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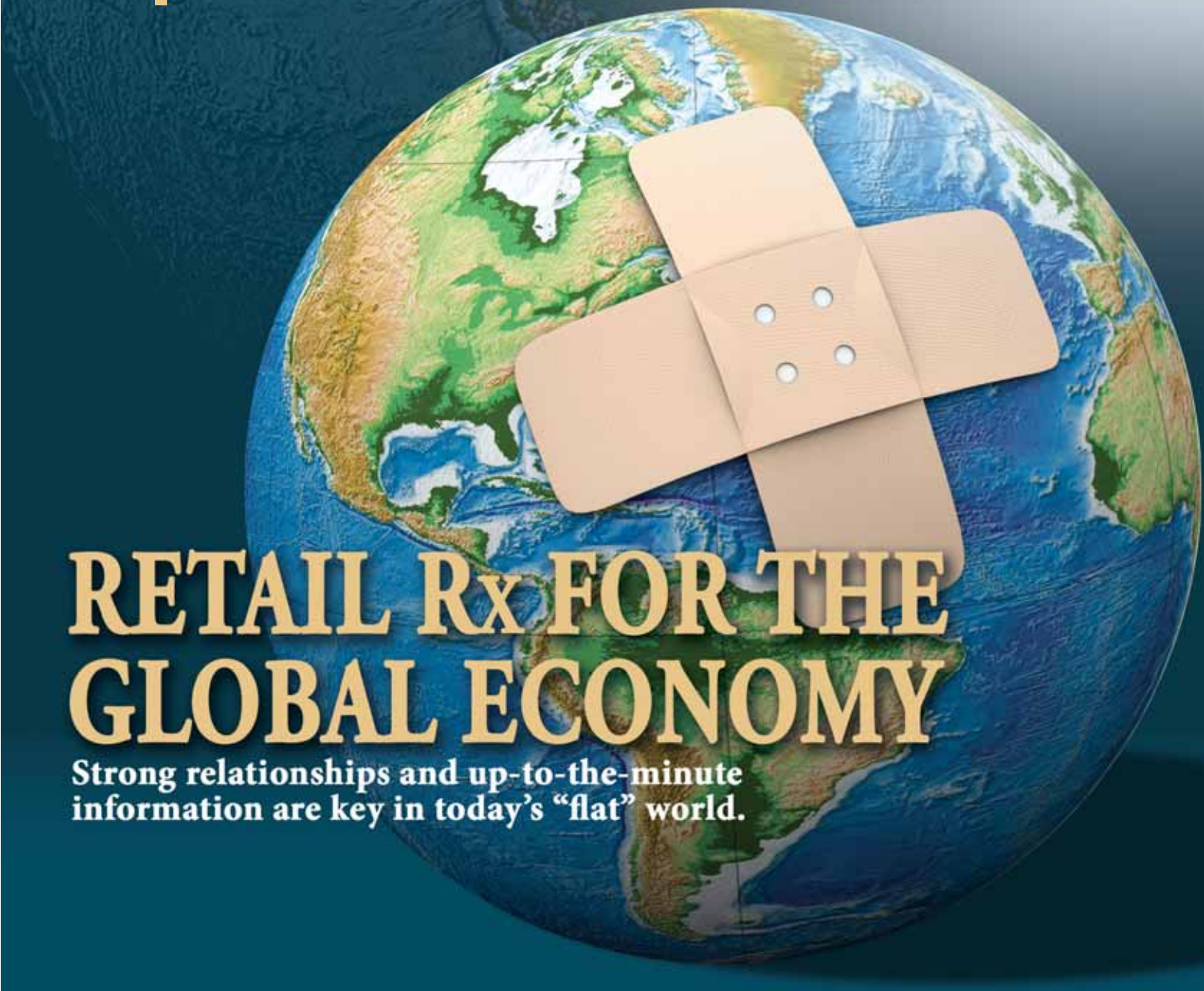

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PRODUCE BUSINESS (ISSN 0886-5663) is published monthly for $58.40 per year by Phoenix Media Network, Inc., P.O. Box 810425, Boca Raton, FL 33481-0425.

PRODUCE QUIZ

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Eric Patrick
Marketing Director
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Yakima, WA

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Dull moments are a rarity for Eric Patrick, marketing director, Grant J. Hunt, Co., Yakima, WA. "Every season is different," he notes. "Nothing is ever the same in this business. It's an upbeat, fun industry."

The 11-year produce veteran has been with Grant Hunt since 2005. Grant Hunt imports, exports and distributes an array of items, including apples, berries, cherries, citrus, potatoes, pears, onions, melons, Italian prunes and specialty produce to retailers and foodservice outlets. "We work throughout the United States and in several international markets."

A PRODUCE BUSINESS reader since 1997, Eric enjoys reading about food safety, sustainability and logistics. "You really are good at getting in depth on industry issues that really matter," he says. "You guys certainly have been paving the way in that respect. It's a well-read resource that most of the professionals I work with read and talk about."

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5) What health organization is "changing the way our children eat -- one bite at a time"? _____

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6) How many years has Canon Potato Co. been in business? _____

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NOV. 2008 • VOL. 24 • NO.11

President & Editor-in-Chief • JAMES E. PREVOR
JPrevor@phoenixmedianet.com

Publishing Director • KENNETH L. WHITACRE
KWhitacre@phoenixmedianet.com

Managing Editor • JAN FIALKOW
JFialkow@phoenixmedianet.com

Special Projects Editor • MIRA SLOTT
MSlott@phoenixmedianet.com

Assistant Editor • AMY SHANNON
AShannon@phoenixmedianet.com

Circulation Manager • KELLY ROSKIN
KRoskin@phoenixmedianet.com

Executive Assistant • FRAN GRUSKIN
FGruskin@phoenixmedianet.com

European Bureau Chief • ROBERT ZWARTKRUIS
RZwartkruis@phoenixmedianet.com

Production Director • DIANA LEVINE
DLevine@phoenixmedianet.com

Production Leader • JACKIE TUCKER

Production Department
FREDDY PULIDO
JOANNA ARMSTRONG

Trade Show Coordinator • JACKIE LOMONTE
JLoMonte@phoenixmedianet.com

Contributing Editors
CAROL BAREUTHER, DUANE CRAIG, FRITZ ESKER, PETER LAVERY, LISA LIEBERMAN, K.O. MORGAN, LIZ PARKS, JULIE COOK RAMIREZ, JODEAN ROBBINS, LISA SOCARRAS, JON VANZILE

