranked the sweet potato Number One in nutrition of all vegetables. With a score of 184, the sweet potato outscored the next highest vegetable by more than 100 points. The reasons the sweet potato took first place? Dietary fiber, naturally occurring sugars, complex carbohydrates, protein, vitamins A and C, iron and calcium.

The numbers for the nutritional sweet potato speak for themselves: almost twice the recommended daily allowance of vitamin A, 42 percent of the recommendation for vitamin C, four times the RDA for beta carotene, and, when eaten with the skin, sweet potatoes have more fiber than oatmeal. All these benefits with only about 130 to 160 calories!

Q: *Are there any myths or confusing nutrition information about sweet potatoes that you'd like to clear up?*

A: Yams and sweet potatoes are totally different plants. Yams are a huge, hairy starchy root that originated in Africa. Sweet potatoes, including the deep orange-fleshed varieties we call yams, are yet another root vegetable. They originated in the tropics and belong to the morning glory family.

Calling sweet potatoes yams began as a marketing ploy when, in the 1930s, Louisiana farmers decided to sell their orange-fleshed sweet potatoes as Louisiana yams to distinguish them from white sweet potatoes. Their plan succeeded so well that few people today know that what we call yams are simply darker, moister-fleshed sweet potatoes.

Although sweet potatoes are available in many different colors — white, yellow, red and purple — Mann's fresh-cut sweet potatoes are made from the well-known, orange-fleshed varieties packing the ultimate sweet flavor and vibrant color use.

Q: *Can you connect your product's nutritional properties to health issues consumers can understand? Can you come up with simple, catchy phrases that could be used to market health benefits of your product?*

A: We created a slogan and logo: For a Healthy Active Lifestyle. Because all vegetables are healthful for you, this communicates the ease of preparation along with the goal of having a balanced, healthful diet and lifestyle.

Q: *How does your product deliver a powerful punch of nutrition? Can you point to studies that back up these claims?*

A: A powerhouse of nutrition, the sweet potato is a perfect example of good food that's good for you. Sweet potatoes are:

- bursting with beta carotene (vitamin A)
- high in vitamin C
- good sources of fiber

In fact, the sweet potato has taken top honors in two surveys of the nutritional benefits of vegetables. One medium (4 ounce) sweet potato, baked with the skin, has about four times the recommended daily allowance (RDA) of Vitamin A and almost half the recommendation for vitamin C.

Q: *Since the FDA has strict guidelines on what health claims a company can make, what can be advertised or put on labels of your product packages?*

A: We have America's Vitamin Vegetable on each of our fresh-cut vegetable products. We also highlight the nutrition information on the front of each package. We are not the only suppliers promoting the health benefits of sweet potatoes. It's hard to ignore a readily available and affordable food that offers so many health benefits.

Q: *What are the best strategies to relay nutritional/health information to consumers on the retail floor? Can you provide creative marketing or promotional ideas that directly link your product to health and encourage action-oriented steps?*

A: Retailers can capture sales of this up-and-coming segment of the fresh-cut category and watch their profits soar overall with cross promotions and signage that brings attention and shoppers into to the category.

Sweet potatoes are excellent on the grill and retailers can leverage this by featuring sweet potatoes in grilling recipes for key grilling eating occasions such as summer cookouts!

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Reader Service # 9



NEW YORK APPLE ASSOCIATION

7645 Main Street
Fishers, NY 14453-0350
585-455-1969
www.nyapplecountry.com

CATEGORY:
Apples

Interview with Linda Quinn, MS, RD Spokesperson/Nutritionist for New York State Apple Assoc.



New York Apple Association represents apple growers and is a source of information and education to the public. They have an extensive website that is updated regularly to keep consumers informed about the latest health research, recipes and press releases. They provide news stations with guest appearances of a Registered Dietitian to promote the health benefits and show easy and fun recipes people can make to incorporate apples into their diet. Award-winning commercials and radio news briefs highlighting the nutritional benefits of New York State Apples are other successful resources they offer.

Q: How can you distinguish your product from the pack? What nutritional properties in your product make it an essential part of a healthy diet?

A: Apples are one of the top rated fruits in the US and Americans love them! Children choose fruit as their number one snack and have actually increased their consumption of fruit in the past five years (Snacking in America 2008). That is good news since apples have been shown through research to be one of the healthiest foods a person can eat.

There are literally hundreds of peer-reviewed studies including large scale human studies proving that people who eat apples and apple products reduce their risk of chronic disease. Apples are protective against heart disease, cancer, Type II diabetes, asthma and even Alzheimers. What makes apples so protective is a group of natural plant substances called phytochemicals. We now know that these substances are the real protectors of our health. Apples have very large amounts of phytochemicals compared to other fruits. These phytochemicals are strong anticancer-antioxidants that protect us from disease and slow down the aging process.

Q: What are the latest news flashes/surprises regarding health/nutrition benefits of eating your product? Tell us something that consumers may not realize about how your product can improve their health and well-being?

A: The Iowa Women's Health Study has been following 34,000 women for over 20 years. They named apples as one of only three foods that are most effective at reducing the risk of death from heart disease among postmenopausal women.

A recent study conducted at Penn State University found that men and women who ate an apple 15 minutes before lunch consumed almost 190 fewer calories than when they didn't have the apple. Just that one change could equal weight loss of over a pound a month.

One delicious apple has as much anticancer-antioxidants as a megadose (1500mg) of Vitamin C.

Q: Are there any notable health reasons to target specific demographics or age groups with your product? If so, why?

A: When it comes to kids, apples are the perfect nutritious snack. No sticky fingers or need for expensive packaging. Simply wash, and go. Our miniature Gala apple is perfect for smaller appetites and easier for little teeth to bite into. And, apples are "Nature's toothbrush" so it is a great treat at the end of a meal. Since childhood obesity is a major concern in this country, apples are a real solution. Packed with fiber and water, apples fill kids up so they won't have room for processed snacks and candy.

Q: Are there any myths or confusing nutrition information about your product that you'd like to clear up?

A: Some people are confused about eating fruit when they have diabetes. The truth is that apples are good for the diabetic, and a large Finnish study of 10,000 people showed that apple consumption actually reduced the risk of Type II diabetes.

Q: Can you come up with simple, catchy phrases that could be used to market health benefits of your product?

A: "Eating apples is the easy way to protect your family every day"

"Don't be shaped like an apple, let our apples shape you"

"An apple a day keeps the doctor away"

"An apple peel a day might keep cancer at bay"

Q: Are there any studies that back up any of the health claims of your product? What claims can be made?

A: The current FDA acceptable health claims are based on nutritional analysis. The following claims can be made for fresh apples based on nutritional analysis. These are allowed under FDA's nutrient database for fresh apples and apple cider: fat free, sodium free, saturated fat free and cholesterol-free. Fresh apples are an excellent source of fiber and apple cider is a good source of fiber. "Apples, a sodium free food" is appropriate wording.

Q: What challenges do you face in getting the health message about your product to consumers? What solutions can you suggest?

A: Since ours is a fresh product, one challenge is that we are dependent on others for point of service education. We have information to share but it is up to the retailer to decide if they will use this information. One solution is to provide easy-to-understand messages that are short and simple.

Q: What are the best strategies to relay nutritional/health information to consumers on the retail floor? Can you provide creative merchandising/marketing/promotional ideas that directly link your product to health and encourage action-oriented steps?

A: We have a variety of posters promoting the Local and fresh message. If people can taste our apples they will certainly want to buy them. In-store sampling is a great way to entice the shopper. Making our brochures, posters and guides available along with website information www.nyapplecountry.com will provide the information consumers need to store and use our product regularly.

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To learn more, visit nyapplecountry.com





OCEAN MIST FARMS

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 www.oceanmist.com

CATEGORY:
 Artichokes

Interview with Kori Tuggle, marketing manager, Ocean Mist Farms

Q: As America fights the obesity epidemic and other health problems, consumers are inundated about the nutritional values of just about everything. How can you distinguish your product from the pack?

A: Artichokes are a low-calorie, nutrient-rich vegetable. One medium artichoke is an excellent source of fiber and vitamin C and a good source of folate and magnesium. Artichokes also are a great source of disease-fighting antioxidants. In fact, research shows cooked Ocean Mist artichokes are the best antioxidant source among all fresh vegetables.

Q: What are the latest news flashes/surprises regarding health/nutrition benefits of eating artichokes?

A: FIBER! The USDA and the Department of Health and Human Services' Dietary Guidelines recommend men consume 30 to 38 grams per day and women consume 21 to 25 grams per day of dietary fiber. However, most Americans consume about half that amount, according to the American Dietetic Association. The solution is simple: eat artichokes. One artichoke (120 grams) contains 10.3 grams of dietary fiber, providing a significant contribution to the daily requirement.

Q: Are there any notable health reasons to target specific demographics or age groups? Why?

A: Very promising preliminary research shows that artichokes may offer protection against heart disease in people who already have high cholesterol. More research is needed to determine the exact substances in artichokes that make them cardio-protective and the exact role they play in preventing disease. Until then, there are plenty of other heart-healthy reasons to eat artichokes — they're loaded with fiber, plus they are fat-free and cholesterol-free.

Q: Are there any myths or confusing nutrition information about your product that you'd like to clear up?

A: Heating has a varied effect on the antioxidant content of foods — it negatively affects some foods, however, it's good news for artichokes. Research shows that cooking (e.g., microwaving, boiling) increases the total antioxidant content in artichokes. To retain the most nutrients in any vegetables, use cooking methods such as steaming or microwaving.

Q: How does your product deliver a powerful punch of nutrition? Can you point to studies that back up these claims?

A: Therapeutic properties of artichokes have been documented since ancient times; however, two studies show artichokes contain very high level of antioxidants.

In 2004, USDA researchers measured antioxidant levels in more than 100 foods commonly consumed in the United States. One study found that cooked artichoke hearts were found to be the best antioxidant source among all fresh vegetables, with a total antioxidant capacity (TAC) of 7,904.

Another study published in July 2006 measured the antioxidant content of 1,113 foods and beverages commonly consumed in the



U.S. The results corroborated the earlier study, finding ½ cup of cooked Ocean Mist variety artichokes to have a surprisingly high level of antioxidants at 3,559 mmol/serving and the highest among all vegetables measured.

Q: What are the best strategies to relay nutritional/health information to consumers on the retail floor? Can you provide creative marketing or promotional ideas that directly link your product to health and encourage action-oriented steps?

A: **Retail Floor:** Integrate packaging with POS concepts that focus on preparation, use and nutrition information. There is an opportunity to build a multi-item artichoke "mini-destination" in the produce department. Retainers can bring new users into the category with simplicity messages, and indulge heavy users with depth and creativity.

On Package: Our packaging boldly promotes the health benefits of artichokes on all of our packaging as: "The Ultimate in Antioxidants & Fiber." We also include a statement on all of our packaging directing consumers to our website: "For a wealth of Artichoke facts, health benefits, recipes and cooking videos, visit www.oceanmist.com."

OnLine: Consumers are increasingly going to the web to research health benefits of the food they eat. We have an entire section of our website devoted to the "health & nutrition" benefits of artichokes. We also promote recently published studies and links to our website through sites such as Twitter to reach consumers through social media channels.



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Sheri Caprara,
Registered Dietitian
Nutrition Educator

The secret weapon

Ocean Mist artichokes are bursting with the anti-aging, anti-cancer, immunity-boosting compounds known as phytonutrients—in fact, the USDA ranks artichokes No. 1 among all fresh vegetables in antioxidants per serving.

Artichokes are also rich in potassium, Vitamin C and magnesium, and one medium artichoke contains ten grams of dietary fiber, an important tool in the fight against heart disease. With every delicious bite, you're giving your body the firepower it needs to stay healthy and strong.



www.oceanmist.com

Reader Service # 37



RED BLOSSOM SALES, INC.

162 Montgomery Avenue
 Oxnard, CA 93030
 805-981-1839
 www.redblossom.com

CATEGORY:
Strawberries

Interview with Michelle Deleissegues, Director of Marketing, Red Blossom Sales, Inc.

Red Blossom Farms has over 2400 acres in California's premier growing regions: Baja and Central Mexico, Oxnard, Santa Maria and Salinas/Watsonville. With strawberry consumption growing faster than any other fruit in the produce department, Red Blossom is meeting this demand with a continuous supply of sweet, delicious strawberries year-round.

Q: *What makes strawberries stand out to consumers trying to make healthy eating choices?*

A: Many dietitians consider strawberries to be a Superfood because they are high in nutrients, low in sugar and cholesterol free. Strawberries are brimming with vitamins, potassium, fiber, antioxidants and phytochemicals. Studies report people who eat higher amounts of total fiber have a lower risk of heart disease. Potassium is important to balance electrolytes, aid muscle contractions and maintain healthy blood pressure. Antioxidants (including vitamin C) are key to warding off chronic diseases and promoting optimum health. Strawberries can improve memory and heart health while lowering blood pressure and cancer risk.

Q: *What are the latest news flashes/surprises regarding health/nutrition benefits of eating strawberries?*

A: In October, Dr. James Joseph, Ph.D., of the USDA Human Nutrition Research Center at Tufts University in Boston, presented his breakthrough research on everyday foods that promote brain health, at the 39th annual meeting of the Society for Neuroscience. According to Dr. Joseph, diets rich in strawberries, other berries, nuts and certain spices may lower age-related cognitive decline and the risk of neurodegenerative disease.

According to Dr. Joseph, you can protect yourself against the two major villains of aging, oxidation and inflammation, by including strawberries, blueberries, raspberries, blackberries, walnuts, fish and turmeric in your regular diet. Strawberries and the other listed foods contain plant compounds called polyphenols and other plant chemicals which are believed to provide brain health benefits.

Q: *Can you connect your product's nutritional properties to health issues consumers can understand?*

A: Preventative health is currently a hot topic in the United States. Dr. Joseph of Tufts University has stated, "that with the rising cost of health care and drugs, patients are increasingly turning to preventative lifestyle actions over which they have some control, such as diet and exercise." This is backed by emerging science which continues to point to natural foods, like strawberries, as sources of beneficial nutrients that can have some positive impact on cognitive function and other health concerns.

Q: *How does your product deliver a powerful punch of nutrition? Can you point to studies that back up these claims?*

A: Strawberries are one of nature's most healthful "packages" of power nutrients. The completion of exciting new research should provide even more reasons to enjoy strawberries year-round. Nutrition scientists are looking beyond traditional vitamins and minerals to understand the actions of hundreds of other compounds in plant foods, as well as the

protective power of the whole foods themselves.

Strawberries contain a multitude of cancer-fighting compounds, including vitamin C and folate, anthocyanins, quercetin, kaempferol and ellagic acid. Very few foods or their compounds have been shown to reduce risk of some cancers. However, strawberries and/or their constituents have shown promise in both cell culture and epidemiological studies. The California Strawberry Commission (CSC) is supporting studies in esophageal and oral cancer in cooperation with the Ohio State University Cancer Chemoprevention Program.

Research is ongoing to evaluate the impact of strawberry consumption on blood pressure, cholesterol levels and inflammatory markers that are drivers of heart disease. Clinical studies are underway at the University of California, Los Angeles, University of California, Davis, the USDA Western Human Nutrition Research Center and the University of Toronto.

Q: *Since the FDA has strict guidelines on what health claims a company can make, what can be advertised or put on your product's labels?*

A: We recommend saying strawberries have more vitamin C per serving than an orange; are naturally low in sugar — only eight grams per serving; rank second among the Top 10 fruits in antioxidant capacity; and may help reduce the risk of heart disease, fight some types of cancer and lower blood pressure.

California strawberries are certified by the American Heart Association (AHA) and our packaging may display its heart-check mark. When consumers see AHA heart-check, they know a food meets AHA's strict criteria for low levels of total fat, saturated fat and cholesterol. The Produce for Better Health Foundation's More Matters campaign is another useful tool that is widely recognized by the industry and public.

Q: *What are the best strategies to relay nutritional/health information to consumers on the retail floor?*

A: Retailers have a tremendous opportunity to educate their customers and help them make healthful choices. Giving produce department employees special tips about strawberries to share with customers can promote strawberries and develop a rapport with customers. Nutritional POS signage is also an effective educational tool.



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May 23, 2009



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Reader Service # 17



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CATEGORY:
Pineapples

Interview with Alan Dolezal, Vice President of Sales, Turbana Company

Turbana Corporation is the North American marketing arm of C.I. Uniban S.A., the world's largest banana producing cooperative. In 2005, Fyffes obtained a 50 percent ownership position in Turbana, leading to Turbana's current status as North American marketer of Fyffes Gold label super sweet pineapples. Headquartered in Dublin, Ireland, Fyffes is the largest produce importer into the European Union, with annual sales of over \$2.6 billion.

Q: As America fights the obesity epidemic and other health problems, consumers are inundated about the nutritional values. How can you distinguish your product from the pack?

A: Fyffes Gold Pineapples are healthful and taste great! They're extremely high in vitamin C and low in calories and contain virtually zero sodium or fat. Regarding obesity, and in particular childhood obesity, Turbana is very proud Disney Garden has named Fyffes Gold as its pineapple of choice in the new Disney/Imagination Farms campaign aimed at increasing the consumption of fresh fruits and vegetables among children.

On a lighter note, we also think Fyffes Gold Pineapples contribute to positive mental health. Pineapples have always had an exotic image conjuring up thoughts of tropical locales and warm, sandy beaches — the kind of images to put a smile on one's face, especially in winter.

Q: Tell us something consumers may not realize about how your product can improve their health and well-being?

A: People may not realize fresh pineapple's status as an anti-inflammatory agent and its ability to boost oral health. Pineapple contains bromelain, a protein-digesting enzyme that helps suppress and counteract inflammation. Pineapple is also extremely high in vitamin C, a high intake of which greatly reduces the risk of gum disease.

Q: Are there any notable health reasons to target specific demographics or age groups with your product?

A: Childhood obesity is a major concern in our society, and Turbana is very happy to be partnered with Disney Garden and Imagination Farms for the purpose of implementing a program that will help our children to develop healthful eating habits that will continue through their teen years and into adulthood.

Q: Are there any myths or confusing nutrition information about pineapples that you'd like to clear up?

A: One misconception about fresh pineapple is that it can be difficult to prepare. Our Fyffes Gold Pineapple has preparation instructions on the back of the tag, demonstrating how easy it is to cut a pineapple! We also offer a hand-held Easy-Slicer corer. Additionally, many retailers core our Fyffes Gold Pineapple and offer both whole and pre-cut fruit in their produce departments.

Another misconception is that pineapples are seasonal; Fyffes Gold Pineapple tastes the same and contains the same dietary attributes 52 weeks a year. The shell color of the fruit may vary slightly from time to time, but the consumer taste experience and the nutritional benefits inherent to the fruit will not.

Q: Can you connect your product's nutritional properties to

health issues consumers can understand? Can you come up with simple, catchy phrases that could market the health benefits of your product?

A: The More Matters campaign and the Produce For Better Health Foundation (PBH) are great sources for consumers to learn about the benefits of fresh pineapple relative to various health issues.

Our Fyffe Times Better slogan addresses five common health issues, since our pineapple is an anti-cancer agent, enhancer of the body's immune systems, natural anti-inflammatory agent, proven aid to achieving good oral health and inhibitor of strokes and heart attacks.

Q: How does your product deliver a powerful punch of nutrition?

A: A daily slice or two of our pineapple provides half the recommended daily intake of vitamin C, the benefits of which include strengthening the immune system, reducing risk of heart attack and stroke and heightening oral health. The high manganese and vitamin A content help prevent free-radical damage to the body's cells. Free radicals are known to have a cancer-causing role.

Q: Since the FDA has strict guidelines on what health claims a company can make, what can be advertised or put on your product's labels?

A: Our pineapples are not packaged and the tag is the only place for some narrative, so they don't make ideal billboards. We work with our retail partners to formulate and execute health-oriented advertising and promotions through store circulars, seasonal promotions emphasizing health and fitness and in-store promos using customized POS materials that support health- and nutrition-oriented themes.

Q: What challenges do you face in getting the health message about pineapples to consumers and what solutions do you have in mind?

A: In the age of instant information, it's easy for consumers to feel awash in a sea of conflicting claims and health messages. The key is to provide information from credible, certified sources (PBH, AMA) and present this information clearly and concisely.

Q: What are the best strategies to relay nutritional/health information to consumers on the retail floor?

A: Pineapples can be highlighted as both a healthful cooking ingredient and a nutritious snack. The display and the message should achieve maximum visual impact.

A unique vehicle for our message is the Disney Garden/Imagination Farms program. We can help affect a real paradigm shift in the way children, and the American family in general, perceive and consume fresh fruits, obviously including pineapple.





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Chilean Grapes Provide Stable Profits

Tried-and-true merchandising tips continue to reap success with Chilean grapes.

BY JODEAN ROBBINS

Chilean grapes have become a major component of winter fruit sales and a crucial part of any retail produce department.

"We do a tremendous amount of business in Chilean grapes," says Ruth Comer, assistant vice president of media relations for Hy-Vee Inc., headquartered in West Des Moines, IA. "This year, we expect to see even more demand for them since the California deal is ending earlier than usual."

"We're glad when the Chilean grapes start rolling in because California is pretty much done and consumers are looking for them," adds Keith Cox, produce buyer/category manager for K-VA-T Foods, based in Abingdon, VA.

According to U.S. Department of Agriculture import statistics, as of November, 2009, Chile exported more than 430,000 metric tons at a value

of \$623 million. Grape imports from Chile have steadily risen over the past decade and have shown an increase of 16 percent over the past seven years.

The season begins in December and continues through April. Josh Leichter, East Coast sales director and director of the grape category for The Oppenheimer Group, the Vancouver, British Columbia, Canada-based importer, reports, "Industry-wide, the crop has been delayed by seven to 14 days due to cold weather, which some attribute to the El Niño effect. Most growing regions — early, middle and late — have been affected, though the extent is still being assessed. The later regions will have the chance to recover, so the primary impact we're aware of to date is the delay of the start of the season," he explains. "Despite the weather, we anticipate about a 15 percent bump in volume over last year. We also anticipate significant late-season crimson volumes."



New research shows fixed weight packaging, such as bags and clamshells, provide a higher price point and therefore, greater profit.

VISIBLE DISPLAY

High visibility and quality go a long way to sell grapes. Paul Kneeland, vice president of produce and floral for Kings Super Markets, a 36-store chain based in Parsippany, NJ, advises, "Just have the biggest, sweetest and most flavorful grapes available displayed in an area that will attract customers. Make big displays. They need to be visible and speak to the customer on flavor and usage."

"Once a packaging, pricing, grade and berry size strategy have been determined by any retailer, the key to driving sales is primarily driven by shelf space allocation for the product and how much promotion a supermarket wants to put behind the product," says Rick Eastes, global procurement manager for Market 52, in Visalia, CA. "The 'yield-per-square-foot' and the 'velocity' [turns] of sales will be the determining factors."

While pricing strategies may vary among retailers, the Chilean Fresh Fruit Association (CFFA), headquartered in Sonoma, CA, has some newly released information on pricing. Tom Tjerandsen, managing director North America for the CFFA,

“Cross-merchandised Chilean grapes are great for holiday promotions. Customers can take wine, cheese and grapes to a party. Some may like that better than a veggie tray and for the retailer, it’s a higher ring and lower labor.”

**— Paul Kneeland
Kings Super Markets**

explains, “Most of the exporters are responding to the results of our recently published Best Practices research, which confirmed fixed weight packaging, such as clams, bags and zips, hold a higher price point and provide greater profit than random weight merchandising.”

“Consumers are very price conscious,” acknowledges Jim Pandol, president of Pandol Associates Marketing Inc., headquartered in Delano, CA. “Average consumers have less discretionary money in their pockets than last year. Consumers are trending to make more of their buying decisions based on what money they have to spend versus what they would like to spend it on,” he explains. “Over the last year, there has been more focus and better movement on good quality with a little lower pricing. There is less demand for premium quality at premium prices.”

Putting together the right combination of space, display and price is retailer-dependent. “There are myriad merchandising strategies, and improving sales depends greatly on any given retailer’s individual policies,” reasons Eastes. “Capturing retail space is the game — whatever it takes to garner more display space, drives sales.”

“Our research report also confirmed a number of merchandising tactics for grape marketers,” reports Tjerandsen. “It showed that if a minimum of 25 linear feet of space is devoted to grapes, sales go up an average

Moving The Marketing Date

Last April, 2009, the date of the USDA Marketing Order standard affecting Chilean grapes was changed from April 20 to April 10. Rick Eastes, global procurement manager for Market 52 in Visalia, CA, explains, “Although the theory is that restricting the Marketing Order date will encourage exporters not to ship to the United States for fear of failure to grade, practically speaking, and depending on the market conditions, the 10-day ‘move-up date’ may not discourage exports to the country at all. If grapes meet requirements they are admitted after the Marketing Order date. If they fail, most can be brought into compliance by repacking, or alternatively, re-shipped to Canada.”

So far, it seems the change hasn’t had a serious effect on shipments. “The change had little impact last season,” reports Tom Tjerandsen, managing director North America for the Chilean Fresh Fruit Association (CFFA) in Sonoma, CA. “It’s still possible to ship to the United States, but the quality requirements differ. Given the high quality of the grape shipments from Chile, this was not a problem. Coachella was late, but Chile was able to keep a modest volume in the pipeline until they were ready to ship.”

“Oppenheimer and our growers did not feel a significant effect when the marketing order date changed and we anticipate the same would be true moving forward,” says Josh Leichter, East Coast sales director of sales and director of the grape category for Vancouver, British Columbia, Canada-based The Oppenheimer Group. “The only notable impact was the sudden pressure on cold storage space in April which we’ll monitor vigilantly this year. The Chilean industry shipped a fair bit of fruit before the cut-off date, so space became tight,” he admits. “We brought a fair amount of Crimsons in after the marketing order and

almost all graded as U.S. 1, so we were able to continue the momentum for our Chilean growers and help bridge the gap into the Mexican season for our retail customers.”

However, some industry experts note an underlying problem of the Marketing Order cutoff date. Jim Pandol, president of Pandol Associates Marketing Inc., headquartered in Delano, CA, adds, “If anything, I think it tends to hurt the market. Any time we put in artificial barriers in a market, it disrupts the normal flows that are economically or consumer-driven. When the marketing order date is set earlier, the exporters send the grapes earlier and they sit in storage longer. The volume available for the market has not changed considerably, but we have more product shipped outside of the time it should have been shipped.”

Moving forward, each season may bring its own adjustments. “Effectively, only market conditions will determine how many grapes come into the United States, regardless of the Marketing Order cutoff date,” states Eastes. “Also, rather than harvesting and storing grapes in Chile prior to the original April 20th cutoff, exporters now will choose to ship and store in the United States with grapes arriving prior to April 10th. Potentially, the same number of grapes will enter the country as before, only earlier,” he muses. “This may put extra pressure on shipping lines to have vessels in place to take the cargo earlier, and importers have the effort to find additional short term storage to accommodate the 10 lost shipping dates. Effectively, moving the Marketing Order up 10 days does not necessarily reduce the volume of grapes arriving in late season, it just adds expense and exacerbates logistics procedures,” he concludes. **pb**

of 63 percent. Secondary displays add impulse sales.”

“Give your grapes a secondary display location,” agrees Cox of K-VA-T. “That always increases sales.”

TIE IN VARIETY

Offering increased variety also leads to higher sales. “The industry is encouraging customers to buy red, green and black grapes to offer shoppers the choices they

want,” states Tjerandsen.

“Consumers are most motivated to purchase fresh grapes when two or more varieties are on sale at the same time and also when retailers provide more information about the flavor characteristics of grapes,” concurs Craig Uchizono, vice president of Southern hemisphere for The Giumarra Companies, headquartered in Los Angeles, CA. “Black seedless sales increase if they are promoted with red and green seedless.”



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Consider Packaging

"Marketing by variety, as a taste profile, would increase sales," suggests Kings' Kneeland. "Talk about the flavor characteristics of the different grapes and eventually talk about the sugar content and sweetness. Customers want to know more."

Variety ties into advertising as well. "If you do a red, green and black ad it helps generate more grape sales," says Cox.

Chile is working on adding new varieties to grape availability. "In California, there is a proliferation of new grape varieties coming into production," reports Market 52's Eastes. "Chile is lagging behind now, but the whole category is likely to change dramatically in the next decade with regards to the varieties that will be grown and marketed over the next few years."

"We have a new variety of grapes — Nature's Partner Sol Sweet Seedless Grapes — which are left longer on the vine to provide a higher sugar content and sweeter flavor," reports Uchizono. "Try sampling these unique and great-tasting grapes so consumers will be encouraged to try them. Consumers may also be interested in the 'heritage' or story behind their favorite grapes."

TOOLBOX OF PROMOTION

Retailers have a wealth of promotional tools promoting Chilean grapes, but any good promotion starts with quality product. "Retailers know their markets best and there are hundreds of promotional schemes to choose from depending on store demographics," points out Market 52's Eastes. "The most important thing for a supplier is to provide the product at the level of quality, in the appropriate pack-style, and in the volume requested, and allow each retailer to merchandise the fruit to its best advantage."

"Successful marketing begins with the

Variety in packaging may also help boost sales. "We see good results with our clamshell program, in either bi- or tri-colored configurations," reports Josh Leichter, East Coast sales director of sales and director of the grape category of The Oppenheimer Group, headquartered in Vancouver, British Columbia, Canada. "Clamshells have display appeal that attract impulse buys and deliver high rings."

But with variety comes challenge. "There is a proliferation of pack-styles, including a range of clamshell packs desired by retailers," states Rick Eastes, global procurement manager for Market 52, in Visalia, CA. "However, the heating and fumigation requirements for table grapes from Chile create unique post-harvest requirements to assure grapes originally packed in clamshells in Chile are properly re-cooled prior to shipment to U.S. retailers," he explains.

Some retailers stand by bagged as the best alternative. "At this time, we're sticking with the clear bag, which is pretty much industry standard," says Keith Cox, produce buyer/category manager for K-VAT Foods, in Abingdon, VA. "We have tried clamshells without very much success."

"Bagged grapes work the best for us," explains Paul Kneeland, vice president of produce and floral for Kings Super Markets, a 36-store chain based in Parsippany,

NJ. "We've dabbled in trying to sell loose, but the bags sell better. Especially as customers are more conscious of price points, the bags offer a better retail. The zip-locks on the top are popular from a customer standpoint."

Both retailers and suppliers are looking at what labeling changes can be made to benefit the business. "We would benefit tremendously by having the name of the product on the bag, as opposed to just the PLU number," maintains Ruth Comer, assistant vice president of media relations for Hy-Vee Inc., headquartered in West Des Moines, IA. "For instance, if the Jumbo Red Globes were labeled 'Jumbo Red Globes,' it would help the stores display the product more effectively and ensure customers get the product they think they are buying."

"Our growers are all working toward the implementation of GS1 bar codes on their grape bags," reports Leichter. "Like our retailers and growers, we take traceability very seriously at Oppenheimer, and we are working toward 100 percent compliance over time."

Craig Uchizono, vice president of Southern hemisphere for The Giumarra Companies, in Los Angeles, CA, describes Giumarra's eco-friendly packaging efforts. "We are moving to more environmentally friendly solutions," he proudly says. "This includes recyclable packing, biodegradable options and kraft packaging. **pb**



fruit we grow," asserts Giumarra's Uchizono. "We work with our growers to produce great-tasting varieties using optimum growing practices that focus on flavor and quality. We can also work with our customers on category management and developing promotions to increase their grape business."

"Keep costs down, set ads and keep the product fresh and moving," advises Pandol of Pandol Associates Marketing. "Ads are crucial to keep product moving since this is especially what consumers are looking for."

Playing up the counter-season works can be a fun and successful theme. CFFA's Tjerandsen describes, "High performing retailers tend to build promotions for grapes around Grape Spectacular or Extravaganza, June in January, or Chilean Fruit Basket."

Chilean grapes offer significant opportunity for cross-merchandising and increasing ring. "Cross merchandising is always benefi-



During challenging economic times such as these, lower retail prices will encourage consumer purchases.

cial," contends Kings' Kneeland. "We like taking a nice soft cheese, or a cheddar, and merchandising it in the grape display in a big way. We're also looking at merchandising wine, especially from Chile, along with the grapes."

"Looking for a country tie-in can add sales," continues Kneeland. "There are lots of wine and other products from Chile that make for an attractive and interesting display. Cross-merchandised Chilean grapes are great for holiday promotions. Customers can take wine, cheese and grapes to a party. Some may like that better than a veggie tray and for the retailer, it's a higher ring and lower labor."

The CFFA research shows advertising and POS usage has a definite effect on sales. "Our research shows the front page in the Best Food Day ad generates 70 percent increase in sales," explains Tjerandsen. "Early promotion builds momentum for stronger year performance. Promote grapes together three out of the four weeks of the season. Use of POS increases feature pricing sales by 20 percent."

Oppenheimer's Leichter adds, "We've found it works well to provide season-long ad planners to our customers, which are part of a consistent promotion and co-op ad strategy that drives sales throughout the duration of the deal."

"Good promotions and price points will move product," maintains Pandol. "We all know that lower retail prices will move more product than higher prices. During these economic times, the differences become more exaggerated. When there are promotions at attractive price points then the product really moves. When prices go very high, the movement drops faster than we have normally experienced." **pb**

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Reader Service #5

The Pallet Puzzle: (Part I of II)

With an ever increasing number of options and environmental concerns to take into consideration, the pallet business is expanding at breakneck speeds.

BY JENNIFER LESLIE KRAMER

According to industry reports, in one year alone, there are approximately 1.9 billion pallets circulating within the United States.

Pallet choices run the gamut from the type of material used to the degree of ownership. One must also consider costs, environmental sustainability, life expectancy, technological advancements and a host of other topics when choosing a shipping system. Thus, it's no small feat for retail executives and grower/shippers to come to a decision on what kind of pallet best suits their needs.

Recently, the subject of pallets has risen to a roar, with a number of new companies touting their latest inventions. There are points in favor of each variety of pallet, as well as corresponding questions that come with exploring new territory. While each company undoubtedly believes its pallets provide the most thorough, consistent and safe product on the market, retail executives and grower/shippers continue to be inundated with choices in a field that grows larger and more complex with each passing day. With that in mind, PRODUCE BUSINESS has sought to simplify the pallet puzzle and provide a point-by-point exploration and discussion of the concerns that come along with each type of pallet.

In Part I, the price of pallets and environmental

efforts on behalf of pallet companies is addressed, as well as the creation of a number of new and inventive shipping options.

COSTS VS. LIFE EXPECTANCY

Regardless of the shipping system a company decides to use, there is always great cost associated with it, and most would argue it is money well spent. After all, what good is it to grow or pack perfect produce only to have it ruined prior to arriving at its destination? Wooden pallets are certainly cheaper than their plastic counterparts. However, the salient question is whether they provide the most bang for your buck. When exploring the cost effectiveness of wooden pallets, it is important to differentiate between the ubiquitous GMA (Grocery Manufacturers Association) whitewood pallets — a non-pooled pallet that has not been specifically marked to indicate ownership — and branded pallets, which are part of a pallet pool.

While some assume whitewood pallets are less expensive than their branded counterpart and thus have a shorter lifespan, it's not as black and white as it may seem. Many shades of grey enter the equation when companies begin to consider their business model and whether they choose to buy pallets outright or enter a pallet pool.

Companies such as Houston, TX-based IFCO, a nationwide pallet management company, focuses much of its energy on elongating the life expectancy of whitewood pallets. LeRoi Cochran, director of supply chain solutions, explains that while IFCO constructs some new pallets, "The vast majority of the pallets we sell are recycled, made from refurbished broken or used pallets. We retrieve used pallets from major retailers and other distributors, inspect, repair and then sell these reusable pallets back into the supply chain."

An IFCO-produced whitepaper, *Factors Impacting the Environmental Sustainability of Pallet Programs*, points out that because the GMA whitewood pallet is the accepted standard, numerous companies that buy and sell them independently come together to form one of the most comprehensive retrieval and recycling systems in the world, thus creating an "open pool" of sorts, capitalizing on



Photo courtesy of the National Wooden Pallet Container Association

Approximately 92 percent of pallets in circulations are wooden.

extended reuse, while keeping economical prices in place.

The other type of wooden pallet, those that are pooled and branded, have a different cost structure to consider. When entering a pallet pool, one must evaluate all costs involved, which can include issue fees, repositioning fees, daily rental fees and lost pallet fees, among others. CHEP, based in Orlando, FL, handles more than 300 million pallets and containers within its open pallet pool, issuing, collecting, conditioning and reissuing wooden pallets to manufacturers and growers worldwide.

Tim Smith, vice president of business development at the company, reports that a CHEP pallet costs between \$20 and \$22 to make, compared to a one-way pallet, which costs \$7 or \$8. "It's designed to last for many years," he says. "It has extra nails for strength and blocks made to grip the surrounding wood. We even use harder wood on the leading edges of the pallets to protect them from the tines of the forklift."

Dole, Del Monte Fresh, Stemilt, River Ranch, Duda Farm Fresh Foods and Tanimura & Antle are just a few of the industry leaders that have come to rely on the strength and lifespan of a CHEP pallet, according to Smith. "It's hard to put an exact

life span on it, but the choice is clear," he maintains. "You can either use a limited-use pallet a few times versus a CHEP pallet that is used dozens of times, repaired when needed and used again. They are never thrown away or end up in a landfill."

The plastic pallet contingency would beg to differ. They would point to facts courtesy of the USDA Forest Service stating in 1995 alone, approximately 4.2 millions tons of wood pallet materials were land-filled at municipal solid waste (MSW) facilities in the United States.

One of the newer plastic pallet companies today is Orlando, FL-based iGPS, which offers companies the ability to rent the exact number of pallets they need, thus avoiding the expense of outright purchase and maintenance. It's a well-known fact that plastic pallets are extremely expensive — they can cost up to 10 times as much as their wooden counterparts — one of the drawbacks that make companies think twice before beginning a plastic pallet program. Bob Moore, chairman and CEO, recognizes this setback, but counters, "We have a more efficient business model. Even though our pallet costs significantly more than a wood pallet, its strength and durability enable it to stay in circulation full time.



Photo courtesy of iGPS

iGPS' plastic pallets transport fresh melons from Scottsdale, AZ-based Martori Farms across the nation.

In contrast, a wood pallet is far more fragile and invariably needs repair, taking it out of circulation for up to 90 days," he remarks. "Our pallet can turn six times a year, while a typical wood pallet might turn only three times."

However, there is always the option to buy, which is where Rehrig Pacific Company, based in Los Angeles, CA, comes into play. While the company has had limited interaction with the fresh produce industry, it is one of the leading RPC manufacturers



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in North America. Bill Mashy, general manager for the materials handling group, contends that it's the outright purchasing of pallets that make them worthwhile. "The key for the owners of plastic pallets is that they need to be able to hold on to them," he asserts. "If you can, then the economics will work for you, meaning if you buy a plastic pallet somewhere in the \$50 range and you lose it, well then it doesn't make sense. In that case, you are just going to go with the cheaper wooden variety for \$8 or \$9 every time. But if you can hold on to it — reuse it — then the benefits of plastic far outweigh the wooden ones."