Advertising
ERIC NIEMAN, ASSOCIATE PUBLISHER
ENieman@phoenixmedianet.com

JENNIFER JORDAN
JJordan@phoenixmedianet.com

SANDY LEE
SLee@phoenixmedianet.com

BILL MARTIN
Martinmedia45@peoplepc.com

ELLEN ROSENTHAL
ERosenthal@phoenixmedianet.com

Floral Department Marketing
E. SHAUNN ALDERMAN
SAlderman@phoenixmedianet.com

Marketing Solutions and Integrated Sales
JIM DELEGUARDIA
JDeleguardia@phoenixmedianet.com

Send insertion orders, payments, press releases,photos, letters to the editor, etc., to:

PRODUCE BUSINESS
P.O. Box 810425
Boca Raton, FL 33481-0425
Phone: 561-994-1118 Fax: 561-994-1610
E-mail: ProduceBusiness@phoenixmedianet.com

PRODUCE BUSINESS is published by
Phoenix Media Network, Inc.
James E. Prevor, Chairman of the Board
P.O. Box 810425
Boca Raton, FL 33481-0425
Phone: 561-994-1118 Fax: 561-994-1610

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

Produce Traceability

For all the attention produce traceability has received lately, you'd think the industry didn't already have the capability to do it. Make no mistake about it, the produce industry has the ability — today — to track our products along the supply chain.

Let's look at whole-chain traceability and its benefits. Whole-chain traceability is the ability to track a product's path along the supply chain both within a single company and between multiple companies. It includes internal traceability — the confidential or proprietary data and processes companies use within their own operations to track/trace product — and external traceability — the processes and data exchange between business partners to track/trace product. Whole-chain traceability can impact a company's bottom line by reducing system redundancies, enhancing supplier performance evaluations and improving inventory control. Perhaps most importantly, it can facilitate product recalls and trace-back investigations once a product is correctly identified.

Under the Bioterrorism Act, every company must be able to track its raw materials and incoming and outgoing products — one-step forward/one-step back traceability — and the industry has the resources and capability do it. If a company cannot comply with these regulations, then strong U.S Food and Drug Administration (FDA) enforcement of the law is appropriate. The law also requires companies to keep records showing the one-step forward (trace forward) and one-step back (trace back) process along the supply chain and to be able to provide these records within 24 hours. These records must show the source and recipient of all raw materials used in the production of foods offered for consumption, and they must include a description, lot number, quantity and date received. The existing regulation exempts farms and restaurants, but the first commercial recipient of a product and companies distributing produce to restaurants and other points-of-purchase are required to maintain these records. Whether discussing packaged or whole commodity produce, the industry has procedures in place that provide traceability information from the farm to the consumer point-of-purchase.

But here is the problem: Current traceability practices are only effective one step at a time along the supply chain and if one record (or "link") is lost anywhere along the chain, the entire trace back or trace forward is jeopardized. The current system relies heavily on internal traceability, so companies' internal proprietary codes and labeling must be "translated" or compared to those of their suppliers and customers from point to point along the chain. During a trace back, investigators must move along the supply chain in a linear fashion, relying on accurate translation of these codes at each step. This takes time and requires an understanding of each company's internal traceability systems. It can also add inefficiencies to the process and slow down trace-back investigations. In other words, while internal traceability systems can meet legal obligations, external traceability is needed to achieve industry-wide, whole-chain traceability.

PTI is a critical step in reaching whole-chain traceability, but it isn't the only step.

United Fresh Produce Association, Canadian Produce Marketing Association and Produce Marketing Association just announced the new Produce Traceability Initiative (PTI) aimed at achieving whole-chain, electronic traceability by 2012 by enhancing external traceability systems. A steering committee of 54 organizations including foodservice operators, retailers, distributors, terminal markets, brokers, processors, packers and growers/shippers and supply-chain trade associations developed its recommendations.

The group developed an action plan for the industry to adopt an effective whole-chain traceability program based on common data standards that serve as the link between company-specific internal traceability programs. Using two common pieces of data — GTIN number and lot code — in conjunction with companies' internal systems, produce traceability at the case level can be immediate and thorough. These common data points will make translating internal systems unnecessary, and multiple points along the supply chain will know instantly if and when they handled a particular product and lot number. Simultaneous whole-chain traceability will be faster and more efficient than the current linear traceability system.

PTI is a critical step in reaching whole-chain traceability, but it isn't the only step. The industry must also adopt other traceability best practices where appropriate. For example, reusing produce cartons is a common practice among produce handlers, but this practice must be controlled to ensure reused cartons do not pose a contamination risk and carton labels are accurate.

Repacking operations have drawn scrutiny as a special problem, but they don't have to be. Just as packaged produce is expected to have the source and lot code numbers for each ingredient clearly printed on the package, repackers can treat the same commodity from different growers or packinghouses similarly, using the same principles and processes as those used for each ingredient.

Traceability is the responsibility of everyone along the supply chain. Retailers will have to invest in tracking cases to the store level, imported produce must be held to the same requirements as domestically sourced produce, and "cash and carry" operations should be required to maintain records of the source of their ingredients and products. The recordkeeping required need not be sophisticated, but it should be adequate to assure complete traceability.

The industry must look at traceability as a business function and find ways to be efficient and effective. PTI is a necessary component, but many details still remain.

JIM PREVOR'S PERISHABLE PUNDIT

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By James Prevor
President & Editor-in-Chief

Produce Is The Silver Lining

What was the hot topic of discussion at the Produce Marketing Association convention in Orlando? Was it food safety? Traceability? Food security? Sustainability? The election? Actually, it was the state of the 401-K plans of industry members. How could it be otherwise?

It is not a matter of being a wild speculator. If your money was in an index fund of U.S. stocks, you are probably down around 36 percent this year. Which — be thankful for small things — is at least better than the poor folks in Iceland, who are down about 90 percent for the year.

And the booming economies of the BRIC (Brazil, Russia, India and China)? Well, those markets are down over 40 percent in Brazil, almost 65 percent in Russia, just shy of 50 percent in India and just short of 65 percent in China. The loss of wealth has been dazzling.

A hit to a stock-market portfolio is a punch to the gut, because your deflated portfolio doesn't mean the prices of houses, cars, jewelry, etc., have dropped as well. It really and truly means you are poorer, and that explains why October sales at upscale retailer Nieman Marcus were down an eye-opening 27.9 percent over the past year's sales level.

This downturn has characteristics that will be felt differently than those of other recent recessions. First, recent recessions were focused on blue-collar jobs and, specifically, in the rust belt. This downturn is hitting highly paid white-collar workers all around the world. Second, recent recessions impacted specific asset classes. This time we are seeing downturns in the value of virtually all assets, which means the reverse "wealth effect" is kicking in as people feel poorer and thus rein in spending. Third, this downturn has had so much the air of crisis, with emergency federal bailouts and foreign governments needing loans, that it somehow seems unseemly to spend money. Ostentation is positively out of fashion and this leads to more conservative spending.