For the most part, plastic pallets are not as susceptible to damage as wooden pallets, due to the fact that they are typically made from one solid piece, as opposed to many pieces of wood being nailed together. Moore of iGPS points out, "Our pallets have a 12-year, full replacement warranty from our manufacturer and an estimated working life of 20 years. The pallet has proven its durability, as the damage rate is *de minimis*." However, wooden pallet companies are quick to point that an iGPS pallet hasn't even been around that long, so no one can be sure what a plastic pallet would look like 20 years from now.

THE GREENING OF PALLETS

Opponents of wooden pallets argue they are not sustainable or environmentally friendly and there are many statistics stacked against them. One such factoid, used by iGPS, states that in 2006, wooden pallets used 7.6 billion board feet of lumber, amounting to enough trees to cover an area 10 times the size of Manhattan. However, upon closer examination of the wooden pallet industry, it becomes clear the group is environmentally conscious, making a wholehearted effort to offer sustainable products.

Bruce Scholnick, president of the Alexandria, VA-based National Wooden Pallet Container Association (NWPCA), which represents 700 pallet manufacturers, points out wooden pallets are constructed from a natural, abundant and recyclable material. "Despite what you may hear, we are not clearing forests to make wooden pallets," asserts Scholnick. "We use the unattractive remnants of lumber that were originally harvested for furniture or wooden floors. It still has all the strength and stiffness and durability of the more aesthetically appealing wood, it's just not in perfect condition."

Moreover, wooden pallets are easily recycled. IFCO's whitepaper points out the company diverts more than 1.8 million tons of wood from landfills annually through its repair and reuse of wooden stringer pallets.

Alternative Options

While wooden pallets continue to be the most popular choice in pallets, a number of companies are bucking the trend and introducing creative solutions to the shipping business.

Layer Saver: This reusable, collapsible pallet shipping vessel, made from recycled plastic material, is a two-layered system specifically designed to carry more weight than a standard pallet. The first level is designed to hold several rows of corrugated product — similar to a traditional pallet — while the second tier, once extended, can then hold up to 50 percent more product, all within the same footprint of a standard pallet.

Charlie Kiolbasa, chairman, founder and CEO of the Willowbrook, IL-based company, emphasizes his pallet system is also environmentally friendly, taking advantage of all available space in a truck. "The Layer Saver concept was started with a full truck load in mind," he says. "Cases of produce are generally susceptible to moisture damage and can easily end up bent, bowed and damaged and are thus only stacked five- or six-high in a truck. With Layer Saver, two five-high packs can be safely stacked in a truck."

PBPallets: Made from 100 percent recycled material, such as old newspapers and magazines, PB Pallets, a division of North Georgia Paper Boards, in Chatsworth, GA, uses a high compression system along with inner tubes and a linear rail system to create

light yet durable shipping pallets that can hold up to 10 tons. Because there are no dangerous nails or splinters to worry about, they can be used on the display floor as well.

Steve Townsend, president and owner, points out his pallets are the greenest of them all. "Not only are they 100 percent recyclable, but they start out from recycled wood and paper materials," he explains. "Plus, they are so much lighter than wooden pallets, so they'll reduce freight costs and greenhouse gas emissions."

Airdex: Specifically designed for air freight, these plastic pallets are made from a foam core that is shrink-wrapped and then encapsulated with a high-impact poly styrene (HIPS) that is not only lightweight — the pallet weighs only 8 pounds — but thermal isolated — preventing heat, and therefore sweat and moisture — and completely washable. These characteristics make Airdex a viable choice for the export produce industry. They are also environmentally friendly. The company has 175 collection points throughout North America to recycle and reuse them.

When it comes to affordability, Vance Seagle, CEO, for the Henderson, NV-based company, admits, "It costs more than a wooden pallet, but because of the weight-savings in freight, it will give you back money since it will save you weight — and thus dollars — in shipping costs."

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What's more, local repair and refurbishment of IFCO's pallets at the company's 50-plus logistics centers strategically placed across the country facilitate their efforts in pallet supply, repair, recycling and redistribution and eliminates the need to ship pallets elsewhere, reducing transportation costs, fuel use and greenhouse gas emissions.

According to a study by Virginia Polytechnic Institute and the USDA Forestry Service, less than three percent of the nearly 700 million pallets manufactured and repaired each year end up in landfills.

CHEP, too, strives to be a good steward of the environment. "CHEP only uses wood from sustainable forests and replants more trees than are harvested," asserts Smith. "All the hardwood we use, both nationally and internationally, comes from these kind of groves."

Scholnick is also quick to point how prevalent the recycling of wooden pallets has become over the years. "When I first came to the NWPCA, which was many years ago, my membership was comprised of 70 percent new manufacturers and 30 percent recyclers," he reports. "However, today that

number has completely flip-flopped."

Naturally, the plastic pallet contingency sees the other side of the coin. In addition to pointing out concerns over deforestation, plastic pallet companies also maintain their pallets are up to 50 percent lighter than their wooden counterparts. Less weight means less fuel and transportation costs, as well as less harmful greenhouse gas emissions. iGPS calculated that replacing all wooden pallets with iGPS plastic pallets would remove more than 9 billion pounds of non-value added weight from the nation's supply chain.

Additionally, Moore contends iGPS pallets are 100 percent recyclable. "In the rare instance one of our pallets is damaged, the steel bars are removed and the resin is reground, refined and remolded into new pallets," he explains.

Pick up the February issue of PRODUCE BUSINESS where the concluding part of this article will address technological advancements in the pallet business and the rising USDA APHIS controversy over whether wooden pallets need to be regulated more strictly.

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POWER

In Packaging

PMA awards eight companies with its coveted Impact Award for Excellence in Produce Packaging.

BY JENNIFER LESLIE KRAMER



Roman Forowycz,
Clear Lam Packaging Inc.



Chad Smith and Audra Pura,
Earthbound Farm



Abram Murguia, Hillary Femal and
Sean Drake, IFCO Systems



Roger Pepperl,
Stemilt Growers Inc.

It's common knowledge that eye appeal is buy appeal. So in the case of fresh produce, packaging packs a serious punch. Consumers want to see the product, but also want the packaging to protect the produce from cuts and bruises, be easily accessible and environmentally friendly. That's a tall order, but the eight companies that were awarded the Packaging Impact Award from Newark, DE-based Produce Marketing Association met all the necessary requirements.

In the three years the awards have been given, the industry has taken note. During the award ceremony, which took place on Octo-

ber 3, 2009, at the PMA Fresh Summit Convention in Anaheim, CA, Bryan Silbermann, CEO and president of PMA, remarked, "The entries we are receiving reflect an increasing industry commitment to the role packaging can play in maintaining product quality and safety, in communicating with consumers and in demonstrating another aspect of the produce industry's commitment to the environment and sustainability."

Thirty-one entries were chosen as finalists and then judged by a panel of industry veterans including Leonard Batti, senior partner of Mixtec Group; John Bernardo, founder and owner of Sustainable Innovations LLC; Phil

Lempert, founder and owner of The Supermarket Guru; Jim Prevor, founder and editor-in-chief of PRODUCE BUSINESS, DELI BUSINESS and the Perishable Pundit; Paul Singh, Ph.D., professor at Michigan State University's School of Packaging; and Dr. Bob Whitaker, PMA's chief science officer.

Awards were given to: Earthbound Farm (environment/sustainability); Yottamark Inc. (food safety/traceability); Clear Lam Packaging Inc. and Taylor Farms Inc. (functionality/technology); The Oppenheimer Group and ZESPRI (marketing design); Stemilt Growers Inc. (marketing messaging/content); and IFCO Systems (supply chain efficiencies).

BEST IN ENVIRONMENT/ SUSTAINABILITY

Earthbound Farm, San Juan Bautista, CA

Product: Earthbound Farm Clamshell Packages: 5 oz., 11 oz., 1 lb. & 2 lb.

With Earthbound Farm's new clamshell packages, the company becomes the first in the industry to make the switch to 100 percent post-consumer recycled polyethylene terephthalate (PCR PET) plastic. Newly redesigned labels — to celebrate the company's 25th anniversary — on the salad containers point out the post-consumer content of the packaging.

Samantha Cabaluna, Earthbound's director of communications, remarks, "It was always on our mind to be more green and environmentally friendly, so this is the natural next step. But we first had to ensure there would be a consistent supply of recycled PET plastic to use. Our customers care a great deal about



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the earth, and packaging was always the place they wanted to see improvements. There's been a great response from them, and even from our competitors — it has piqued their interest, too."

In addition to the new labels, the company has launched a Kid's Quote Contest on its Web site, asking children ages 17 and under to complete the sentence, "Thank you for choosing organic — it matters to me because..." In addition to winners receiving a \$500 U.S. Savings Bond and a matching donation in their name to help the environment, the winning quote will appear on the reverse side of the new labels.

According to the U.S. Environmental Protection Agency, of the nearly 6 billion pounds of PET packaging waste Americans produced in 2007, only 23 percent was recycled into new products, leaving more than 4.5 billion pounds of usable PET wasting away in landfills. Earthbound's new packaging addresses this troublesome statistic.

Chad Smith, manager of business and product development team, is thrilled with the company's big win, but knows there's more to come. "I'm pretty confident we are going to see a lot more of this in the future," he asserts. "It's a place where consumers can receive value and understand the importance of what's being done."

BEST IN FOOD SAFETY/TRACEABILITY

Yottamark Inc., Redwood City, CA
Product: MicroBaker Traceable Labels

Partnering with Yottamark, Los Angeles, CA-based Progressive Produce introduced peel-off traceability labels for its microwaveable, MicroBaker yams. A Harvestmark code is printed on a water-resistant, 2 x 1.5-inch peel-off label, which adheres to each shrink-wrapped yam. This way, consumers can go directly to Harvestmark's Web site to learn a great deal of information about their specific yam, including variety, where and when it was harvested, as well as food safety notifications.

Elliot Grant, chief marketing officer for Harvestmark, knows the award means a great deal. "It's really wonderful to be recognized for our efforts with the MicroBaker yams



because we are pioneering a really new path and so many people said it couldn't be done. But we persevered and proved them wrong. I see the award as recognition for not just the MicroBaker, but for everything we have accomplished over the past three years."

Progressive Produce is one of the first in the produce industry to offer traceable yams to consumers. In addition to being able to trace the life of each yam, Progressive has also included cooking instructions and a Web site to access recipes, transforming the label into a powerful marketing tool. According to Grant, "Providing consumers with a way to trace their produce makes them feel connected to it. They love the product and have responded very positively."

Progressive's yams are only one of 850 million traceable items thanks to the Harvestmark technology. Other items include bagged salad, strawberries, grapes and tomatoes. But the company isn't resting on its laurels. "We've invented a way to take traceability to the next level," says Grant. "We just launched our Interactive Trace Visualization (ITV) at this year's [PMA Fresh Summit] show, which is the next step in traceability and allows consumers to see all the products traced in real time. It took a year to get the technology developed, but by the end of this year, we're hoping to get a Harvestmark application on the iPhone."

BEST IN FUNCTIONALITY/ TECHNOLOGY

Clear Lam Packaging Inc., Elk Grove Village, IL & Taylor Farms Inc., Salinas, CA
Product: Taylor Fresh Bag Plus

Clear Lam's latest packaging option is perfect for single-serve, ready-to-eat salads, as Taylor Fresh has shown. The first-of-its-kind packaging solution isolates various salad toppings on a sealed container, enhancing the quality and shelf-life of the product. The fact that the toppings are separately packaged from the lettuce allows for greater visibility and the easy-peel topping compartment eliminates the need for individually wrapped items sitting right on top of the lettuce.



Roman Forowycz, group president and chief marketing officer for Clear Lam, explains, "The concept evolved from a movement away from bagged lettuce, which is often bruised and battered. Also with bags, there is a tendency for moisture to settle in the bottom of the bag creating puddles, reducing

quality and shelf-life. But this type of packaging protects the product."

Both Clear Lam and Taylor Farms recognized the need for this kind of value-added product that would attract traditional retailers and club stores. The packaging is easily stackable, improving merchandising and shelf utilization compared to bags. "There are so many benefits to this type of packaging," emphasizes Forowycz. "There's a higher ring at retail, which retailers love, and they can also be merchandised nicely in pyramid display. Consumers like it because the lettuce stays in good shape, they can see the product clearly and it's easy to reclose with the snap-on lid."

The packaging also lends itself to convenience stores as an easy and healthful grab-and-go meal solution. "With so many people paying attention to their health lately, these salads would be a great option in a convenience store," muses Forowycz. "Instead of picking up the fried burritos or hot dogs, consumers can make a positive choice. We hope that by next year's PMA Fresh Summit — or maybe even sooner — we'll see this packaging in vending machines."

BEST IN MARKETING DESIGN

The Oppenheimer Group, Vancouver, BC, Canada & ZESPRI, Mount Maunganui, New Zealand

Product: Kiwi Snack Pack

Oppenheimer's single-serve kiwi clamshell comes with a scoop spoon and even a wet wipe, suggesting kiwis as the perfect grab-and-go snack. "There's plenty of display options for retailers who can choose to buy the entire display box, which holds nine of the individually packed kiwis, or if they'd rather, they can buy the single units to include within their kiwi display," explains Steve Woodyear-Smith, director of kiwifruit and mango categories for The Oppenheimer Group.

The fact that the clamshell comes with everything a consumer would need to enjoy the fruit on-the-spot is a big selling point, and makes it a perfect application for meal solutions in the produce department or even at convenience stores. Foodservice accounts could also benefit from the clever packaging as it would be an excellent addition to hospitals, airports, school lunch rooms, cruise ships and more. "The Grain Station, a new grab-and-go retail concept focus-



ing on healthful fare at the Newark, NJ, airport, has already picked it up and has found great success," reports Woodyear-Smith. It's an easy choice for travelers to pick up, throw in their bag and eat on the plane."

In the future, Oppenheimer hopes to get the product into vending machines, offering a healthful choice in an area typically filled with fried, fatty food choices.

BEST IN MARKETING MESSAGING/CONTENT

Stemilt Growers Inc., Wenatchee, WA

Product: Fresh, Flavorful & Family-Farmed Cherry Display Bin

There's no doubt Stemilt's pop-up cherry display was a success. In fact, it was so popular that 3,313 stores used the display during the peak of cherry season. Research of retail scan data found that cherry sales accounted for 7.9 percent of total produce department dollars at a large Eastern retailer when a secondary display of Stemilt's cherry bin was used. This is 1.5 percent above total regions for the same timeframe, confirming the use of secondary displays is an effective way to merchandise cherries.



One of the reasons for the bin's widespread success might be its ease of use. The display, which holds one standard-size carton of Stemilt cherries or multiple clamshells/bags, has no additional pieces or assembly required. It simply pops into place when removed from the bag it is shipped in, a great selling point since retailers typically don't have ample time to set up complicated merchandising displays. "We're known for our bins," admits Stemilt's marketing director, Roger Pepperl, "but this past year, we wanted it to be very easy with no moving parts and just one piece to worry about. The fact is, the guys in the store don't have much time, so it needs to be user-friendly and a 1-2-3 assembly."

What's more, the clear plastic used to ship the display makes it easily visible for produce managers, reducing the chance it will get lost in the shuffle of the unloading docks. "The clear bagging lets it stand out from the tons of brown, corrugated boxes arriving on a daily basis," points out Pepperl.

Part of the bin's appeal is its colorful, eye-catching graphics, which includes a photo of three generations of the Mathison family — the family that owns and operates Stemilt. "It's definitely a trend now," acknowledges Pepperl, "but we have been doing it for years. Consumers want to know where their food came from and have a personal connection to it, and we want them to know that we are people growing for people."

BEST IN SUPPLY CHAIN EFFICIENCIES

IFCO Systems, Houston, TX

Product: Reusable Plastic Containers (RPCs)

IFCO's new generation reusable plastic containers (RPCs) answer the produce industry's call for sustainable transport packaging. The containers are made for infinite reuse and generate 29 percent less gases, require 3 percent less energy and produce 95 percent less solid weight when compared to corrugated boxes used in the same produce shipping applications, according to a study by Franklin Associates. "We introduced our RPCs to the United States market in 1996 and since then, have created a new generation every five years," notes marketing manager Hillary Femal, "but this one, which was introduced in October, 2008, is definitely the best one yet. We were a finalist last year for the award and came so close, so it's really wonderful to win this year. It's a validation of what we have known all along."

Not only are IFCO's RPCs more environmentally sound than corrugated boxes, they also protect the produce while in transit all the way from the field to the retail display. "Our RPCs are designed to keep produce fresh and safe throughout the supply chain," asserts Femal. "The scalloped smooth interior prevents bruising in stonefruit and ample ventilation helps reduce shrink by increasing airflow."

What's more, the containers are made with the use of water-injection molding, which strengthens the crate while reducing the weight. This water-injection technology (WIT) hollows out the plastic sections with cooling water and creates a thinner, more uniform and smooth wall, compared to the conventional gas-assist molding, which is also harmful to the environment. It's this consistent shape and size of the side walls that allows them to be latched together with user-friendly clips, making them easy to assemble or collapse. IFCO's crates are the only RPCs that incorporate WIT in their construction.



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Warm Up That Wintertime Ring With Florida Citrus

Plenty of variety and opportunities to shine makes Florida citrus a serious category contender.

BY CAROL BAREUTHER

Hurricanes and diseases, such as canker and greening, have taken a toll on Florida's citrus industry. For example, total citrus production acreage and volume declined by 20 to 30 percent, respectively, between the 2003-04 and the 2007-08 growing seasons, according to the report, *Economic Impacts of the Florida Citrus Industry in 2007-2008*, published by researchers from the University of Florida's Institute of Food and Agricultural Services, in Gainesville, FL. However, the total value of the citrus fruit increased by more than 30 percent to \$1.76 billion — with fresh fruit accounting for \$253 million — during this same time frame due to higher prices. This makes the state's citrus industry a major economic force, both to the local economy and to the bottom line of produce retailers in-state and nationwide, especially for fresh fruit during peak production from December into March.

Steve Williams, director of produce and floral at Sweetbay Supermarket, a chain based in Tampa, FL, and member of Delhaize America, the U.S. division of Brussels, Belgium-based Delhaize Group, remarks, "Our customers specifically look for Florida citrus and we work with growers to bring in fruit when it eats its best."

Juice oranges, Red Navels, Honey Tangerines, tree-ripened Tangelos, Honeybells and Red and White grapefruit from Florida, are all displayed in the produce department in January, according to Dave Brossart, general manager for produce and floral at Jungle Jim's International Market, a single specialty store in Fairfield, OH.

SEASONAL OUTLOOK

Unseasonably warm weather delayed maturity and the start of Florida's citrus crop harvest by about three weeks, reports

Al Finch, vice president of marketing for Diversified Citrus Marketing Inc., based in Lake Hamilton, FL, "But we anticipate a good season ahead."

The state's 2009 citrus crop estimate, released October 9 by the USDA indicates the state will produce 136 million boxes of oranges, 19.8 million boxes of grapefruit and 5.9 million boxes of specialty fruit, which represents a 14.5 percent decline from actual production in the 2008-09 crop year. Grapefruit production will be down nine percent and specialty citrus will increase 18 percent. Approximately 10 percent of the state's total citrus crop is sold fresh, while the remaining goes into processing.

Sam Jones, Florida citrus operations manager for Oviedo, FL-based Duda Farm Fresh Foods Inc., maintains, "Although overall orange production is down due to a spring cold event, there are still excellent quality and promotable volumes on early-, mid- and late-season Florida oranges."

On the grapefruit front, Paul Genke, director of sales and marketing for The Packers of Indian River Ltd., headquartered in Ft. Pierce, FL, admits, "Rain last year adversely affected the eating quality of the fruit. This year, although our volume is down, the crop is shaping up to have better eating quality and external eye appeal."

Kathy Hearl, marketing promotion manager for DNE World Fruit Sales, located in Fort Pierce, FL, which markets both red- and white-fleshed grapefruit under the Ocean Spray label, agrees and adds, "Reports show very good Brix levels."

"Now we just hold our breath and hope for no freezes this winter," says Matt



Sweetbay's Season's Finest program focuses on fresh, Florida citrus.

McLean, president and CEO for Uncle Matt's Organic Inc. and Uncle Matt's Fresh, in Clermont, FL.

THE CITRUS SELECTION

At Sweetbay, category manager Tom DeBlicke carries a variety of citrus including, "Florida oranges, grapefruit and tangerines and within this, several different varieties that change with the season."

Florida growers offer conventional as well as organic citrus. McLean asserts, "Even though organic citrus is still a small niche market, it's an important one because consumers keep asking for it."

Hearl notes, "One industry trend is bagged citrus — grapefruit, oranges, tangerines. This is an area of growth for several reasons. Consumers are leaning toward smaller packages due to smaller households. The economy is changing consumer-purchasing behavior toward buying smaller volumes and making more frequent trips to the supermarket to avoid any waste. We offer smaller 3-pound bags in most of our varieties to meet the needs of consumers."

The Lakeland-based Florida Department of Citrus (FDOC) has updated and distrib-



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What's New?

Specialty citrus, or easy-peelers, seem to be the continuing bright spot for fresh citrus, says Nichole Towell, marketing development manager for Duda Farm Fresh Foods, Inc., in Oviedo, FL. "There is strong consumer demand for sweet and easy-to-peel citrus."

Several new varieties of citrus are in development, says David Mixon, senior vice president and chief marketing officer for Seald-Sweet International, in Vero Beach, FL. "However, we won't see a good volume of production for about five years."

One of the first new varieties is the Sugar Belle, developed and patented out of the University of Florida's IFAS (Institute of Food and Agricultural Sciences) Citrus Research and Education Center, located in Lake Alfred, FL. Peter Chaires, executive director of the New Varieties Development & Management Corp. (NVDMC), in Lakeland, FL, says, "This is a Mandarin hybrid variety. It resembles a Honeybell Tangelo, but with a richer internal and external color and robust complex flavor. It's risen to the top in consumer taste trials against other Mandarin varieties. The Sugar Belle harvests four to six weeks ahead of the Honeybell, therefore it will be available in early

December."

According to Chaires, the USDA-ARS Laboratory in Ft. Pierce, FL, is in the process of patenting an early season, low-seed Tangerine variety called the Early Pride, as well as a seedless Pineapple Orange variety.

The Tango, a seedless Mandarin released by the University of California's Citrus Breeding Program, is a variety of which the NVDMC has obtained Florida rights. Chaires says, "We see some initial plantings in the north part of the state and south, but the problem is a limited supply of bud wood."

Flavor and easy-peel are traits Florida citrus breeders are breeding for in newer varieties. However, according to a February 13, 2008-released report, *Florida Department of Citrus Tangerine Taste Test*, commissioned by the FDOC, consumers ranked freshness (78 percent), flavor (76 percent), appearance (62 percent), juiciness (65 percent) and price (55 percent) as "extremely important" ahead of number of seeds (53 percent).

Chaires adds, "This recent evidence suggests that while seedlessness remains a strong determinant in citrus selection, it is not exclusively driving purchase decisions as once thought."

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uted its *Produce Buyer's Guide to Florida Citrus* this year. The guide is a useful reference for produce buyers and other responsible for purchasing the state's citrus.

Oranges: Florida oranges are featured in Sweetbay Supermarkets, according to DeBlieck. "We started with Navels this fall, followed by juice oranges such as Hamlin. Pineapple oranges will come in the first of the year and then we'll have Valencias until May or June."

As for Navels, Diversified's Finch reveals, "Industry wise, we're looking at about a 30 percent smaller crop. This is due partly to weather and partly because its an alternate bearing year. The message for retailers is that we probably won't have Florida Navels into January and there are concerns we won't make it to Christmas. We've seen high demand for Navels early in the season coming off the high FOBs on imported Navels this summer and Navels are big in the gift fruit market, which all combines to mean we move through inventory faster."

Some varieties, such as Ambersweet oranges, which are available from October into January, will tend to size smaller this season, says Finch. "They'll peak on 100-count sizes. This means opportunities for 4- and 5-pound bag promotions."

David Mixon, senior vice president and chief marketing officer for Seald-Sweet International, located in Vero Beach, FL, recommends the Temple orange. "It is a good-eating, easy-peel specialty orange with a 4- to 6-week window that starts in January." Mixon adds, "Some retailers will just run a short one-week to 10-day promotion on a piece of fruit, such as the Temple orange, and then not carry it. We suggest carrying it for its full window of availability. Retailers who do this have found success and few found dollar sales."

Grapefruit: There's a smaller crop and smaller overall sizing of Florida grapefruit this season, says Finch. "Smaller 48s and 56s in 5-pound bags are a great promotional opportunity. Larger sizes like 27s and 32s will be more of a premium."

Most domestic customers prefer red-fleshed grapefruit, Finch adds. "Many retailers have discontinued white grapefruit out of their order guides," he discloses. "This variety is primarily exported to Japan."

However, Scott George, domestic sales manager for DLF International Inc., based in Vero Beach, FL, contends, "Some domestic retailers, for example a chain in Kansas City and another one in New Jersey, are positioning white grapefruit as an upscale

boutique item and playing on its sweet flavor and have had success."

Tangerines & Tangelos: At Sweetbay, DeBlicke reports, "Tangerines do well with our customers. They enjoy the taste, low number of seeds and easy-peel features. We'll carry a variety through the season, starting with Fallglo, then, for example, Sunburst, Dancy and Honey Tangerines."

DNE's Hearl details, "Sunburst Tangerines are available through early January. Sizing will be smaller than last year. A good promotable item for the holiday season is the 3-pound bag." She adds, "This season, you will see an increase in volume and size on Honey Tangerines, which are available from January to mid-April."

Florida's two main Tangelo varieties are the Orlando and the Minneola, or Honeybell. George notes, "Honeybells are a boutique item for us. They have a short window, the first through third week in January, are expensive, perishable, and hard to harvest, but the flavor is something that has made them a real growth item and a major program for us."

MERCHANDISING TIPS

Uncle Matt's McLean reports, "Large conventional retailers will carry three to four varieties of citrus, such as a juice orange, Navel, grapefruit and tangerine. Specialty retailers carry as much as a grower can give them. For us, this includes Satsumas, Minneola Tangelos, Temple oranges, Honeybells and Pummelos."

When it comes to organic citrus, McLean prefers to see it integrated with conventional product. "This way, customers can see all of their options and don't have to go out of their normal buying pattern. A good example of this is Super Target. Its citrus displays are on a two-tier system with conventional fruit on the bottom shelf and organic fruit on the top."

At Sweetbay, in addition to the regular set, "We'll open up additional space allocation when fruit is on ad," says Williams. "For example, a 4- to 8-foot set in the front of the department. We'll also build freestanding secondary displays of Florida citrus in the produce department. In addition, we feel it's important to cut a piece of fruit in half on the display. This gives customers a good visual of what's inside. Eye appeal sells."

Florida citrus displays are well labeled at Sweetbay. Williams adds, "We've designed and printed 7x11-inch and 3x5-inch signs that have the Fresh From Florida logo. They really stand out and allow consumers to readily identify Florida-grown citrus."

Is it important to sign and promote citrus by varietal name? "Absolutely," says Seald

Competition & Cooperation

In 2008, Florida accounted for 71 percent of the total U.S. value of production for oranges, 68 percent for grapefruit and 27 percent for tangerines, according to the 2008 Florida Agricultural Statistical Highlights, published by the Tallahassee-based Florida Department of Agriculture and Consumer Services (FDACS). Texas and California, as well as a number of foreign countries, compete with Florida — as well as buy the state's citrus. Retail buying habits reflect this.

Maria Brous, director of media and community relations for Publix Supermarkets, headquartered in Lakeland, FL, says, "We have always supported the Florida grower. Our philosophy is to first look to our local growing areas for quality product that provide value to our customers. If a product is not available in Florida, we look across the Southeast, then throughout the U.S. Only after we have exhausted resources in the States do we look internationally for the products our customers want."

Competition from other areas has changed Florida's fresh citrus industry. For example, David Mixon, senior vice president and chief marketing officer for Seald-Sweet International, headquartered in Vero Beach, FL, points out, "After the freeze in the early 80s, Texas started planting more Star Ruby grapefruit. Now, both Florida and California have followed suit as consumer

demand has grown for darker red varieties."

Nichole Towell, marketing development manager for Duda Farm Fresh Foods Inc., in Oviedo, FL, says, "The increased competition from imported and California-grown specialty citrus has caused growers to begin examining other specialty citrus varieties that are compatible with Florida growing conditions."

The largest impact on Florida's ability to sell its citrus this season comes on the heels of the USDA Animal and Plant Health Inspection Service's (APHIS) October 22 ruling that the state's fruit quarantined for citrus canker can now be shipped to all U.S. states, including Arizona, California, Louisiana and Texas and U.S. territories. This ruling is based on the results of new and thorough scientific research, explains Richard Kinney, executive vice president of the Lakeland-based Florida Citrus Packers Association. "This opens up the possibilities of where a grower can market his fruit and is a tremendous relief for the industry."

Kathy Hearl, marketing promotion manager for DNE World Fruit Sales, in Fort Pierce, FL, says, "The reopening of the citrus producing states is very important for Honey Tangerines, since the crop is larger this year. In the past, we relied heavily on California and Texas to move a large segment of this crop."

pb

Sweet's Mixon, "especially if it is something unique and available for a short window."

Lastly, an important merchandising tactic is sampling demos. Hearl advises, "Getting consumers to break out of their comfort zone and purchase something new can be a challenge. This is one of the reasons we support sampling citrus during its peak flavor. Interacting with consumers and letting them taste it before they purchase is a great way to increase sales."

PROMOTIONAL STRATEGIES

Publix promotes Florida citrus as part of the chain's At Season's Peak program, while Sweetbay does the same with its Season's Finest program.

Diversified's Finch notes, "January is when production is at its peak, so it's a great time to run mix-and-match ads. For example, multi-unit pricing on 3-pound bags of tangerines, 4-pound bags of oranges and 5-pound bags of grapefruit can capture a higher ring for the category."

According to DNE's Hearl, "We will continue to run a cross-promotion of Ocean

Spray fresh citrus with Ocean Spray juice drinks that has been very successful over the past few years. It takes place nationwide during January when many consumers think about dieting and health. This season we will be using a high graphic display bin for the promotion."

For the second year, the FDOC is offering free grapefruit spoons with the purchase of fresh Florida grapefruit or grapefruit juice. Florida packers will insert the grapefruit spoon redemption offer in bags of fresh Florida grapefruit. In addition, FDOC encourages retailers to display the grapefruit spoon redemption offer next to fresh Florida grapefruit displays and at the point of purchase for Florida grapefruit juice.

This season, FDOC will also run a 15-second video promoting fresh grapefruit, oranges and tangerines in the produce and deli departments of 648 Northeast supermarkets in the New York, Boston and Philadelphia markets. The videos will feature Michael Marks, 'The Produce Man,' and appear on 42-inch plasma screens during the first quarter of 2010.

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Focusing On What They Do Best

Boston wholesalers do whatever it takes to maintain the business they love.

BY JAN FIALKOW



The Boston produce market — actually two separate markets that abut each other, the Boston Market Terminal in Everett, MA, and the New England Produce Center in Chelsea, MA — is a 21st century amalgam of tradition and forward thinking. It is the home of long-established companies, many of which are welcoming the third, fourth and even fifth generations of their founding families. [Editor's note: please see Lots Of Lineage on page 92.] It is also a dynamic operation striving to weather national economic trends by adapting new business practices to compete in a much-changed financial reality.



Paul Travers, Mutual Produce Corp.



Richard Travers, Mutual Produce Corp.



Butch Fabio, J. Bonafede Co. Inc.

Most of the wholesalers on the markets note their businesses are doing well, but they need to expend more time, more services or

both to maintain the levels of the past. According to Steven Piazza, president of Community-Suffolk Inc., based in Everett, MA, "We're stick-

ing with staples. We're doing what we've done since 1973. We're working as hard as we ever have to maintain the business, but it's working. We're providing more service and more value to our customers."

Another member of the Community-Suffolk family, David Piazza, vice president of sales, relates, "The market is doing OK, but it takes a lot of work. The big days are Monday, Thursday, Friday and Saturday. Tuesday and Wednesday are slow now. I speak to New York every night around 12:30 to see what's going on, what's up, what's down. It gives me a jump before it gets busy here. I come in the earliest and I leave the earliest. Steven stays late, so it's a good fit."


Yanni Alphas, owner of The Alphas Co. Inc., in Chelsea, MA, acknowledges the tough climate, saying, "The economy is finally catching up with us. We have to work harder than ever before. The easy lay-ups are gone."

"Business is slow this year — it isn't as robust as usual," says P.J. Forster, a sales associate with Chelsea, MA-based Mutual Produce Corp. "We have to work harder and be more alert. The flow is different; you just have to be on top of it. We focus on what we do best."

Patrick Burke, in sales and procurement for Garden Fresh Salad Co. Inc., located on the New England Produce Center, offers this assessment: "You have to fight for your sales. You have to be a little more aggressive than normal. Customers may call every day but you have to push the product."

"We give a damn about our customers," says Dave Patnaude, sales manager of Coast to Coast Produce LLC, headquartered in Cheshire, CT, with a branch at the Boston Terminal Market, in Everett, MA. They're like our families. Without them, we're not in business. We try harder and we're always available. We answer the phone 24/7. They can talk to us. Our customers and suppliers help us be what we are."

Anthony Sharrino, owner, president and director of Eaton & Eustis Co., located in Chelsea, MA, has a philosophical take on the state of the business. "You have to reach for the right price point to keep merchandise moving. There aren't as many highs and lows in pricing. Now people will do without or they'll buy only as they need. They're watching their inventories. If a guy wants 30, you can't sell him 40. You work thinner and watch expenses. But I still



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love the business — I love what I do.”

MAKING ADJUSTMENTS

Boston is one of the country’s few terminal markets that still have significant chain business, albeit mostly fill-ins. “The chains have always been a major part of the market here — I can’t speak for the rest of the country,” says Ken Cavallaro, treasurer at John Cerasuolo Co. Inc., in Chelsea, MA.

One way the Boston wholesalers are catering to this segment is by expanding their open-for-business hours to include Saturdays. “The market is now open for five hours on Saturday from 4:30 to 9:30 am. We have to be. The dealers outside the market are open seven days,” explains Sharrino.

According to Butch Fabio, treasurer at J. Bonafede Co. Inc., headquartered in Chelsea,

MA, “The Saturday openings began gradually, but now everybody is open. Hannaford [the 171-store chain based in South Portland, ME] wanted a Saturday pickup, so the market started making exceptions.”

An on-going change in the produce business revolves around the constantly changing ethnic make-up of the community. Where once Italians, Irish and Eastern Europeans were the predominant immigrants, today’s ethnic communities tend to be Central and South American, Asian, Russian and African. The cuisines may demand different produce items, but the business of delivering those items stays the same. “The biggest new ethnic buying groups are Brazilians, Russians, Central Americans and Vietnamese,” reports Steven Piazza of Community-Suffolk. “They don’t have warehouses yet so they have to shop the market four to five

days a week.”

Ken Cavallaro notes, “Brazilians, South Americans in general, Asians and Russians are the major ethnic groups. The ethnic groups still cook. The immigrant generation doesn’t assimilate quickly to the U.S. diet. They try to maintain what’s familiar; that’s why there are so many ethnic restaurants. They add to our product mix — we have more varieties to sell. But mainstream U.S. items are still predominant.”

“We’ve added Asian, Indian and Hispanic lines because the customer base is more diversified,” explains David Piazza. “They eat well because they actually cook. Brazilians have always supported the market. They’re the largest ethnic group in the Chelsea area. Lots of Brazilian restaurants are opening.”

It’s helpful, says Steven Piazza, because, “We supply a lot of folks who supply restaurants.

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Jackie, Steven, and Tom Piazza and Ron Dugas, Community-Suffolk Inc.

There's a good balance between the retail and the foodservice business."

Bonafede's Fabio notes, "Anything that's

considered a staple by any ethnic group sells well. The first generation tends to eat ethnic food on holidays. The shift is from Caribbean

trade to South American trade, Brazilian especially. Some of the items are the same, but the names are different."

"We see continued growth in ethnic foods," concurs Gene Fabio, president of J. Bonafede. "Different groups have different names for the same thing. Part of doing business is learning the names. Most groups have specific varieties of an item particular to their cuisines. For example, there are over 20 kinds of eggplant. We have four or five suppliers so we can satisfy everyone's varied needs.

"Finding a new item can be profitable," Gene Fabio continues. "In the beginning, it tends to be short term and low volume, but once everyone knows about it, it shifts. We're offering Hawaiian plantains. Right now, Ugandans — they call them *metoki* — are the only group that eats them. There's a significant Ugandan population in the Northeast. We FedEx'd a box to western New York. It cost \$30 to ship a \$40 box of *metoki*."

Another way to cater to the demands of the new economic realities is to recognize that there is still seasonality in the produce business. Seasons play a role because the businesses that buy from the wholesale market are often governed by the weather. "Lots of early rain in the tourist areas put everyone off schedule," relates Steven Piazza. "The most difficult aspect is keeping people on track with payment schedules. We're working with them."

"Business progresses smoothly — we want to feed everyone we can. Still, there's been a slight lull. We're looking forward to holiday business. We wait for March. This is a spring business," adds Gene Fabio.

Seasonality also plays into what type of produce customers are looking for. It's not that items are unavailable, but certain items move better at certain times of the year. "Pumpkins moved very well this year. I was surprised because cash is tight — you don't know how many people will spend \$10 to \$12 for a big pumpkin," says Steven Piazza.

According to Patnaude of Coast to Coast Produce, "October [when this interview was done] is the worst month for the market. Lots of local vegetables and apple picking take the business. Historically, it's a tough month all over — that's why PMA is in October."

"At this time of year, things are slow any-

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way,” says Bonafede’s Butch Fabio, “but this year, the drop-off is steeper. We have a good spurt for several days before the holidays.”

Domestic citrus is still a winter crop but, fruit imported from the southern hemisphere has made it available during the summer. Jackie Piazza, responsible for citrus sales at Community-Suffolk, notes, “The market itself is very strong. The Chilean lemon deal should have been an in-and-out deal, but they continue shipping. They’re still coming in — and that’s brought the market down.

“The South African Navels came in with great quality,” Jackie Piazza continues. “Chilean Navels were allowed into the country for the first time this year for a few weeks [following the South African crop] and the quality is amazing. They put the South African deal to sleep. South Africa went on to other things, like



Dominic Cavallaro, III, Angelo Melito and Ken Cavallaro, John Cerasuolo Co. Inc.

Mineolas. As we go into winter, the citrus business picks up. There’s a wide variety and something else is always coming in. The Florida stuff


just started, but the quality looks OK.”

In October, when this interview was conducted, Jackie Piazza commented, “We’ve added

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pomegranates. We're only in the second week, so I'm not sure if they'll succeed. They're very expensive, but there is a demand — restaurants use them a lot. Before the holidays they

become popular."