Our new president will doubtless try to right the ship of state but even if his prescriptions are correct, his freedom to act is constrained by the financial situation. Having just spent a trillion dollars bailing everyone out, there just isn't the money for many new programs.

All of which means it is a great time to be in the produce industry!

First, we are selling a non-discretionary product. Oh sure, people can choose to eat in rather than go out; they can elect to eat potatoes rather than raspberries; they can even buy canned or frozen rather than fresh — nobody is completely insulated — but, by and large, people do have to eat and they will eat lots of fresh produce. As long as people do that, we have the path clear to sustain our livelihood. That is not as obviously true of those selling $5,000 pocketbooks at Nieman Marcus.

Second, in the season of the credit crunch, we can give thanks to Ronald Reagan and his Deputy Secretary of Agriculture John Norton for the PACA Trust. John realized that a provision in the Cattleman and Stockyards Act could be adopted and broadened for fresh produce, and it has turned supermarkets almost into Triple-A credits for the produce industry.

The biggest risk in a financial crisis is that the customers won't pay their bills. Though there is no perfect defense against this problem and due caution is always advisable when extending credit, the backstop of the PACA Trust makes the produce industry exceptionally strong in the current environment.

Despite economic clouds, it is a great time to be in the produce industry!

Third, man does not live by bread alone. In a recession, people don't usually splurge on the big purchases. They hold off on the beach house, the lavish vacation, the new car. Still, they don't turn into monks, and all this restraint can actually serve to increase their income available for less dramatic purchases.

Combine more home entertainment with a minor sense of deprivation from not making big-ticket purchases and you have a hunger for small indulgences. Maybe it is buying some papaya or mango, since you aren't going to that warm-weather vacation spot. Or maybe it is a few perfect raspberries to drop in champagne when friends are coming over. Perhaps a few colored peppers to add zip to life. If life becomes drab, fruits and vegetables are the kind of inexpensive pleasures that can delight without being extravagant.

And what about those 401-K statements? It is a bit counterintuitive, but because the nature of produce means most of the industry can continue to work and save through the downturn, most will benefit from lower prices for securities. It is a simple matter really; just ask if you are going to be a net buyer or seller of securities over the next few years. If you will be buying because you continue to invest for your retirement, the lower prices of today will allow you to buy more shares. So it is much in your interest to have lower stock prices now while you are buying.

So the non-discretionary nature of the produce industry combines with its solid credit situation and small-indulgence appeal to create a solid opportunity to work, earn and save during this downturn in the economy. This ability to make it through a downturn gives those who work in the industry a fantastic opportunity to buy distressed assets others have to dump because their industries are not as stable.

It is a dual win and as we approach the holiday season, it gives us all something to be thankful for. **pb**

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Reader Service # 70

BY BRYAN SILBERMANN, PRESIDENT • PRODUCE MARKETING ASSOCIATION

Connecting These Dots Is No Game

Remember as children how we played those connect-the-dots games? Produce safety is a bit like that game, which starts with a grid of dots. While initially the dots don't seem related or connected, the more you work at it, the more you find everything is eventually connected.

When Produce Marketing Association (PMA) connected the dots together from some of our recent consumer surveys on produce safety, a clear picture of weary consumers emerged.

At the beginning and near the end of the recent *Salmonella saintpaul* outbreak, we conducted surveys to garner consumers' perspectives on produce safety after a summer filled with food-safety advisories. On the one hand, we find consumers were more confident in the safety of America's fresh produce in August than they were in June; on the other hand, surveyed consumers judged the produce industry more harshly than they did just two months earlier. The negative rating of the industry's handling of the tomato incident more than doubled between June and August.

The main reason given by those who have high confidence in the nation's fresh produce system is *trust* in government regulators, the produce industry and farmers. The main reason given by those who have a lack of confidence is the exact reverse — *distrust* of those same key players. This indicates the challenge we face: for industry and government to reassure those consumers who are tired of the uncertainty and need their trust restored.

Recent indications suggest legislators and regulators are weary, too. We heard it from Congress during food-safety hearings late this summer, including the traceability hearing where I gave testimony. We've also heard it from legislators and regulators working on various food-safety proposals.

I've said this before and I'll say it again: We must do an even better job to defend public health and safeguard our products — and must do even more at telling the story about *what* we are doing and *why*.

As discussed extensively at PMA's Fresh Summit just concluded in Orlando, we believe restoring consumer confidence requires an industry-wide philosophical change. It requires that every company in our industry connect the various dots of food-safety responsibility, needs and actions to create not just a food-safety *program* but a food-safety *culture*, from top management down to every line worker.

To help us do that, PMA enlisted Dr. Bob Whitaker to join us as chief science officer earlier this year. Bob's addition greatly enhanced our existing staff's bench strength and brought the unique perspective of his produce-industry experience to help guide our food-safety efforts.

Bob, for example, chairs the technical committee at the Center for Produce Safety (CPS) at University of California-Davis, the organization PMA helped found to conduct produce-specific food-safety research. Now fully up and running, CPS will this month announce the recipients of its first $1 million in research grants. And Bob also has a wealth of operational experience that is available to share with PMA members worldwide through the presentations he is giving, the audio blogs he's posting on our Web site (see *www.askdrbob.pma.com*) and the insight he shares one-on-one.

To help us tell our story to the public, the consumers we surveyed told us which messages resonate with them. They told us that they want to hear from the people producing their food, more so than they want to hear from government. They want to know that the same standards apply to U.S. growers when they operate in other countries, that imports are held to American standards, and that we are improving our food-safety inspections and monitoring.

Bob and our staff are also working diligently to tell our story to government agencies and Congress, who often have at best an incomplete — and at worst a naïve — understanding of our industry, our capabilities and our needs. We are working hard to correct this and to make our expectations of them known:

> **Every company in our industry must connect the various dots of food safety responsibility, needs and actions to create not just a food-safety program but a food-safety culture...**

(1) Adequate funding for FDA, so it can do the job it has been tasked with; and

(2) Mandatory produce safety regulation.

To restore consumer confidence in the safety of fresh produce, PMA believes that regulation must be risk-based, to give the greatest consumer protection; scientifically proven, to reduce food-safety risks; commodity-specific, to recognize the inherent differences among different products, regions and practices; and that all these points should apply to domestically grown produce as well as imports.

Our future depends upon our ability to connect the dots — to restore relationships — between our industry and two key stakeholder groups, consumers and government. Of course, produce safety is no game; lives and livelihoods are at stake. Unlike the children's game that only has one winner, everyone wins when all *these* dots get connected.

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

Food Safety Requires Mature Thinking

The analogy to a childhood pastime is apt because the weariness legislators, regulators and consumers feel over food safety in the produce industry is an outgrowth of an almost infantile expectation of magic gain with no pain.