SPECIALIZATION

Some wholesalers specialize in specific cate-

gories to maximize their positions. "We've added a new melon category — seedless and mini-seedless watermelons," says Patnaude. "It's retail-generated. Consumers like mini watermelons and want them year-round. Watermelon consumption is growing because the melons contain so many nutrients."

Patnaude believes this growth comes at the expense of more traditional business. "Cantaloupe and honeydew are falling off," he admits. "The honeydews are too large and young people don't want big melons. They want these melons in a processed form. Honeydew costs a lot to ship and competes with watermelon. Besides, many consumers don't know how to pick a ripe honeydew. One way to help is with ripening programs. For example, King O' The West — that's a Turlock brand — ripens the melons for Publix [the 1,000-plus-store chain based in Lakeland, FL] and gets

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them to the sweetness Publix wants." However, he does see continuing strengths for the traditional melon business, adding, "The business is there with the ethnic buyers, and the Tuscan melon may have more staying power."

At M. Cutone Mushroom Co. Inc., in Chelsea, MA, president Mario Cutone remarks, "The economy has hurt everything, but we're doing OK. The information about mushrooms being so healthful is definitely helping. I have no complaints. Oyster mushrooms have really picked up. The restaurants are introducing people to new varieties. The wild stuff is really taking off because restaurants are trying whatever they can get." Noting that even with mushrooms there is seasonality, fresh Porcini is one popular variety still governed by Mother Nature. To supply those customers that want Porcini year-round, Cutone offers them frozen as well as dried.

Filling a specific niche is another way to maintain market share. Jim Ruma, president of Ruma Fruit & Produce Co. Inc., headquartered in Everett, MA, began selling fruit baskets in 1973 and the company still does the lion's share of its business in gift baskets. But from early April to late June each year, the name of the game is fiddleheads. The young, edible fern shoots that still grow wild in northern New England and Canada are a delicacy with a short window of availability. "We started with the fiddleheads after somebody showed up at our door with a pick-up filled with fiddleheads and asked if we wanted them," Ruma explains. "Now we ship all over the country." In addition to fiddleheads, the company also sells ramps, a spring vegetable also known as wild leeks, which are highly sought after by chefs, and this year, added wild Maine blueberries.

Coosemans Boston Inc., headquartered in Chelsea, MA, is dedicated to specialty produce. Kevin Maher, vice president, notes, "Business has been more sporadic than in the past — months that should be good aren't, but by the same token, months that should be bad aren't. Some restaurants have gone out of business and some have stopped offering lunch. Many are doing small bites to keep the prices down. Yet chefs are asking for fava beans — they're primarily a spring item, but they're coming in from Mexico.

"An item has to be unique to get in the mix
CONTINUED ON PAGE 94

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Lots of Lineage

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BY JAN FIALKOW

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Working in the produce industry has a lot of advantages, but also some disadvantages as well.

On the plus side, Izzy D’Alleva, founder, president and owner of Garden Fresh Salad Co. Inc. out of Chelsea, MA, waxes nostalgic remembering how he found a home in the industry after emigrating to this country in 1955. He goes on to say that his son Lou “came in to work after school. That’s how he learned the business. My sons, daughters and their spouses work here. My granddaughter works here, too,” he proclaims proudly.

On the negative side, there are the hours. According to Anthony Sharrino, owner, president and director of Eaton & Eustis Co., based in Chelsea, MA. “The talent is out there, but the hours make it hard to attract anyone outside the family.”

That viewpoint is confirmed by David Piazza, vice president of sales for Community Suffolk Inc., in Everett, MA, who notes, “Very few people come into the business unless their family is in the business already.”

Luckily for many companies, there are usual members of the next generation who want to work alongside their families.

GARDEN FRESH

Melissa D’Alleva, Izzy D’Alleva’s granddaughter and Lou D’Alleva’s daughter, is the third generation to be a part of Garden Fresh. She graduated from Merrimack College in 2006 with a degree in digital media. “I used to work here during the summer when I was in college, in the office, helping with odds and ends,” she explains. “I learned how the business works. I worked elsewhere for three years as a photographer’s assistant, but I missed it here.”



Melissa D’Alleva, Garden Fresh Salad

“I’m doing a lot of office work and putting in new computer system,” Melissa adds. “I’m learning it and teaching it [to our team at the same time.] People are coming around to the idea. They’re learning a whole new way of doing business. They’re being very supportive and helpful. The people in my generation grew up using computers. Fortunately,

the others are getting used to the idea – it just takes them longer. Once all the computers go up, they’ll handle wholesale and processing,” she says.

Many members of the next generation point out that working with their family is an important part of their career choice. “I’m working very closely with my aunts,” relates Melissa. “I love it – our family is very close. A lot of what I missed at my other job was seeing my family, especially my father because we were on totally opposite schedules.”

CERASUOLO

John Cerasuolo Co., located in Chelsea, MA, has two members of the third generation working in the family business – Dominic Cavallaro III, son of Skip Cavallaro and Kara Cavallaro-Rullo, daughter of Ken Cavallaro.

Dominic III graduated Southern New Hampshire University in 2007 with a degree in advertising. He attended on a hockey scholarship and continues to play in pick-up leagues. He’s been coming to the market since he was just a kid. “I’ve been coming in full-time during the summer since I graduated from high school. I came in when I was very young, but mostly I just played.”

“The business is in my blood,” Dominic continues. “I do everything – drive trucks, load, unload, sell – whatever they need me to do. I’m the low man on the totem pole – I have to work my way up.”

Those tough hours are never out of mind. “Waking up at 1:00 am isn’t easy, but I love the business,” says Dominic.

Kara Cavallaro-Rullo graduated from Merrimack College with a major in communications and a minor in business. As a girl, she experienced the gender discrimination that has just



Dominic Cavallaro, III, John Cerasuolo Co. Inc.



Kara Cavallaro-Rullo, John Cerasuolo Co. Inc.

recently begun to fade from the wholesale market. “I came to play here when my grandfather was alive. I couldn’t work here as a teenager because I was a girl. I wanted to come to work in 2002 when I graduated college, but my dad said ‘No girls allowed!’ When I was 27, the company got really busy and needed help. They also needed someone to bring it into the 21st century,” she explains. “When an old-timer who was in her 70s left, I came on board and introduced computers to the company! Three years ago, I introduced Excel and e-mail, but they still write all the tickets by hand. I do some accounting, payables and receivables, some inventory, general office stuff and IT.”

Kara is married and has a new baby – Francesca – perhaps she’ll become a member of the fourth generation in the produce industry? Kara also does floral design when she’s not at work on the market.

RUMA FRUIT & PRODUCE

Ruma Fruit & Produce Co. Inc., located in Everett, MA, was a finalist in the Northeastern University Center for Family Massachusetts Business of the Year Award, thanks to the efforts of Mark and Andrea Ruma, son and daughter of Jim Ruma.

Mark joined Ruma in 1994 after attending the University of Massachusetts at Boston, where he majored in business. He is currently the vice president of operation. “I didn’t know what I was going to do. One day I just came to work here and never left,” he says of his entry into the family business.

But he understands that taking one’s rightful place in a family business is a path not easily traveled. “We’re members of the Northeastern University Family Business Forum. It helps us prepare to take over the company and offers aid



Mark and Andrea Ruma, Ruma Fruit & Produce Co. Inc.

in succession issues, things that are unique to family businesses. There are meetings of about 20 people every six weeks. They come from all kinds of businesses – an elevator company, a bakery, assisted living facilities – but we all have similar issues that other companies don’t. We have to work out professional relationships with our parents and siblings. Only 3 percent of family businesses make it to the fourth generation.”

Andrea Ruma graduated from Villanova

University and is the vice president of sales and marketing. She has a B.A. in sociology and an M.A. in education. “I was a teacher in Los Angeles for 11 years, teaching middle school reading and writing. I was ready for a change and could not find anything I liked. I knew I could go home – so I did. I’m in charge of web sales and revamping the Web site. I’m involved with search engine optimization,” she notes. “Access to Google analytics helps me know when people are on the Web site, how long they stay on and where they go next. I don’t have actual names but I can track patterns. I’m also doing catalog design. We do a third quarter mailing for the fourth quarter. I buy lists of corporate gift buyers. The recipients of gifts often become buyers themselves,” Andrea concludes.

S. STROCK & CO

S. Strock & Co. Inc., located in Chelsea, MA, has been in business for 113 years and now is the workplace of two members of the fifth generation of Strocks.

Michael Strock graduated from Bentley University this past May with a double major in

Development, but I do everything and anything on a daily basis,” continues Michael. “That’s part of running a family business. I’m currently working on several endeavors, including our new banana and tropical fruit program. We opened a new ripening facility and distribution center in November and we’re very excited by the new opportunities that this presents.”

Adam Strock, son of Bruce Strock, joined the company in June, 2008, after graduating from the University of Massachusetts at Amherst with a degree in environmental science. He manages IT and food safety. “It’s my job to make sure that the company has the safest possible products. I’m steering the company into a culture of food safety – bringing it into the 21st century.”

Adam views his job as combining two very distinct viewpoints – technological and cultural. “I have to think from multiple sides. The future of food safety is to focus on what we do now and do it better. You can have technology, technical know-how and equipment, but you need a food safety culture. You need to teach people to see what they’ve been doing in a different way. That’s hard – and it will take time. Youth is an

advantage on the technology side – it gives me credibility. But on the culture side, the older folks look at you like you have three heads. They ask a lot of questions about why we have to change.”

Serendipity played a role in Adam’s career path. “I didn’t know I was going to come into the business,” he admits. “My father came to



Adam Strock, S. Strock & Co. Inc.

“Staying in one place and working with your family gives you a sense of your own history. You’re carrying on a tradition.”

— Adam Strock,
S. Strock & Co. Inc.

corporate finance and accounting. The 23-year-old son of Rick Strock, Michael has been working at the company since he was a just a young boy. “Starting when I was 14, I worked every summer in the warehouse unloading trucks, picking orders and sweeping the floors,” he remembers. “I always knew I’d go into the business; I think I was bred for it. One of my grandfathers dedicated his life to his boutique fruit store. The other, Sam Strock, is an icon in the wholesale produce industry.”



Michael Strock, S. Strock & Co. Inc.

Family is important to Michael. “You get to see your family every day,” he says. “Working with my grandfather is the greatest part. He’s my mentor. He taught me everything I know.”

“My official title is Director of Business

me with the problem – the increasing complexity of food safety needs – and I analyzed it and saw that the company needed someone to take it on. Everyone else had their own areas. My grandfather offered me the job. I’d just graduated college and here’s this perfect opportunity. The timing was impeccable. It was like fate.”

Like the other members of generation next, Adam sees the family connection as being paramount. “Working with your family opens up a whole new way of thinking about life,” he maintains. “A lot of people grow up, go to college, become something and often they find themselves disconnected from where they grew up, their community, their friends – they could be anywhere. Staying in one place and working with your family gives you a sense of your own history. You’re carrying on a tradition. My father and grandfather have a tremendous sense of pride in what I’m doing – and they have no trouble communicating it. This is part of our home. Work is part of our home.”

pb

CONTINUED FROM PAGE 91

here," Maher continues. "Microgreens do well.

We have local growers, one in New Jersey and one in California that supply us. Microflowers do well, too. Brussels sprouts started about a month ago — the babies are in now.

"Maine tomatoes have been very good and very consistent," Maher explains. "Backyard Farms [based in Portland, ME] just opened another greenhouse. We take a lot of their loose tomatoes — they're very good. Cherry and on-the-vine tomatoes are coming on. The

gourmet medley from Mastronardi is very popular. Specific items do well when our customers have them on ad."

FOOD SAFETY

Food safety is an important part of the produce picture. "Food safety is a priority at the Coosemans family of companies. We have to adhere for the sake of our customers," proclaims Maher.

Peter John Condakes, president of Peter Condakes Co. Inc., located on the New England

produce Center, notes, "We started ramping up food safety in 1989-99, and ramped up again in 2002. We're a relatively small company in the grand scheme of things. We're 10 years into this," he reiterates. "Some folks on the market are doing it, some aren't. Most of the big shippers are certified. When are they going to ask if the receivers are certified? When will they say I won't ship to you anymore because you're messing up my supply chain? I'm not looking for government regulation — I'm looking for self-regulation. That being said, shopping is done on price, not on quality, safety and traceability. The customer base and shipping community have not bought into the Produce Traceability Initiative yet. With all the emphasis on food safety, how do you handle the demand for farmers markets and buy local?" he asks.

"There's no question that we're doing what we should," adds George Salis, a sales associate with Peter Condakes Co., "but many people aren't. The others should have caught up by now; we're not on an equal playing field."

"We're being penalized [but the expenditures aren't the same]. A portion of the business doesn't care about safety — only price," continues Condakes. "We will adapt — food safety and traceability will work. It has to."

WHAT WILL BE?

The future will largely be determined by the economy, and no one has an accurate crystal ball. Right now, everyone is looking for whatever positives they can find. "We're not as tied to the economy as a lot of other industries," says Cerasuolo's Cavallaro. "Retail is doing a bit better and foodservice is a bit off. People are eating home more."

According to Paul Travers, president of Mutual Produce Corp., "Prices are real high right now so things have slowed down. People still have to eat."

"I've been doing this for 25 years," notes Mutual's Forster. "There's more phone and fax business now. The buyers used to come in. If you have a good relationship, the buyers trust you and do business by phone."

Garden Fresh's Burke also comments on how business is done. "Not as many people are walking the market. There's no longer an opening rush. People are here throughout the hours we're open. Mostly, they go where they already do business."

"We're a lot more cautious than we were," relates Sharrino of Eaton & Eustis. "Volume is up and down. You have three strong days out of a 5-day week. The business never fully recovered from 9/11 and now you have to add in the complication of the financial meltdown. If people don't have discretionary dollars, there's no impulse buying. On the market, we're everybody's warehouse. I don't mind — as long as we're compensated."

pb

IN MEMORIAM
Lewis Gussman
 March 25, 1909 - September 30, 2009

Lewis Gussman started his career in the produce business at the age of 14, driving a produce truck. Several years later his friend Arthur Silk offered him two units on the New England Produce Center so Lewis could start his own company. The men sealed the deal with a handshake and Lewis started Mutual Produce in 1955. He remained active in the company until 2008.

Lewis took pride in setting up beautiful displays of his produce and would come in earlier than anyone else to do so. Another source of pride was the motorcycle he rode until he was 88 years old.

A true legend in the produce business, Lewis will be fondly remembered and deeply missed by his Mutual Produce "family", everyone on the New England Produce Center, The Boston Terminal Market and the many growers and shippers and friends he worked with for so many years.

L'Espalier

One of Boston's finest restaurants focuses on fresh, farm-grown produce.

BY JAN FIALKOW

Shortly after L'Espalier opened its doors on Boylston Street in Boston 31 years ago, it began receiving accolades for introducing haute cuisine to a city then best known for baked beans and fried clams. In 1982, the restaurant moved into a beautiful, quirky, historic townhouse on Gloucester Street in the Back Bay — one of Boston's toniest residential neighborhoods — where it remained until 2008 when it moved back to Boylston Street, this time in the Mandarin Oriental Hotel complex.

The staff shops daily for all produce, seafood and meat items and supports local growers and purveyors whenever possible. Proprietor and chef, Frank McClelland, who purchased L'Espalier in 1988, lives on and works the land at Apple Street Farm in the North Shore town of Essex. The 14-acre organic farm grows fresh herbs and heirloom fruits and vegetables. It's also home to chickens and livestock that are fed the farm's fresh produce and whole-grain breads that remain unsold at Au Soleil Bakery & Catering, L'Espalier's sister



operation. Sel de la Terre, the more casual restaurant under the L'Espalier imprimatur, also receives fresh produce from the chef's farm.

The restaurant also turns to Sparrow Arc Farm in Troy, ME, for gourmet and heirloom vegetables, salad and braising greens, herbs and apples. When produce cannot be grown locally and for items the chef does not grow, L'Espalier relies on brokers from the local market, such as A. Russo & Sons Inc., in Watertown, MA, and Baldor Boston LLC, in Chelsea, MA.

A Luxurious Lunch

Lunch at L'Espalier is a glorious experience — quiet, refined and elegant. Diners can choose from a seasonal 3-course prix fixe or 6-course degustation menu, a 3-course power lunch or à la carte selections.

PRODUCE BUSINESS dined at L'Espalier in October, when the menu reflected the best of the seasonal harvest. Shortly after being seated, our waiter brought each diner an *amuse bouche* — a small triangular slice of smoked salmon Napoleon topped with American caviar. It started the meal on a very fine note.

The autumn prix fixe appetizer choices included duck breast salami salad with pomegranate arils and Honeycrisp apples; crispy black pudding with wild mushroom ragoût and a poached egg from Apple Street Farm; oysters with Saint Germain (elderflower liqueur) and American caviar; and house-smoked salmon with pink grapefruit roulade, cream cheese and King salmon roe.

Moving on to the entrée, the choice

included braised lamb and black pepper papardelle with parsnips and Pecorino Ginepro cheese; confit leg of duck with Brussels sprouts, hummus and Shishito peppers; Apple Street Farm chicken livers crostini with balsamic glazed onions and grapefruit glâçage; and seared loin of cod with fried caper potato salad and Wood Ear mushrooms served with lemon vinaigrette.

Dessert was almost too beautiful to eat. The aptly named chocolate decadence is a rush of dense, silky, intense chocolate ganache offset by the tart crunch of pomegranate arils. **pb**



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Dave's Marketplace

Pride in a job well done.

BY JAN FIALKOW

There's something very familiar about the Dave's Marketplace store in East Greenwich, RI. It makes you feel as if you're stepping back in time to a world where customer service, bountiful displays and top-quality produce were the norm rather than the exception. In October, when *PRODUCE BUSINESS* visited Dave's, produce associates throughout the department were tending to displays and greeting customers by name. Everywhere you looked, people were smiling.

According to Charlie DiMascio, director of produce, "Customer service is our No. 1 priority" — and it shows. This is a top-down attitude evident in even the smallest details. For example, every store in the chain offers customers free coffee all day, every day. Even better, the coffee is delicious and the coffee kiosks are clean and inviting.

The history of the company is pure Americana. In 1969, Dave Cesario opened a roadside fruit and vegetable stand called Dave's Fruitland in Smithfield, RI. By 1978, it had grown to a small 8,000-square-foot store that sold produce and deli. Today, Dave's Marketplace operates eight stores and is the largest independent grocery chain in Rhode Island. Bill Hogan, general manager, explains the company by saying, "We're local and we want to stay that way."

"Produce is the draw," Hogan continues. "Our stores are all about perishables, perish-



The team at Dave's Marketplace includes Dennis Hogan, Eddie Forte, Bill Hogan, Lou Furcolo and Charlie DiMascio.

ables, perishables — produce, deli and prepared foods. Seafood is another major driver. Most of the chains are getting out of seafood."

Dave's must be doing things right. "Our same store sales are up — we haven't been hurt by the recession," points out Hogan. "We service an educated demographic. It's essentially the same customer Whole Foods is chasing. It's easier to compete now. There's a lot of opportunity for an operator in Rhode Island right now. The economy is actually creating lots of opportunity."

Produce, the first department upon entering the store, sets the tone for the operation. Unobtrusive signs throughout the department

highlight the health benefits of each item and some offer cooking tips. In October, the seasonal areas were filled with apples, pumpkins, squash, fresh cranberries and loose Brussels sprouts. The outside displays are for local produce in season — corn and tomatoes in summer, apples in fall.

DiMascio buys off the the New England Produce center and Boston Terminal Market several days a week. "The guys in Boston take care of their own — and good customers are their own," he explains. He also buys from Tourtellott & Co. Inc., a wholesaler in Warwick, RI.

"We buy locally in season and the farmers deliver right to our stores," notes DiMascio.



“We support as many local farmers as we can — and we pay them a fair price.” Regardless of whom he is buying from, “We inspect all produce upon delivery. Customers will understand if an item is unavailable — but we will not sell merchandise of inferior quality.”



Placed strategically throughout the produce department are add-on items such as gourmet salts, fine cheeses, condiments and other complements to the fresh produce. They appeal to the clientele and increase the department ring.

Each store has its own theme and personality. The eighth and newest store opened in Smithfield in October. The nearly 7,000-square-foot produce department theme is Apple Orchard — each aisle is named after a type of apple.

Dave’s does a big business in gift baskets, both with and without produce. In fact, it sells 25,000 gift baskets a year. What can’t be made in store is made in a 12,500-square-foot commissary. “Fruit baskets are custom-made and a separate entity from the produce department,” says Hogan. “During the holiday seasons, Charlie buys fruit for them, otherwise they buy their own. You can order baskets in-store or online. In-store orders are available at the store the next day. On-line orders ship the same day or the next day.”

“Local drivers will deliver in state and we use UPS for out of state,” Hogan continues. “We



hire people to make the baskets and to deliver so we’re a substantial seasonal employer. In fact, we’re one of the largest private employers in the state and we tend to hire the same people each year — they know what they’re doing and like working for us.”

It seems virtually all the employees — full-time, part-time, seasonal — like working for Dave’s. DiMascio calls it the best company he’s ever worked for. Dennis Hogan, the retired director of produce who still works 40 hours a week — part-time! — and is no relation to Bill Hogan, says, “I’ve never worked for a better company. We’re like family. They treat their people very well. Customers even comment on how nice the cashiers are. Everyone connecting to this company takes pride in what they do.”

“Twice a year the company has an employee appreciation dinner — one in the summer and one around the winter holidays,” explains Lou Furcolo, director of store operations. “Store managers can also hold a dinner at their discretion. For example, after a blizzard when everyone has worked around the clock to keep the store up and running for customers.”

The pride that characterizes Dave’s is evident and well deserved. As Bill Hogan notes, “You have to be good at things that are difficult — otherwise everyone would be good.” **pb**

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Reader Service # 29

Almonds Find Success In Produce Department

The almond's health image and enhanced flavors make it a perfect fit with produce.

BY BARBARA ROBISON

More consumers recognize the almond is a nutritional treasure. They associate almonds with the health and freshness of fresh fruits and vegetables. "We sell a significant amount of almonds in produce," acknowledges David Turner, president of Suntree LLC, based in Oroshi, CA. "The nut's nutritional values are well known, prices have been at good levels, and they are a great promotional item."

Okie's Thriftway Markets, headquartered in Ocean Park, WA, part of the Portland, OR-based chain of Thriftway Stores Inc., sets up large nut displays immediately following Halloween. "We offer in-shell nuts in large bins and arrange assorted packaged nuts in one-half bushel baskets on end-cap displays, adjacent to the bins," explains produce manager Dwayne Smallwood. "During the holiday period, we run in-store nut specials. Almonds are popular with our customers."

All domestically produced almonds are grown in California. The current California almond harvest estimates are for a 1.35 billion pound crop compared to a 1.6 billion pound crop last year, according to Ron Fisher, founder, president and CEO of Modesto, CA-based Fisher Nut Co. "With the shorter crop and European buyers more interested in our almonds, because of the dollar exchange rates, prices are beginning to firm," he states.

Robert Rocha, sales manager for P-R Farms Inc., an almond grower, packer and shipper out of Clovis, CA, reveals, "We sell indirectly to retailers through rebaggers and roasters, and our customers tell us the almond business in produce is growing. Chefs have embraced the idea of combining almonds and produce on the Food Network, which has helped. Almond usage in salads



Versatility makes almonds a consumer favorite and an easy sell within produce aisles.

has become especially popular."

EMPHASIZE ALMOND HEALTH VALUES

Mariani Nut Co., in Winters, CA, learned through industry research and its own company-sponsored efforts that consumer interest in healthful food choices is growing and is strongly skewed to heart health. "We've just launched a retail merchandising program supporting almonds, a first for our company," reports president Matt Mariani. "Our campaign — Get Your Heart Pumping — will be supported by materials that can be customized for our retail customers."

A one-ounce serving of almonds (about 23) provides fiber, "good" monounsaturated fat, and six grams of protein. A serving is also cholesterol-free and has only 160 calories. In 2003, the U.S. Food and Drug Administration (FDA) recognized almonds with a health claim. It suggested 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.

The Modesto-based Almond Board of California (ABC) promotes almonds on behalf

of the more than 6,000 California almond growers and processors. One of the Board's current consumer programs emphasizes the health message with the Simple Solutions theme. "Almonds fit into any life style," asserts Harbinder Maan, manager of North America ingredient and category marketing for the Board. "We suggest ways for consumers to fit them into their busy lives through advertising, public relations and working with consumer media. We provide ideas to jazz up almonds during the holidays. We also offer a Tip of the Day, such as keeping a jar of almonds on the office desk for a healthy snack."

Many snack mixes include almonds. A popular one in produce departments is a combination of jumbo golden raisins and cranberries with almonds, according to Adar Raites, president of Holbrook, NY-based Nature's Best Snacks, a division of CTC Sales Group Inc. "We like to emphasize the health values in the mixes, especially when they contain almonds," he adds.

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Reader Service # 26

Food Safety First

Food safety concerns are a part of marketing any food product and almonds are no exception. The California almond industry has made it a top priority in the growing and marketing of its products. The Almond Board of California, (ABC) located in Modesto, CA, worked with the USDA to institute an industry-wide pasteurization program beginning in 2007. Its purpose is to ensure consumers are provided with safe, wholesome food products, free from potentially harmful levels of unsafe bacteria that can cause illness, without compromising the qualities of almonds.

To date, the FDA has approved oil-roasting, dry-roasting, blanching, steam processing and propylene oxide (PPO) processes as acceptable forms of almond pasteurization.

"Promoting the fact that our nuts are from California resonates with consumers," points out Matt Mariani, president of Mariani Nut Co, headquartered in Winters, CA. "The fact that all the California almonds are pasteurized, and that our company participates in voluntary almond sampling for aflatoxins and in orchard sanitation programs, is important to our success." **pb**

available, is one reason that almonds sell well when merchandised in produce departments. Whether it's in salads, as a vegetable topping or with a selection of fresh fruits, the nut provides many ways to quickly add interest to a menu.

To emphasize the compatibility of almonds with many produce items, Paramount Farms Inc., in Bakersfield, CA, is marketing the Almond Accents line. The all-natural, flavored, sliced almonds are dry-roasted with no added oil, cholesterol or trans fat. The packaged nuts come in a variety of flavors specifically designed to complement today's newer entrée salads. "We introduced a new Almond Accents holiday promotion," says senior marketing manager Margaret Tom. "We are giving away a free glass shaker with the purchase of two bags of the nuts. The shaker and nuts are packaged together and shipped in a pre-packed display. The promotion will last through December, or as long as supplies last."

Original oven-roasted, honey-roasted, ranch, and roasted garlic Caesar almonds are selling well for Naturally Fresh, headquartered in Atlanta, GA, a marketer of all natural and organic nuts, according to marketing manager David Federico. "There is more interest in sliced almonds now," he relates. "Our 3 1/2-ounce almond pouches provide an excellent merchandising item for produce. There are real tie-in opportunities for almonds, especially with salad greens and our salad dressings."

Besides the traditional almonds, more unusual flavored ones are appearing in produce departments. These include vanilla pomegranate, chipotle-roasted and butter toffee glazed. SunTree has experienced a spike in cinnamon-flavored almond sales.

"Raw almonds sell well, but interest in our roasted hickory-flavored almonds is

excellent," reveals Mark Devencenzi, national sales director for SunRidge Farms, in Pajaro, CA, a marketer of all-natural and organic nuts, seeds and dried fruits. "We also have a wide selection of other flavors, which include tamari-roasted, a wasabi blend, and almonds with organic coatings of dark chocolate and yogurt." The company markets 50 to 60 trail mix formulas, many of them with almonds as a major component.

DIVERSIFIED PACKAGING

Almond packaging and containers are becoming more diversified. In response to retail produce managers' requests, Mariani has introduced a 12-ounce clear pack, in addition to its 10-ounce stand-up bag. "The clear packaging concept is consistent with products found in fresh produce where consumers want to view the product in the package," states Matt Mariani. "Within a week of its introduction, our clear package received a positive response. This included a significant number of private label orders."

Hines Nut Co., based in Dallas, TX, a supplier of edible tree nuts and peanuts, provides a biodegradable tray pack for its shelled almonds. "It is like a meat pack and comes in 10-, 12-, and 16-ounce sizes," explains Carol Santana, a member of the company's retail sales department.

Milam's Market, a five-store chain based in Miami Springs, FL, likes using a rack for its packages of sliced and whole raw almonds, according to produce manager Mario Herrera. Free-standing display racks, with 24 pegs to hold almond packages, are available from SunRidge Farms. The company also offers almonds in a poly bag set inside a cardboard box, with a Plexiglas lid. Customers can easily scoop out the nuts, and it is a convenient display piece for cross merchandising in produce. **pb**

Floral Transportation

Airports Connect to Floral Departments

With efforts to bring floral products from Central and South America directly to more U.S. airports, will retailers look to the skies for shrink solutions?

BY E. SHAUNN ALDERMAN

Consumers have no idea it nearly takes a village to bring offshore floral products into their homes. Eighty percent of the flowers sold in the U.S. are grown offshore. Once harvested, flowers travel by land, sea and air to reach North American supermarkets.

Approximately 86.3 percent of all flowers entering the U.S. enter through Miami. With its international airport, the list of “villagers” in Miami managing floral product arrivals includes USDA inspectors and fumigation specialists, Department of Homeland Security, and Customs and Border Protection. From there, the list involves additional participants including bouquet manufacturers, freight forwarders, consolidators, distributors and transforwarders, among others.

With so many players involved in the logistics, there are bound to be a few glitches along the way. Accusing fingers often point to Miami and blame floral shipment delays on an overworked system, especially during the holidays. The system is not perfect but dealing with temperature-sensitive products is detail-oriented and demanding.

According to Christine Boldt, executive vice president of the Miami, FL-based Association of Floral Importers of Florida (AFIF), Miami’s floral transport system involves customs inspections 24 hours per day, seven days a week. Miami also has 32 truck lines operating seven days a week, 365 days a year, and demand makes necessary the operation of two floral fumigation stations.

“The problem with our industry is that Miami is considered a place, not a link in the logistic chain,” explains Christine Martindale, owner of Esprit Miami, Inc., a floral

importer and provider of fresh-cut flowers, bouquets and consumer bunches. “Miami has the most efficient port for cut flower clearance, logistics, sales and marketing. It also has a large staff of customs and agriculture personnel with years of experience handling fresh flowers.”

Boldt concurs, saying Miami has the facilities and the logistics to back up its position. “Logistics in Miami can’t be duplicated.” She believes most people would be surprised to know the manpower it takes to get flowers to consumers.

KEEPING IT CONSISTENTLY COLD

In addition to the occasional bottlenecking occurring in Miami, some customers blame the South Florida heat as another reason to consider alternate ports. Warm temperatures during transit or during transit stages cause significant problems with floral postharvest performance. Consistent cold chain management is only one factor that affects shelf life but it is at the top of the list. Product with low shelf life is only one cause of shrink.

Retailers naturally question how much is too much when throwing out flowers



Photo courtesy of Miami-Dade Aviation Department

Floral cargo arriving in Miami is a given, but what will Latin American flights to new U.S. airports mean for retailers?

because the product is simply not lasting long enough to sell. Retailers continuously look for fresher products and methods to maintain freshness once the floral products reach their stores. And temperature management always plays a part in preventing floral product loss.

Retailers often depend on floral suppliers to evaluate technology and new cold chain management practices during shipping. Concern that new technology overrides cost effectiveness is typical, but having more options for shipping flowers allows the receivers to evaluate what is good, better or best for the product. “As innovations in temperature-controlled shipping containers continue their advance, the cost of leasing older technologies will decrease, which in turn

will offer shippers cost effective access to highly effective cold chain options," explains Mark Mohr, manager, Product Development and Specialty Sales, Continental Airlines Cargo, Houston, TX.

When retailers evaluate shrink problems in their floral departments, their minds don't necessarily lead them to the closest airport. But with efforts to bring floral products from Central and South America to more U.S. airports, retailers can choose among several air transport hubs.

HOUSTON OPENS WITH HOPE

Need and desire have spurred the opening of the new Houston Fresh Air Cargo IAH facility, located at the Bush Intercontinental Airport, Houston, TX. The general idea is to bring floral products in directly from Colombia and bypass Miami. "What this means for retailers is 24 to 72 hours of extended shelf life for the flowers," says Kerry Galegher, director, Tradewinds Cargo Handling, owned by New Jersey-based Group One Investments LLC.

Additional perishables products will eventually be scheduled. Galegher says 35 million people live within a six-hour drive of Houston. With adequate access to the west and easy access to Highway 59 and I 45-N, Galegher sees the facility servicing the region from Colorado to Chicago. He's also confident about the floral forwarding by airlines flying from Houston.

The largest grocery store chains in the Houston region have signed commitments to use the new facility for produce and flowers, according to Marlene McClinton, communications manager, Houston Airport System. "We are not yet ready to announce the air carriers we'll be working with in Bogotá. However, I can say that Continental Airlines Cargo has already signed on in a big way and they will be using the Fresh Air Cargo Center heavily for both domestic and international routes," states McClinton.

Martindale of Esprit Miami discloses, "We are discussing using Houston as a port of entry."

With an eye on eventual larger volumes of floral material going on to Europe and Asia, Mohr of Continental envisions North American expansion to involve climate-secure products flown from Colombia to Houston and then Houston to Newark, NJ. From there floral products would be trucked to Canada. "The quicker it gets there, the longer it lasts and the less there is to throw away," sums up Mohr.

Galegher says Tradewinds Cargo Handling will offer a range of services including pre-cooling imports, sorting imports and re-

Diversification Focus For Truckers

Hauling flowers and plants no longer brings home enough bacon. Credit the crunching economy or applaud on-going obstacles such as high fuel prices, but strategy-minded transportation companies offering trucking services are now diversifying.

"Almost every one we speak to says they are down three to 10 percent because of the economy," says Richard Martins, vice president of Peninsula Trucking Inc., Sorrento, FL. "We are trying to diversify into produce in addition to our foliage division." Known for transporting foliage, the Central Florida LTL foliage carrier has been hauling since 1982. Martins explains supermarkets will benefit by their move to deliver produce because Peninsula's service spurs more competition in transportation.

Also diversifying into produce is Armellini Express Lines Inc., Miami, FL. "We have started carrying any produce that can be combined with flowers from an ethylene gas standpoint," discloses Stephen Armellini, vice president of sales. Armellini says the service extension is beneficial to supermarkets because, "We can now haul more of their perishables, not just flowers." The company also has what it endearingly calls the Basil Truck. Maintaining a 55 degree temperature, the herb truck carries a full range of fresh herbs up the East Coast departing Miami Mondays, Thursdays and Fridays.

Diversification for the 54-year-old transportation company also means an extension of services. J.A. Flower Service Inc., created in 1977 by Armellini Industries Inc., Palm City, FL, now has a production division in Miami that offers floral "chop-and-drop" services. "We have opened a production operation to wet pack bouquets to further serve our customers," explains Armellini. Located a few blocks from the airport the customs-bonded, refrigerated warehouse is a 43,000 square foot facility. **pb**

labeling imports prior to shipment to distribution centers or retail outlets. Certified cargo screening for airlines, freight forwarders, consolidators and commercial shippers will be offered as well. Galegher reports extreme security precautions are being taken and 100 percent of all cargo will go through X-ray.

Transporting foliage and floral material to 48 states, South Florida-based Armellini Industries Inc. plans to provide ground transportation from Houston. "We are not at all involved in promoting the Houston Fresh Air Cargo Center, but our customers know they have our support. Our transportation services will be available for floral products brought into Houston," explains Stephen Armellini, vice president of sales, Armellini Express Lines Inc., Miami, FL.

OPTIMISM IS NECESSARY

Other airports such as Orlando, Memphis and most recently MidAmerica St. Louis have tried what Houston is attempting. LAX in Los Angeles, CA, opened a 12,700-square-foot refrigerated facility in April 2009 to bring in flowers from Colombia and Ecuador. LAX receives 6.6 percent of all flowers coming into the U.S. from the entire world.

MidAmerica Perishables Center opened a 19,000-square-foot warehouse a year ago to receive weekly floral shipments from Bogotá, Colombia. Shut downs became necessary. Tim Cantwell, director of MidAmerica St. Louis Airport, explains, "Management inside cargo went sideways and the supply chain for freight going southbound wasn't working." Operating since November 20, Cantwell believes the re-start will bring expansion. Flights are now on Fridays instead of Thursdays and beginning the second week of January, Cantwell says two flights per week are scheduled.

Naysayers predict Houston's southbound flights will cause the death of the program. What cargo will Houston fill the planes with for return flights to South America? According to Galegher in Houston, extensive research conducted while forming the cargo facility partnerships showed southbound flights will contain petro-related products and high-tech products brought into Houston's port, which currently are being shipped by truck to Miami.

In touting the attributes of doing business through Miami, Martindale of Esprit Miami says, "Miami has back-load freight, which is necessary to subsidize the incoming freight. Otherwise, we will have to pay

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Blooms Across The Ocean

Access to global floral products means consumers receive flowers shipped as sea freight. For retailers, this means offering consumers a world of blooms that have gone from the fields to temperature-controlled containers that are monitored during ocean transit. Cold-chain management and manageable freight costs are desirable factors that seem to spur the interest and business of shipping flowers by sea.

Maersk Line, the largest container carrier in the world, headquartered in Copenhagen, Denmark, entered into a project four years ago called StarFlower. Various floral industry members and suppliers participated. "The target of this project was to convert flower transport from air freight to marine containers," says Peter Wedell-Neergaard, Maersk Captain, Reefer Management. Wageningen University in Holland conducted the StarFlower research.

Quality upon arrival remains the goal as with all shipped perishables. Some floral material handles ocean transit better than others. Wedell-Neergaard says roses, depending on cultivar, have been the most challenging. Continued industry research is addressing typical quality issues such as botrytis, and temperature management is always in focus.

Though Maersk's main destination is Europe, the company is actively shipping flowers and foliage from Latin America, Africa and The Far East. In addition to possible economic advantages floral products shipped as sea freight offer retailers another way to promote their efforts of bringing a world of blooms to their customers. **pb**

for the trip both ways!" Boldt of AFIF says Miami has the advantage with some 30-plus years in the making. "You have to have backhaul. Everyone tries but they can't match the capabilities of Miami. With its multiple flights, the airlines can gather products from all over the world to fill backhauls."

PITTSBURGH MAKES A PLAY

Retailers within a 500-mile radius of Pittsburgh, PA, might some day have access to fresh flowers flown directly from Latin America to Pittsburgh International Airport. PIT continues to make efforts to expand air cargo business. It has plenty of land for expansion and uncomplicated access to interstates, according to Cece Poister, cargo manager, Air Cargo Task Force.

With a focus on floral, Poister says the effort is chain-store driven. Time/savings and truck/costs studies have been conducted and Poister states there is a genuine interest to develop an efficient system that will enable retailers to receive flowers from South America faster than what is currently in place.