When Bryan explains the industry must "do an even better job to defend public health and safeguard our products," this can only mean we must be prepared to put safety ahead of other interests. If this means making our farms less productive by, say, putting in large buffer zones or making our operations more capital-intensive by insisting on drip irrigation or incurring higher labor costs to monitor more compressed trapping, then the cause of food safety justifies these higher expenses.

Yet, we are somewhat troubled. Although we have heard hundreds of regulators and legislators at state and national levels speak to food-safety issues related to produce, we cannot recall even one who urged consumers to prepare for higher prices that will be necessary to justify the investment in food safety.

Everyone treats food safety as a "free good," ignoring the tradeoffs to design and operate a growing, packing and transport system. Just as a car can always be designed to be heavier, have a stronger bumper, etc., so can we always test the water supply more frequently or put traps closer together.

That is why the call of the national produce trade associations for government regulation really begs the question: What would that regulation be? In a sense, we already have government regulation. It is against the law right now to sell adulterated food products.

It is highly likely any attempt to regulate specific horticultural practices will founder on this reality: FDA has given no indication it has come to peace with any acceptable level of foodborne illness in the way the National Highway Traffic Administration has come to peace with automobile accidents.

This means FDA will look to avoid the kind of specific regulation that could potentially lead to its being blamed for a future food-safety outbreak. So we will never get a regulation that actually tells us what to do.

No regulation ever says something like: "Fields must be fenced with a wire mesh fence with an aperture not to exceed 2¾". The fence shall extend from six inches below the ground up to six feet above the ground." Why? Because if an animal manages to get through the aperture or burrow below or jump over the fence, FDA would get blamed for an outbreak.

So we will wind up with vague admonitions that come out something like: "Fields should be adequately fenced to guard against unacceptable animal intrusion."

If regulation is unlikely to solve the problem, what about our "telling the story about *what* we are doing and *why*"? Alas, this form of communication is also problematic. Yes, we have to tell our story to regulators, and PMA's addition of Dr. Bob Whitaker to its staff gives needed credibility to that effort, but speaking directly to consumers about food safety is as likely to do as much harm as good.

Of course, produce companies and the industry at large should have copious information available on Web sites for consumers motivated to study the issue. But there is no good research indicating raising these issues actually reassures consumers. One suspects it is just as likely to raise doubts as to reassure.

As to Bryan's desire that "every company in our industry connect the various dots of food safety responsibility," we couldn't agree more that the key to food safety is the corporate culture. However, the odds are not good "every company in our industry" is going to do anything, much less something as profound as changing its corporate culture.

What we could do is work on changing the industry incentives. The goal should be to prevent a food-safety culture from becoming dysfunctional. This inevitably means a focus on the buyers.

If buyers focus on getting the lowest price, producers will focus on driving costs out of the system. If buyers focus on something else — food safety, quality, flavor, whatever — producers will focus on achieving that goal.

The key to making the cultural shift is to move away from minimum compliance standards and toward a cultural imperative to always be safer.

> **The goal should be to prevent a food-safety culture from becoming dysfunctional.**

Right now most retailers establish a minimum standard. This may be rigorous or it may be lax, but the very existence of this standard removes food safety from the day-to-day conduct of most buyers. In other words, if a retailer requires its California leafy greens be produced by a member of the California Leafy Greens Marketing Agreement (CLGMA), the buyer doesn't even engage in discussions with firms that don't meet that standard. But the day-to-day business probably focuses on price — as food safety is off the table.

If a producer wants to charge more because he exceeds the CLGMA metrics, the retail buyer has no directive to pay more for more food safety.

Some would argue it makes no sense to go beyond minimum standards as such standards are not "science-based," but the truth is the industry is in debt to PMA and Taylor Farms for initially funding the Center for Produce Safety, as we desperately need good science in this area. For now, we have virtually no hard "science" to rely on. We just don't know core issues, such as the migration rate of *E. coli* 0157:H7, so we can't say how big a buffer zone should be.

The challenge for the industry then is how to prevent our ignorance from becoming an excuse to do nothing.

Children require a clear path, thus the success of connect-the-dots games. Adults have to deal with ambiguities, imperfect knowledge and hard tradeoffs. By doing all this well, the industry can merit the trust of the consumer.

THE RISING STAR RECEPTION

On Saturday night, Oct. 25, at the PMA Fresh Summit in Orlando, FL, PRODUCE BUSINESS, in conjunction with sponsors MIXTEC and Ocean Mist Farms, hosted the fourth annual Rising Star Reception to celebrate this year's 40-Under-Forty* class.

In addition to the members of the class of 2008, attendees included members of the classes of 2005, 2006 and 2007, as well as many movers and shakers of the produce industry. Forty-eight students from seven U.S. colleges and five international colleges also attended. The students were participants of the Pack Family/PMA Career Pathways Fund.

***40 Under Forty**, *an annual feature of* PRODUCE BUSINESS, *honors the produce leaders of tomorrow, all of whom have been chosen by industry mentors for their industry and community accomplishments. Please see this year's winners by visiting* **www.producebusiness.com** *and clicking on our June 2008 issue*

Ken Whitacre of PRODUCE BUSINESS and Todd Eagan of Costco

The honored guests of the evening — members of the 2008 *40-Under-Forty* class

Joe Merenda, Tom Minnich and Kacie Vieth of Foodsource, and Jim Lemke of C.H. Robinson

Thanks to our sponsors — Joe Pezzini of Ocean Mist, Jerry Butt of MIXTEC, Ed Boutonnet of Ocean Mist Farms and Chris Nelson of MIXTEC

Chuck Ciruli of Ciruli Bros. and Jackson Woodward of Horton Fruit

Elliott Grant of Yotta Mark

Dave Corsi of Wegmans

Bryan Silberman of PMA

Jim Prevor of PRODUCE BUSINESS

Josèe Petitclerc and Josianne Gauthier of Dolbec Potato

Lorna Christie of PMA and Scott Horsfall of California Leafy Greens Marketing Agreement

Wes Finchof Texas A&M, Austin Miller of Texas A&M, Marci Allen of DMA Solutions, Chad McGee of Texas A&M, Molly Bliss of Cornell, Morgan Mink of Texas A&M and Megan Zweig of DMA Solutions

Rolando Haches and Andreas Schnindler of Don Limon GmbH

Nelia Alamo of Gills Onions and Emily Fragoso of Coast Produce

Kim Roland and Krystal Thomsen of Driscoll's

Daniel Whittles and Joe McGuire of Rosemont Farms

Jackie Wiggins of Frieda's, Harold Alston formerly of Stop & Shop and Karen Caplan of Frieda's

Chuck Ciruli of Ciruli Bros. and Claudia Wenzig of United Fresh

Andrew Bianchi and Bob Giragusian of Kern Ridge

Andrew Sharp of Mack Multiples, David Powter of The Grape Co., Rory Astrotus of Green Marketing and Thys Brink of The Grape Co.

Garrett Bishop, William Amspacher and Kelly Bishop of California Polytechnic State University

Francisco Obregon of C.H. Robinson and Jose Luis Obregon of Hass Avocado Board

Emily Fragoso of Coast, Miele Shanahan Geis of Buy California Marketing Agreement (BCMA) and Lee Mannering of PMA

Stan Paluszewski and Dan Quier of Four Seasons Produce

Nichole Towell of Duda

Shane Rogers and Andrew Schwartz of Rosemont Farms

Mike Tipton of K-VAT Food Stores

Tim Fleming Jr. of Strube Celery and Vegetable and Kisno Bianchi of Kern Ridge

Ken Nabal, Jarrod Snider and Javier Gonzalez of Frontera Produce

Greg Anderson and Valerie Sill of Driscoll's

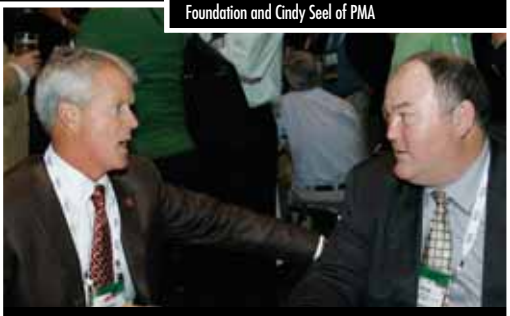
Bob Wilkens, Ryan Bybee, Laura Bybee and Deanne Wilkens of GPOD of Idaho

Dave Diver and Jan Fialkow of Produce Business

Elizabeth Pivonka of Produce for Better Health Foundation and Cindy Seel of PMA

Miguel Usabiaga of Comercializadora GAB SA de CV and Joseph Ange of Markon

Robin Sporn and Shaleen Heffernan of Agrexco and Lyn Hughes of Senareider


Michael Hollister and Chuck Sweeney of Driscoll's

Melany Sloan Jolly, Steve Pinto and Mark Shaw of Markon, and Jeff Nichols of Modern Mushroom

Tate Mathison and Christine Lott of Stemilt, and Valerie Sill of Driscoll's

David Neeley and John Anderson of Oppenheimer

Jamie Strachan of Growers Express

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Reader Service # 35

UNITED FRESH 2009 APRIL 21-24 LAS VEGAS, NV - SANDS MEGA CENTER
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TRANSITIONS

ORGANIC TRADE ASSOCIATION
GREENFIELD, MA

Christine Bushway was appointed executive director. Her responsibilities include strengthening the integrity of the organic industry while enhancing the business climate for organic companies. She has held leadership positions in the agricultural trade industry and served as chief Washington lobbyist for the egg industry.

INTERFRESH, INC.
ORANGE, CA

Tom Mendoza has joined the sales staff. He will be responsible for new business development for fresh grapes, stone fruit and melons. He has nine years of experience working in the produce industry and brings a wealth of knowledge about the grape and melon business.

SPARTAN STORES, INC.
GRAND RAPIDS, MI

Scott Ruth was hired as vice president, fresh merchandising. He will play a key role in profitable growth strategy in grocery retail and wholesale. He will work with the produce and floral, meat, seafood, deli and bakery departments. His most recent position was vice president, food services, for Bashas'.

SOUTHERN SPECIALTIES, INC.
POMPANO BEACH, FL

Deanna Monteagudo was hired as a key account manager. She has more than 10 years of experience in the produce industry and previously worked for Pro*Act Specialties, LLC. She brings extensive knowledge of specialty produce products and is very familiar with the needs of foodservice customers.

EUREKA SPECIALTIES, INC.
LOS ANGELES, CA

Neal Esposito has been hired as national sales manager. He will be responsible for managing sales of fresh culinary herbs to foodservice accounts throughout the country. He has more than 30 years of experience in the foodservice industry with an emphasis on sales and marketing.

J.J. JARDINA CO., INC.
FOREST PARK, GA

Mark Jardina has joined the sales staff. He came aboard with the company six months ago, joining his brother, Mark Jardina, who is the company's president. Jardina Co. is a wholesale distributor that handles apples, peaches, melons and other produce.

CHRISTOPHER RANCH, LLC
GILROY, CA

Amber Oliveira was hired as a sales and project manager. A graduate of California State University, Long Beach, she most recently worked as an event coordinator for GAX Event Management Solutions, Inc. She comes from a farming-industry family in California's Central Valley.

Angie Hanson was hired as a sales and project manager. A graduate of Kansas State University, she most recently worked as a staff writer for *The Packer*.

GROW MY PROFITS, LLC
LEE'S SUMMIT, MO

Larry Shriver has joined the company as an agronomist consultant. He will work primarily with producers and his duties will include helping them identify the products retailers want to sell, improve the quality of their produce offerings and allocate available funds to maximize profitability. He has more than 30 years of experience in the produce industry.

PRODUCE PRO SOFTWARE
WOODRIDGE, IL

John Raudabaugh was hired as director of business development and operational solutions. He has more than 30 years of supply-chain experience with an extensive focus on RFID implementation. He has participated in numerous initiatives during his career, including the Produce Marketing Association RFID Steering Group.

PEAR BUREAU NORTHWEST
PORTLAND, OR

Lynsey Kennedy has joined PBN as international program coordinator and will be responsible for executing a variety of export marketing programs. She is a graduate of Oregon State University and previously worked as a strategist and project coordinator for the Warren McKenna Design Group.

Jenny Sullivan has joined as program coordinator, a newly created position. Her duties will include working closely with management staff in executing communications and marketing programs and events. She is a 2005 graduate of Portland State University and previously worked for the Agri-Business Council of Oregon.

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

pbh
PRODUCE FOR BETTER HEALTH FOUNDATION

Changing the way our children eat - one bite at a time!

Produce for Better Health Foundation announces the Campaign for Children's Health

It's estimated that 1/3 of the children in the U.S. are overweight or obese – and the number continues to increase. It's a figure so alarming that scientists are beginning to recognize that today's children may be the first generation in history to actually have a shorter life-span than their parents!

Scientific literature continues to support the critical role that diet plays in healthy lifestyles and disease prevention.

Other organizations and campaigns are addressing key topics such as health insurance for children, increasing physical education requirements in schools and improving school nutrition programs. Produce for Better Health Foundation believes the missing link is a concerted effort to improve the diet of our nation's children through the consumption of fruits and vegetables.

The Campaign for Children's Health works to fill that gap.

Contributions to the campaign support several activities designed to make a real impact in the health of America's children. The consumer website that serves as a unique resource for moms and children has real-world tips to make consuming more fruits and vegetables easy; consumer research that provides relevant materials for moms and their children; and the development of educational materials that promote teacher-student and parent-child interaction to motivate families to increase their consumption of fruits and vegetables and lead healthier lifestyles.