From Pittsburgh, Poister explains that 65 percent of the U.S. industrial population can be reached overnight by truck and 50 percent of the Canadian population can be reached overnight by truck. The geographic positioning and the availability to greatly expand existing air cargo facilities is a draw Pittsburgh is promoting. **pb**

FLORAL WATCH



Tropical Plant Industry Exhibition

JANUARY 14-16, 2010

**Broward County Convention Center
Fort Lauderdale, FL**

*Hosted by Florida Nursery, Growers and Landscape Association
Orlando, FL*

TPIE is the trade event that offers everything foliage, floral and tropical... all in one location, at one time, at one place. TPIE's trade show is more than an exhibit area – it's 200,000 sq. ft. of living and vibrant plants creating a virtual indoor garden of show-stopper displays.

Educational seminars are a popular part of the annual event. With more than 400 exhibiting companies, TPIE offers wholesale buyers the widest array of resources for foliage and tropical plants in the country.

AISLE-BY-AISLE BOOTH PREVIEW

**Booth 124
DecoWraps
Doral, FL**



Deco Wraps has become a leading supplier of distinctive packaging options for fresh flowers and potted plants. We offer prompt service, simplified logistics and competitive pricing. We create products that are always fresh and innovative. Come visit us and see our exciting new items.

**Booth 225
AG 3 Inc.
Eustis, FL**



AG 3 is a leader in plant tissue culturing, cloning over 12 million plants per year that are shipped to nurseries and greenhouses worldwide. AG 3 produces perennials, grasses, tropicals, aquatics, ferns, bulbs, carnivorous, landscape and foliage varieties in a 72-cell pack liner.

**Booths: 230, 237, 3003
Primescape Products Co.
Buffalo Grove, IL**



The industry's premier provider of interior landscaping containers/supplies showcases custom-colored Lechuza products, innovative metal pots and fiberglass containers in booths 230 and 237. Visit booth 3003 for an up-close look at Waterboy watering-machines and, upscale plant containers.

**Booth 234
Bay City Flower Company
Half Moon Bay, CA**



The family-owned Bay City Flower Company celebrates 100 years of growing! We are known for producing the most diverse assortments of unique, high quality flowering plants in the country. Our aim is to keep our customers' floral displays fresh, interesting and colorful.

**Booth 229
Razbuton Ferns Inc.
Winter Garden, FL**



Bright, bold and beautiful — our 10" fern baskets speak for themselves. When you SEE our ferns you will KNOW they are for you! For TPIE, we are offering special prices for these 10" beauties when shipped to you before Valentine's Day. Visit our booth for full details on pricing.

**Booth 316
Pure Beauty Farms
Miami, FL**



Pure Beauty Farms is a wholesale grower catering to southeastern mass merchandisers, retail garden centers, landscapers and florists. We grow over 100 varieties of annuals, perennials and holiday plants such as poinsettias. Our Miami and Georgia facilities combined provide us with over 250 acres of growing capacity.



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(Booth numbers are subject to change.)

AISLE-BY-AISLE BOOTH PREVIEW

Booth 330
Pride Garden Products
King of Prussia, PA



Pride Garden Products manufactures innovative baskets, containers, carts and accessories for supermarkets, mass markets, club stores, greenhouse growers and garden centers. Our patented AquaSav™ coco liner reduces watering 50% and promotes healthy root systems.



Booth 817
Landmark Plastic Corporation
Akron, OH

Landmark Plastic Corporation offers one of the most extensive and dynamic lines of thermoformed and injection-molded horticultural packaging products in the industry. Over 500 base products to help you grow your plants better, smarter, and faster. See our NEW Decorative Hanging Basket.

Booth 1014
Peninsula Trucking Inc.
Sorrento, FL



Established in 1982, Peninsula Trucking, Inc. is one of the largest LTL & TL carriers in Florida. Servicing 48 states with our multi-decked air ride trailers, plants can be shipped without boxing, arriving in better condition with less impact on the environment.

Booth 1211
Dyna-Gro Nutrition Solutions
Richmond, CA



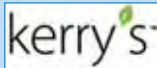
Dyna-Gro Nutrition Solutions contain all 16 essential mineral elements plants need for optimum growth and flowering. Pro-TeKt®, "The Silicon Solution"™ reduces environmental stresses to plants by strengthening the cell walls. K-L-N Rooting Concentrate™ and Root-Gel® stimulate root growth.

Booth 1503
Penang Nursery Inc.
Apopka, FL



Penang Nursery, Inc. is a grower and distributor of foliage in all sizes. Specializing in uniquely designed gardens of foliage, bamboo and bonsai, Penang Nursery, Inc. is known for innovation in our industry. Come see our newest line of low maintenance self-watering pots. Discover the difference!

Booth 429
Kerry's Nursery Inc.
Homestead, FL



We create demand with the most fashion-forward products featuring the highest quality orchids, bromeliads and eye-catching pottery from around the world. Visit our booth and discover how our compelling, value-minded living arrangements can be the solution you have been looking for to grow your floral department.

Booth 835
Stewart's Greenhouse Inc.
Mount Dora, FL



Committed to bringing the finest quality of indoor foliage to our customers, we provide a wide array of varieties in the Calathea, Ivy, and Aglaonema families as well as Golden Pothos, Spathiphyllum and Palms. We grow an assortment of sizes ranging from 2" to 10".

Booth 1109
Conrad Fafard Inc.
Agawam, MA



To create horticultural masterpieces, you need to start with the right materials. Fafard mixes and custom blends have been the canvas for commercial growers for almost a century. We test each batch of mix, use only the finest, all-natural materials, and guarantee the quality and consistency of our mixes.

Booth 1305
Holmberg Farms Inc
Lithia, FL



We are a quality wholesale grower of an excellent selection of container-grown citrus, roses, tropical color, liners, palms, and woody ornamentals. In business since 1962, we ship anywhere in the southeast. Visit our booth and see our offerings online at www.holmbergfarms.com. See how we can grow your business.

Booth 1707
Better Blooming Orchids
Kissimmee, FL



Better Blooming Orchids provides high-quality elegance with truly better orchids. We offer one grade of 4" and four grades of 6" potted orchids with a vast selection of colors in each shipment. Best Blooming grade has three, four or five spikes per plant, and all have a high bud count.

Booth 603
Oglesby Plants International Inc.
Altha, FL



We are a tissue-culture laboratory and young plant supplier, in business since 1947. We produce liners for the tropical plant, pot and landscape industries. Visit our booth for the highest performing liner plants. Our roots are deep in the horticulture industry and we are committed to growing for you.

Booth 911
Wekiwa Gardens Inc.
Apopka, FL



Family-owned Wekiwa Gardens has gained a reputation for producing florist-quality plants. Known for our Aphelandra, we also grow Cissus, fragrant Hoya, blooming Lipstick, Spike Moss and Pothos. Let us help you offer unique, decorative plants that will keep your customers coming back.

Booth 1035
IGI Marketing
Sorrento, FL



IGI, a leading producer of indoor foliage in the Apopka area since 1983, is your ultimate resource for quality foliage and exceptional service. We have over 240,000 total square feet of state-of-the-art growing facilities, specializing in Ivy 'Hedera,' Schlumbergera "Christmas Cactus," assorted 4" plants and foliage liners.

Booth 1339
Pottery Land LLC
Atlanta, GA



With 16 years in the pottery business, we serve our customers from either our east or west coast warehouses; or direct from our three factories. We aim to be your source for the best in glazed and rustic pottery, offering a broad range of products at the best possible pricing.

Booth 813
Country Joe's Nursery
Lake Worth, FL



We supply garden centers and floral supply companies throughout the U.S. and Canada with florist-quality, acclimated tropical foliage and spring time patio flowering items. Specializing in Grafted Ficus Bonsai, Mini Sansevieria, Arboricola "Mini" Braid, Ponytail Palm and much more.

Booth 1003
Growing Systems Inc.
Milwaukee, WI



Growing Systems has been manufactured propagation trays for all types of vegetable transplants for over 35 years. We also manufacture seeders, dislodgers, traveling irrigators and monorail trolley cart systems. All user-friendly and very accurate. Visit our booth at TPIE for a demonstration.

Booth 1127
Deroose Plants Inc.
Apopka, FL



Quality and strong customer service... These are our areas of focus at Deroose Plants Inc. Whether you're looking for high quality liners or unusual and highly desirable finished products to boost your profits, we have a line that will fit your business needs. Let us grow along with you.

Booth 1427
Plants In Design Inc.
Miami, FL



Plants In Design Inc. is best known by interiorscapers who demand florist-grade bromeliads at all times. We also ship significant quantities of these plants directly to upscale garden centers and supermarkets. We are the premier grower of bromeliads of the most discriminating buyers.



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AISLE-BY-AISLE BOOTH PREVIEW

Booth 1713

Jaderloon
Irmo, SC



Jaderloon provides greenhouses, greenhouse equipment, nursery carts and quality service to help our customers "grow." Jaderloon has over 33 years of experience providing greenhouses from hobbyist to commercial growers. Stop by our booth to see how we can help you "grow."

Booth 1815

Custom Foliage Service
Apopka, FL



For over 20 years, Custom Foliage Service has provided A Grade Florist Quality indoor tropical foliage to Wholesalers, Garden Centers, Supermarkets, Florists, and Interiorscapers. We offer a full line of products from 3-inch to large specimen material. Stop by rediscover what service is all about!

Booth 1939

Jade Systems LLC
Mills River, NC



Jade can supply all your greenhouse needs, from replacement parts to a new turnkey greenhouse from the ground up. Our #1 goal is customer satisfaction. Products include energy-shade systems, heaters, bench systems, irrigation, lights, rollup curtain walls, greenhouse structures.

Booth 2101

Nature's Dream Nursery
Miami, FL



Nature's Dream Nursery started five years ago with a clear vision of innovating by applying new technologies. State of the art automated retractable roof greenhouse and Ellepot machines mark the start with quality liners, and the process continues to produce beautiful tropical ornamentals.

Booth 2139

Tropical Plants and Foliage
Apopka, FL



Tropical Plants and Foliage, a wholesale nursery, offers a beautiful array of indoor foliage and plants for the home and business. We offer our clients quality indoor plant and foliage products and excellent professional service. We provide shipping information using sleeved or boxed material on a host of truck lines.

Booth 2202

ASB Greenworld Inc.
Valdosta, GA



For more than 30 years, ASB Greenworld has been a supplier to the floral industry. We are producers of peat moss and related mixes, including potting soils, mulch and bark items. Our own peat bog is located in New Brunswick, Canada, with locations in Mt. Elgin, ON, Canada, Valdosta, Georgia and Virginia.

Booth 2315

A-R00 Company LLC
Strongsville, OH



For more than 40 years, A-R00 has created marketing, merchandising and packaging solutions for the floral industry. We have containers and vases, decorative packaging, display fixtures and accessories, films, sleeves and wraps, pot covers, ribbons, bows and picks. Offices in Ohio, Florida, Texas and California.

Booth 2320

Batson's Foliage Group Inc.
Mount Dora, FL



Batson's Foliage Group Inc., is family-owned company that specializes in growing premium quality tropical foliage. We cater to a high-end clientele that demands the very best. We are large enough to offer you a wide variety of product, yet small enough to still give you the personal attention you deserve.

Booth 2531

Grow-Tech Inc.
Lisbon Falls, ME



Providing solutions for professional growers of all sizes in hydroponics, forestry and floriculture markets. The Grow-Tech process binds common substrates into a high-tech stabilized growing media. Grow-Tech stabilized rooting products provide growers with faster rooting and optimal conditions for more rigorous young plant growth.

Booth 2629

Capital Garden Products Ltd
Oldwick, NJ



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Booth 2926

Eve's Garden Inc.
Land O' Lakes, FL



Eve's Garden Inc., is a family-owned, Bonsai Tree and Lucky Bamboo nursery just north of Tampa. SEE OUR NEW LINE OF SEED KITS! We offer unique products designed, produced and sold by us DIRECTLY to you. Our mission is to provide with the Best Quality, Pricing and Customer Service.

Booth 2952-2954

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We provide on-demand print systems, whereby you can print your own Signs, Banners, Tags & Labels on-demand, in color, as few or as many as you need! Output is weather-durable outdoors for about a year with minimal fading. Software, Printers, Print Media & Supplies.

Booth 3035

AAA Imports
Apopka, FL



We are a manufacturer, importer and distributor of a wide variety of containers made from a variety of materials such as resin, dolomite, terra cotta, metal, porcelain and wire. With over 80,000 square feet of warehouse, we have the inventory to support your needs.

Booth 3043

Dongjin Plastics
Co. Ltd.



Dongjin Plastics Co. Ltd. is a leading plastics company manufacturing fine quality food packaging and horticultural products at highly competitive prices. We also have bio-degradable products.

Booth 3047

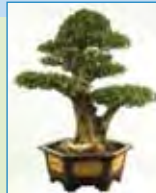
Chrysal USA
Miami, FL



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

Booth 4416

Atchison Exotics Inc.
Delray Beach, FL



A "Nice Little Nursery" specializing in growing Tropical indoor Pre-Bonsai plants. We also grow Flowering and Indoor Foliage plants. Feel free to stop by anytime or visit us at www.atchisonexotics.com



TPIE is the trade event that offers everything foliage, floral and tropical — all-in-one location at one time, at one place. TPIE's trade show is more than an exhibit area — it's 200,000 square feet of living, vibrant plants creating a virtual indoor garden of show-stopper displays. Educational seminars are a popular part of the annual event. With more than 500 exhibiting companies, TPIE offers wholesale buyers the widest array of resources for foliage and tropical plants in the country.

You work hard... Your advertising should too.



Building your produce business demands the best you have to offer. Long hours. Tough decisions. Making sure you get the most for each dollar. Reaching for the competitive edge.

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PRODUCE BUSINESS is the industry's leading magazine reaching more purchasing decision-makers than any other produce publication. Its articles, departments and columns are unique... exploring the business of produce, presenting ways to run businesses better, and searching out new business opportunities for its readers.

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Contract Gray Areas

The recent awarding of the Nobel Prize in Economics to Oliver Williamson, a 77-year-old professor at the Berkeley campus of the University of California, shines some light on the subject of contracts so frequently a part of the produce business world. According to Professor Williamson, "A contractual agreement can never be complete: there are always contingencies that haven't been accounted for. The other is that people act opportunistically within the gray area of contracts to make sure they benefit the most. And that can lead to problems. For example, in the financial crisis, many credit market contracts were written without regard for the possibility that so many loans could fail, and then market participants further snarled the markets by haggling over contract terms with one another."

Competitive markets work relatively well because buyers and sellers can turn to other trading partners in case of dissent. But when market competition is limited, firms are better suited for conflict resolution than markets. Williamson argues, "Markets and firms should be seen as alternative governance structures that differ on how they resolve conflicts of interest. Repeat purchasing on the daily market to meet requirements represents case-by-case bargaining and is importantly different from relationship-specific dealings formed over time with a specific supplier."

Often those in the industry may have varying views and interpretations of what may become contingencies and grey areas. My belief has always been whenever one made a commitment one honored it, regardless of the consequences. One's word is their bond. It did not take long to realize that in this — as well as other industries — this isn't always the case. Conveniently, suppliers may find reasons not to ship and stories abound about receivers finding ways to refuse product when they were overstocked or in the face of rapidly declining markets either at a shipping point or on a terminal market.

It wasn't always about price declines. One memorable instance was the purchase of a truckload of Florida strawberries from a broker I had known for many years. The description he had provided of the product and his knowledge of our requirements should have created a sufficient understanding of what would be acceptable. When the load arrived, the product was not what our customers were used to purchasing. According to the government inspection, the berries just made grade since the grade regulations provided sufficient tolerance to make them technically acceptable. The broker and the shipper stood by the inspection. We made the decision

to take a \$20,000 loss by placing the load on the Boston terminal market. When we added up the reduced store handling cost by selling better berries, the increase in profitable sales and maintaining our reputation with our customers, any loss became insignificant, another contract gray area and contingency.

Although there had been a long-term business relationship, the individual's phone number was forgotten and the buyers were always unavailable to accept incoming phone calls. This is a close similarity to the airline ticket agent, berated by a passenger going to London, sending his luggage to Tokyo. Long before, we had learned the lesson of providing what our customers expected. A competitor had advertised an item in poor condition at a ridiculously low price. However, our neighboring stores selling at a higher retail for better

product experienced increased sales while the competitor encountered spoilage from the lower-than-anticipated volume.

Unfortunately, decisions didn't always speak well for our organization. Once, an overeager buyer cancelled a previous commitment for a high-quality sale item and substituted end-of-season product from a different growing area, thinking the promotional retail could be lower and more profitable. Wrong on all accounts; years were required to regain our reputation with shippers from that region of the country.

Well I remember having cost ranges guaranteed for a several month EDLP program, including iceberg lettuce, when the market suffered a precipitous decline. There was nothing left to do but meet competitive advertised retails and accept the product at the previously agreed cost. The loss was significant, but other pricing adjustments provided balance — a good lesson learned by an upper management that does not fully accept markets are different for fresh and packaged goods.

Now, a major industry concern is retailer demands related to traceability and food safety and then potentially not standing behind their rhetoric and supposed commitments. How prevalent this is — or will be — remains to be seen. There is nothing to prevent any seller or purchaser from attempting a contractual modification within the supply chain. Both parties should recognize contingencies and grey areas prior to entering into a commitment. Equally as important are the ethics and integrity of everyone in the supply chain while recognizing the needs of their ultimate consumer. Professor Williamson's Nobel Prize winning work is applicable to understanding the consequences and obligations of contractual relationships.

Competitive markets work relatively well because buyers and sellers can turn to other trading partners in case of dissent. But when market competition is limited, firms are better suited for conflict resolution than markets.

PRODUCE BUSINESS

Congratulates



Nichole Towell

Marketing Development Manager
Duda Farm Fresh Foods, Inc.

Winner of the Tip Murphy Scholarship for Leadership Excellence



PMA FOUNDATION
FOR INDUSTRY TALENT

Awarded by the
PMA Foundation for Industry Talent (PMA FIT)

"Our scholarship committee felt that Nichole's personal statement in particular eloquently demonstrated her commitment to the industry and her passion for furthering her personal and professional development," said PMA FIT Executive Director Cindy Seel. "She was the best of a very strong field of deserving applicants."

A graduate of California Polytechnic State University with a degree in agricultural business management, Towell has been employed in the produce industry for 11 years, nine of them spent at Duda. She said her mission throughout her career will be to give back to the produce industry through leadership and by promoting sustainable business practices industry-wide.

"I am deeply honored to be selected as the 2009 recipient of the Tip Murphy Scholarship for Leadership Excellence. Mr. Murphy's leadership qualities clearly set him apart as an industry professional, and the scholarship is truly representative of his commitment to emerging produce industry leaders," Towell said.

The Tip Murphy Scholarship for Leadership Excellence, posthumously named after industry veteran Terrence "Tip" Murphy, supports the produce industry's emerging leaders. Unveiled in October 2008, the scholarship covers registration fees and associated hotel expenses for any PMA or PMA FIT professional development event, including Leadership Symposium, Fresh Summit International Convention and Exposition, and Foodservice Conference and Exposition. Eligible candidates must be employed in any segment of the produce supply chain at the time of application and the time of the chosen event, have been employed in the produce industry for a minimum of three years, and demonstrate character, leadership and a desire to make a meaningful contribution to the industry.

The scholarship is supported by the Tip Murphy Legacy Fund, a restricted account set up and funded by friends and colleagues of Murphy to honor his life and career. The fund and scholarship program are managed by PMA FIT, in keeping with the foundation's mission to attract, develop and retain talent for the produce community.



Mr. Phillippe Binard, general delegate of Freshfel Europe, headquartered in Brussels, Belgium.

Freshfel: Promoting Produce In The European Union — Part I

In Part I of II, *PRODUCE BUSINESS* examines the roll of Freshfel Europe within the continent's produce industry, the organization's reach and new marketing initiatives. In the conclusion of the interview, Mr. Binard discusses the organization's position on food safety, traceability, sustainability and organics.