You can get involved.

We need everyone's help to make this mission a reality. To learn more about how you can make a difference, contact:

Theresa Kaufmann at Produce for Better Health Foundation at (302) 235-2329.

We can't afford to continue to lose the health of our future generations . . . the future of America.

A Campaign for Children's Health

www.fruitsandveggiesmorematters.org

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302.235.2329 • www.pbhfoundation.org

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fruits & veggies more matters

Reader Service # 39

ANNOUNCEMENTS

Mann Extends Savings To Multiple Packs

Mann Packing, Co., Salinas, CA, is offering an on-pack coupon for its Steam in Bag vegetable product line. From Oct. 13 through Dec. 31, consumers can save 55¢ when they buy any two Broccoli Wokly, Mann's broccoli & carrots, broccoli & cauliflower, california stir fry or vegetable medley packages. More than 35,000 on-pack offers will be applied.

Reader Service No. 300

PFK Kicks Off Wellness Campaign

Orange Country Public Schools Food & Nutrition Services kicked off the school year and its new county-wide wellness program in partnership with the Produce For Kids (PFK), Orlando, FL, PBS Kids and Publix Super Markets Eat Smart for a Great Start campaign. The week-long campaign raised awareness among kids and parents about the role fresh fruits and vegetables play in a healthful diet.

Reader Service No. 301

Eurofresh Expects Record Campari Sales

Eurofresh Farms, Willcox, AZ, anticipates double-digit growth of its Campari tomato variety for the 2008-09 winter selling season. All Eurofresh Farms' Campari tomatoes are grown in the United States, certified pesticide-free and available year-round from the company's farms in Arizona.

Reader Service No. 302

Seald Air Opens Innovation Facility

Seald Air Cryovac, Elmwood Park, NJ, opened Packforum Americas, a 28,000-square-foot innovation and learning center in Atlanta. The center is a permanent customer forum that brings the food processing, supermarket and foodservice industries together to experience the full global range of Cryovac food-packaging systems, programs and services.

Reader Service No. 303

Vision Group Receives Mangos

Vision Import Group, LLC, River Edge, NJ, is currently receiving mangos from Brazil and will begin to receive mangos from Ecuador during the first week of November and expects to have them available through the end of February permiting weather and market conditions stay favorable. Although the crop will be delayed and the volumes may be lower than this past year, the quality should be exceptional. Vision Import should receive its first shipments of Peruvian mangos during the first week of January.

Reader Service No. 304

Frieda Caplan Honored

Frieda's Specialty Produce, Los Alamitos, CA, announces Frieda Rapoport Caplan, founder and chairman of the board, was recently honored at the Civil Right Gala hosted by the Anti-Defamation League (ADL) Orange County/Long Beach Regional Office. She was regognized for her ongoing support of ADL and its programs.

Reader Service No. 305

HAB Encourages Game-Day Avocado Consumption

Hass Avocado Board (HAB), Irvine, CA, promotes a variety of avocado usage ideas for sports fans as a means of getting people to add avocados to their menu must-haves while watching their favorite sporting events. A free copy of the *Foodservice Promotion Guide for Fresh Hass Avocados* can be obtained by visiting the HAB Web site.

Reader Service No. 306

VOC Announces Contest Winner

Vidalia Onion Committee (VOC), Vidalia, GA, announced the winner of its Original Sweet Onion Trivia Contest, which pushed sales of Vidalia onions and educated more than 6,500 consumers about the pioneer of all sweet onions. The grand prize winner, Jo Anne Johnson, was awarded an all-expense-paid trip for four to Savannah, GA.

Reader Service No. 307

Supply Chain Leaders Endorse PTI

Thirty-four produce supply chain companies endorsed the Produce Traceability Initiative (PTI), a new plan developed by Produce Marketing Association, Canadian Produce Marketing Association and United Fresh Produce Association to move the supply chain to a common standard for electronic produce traceability by the end of 2012. The plan involves adopting a standardized system of case bar-coding for all produce sold in the United States and Canada, allowing product to be tracked throughout the supply chain.

Reader Service No. 308

NMB Announces Contest Winners

National Mango Board (NMB), Orlando, FL, announced the winner of its Rising Mango Star, a national contest for kids aimed at challenging them to create their own mango recipe and boosting their mango consumption. Dean Sturt, 10, won first place for his Mangolicious Flip-Flop Cake and will appear on a segment of Food Network's *Simply Delicioso* with Ingrid Hoffman, the show's star and NMB spokeswoman .

Reader Service No. 309

Inline Converts To PET Material

Inline Plastics Corp., Shelton, CT, is converting the manufacture of containers previously made from oriented polystyrene (OPS) to containers produced from polyethylene terephthalate (PET). Some OPS containers have already been replaced by PET, and Inline expects to convert its entire line to PET by early 2009.

Reader Service No. 310

FSGA Kicks Off Winter Harvest

Florida Strawberry Growers Association, Dover, FL, hopes to boost consumption of Florida-grown winter strawberries, the only winter strawberry harvested in the United States, by creating awareness about their availability, nutrition and freshness. Florida-grown strawberries are typically sold in stores from December through April, but they can be harvested as early as November.

Reader Service No. 311

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

Welcome To The Age Of Preposterous Reasoning: Defending The Dignity Of Plants

From Jim Prevor's Perishable Pundit, Oct. 17, 2008

One of the reasons the world is in such terrible shape is that we have lost the capacity as a civilization to make distinctions. We owe a hat tip to Lorri Koster, co-chairman, board of directors, vice president, marketing at Mann Packing, for passing on this incredible piece from *The Wall Street Journal:*

SWITZERLAND'S GREEN POWER REVOLUTION: ETHICISTS PONDER PLANTS' RIGHTS

Who Is to Say Flora Don't Have Feelings? Figuring Out What Wheat Would Want

ZURICH — For years, Swiss scientists have blithely created genetically modified rice, corn and apples. But did they ever stop to consider just how humiliating such experiments may be to plants?

That's a question they must now ask. Last spring, this small Alpine nation began mandating that geneticists conduct their research without trampling on a plant's dignity.

. . . Dr. Keller recently sought government permission to do a field trial of genetically modified wheat that has been bred to resist a fungus. He first had to debate the finer points of plant dignity with university ethicists. Then, in a written application to the government, he tried to explain why the planned trial wouldn't "disturb the vital functions or lifestyle" of the plants. He eventually got the green light.

The rule, based on a constitutional amendment, came into being after the Swiss Parliament asked a panel of philosophers, lawyers, geneticists and theologians to establish the meaning of flora's dignity.

"We couldn't start laughing and tell the government we're not going to do anything about it," says Markus Schefer, a member of the ethics panel and a professor of law at the University of Basel. "The constitution requires it."

In April, the team published a 22-page treatise on "the moral consideration of plants for their own sake." It stated that vegetation has an inherent value and that it is immoral to arbitrarily harm plants by, say, "decapitation of wildflowers at the roadside without rational reason."

. . . Many scientists interpret the dignity rule as applying mainly to field trials like Dr. Keller's, but some worry it may one day apply to lab studies as well. Another gripe: While Switzerland's stern laws defend lab animals and now plants from genetic tweaking, similar protections haven't been granted to snails and drosophila flies, which are commonly used in genetic experiments.

It also begs an obvious, if unrelated question: For a carrot, is there a more mortifying fate than being peeled, chopped and dropped into boiling water?

"Where does it stop?" asks Yves Poirier, a molecular biologist at the laboratory of plant biotechnology at the University of Lausanne. "Should we now defend the dignity of microbes and viruses?"

Seeking clarity, Dr. Poirier recently invited the head of the Swiss ethics panel to his university. In their public discussion, Dr. Poirier said the new rules are flawed because decades of traditional plant breeding had led to widely available sterile fruit, such as seedless grapes. Things took a surreal turn when it was disclosed that some panel members believe plants have feelings, Dr. Poirier says . . .

Crazy Talk?

Several years ago, when Christof Sautter, a botanist at Switzerland's Federal Institute of Technology, failed to get permission to do a local field trial on transgenic wheat, he moved the experiment to the U.S. He's too embarrassed to mention the new dignity rule to his American colleagues. "They'll think Swiss people are crazy," he says...

New Constitution

In another unusual move, the people of Ecuador last month voted for a new constitution that is the first to recognize ecosystem rights enforceable in a court of law. Thus, the nation's rivers, forests and air are no longer mere property, but right-bearing entities with "the right to exist, persist and . . . regenerate."

Dr. Keller in Zurich has more mundane concerns.

. . . One morning recently, he stood by a field near Zurich where the three-year trial with transgenic wheat is under way. His observations suggest that the transgenic wheat does well in the wild. Yet Dr. Keller's troubles aren't over.

In June, about 35 members of a group opposed to the genetic modification of crops, invaded the test field. Clad in white overalls and masks, they scythed and trampled the plants, causing plenty of damage.

"They just cut them," says Dr. Keller, gesturing to wheat stumps left in the field. "Where's the dignity in that?"

For a carrot, is there a more mortifying fate than being peeled, chopped and dropped into boiling water?

It is easy to make fun of the lunacy here. Yet it is not half as crazy as it is a logical outgrowth of decisions made long ago.

When western civilization became uncomfortable with religion, when it became unwilling to see the world through a traditional Judeo/Christian lens, when it no longer believed that there was such a thing as a soul — it was left to look for alternative explanations.

Initially the argument was that value comes from possessing intellectual abilities that make one a rational being — a person. It was just a small step from this to a belief that profoundly mentally retarded people, for example, have no rights as a person. Peter Singer, a bioethics professor at Princeton, has made the case that killing an infant is nowhere near as serious a moral issue as killing an adult. Singer argues that infants simply lack all the essential characteristics to be deemed "persons" — "rationality, autonomy, and self-consciousness" — and as such "simply killing an infant is never equivalent to killing a person."

Even this claim, though, is a thin reed to lean on. After all, on what basis do we exalt cognitive abilities? Why are these traits more important

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or valued than physical strength? This is the soil in which the animal rights movement grows. When initially passed, our many laws preventing cruelty to animals were not focused on concerns about animal well-being; they were focused on the notion that it is dehumanizing to be cruel to animals, and if we inure ourselves with such cruelty, surely we will be cruel to men next.

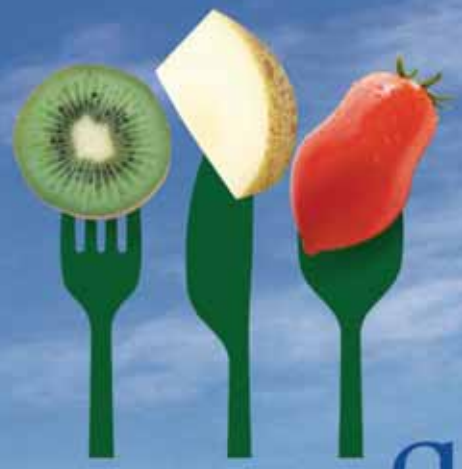
The animal rights movement changed this around. Animals now have rights of their own and human beings have no right to transgress them.

Yet, once again, this is not a distinction likely to hold. Why should it matter that one is an animal as opposed to a vegetable? Why is sentience a morally significant factor? Aren't we just valuing it because we possess it?

The irony is that these exquisitely sensitive and morally aware people will one day be crushed by barbarians who will care not a whit for these values.

So as night follows day, we find people thinking as this Swiss law reflects. Not so much because sensible people actually believe that plants have rights, but because these same sophisticated people would feel ridiculous saying that God ordained something else, they would think themselves brutish if they said that humans get to rule because humans can — in effect they have lost the ability to defend their own civilization.

The irony is that these exquisitely sensitive and morally aware people will one day be crushed by barbarians who will care not a whit for these values. There is something profoundly troubling about a culture that so values tolerance that it allows itself to be destroyed by the intolerant. **www.perishablepundit.com**



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Thanks to everyone who stopped by our booth at the PMA in Orlando.

We look forward to seeing you again in 2009 at the Fresh Summit in Anaheim!

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MINISTERO DELLE POLITICHE AGRICOLE ALIMENTARI E FORESTALI

Reader Service # 75

New Products
Unveiled At Fresh Summit

Once again, PMA is the place for retailers to find the new and noteworthy.

COMPILED BY JAN FIALKOW

Each year, many new items, technologies and packaging geared toward retail are unveiled at the Fresh Summit International Convention & Exposition of the Produce Marketing Association (PMA), Newark, DE. The 59th annual convention, which was held in Orlando, FL, Oct. 24-27, was no exception.

The editors of PRODUCE BUSINESS present our choices for noteworthy introductions that are sure to impress the retail trade.

NEW ITEMS FOR RETAIL

Amport Foods, Minneapolis, MN, presented a new "Fresh Pack" line of products with a packed-in-the-store look. The new line includes dried fruit, nuts, trail mixes and organic product. The packaging has a new safety seal that does not require a plastic overwrap.

Andrew & Williamson Sales Co., San Diego, CA, introduced Toscanella Vine Ripe Baby Roma Tomatoes. This new variety has a distinctive mini-plum shape and is a vibrant deep red color. It has a rich balanced flavor with optimal sugar-to-acid ratio. Available in a 12-15 count per 10.5 oz. clamshell.