Q: What is the purpose of Freshfel?

A: Freshfel Europe represents the fresh fruit and vegetables sector at the EU level. We are closely following legislative developments regarding agricultural policy, health and safety, as well as trade and environmental policies. Freshfel is a platform of discussion for matters of common concerns within the sector, from production down to retail. All of our activities are ultimately dedicated to foster and stimulate the consumption of fresh produce by providing an environment for the sector that stimulates the consumption of fresh fruit and vegetables, which itself remains in most of the EU Member States under the World Health Organization's (WHO) recommendations.

Q: What is the mixture of Freshfel's board of directors in terms of business classifications (retailers, wholesalers, processors, packers, shippers, etc.)?

A: The Freshfel Board adequately reflects the various segments of the business from producer groups down to retailers as well as representatives from the various trade segments, such as wholesalers, shippers, exporters and importers. The Board tries to have an adequate balance in view of the main markets and to benefit from the experience of the oldest generations together with the input of the youngest. As Freshfel is a participative organization, all meetings are open to all the members or associated members.

Q: Does the organization's reach extend to dealing with produce imported from the United States?

A: Most of the discussions are not origin-specific, but cover instead matters of common concerns for the whole product and industry segment with a supply chain perspective. However, business with and from the United States is quite relevant. The United States exports several fruit categories to the EU such as grapefruit, apples, pears and cherries. On the other hand, the EU exports some citrus and specialty vegetables, among others. But some efforts still need to be undertaken to open new markets, such as those as for apples and pears. Currently, discussions are taking

place in this respect with APHIS. In the identification of priorities, it was agreed upon that apples and pears should be on the top of the agenda, given the notified interest of several Member States, which, for the time being, are not allowed to export these products given the lack of protocols agreed by APHIS.

Besides market access issues, much can be learned from the supply chain perspective on both sides of the Atlantic regarding industry developments. We therefore seek to cooperate with U.S. industry organizations such as PMA or United Fresh.

Q: What are some of the organization's latest marketing strategies to increase the consumption of fresh produce throughout Europe?

A: Freshfel looks at this issue of consumption from several angles: We support the development of a Pan-European school fruit scheme for the distribution of fresh produce to schoolchildren. We also follow closely and influence the EU promotional funds for agricultural products. Moreover, we consider actions that could be undertaken within the framework of the EU Platform for Action on Diet, Physical Activity and Health to prevent obesity and closely monitor the impact of the new legislation regarding nutrition and health claims. We also follow other policy issues that could have an influence on consumption such as quality or food safety

issues. Furthermore, we discuss Best Practices based on experiences from our members in undertaking promotional activities. Finally, we look at new segments and at hurdles for fresh fruit and vegetables to penetrate markets such as the various foodservice segments.

Q: What is the purpose of the Citrus Working Group and is there much discussion about U.S.-grown citrus?

A: The objective of the group is to set up a global discussion platform for the citrus community. The platform is global in terms of sourcing, markets and stakeholders. The primary objective is to improve transparency by facilitating collective data sharing. This information is made available largely for the benefit of the industry and to improve transparency. The focus is obviously on the Mediterranean basin production and the United States for the Northern Hemisphere. The group is also widely supported by countries of the Southern Hemisphere. Besides exchange of information, the group could also discuss other matters relating to plant health, marketing and promotion.

pb

Besides market access issues, much can be learned from the supply chain perspective on both sides of the Atlantic regarding industry developments.



JIM PREVOR'S

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“Keeps us thinking.”

“... spreading your abundant common sense on a daily basis.”

“... most refreshing.”

“The Pundit does, in fact, incite reactions and cause good thinkers to think harder and longer on topics that are current and newsworthy.”

Catch the Perishable Pundit every day. Go to www.perishablepundit.com click on the “Subscribe Today” button and receive a daily copy of Jim Prevor’s Perishable Pundit via e-mail.



Let Variety Be Your Guide

It's a challenging time for retailers, with light at the end of the tunnel of the recession, but a long way to go before consumers resume easy spending.

In an effort to reduce prices and keep customers, too many produce departments have adopted similar strategies and now look all too similar.

SKU rationalization and simplification of the consumer shopping experience can be the foundation of sound retail practices as long as retailers focus first on the full consumer experience, from shopping and cooking to serving and eating.

Differentiation offers a way for consumers to perceive a unique identity and, over time, a clear preference for one produce department over another. The produce industry is just beginning to understand and take advantage of what seed genetics can bring to the table — a range of textures, richer colors, desirable flavor profiles and nutritional improvement for a better consumer eating experience — with varieties of fresh familiar fruits and vegetables that are new or newly rediscovered.

Having been deeply involved with the development of seed varieties and responsible for bringing them profitably to consumer and foodservice markets throughout my career, I am convinced that retail companies have every reason to collaborate closely with vegetable seed companies and incorporate variety differentiation as a merchandising strategy. However, this does not necessarily mean more products for consumers; it means better products that please customers so they keep coming back for more.

Over the last decade, the seed industry and vine and tree nurseries have invested heavily to better understand the inherent attributes of their varieties, paying more attention both analytically and experientially to the characteristics important to consumers: taste, texture, aroma, color and the ability to pick and use products at optimum levels of ripeness and maturity. They have discovered the commercial opportunity residing in their breeding material, that properly developed, grown, handled and marketed can get products to market more effectively.

Look at the recent successes in the vegetable world of colored carrots, specialty lettuces, the range of tomato varieties, sweet onions and fingerling and colored potatoes. Proprietary varieties of grapes, unique varieties of citrus and apples and hybrid tree fruit all offer retailers ways to stand out in the mind of the consumer. Certainly some of these successes were created with the consumer eating experience in mind, but there is more we can do. Be involved early in the development process and take advantage of the exclu-

sive supply access due to limited availability. Set yourself apart as someone who is willing to invest in the consumer experience.

GETTING STARTED

Just like many retailers make it a point to visit their produce vendors and growers to maintain strong relationships, it is now time to extend that practice back to the source of the plant material. Learn what the possibilities are with those who invest in the development of proprietary varieties. Know what's coming along and how quickly. Participate in the process and make sure your knowledge of the consumer and the needs of the supply chain

both figure into the objectives of the product's attribute development.

Gaining a practical science-based understanding of what and how to bring to the consumer the eating experience they seek is what all members of the retailer/grower/plant source team gain through collaboration. It is a fundamental step in the process of development.

AVOID THE COMMODITY TRAP

Obviously, not every product in the produce department can or should be a unique, identifiable variety. It's equally clear that the very best tomato or apple varieties available must be marketed and presented to the consumer as something different from just a tomato or an apple in order to reach its fullest economic potential.

Opportunities for retailers exist to begin right now, partnering with seed companies and growers to provide consumer exposure and marketing support at store level. Some companies are already tackling these projects. Exper-

tise in bringing new or improved varieties to market is available.

A full commitment to better consumer eating experience is a culture that permeates the entire supply chain. It's a very long-term proposition, accepted as the product of years. But, why should we not strive for every product in our arsenal to be something that the consumer truly wants to eat? By working together from the seed to the consumer, we can deliver a winning proposition to our industry and our customer. **pb**

Jennifer Armen-Bolen, a 25-year veteran of the vegetable seed and crop protection industry, recently began operating as an independent consultant based in Sammamish, WA. Instrumental in downstream marketing initiatives with Syngenta's Dulcinea Farms and Nunhem's vegetable seed companies, she specializes in strategic business development and downstream marketing. She can be reached at jennarbo@hotmail.com.

The produce industry is just beginning to understand and take advantage of what seed genetics can bring to the table with varieties of familiar fresh fruits and vegetables that are new or newly rediscovered.

Got Produce?

Increasing Consumption One Item At A Time: In Search Of Product Innovations

Excerpted from Jim Prevor's Perishable Pundit, November 20, 2009

All the time and attention paid to the proposal to introduce a generic promotion board to the fresh produce industry won't be wasted if it leads to a new focus on increasing consumption.

In our piece, *Got Produce? Next Move Is To Push For School Salad Bars*, we pointed to a policy approach, in this case spearheaded by United Fresh, to increase consumption by getting a salad bar in every school.

Private companies, though, play an important role in increasing consumption, and so here at the Pundit, we thought we would mention three examples of products that have helped us boost consumption and also raise concerns with another type of presentation that has the potential to depress consumption.

During late hours producing this Pundit, we snack more than we should. But instead of pretzels, we now keep a package of sweet mini peppers shipped by Bionova Produce under the Masters Touch label — or, as the label also says, presumably with Quebec in mind, *Doux Sur la Plante Piments Miniatures*.

Perhaps other companies make a similar product; this is the one we mostly see sold at both Costco and Publix near Pundit headquarters in Boca Raton, FL. It is a great example of how supply creates demand. The mere existence of this little snack pack has more than doubled our weekly consumption of peppers.

We are also big fans of mango and, though cutting mangos is fine at home, in our office fridge we prefer something peeled and cut. Publix sells a fresh sliced mango product under the Incredible Fresh brand. This product is produced by Fruit Dynamics LLC, which does business as Incredible Fresh. The mango is neat and easy to eat. Sure, at home we might select a softer, juicier, riper mango than works in this fresh-cut operation, but it is tasty and consistently delivers the same product, and the convenience has easily caused us to double mango consumption.

We also always keep a bag of Fresh Trimmed Brussels Sprouts in the office refrigerator. The label explains they are packaged in state-of-the-art, stay-fresh microbags and are distributed by the Los Angeles Salad Company. You cut a corner of the 8-ounce bag, put it in the microwave for 3½ minutes and it is ready to eat. A nutritious and, to us, delicious, snack.

Once in a while, we order Brussels Sprouts at a restaurant and, in fact, it seems that they are a hot item right now in trendy foodservice

establishments. Yet we never once purchased them to cook at home. Now this quick and convenient package has caused us to easily increase ten-fold the quantity of Brussels Sprouts we consume in a year.

Of course, not all packaging and processing boosts consumption. Sometimes it can have the opposite effect.

Publix sells bowls of fresh-cut melon, typically cantaloupe, honeydew and watermelon. Now it is always difficult to select a sweet whole melon from the shelves and, doubtless, this inability to ensure a tasty experience each and every time depresses melon sales. Still, as a sealed product of nature, we tend to cut our local supermarket some slack.

However, when we buy the fresh-cut honeydew, for example, and it is sweet one day and tasteless the next, we suspect consumers tend to blame the store. After all, this product was cut open, it could have been tested for brix levels or tasted by a melon *El Exigente*. It seems to us that a strong argument can be made that every one of these fresh-cut melon bowls should consistently provide tasty fruit.

Food manufacturers just don't put bad tasting food in their packaging — it is not 100 percent clear that produce processors should either. If we sell tasteless produce, we will never build up the consumer perception that consumers can rely on a brand or store's fresh-cut melon.

At the very least, if we want to keep availability year-round, but the flavor profile at certain times won't meet sweet standards, we should, surely, advise consumers of what they are getting.

If we are going to sell products that are variable in sweetness throughout the year, we ought to try to advise consumers of what they are getting. In the short term, this may reduce sales, but it would increase consumer satisfaction and that will lead to higher sales.

We've been focused on issues of flavor for a long time. At one point, we even mentioned Wal-Mart by name and urged Wal-Mart to take the lead in presenting consistently good-tasting produce. That was back in the Bruce Peterson days and he had the Pundit fly down to Bentonville to discuss it — but it was always just a little too problematic to implement.

In any case, the point here — and one we have made before — is that the industry cannot increase consumption in general without increasing consumption of particular items.

When you have widely diversified products that have widely varying margins, uniform promotional efforts are difficult to pull off and may not make much sense.

However, efforts such as those we have recorded here — to market a sweet mini pepper snack pack, a fresh-cut mango, a microwaveable package of Brussels Sprouts and, perhaps, to find a way to communicate to consumers the sweetness of the melon chunks — all point to how wildly divergent efforts can all boost consumption.

Now we didn't do a study of consumption-boosting products, and we are sure that there are many more out there. It is also probable that others around the country are producing similar products to some of those we highlighted and we just happened to mention brands and shippers whose product is being sold at Publix near Pundit headquarters.

We think that the industry role in boosting consumption is likely to come from innovative products and concept such as we have discussed in this piece.

To encourage the industry in this direction the Pundit will give out an annual prize for product innovation that is likely to boost consumption.

We think it appropriate to name this award after our friend, Joe Nucci, who died at age 40 as President and CEO of Mann Packing. Joe was on vacation at Walt Disney World with his family, the Pundit and the Pundit's family when he passed away.

Joe was secretary-treasurer at PMA and on the rotation to become Chairman. He was also known as an industry innovator and as the "father" of broccoli coleslaw.

So each year we will present the Joe Nucci Award for Product Innovation in Service of Expanding Consumption of Fresh Fruits & Vegetables to the product judged to be most likely to increase consumption of a given item through product, packaging and marketing innovation.

Entries for the 2009 award will be accepted through February 1, 2010, but if you are ready, you can download the entry form by going to ProduceBusiness.com and clicking on the icon depicted on this page.



Blast from the Past

There's no denying it: Walla Walla onions are an old favorite and this 1983 Tennessee newspaper ad brings the point home. Kathy Fry, director of marketing for the Walla Walla Sweet Onion Marketing Committee, based in Walla Walla, WA, keeps the cute and comical ad framed and mounted on her office wall. "It's so adorable," she says, "and it's fun to turn the clock back for a moment. Plus, it's interesting to me that Walla Wallas were so well known in Tennessee!"

Ads such as these — with talking cartoon characters — are a thing of the past. "It's really a sign of those times," maintains Fry. "It has some nostalgia to it, and right now, that's what people need. People want to look back and remember the good times. Whenever I have visitors they always mention it. They notice those prices immediately, but then I remind them the ad is more than 25-years-old."

Fry reminds us that in today's market, consumers are paying more than a dollar-a-pound, which makes the ad even more shocking. While prices have changed, one thing remains the same within the advertising technique — the use of serving suggestion at the bottom of the ad. Pricing increases or not, consumers want education and cooking tips and techniques.

The *Blast from the Past* is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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COMPANY	PAGE #	RS#	PHONE	FAX
Agrexco USA, Ltd.	26	73	718-481-8700	718-481-8710
APEAM (Avocado Producers & Exporting Packers of Michoacan)	29	19		
Apio, Inc.	24	24	800-454-1355	805-343-6295
Arctic-Temp	76	61	800-362-3243	407-834-3359
Baero North America, Inc.	103	81	314-692-2270	314-991-2640
Blue Book Services	98	29	630-668-3500	630-668-0303
J. Bonafede Co., Inc.	88	46	617-884-3131	617-889-2929
Bushwick Commission Co., Inc.	50	74	800-846-9470	516-249-6047
C&D Fruit & Vegetable Co., Inc.	45	75	800-899-9175	941-747-8895
Cal-Harvest	52-53	41	559-582-4000	559-582-0683
Calixtro Distributing	36	62	520-281-3432	520-281-3438
Capital City Fruit Co., Inc.	80	35	515-981-5111	515-981-4564
John Cerasuolo Co., Inc.	90	47	800-875-8286	617-884-8272
Chantler Packaging Inc.	76	76	800-565-5245	905-274-9522
Chilean Avocado Importers Association	17	38	202-626-0560	
Coast To Coast Produce Co.	84	48	877-836-6295	617-381-0067
Community Suffolk, Inc.	91	49	617-389-5200	617-389-6680
Cooseman's Boston, Inc.	86	77	617-887-2117	617-887-2579
D'Arrigo Bros. Co. of New York	5	82	800-223-8080	718-960-0544
Dole Fresh Fruit Company	2	30	818-879-6600	818-879-6628
Dole Fresh Vegetable Co.	54-55	32	800-333-5454	831-754-5243
dProduce Man Software	97	33	888-PRODMAN	650-712-9973
Duda Farm Fresh Foods, Inc.	79	25	561-978-5714	561-978-5705
Duda Farm Fresh Foods, Inc.	82	22	561-978-5714	561-978-5705
East Coast Brokers & Packers, Inc.	115	16	800-557-7751	863-869-9850
Eastern Propak, LLC	82	3	856-881-3553	856-243-0154
Eaton & Eustis Co.	91	50	617-884-0298	617-884-2611
Edinburg Citrus Association	40	42	956-381-8520	956-383-2435
Farmer's Best	31	40	520-281-1411	520-281-4163
Fisher Capespan	20	20	800-388-3074	514-737-3676
Fisher Capespan	71	51	800-388-3074	514-737-3676
Frank's Distributing Co.	33	52	520-761-1578	520-281-2425
Garden Fresh Salad Co., Inc.	85	63	617-889-1580	617-889-3035
Grower Alliance, LLC	34	53	520-761-1921	520-377-9189
Idaho Potato Commission	47	44	208-334-2350	208-334-2274
Jem D International	32	6	519-733-3663	519-733-9970

COMPANY	PAGE #	RS#	PHONE	FAX
Keystone Fruit Marketing, Inc.	25	78	717-597-2112	717-597-4096
Layer Saver, LLC	73	54	630-272-8250	866-597-7278
LGS Specialty Sales, Ltd.	35	1	800-796-2349	718-542-2354
LGS Specialty Sales, Ltd.	82	2	800-796-2349	718-542-2354
Lisa Inc.	36	7	520-281-1863	520-281-2848
M&M s, Inc.	26	15	800-634-7898	305-233-0813
Mann Packing Company, Inc.	9	8	800-884-6266	831-422-5171
Mann Packing Company, Inc.	56-57	9	800-884-6266	831-422-5171
Miatech	40	14	800-339-5234	503-659-2204
MIXTEC Group	100	45	626-440-7077	626-440-1557
Mutual Produce Corporation	86	64	617-889-0035	617-884-2544
Mutual Produce Corporation	94		617-889-0035	617-884-2544
New York Apple Association, Inc.	58-59	56	585-924-2171	585-924-1629
Nokota Packers, Inc.	49	4	701-847-2200	701-847-2109
Northern Plains Potato Growers Assn.	19	39	218-773-3633	218-773-6227
Ocean Mist Farms	60-61	37	831-633-2492	831-633-4363
Pandol Brothers, Inc.	71	12	661-725-3145	661-725-4741
Produce for Better Health Foundation	66	28	302-235-2329	302-235-5555
Produce Pro Software	40	31	800-395-0535	630-572-0390
Red Blossom Farms, Inc.	62-63	17	805-981-1839	805-693-0032
Rene Produce Distributors, Inc.	34	43	520-281-9206	520-281-2933
Ruma Fruit & Produce Co., Inc.	90	57	800-252-8282	617-387-7894
Arthur G. Silk, Inc.	89	79	617-884-1370	617-884-7693
State Garden, Inc./Olivia's	92	58	617-884-1816	617-884-4919
S. Strock & Co., Inc.	87	59	617-884-0263	617-884-7310
Sun World International	82	23	760-398-9430	760-398-9613
Sunlight Int'l. Sales	69	18	661-792-6360	661-792-6529
SunnyRidge Farm, Inc.	44	60	800-725-8856	863-299-7794
Tanimura & Antle, Inc.	20	36	800-772-4542	831-455-3915
Tepeyac Produce, Inc.	36	80	520-281-9081	520-281-9732
Trinity Fruit Sales	7	5	559-433-3777	559-433-3790
Turbana Banana Corp	64-65	34	800-TURBANA	305-443-8908
Virginia-Carolina Peanut Promotions	100	26	252-459-9977	252-459-7396
Vision Import Group	82	21	201-968-1190	201-968-1192
Well-Pict Berries	116	83	831-722-3871	831-722-6340
Wishnatzki Farms	43	65	813-752-5111	813-752-9472

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