Blue Creek Produce, LLC, St. Charles, IL, introduced Teardrop Pear Tomatoes. The new shape brings sophistication to any meal. Comes in both yellow and red varieties and are available year-round in ½-pint clamshells.

THANKFULLY, WE'RE IN OUR OWN LITTLE WORLD.

It's hard not to love Plain Jane veggies. Our greenhouses keep our crops beautiful and protected from outside elements, while our uncompromising food safety and traceability practices give buyers peace of mind. It can be tough work, but it's truly a labor of love. Which is why we're expanding our greenhouse farm by 187 covered acres. If you're as picky about your produce as we are, call **520-281-2282** or visit **PlainJaneProduce.com**.

Plain Jane THE FRESH FACE OF PURE TASTE

Boskovich Farms, Oxnard, CA, has introduced Cebollitas, barbecue onions that are perfect accompaniments to grilled foods. Cebollitas are shoots of white onion, harvested young; both the bulb and green tops have a mild, sweet onion flavor. Available in 12 4-count bags per case or 14 bunches per case.

Bossa Nova Beverage Group, Los Angeles, CA, introduced a full line of superfruit juices each with its own antioxidant profile and nutritional value. The five flavors are Acerola Red Peach, Acerola Mango, Mangosteen Passionfruit, Mangosteen Dragonfruit, and Goji Berry Tart Cherry. The 10-ounce bottles are made of 100 percent recyclable PET.

Brooks Tropicals, LLC, Homestead, FL, will be offering star fruit in clamshell packaging both to help with the ripening process and to protect the fruit. The clamshell label will tell the customer how to slice and use the fruit.

Califresh Of California, LLC, Sanger, CA, introduced fresh garbanzo bean display boxes to the U.S. market. Popular in Hispanic and Indian markets, fresh garbanzos are displayed in bulk as a means to increase impulse buying. Califresh also has POS materials, including recipe ideas and display-box danglers to help introduce the product and new packaging.

Carolina Blueberry Association, Garland, NC, introduced two new beverages, Blueberry Cider and Muscadine Cider, packed in 25.4-ounce bottles. Both have a tart-sweet fruit flavor and contain 65 percent fruit juice.

Chelan Fresh Marketing, Chelan, WA, has introduced the GrannRosé apple. For years apple growers have sorted Granny Smiths for color, separating out those with too much blush. However, studies show people tasting high-blush Grannies thought they had overall better flavor and sweeter taste. Chelan Fresh chose a new name to market this fruit grown and picked at the point of maximum flavor.

Green Initiatives

Bedford Industries, Inc., Worthington, MN, has added biodegradable additives to its standard twist-ties, printed tags and substrates for elastic tags. The next level will be for the company to measure the breakdown times for its products, but for now it is buying materials that are approved as biodegradable.

Earth Buddy Ltd., Wan Chai, Hong Kong, China, is offering Go Green – Earthbuddy, a line of rigid packing trays made from sugar cane bi-products (bagasse) and certified 100 percent bio-compostable. The line is printable, moisture- and oil-resistant, microwavable and oven-able.

Monterey Mushrooms, Watsonville, CA, has introduced a line of mushrooms packaged in new, environmentally friendly fiber till. Made from recovered paper, the tills can be composted, burned or recycled back into new tills or other paper products.

Paramount Citrus, San Diego, CA, unveiled its new packaging line made with kraft paper, a 100 biodegradable, unbleached and natural product. The environmentally friendly packaging not only incorporates Paramount's commitment to sustainability but it also reaches out to its consumers by featuring the faces of its employees in a colorful design. The line also showcases its new logo, which depicts a citrus bloom inspired by natural elements of the citrus industry, including the sun, trees, leaves and fruit.

Smurfit-Stone Corp., Chicago, IL, presented its RecyclaCorr Corrugated Containers, a fully recyclable replacement for wax-impregnated medium, which is specially formulated to protect products stored and distributed in cold-humid environments. It also introduced Meta Tray-8, a new versatile trayformer.

Waverly Plastics, Waverly, IA, introduced its new biodegradable Tug & Tote produce department bag, the "green way to bag." The Tug & Tote comes in a rack system that easily integrates into any produce department; one-at-a-time dispensing leaves no perforations to tear and lets customers touch only their own bag. The bags meet the ASTM standard definition for degradable and biodegradable plastic. **pb**

Christopher Ranch, LLC, Gilroy, CA, introduced California-grown, peeled and vacuum-sealed garlic in a 6-ounce re-sealable package that uses 80 percent less packaging than its 6-ounce jars. It contains no additives or preservatives, is packaged in 100 percent recycled plastic and is kosher certified.

Del Monte Foods, San Francisco, CA, introduced its Super-Fruit line of antioxidant, rich-in-vitamin-C 8-ounce fruit cups packed in a blend of 100 percent fruit juice. Flavors include Mixed Fruit Chunks in Mango Passion Fruit Juice; Peach Chunks in Pomegranate Orange Juice; and Pear Chunks in Açaí Blackberry Juice.

Del Monte also presented its new ready-to-enjoy citrus bowls that contain 4.5 servings of peeled and sectioned citrus (20.5 ounces) in a table-ready bowl with a re-sealable plastic lid. The product is packed in slightly sweetened citrus juice, and includes Red Grapefruit; Grapefruit Duo with red and white grapefruit; and Citrus Salad with red and white grapefruit and oranges.

Del Monte Fresh Produce, Coral Gables, FL, introduced fresh-cut and packaged avocados in 7- and 12-ounce sizes for consumers who want prepared products but don't want to sacrifice taste. These avocados are packaged using a high-pressure technique making them read-to-eat and preservative free.

Dole Fresh Vegetable Co., Monterey, CA, introduced five new Premium Baby blends salad greens packaged in 70 percent recycled plastic made with 50 percent solar energy. The greens are unique, upscale, tender leaf 5-ounce blends offered exclusively in clamshells. Varieties include Sassy Baby Blend, Baby Arugula with Spinach, Baby Garden Blend, Baby

Romaine Blend and Baby Spinach with Tender Reds.

Earthbound Farm, San Juan Bautista, CA, has added mangoes to its dried fruit program and now offers organic onions, garlic, shallots in jars and mesh bags. The company is also offering washed whole leaves of Heirloom butter and Bibb lettuce in clamshells as well as Broccollette, a cross between Chinese kale and broccoli.

Formaggio Italian Specialties, Hurleyville, NY, introduced Just Add Lettuce, its new line of plastic-jarred "all-in-ones" containing the oil and ingredients necessary to instantly make Greek, Spanish and Italian salads. The Betta-Cheese line includes Betta-Bleu and Betta-Feta and can be used in a multitude of meal applications for pasta, salads, as mushroom stuffers and on burgers and steaks.

The Garlic Company, Bakersfield, CA, has produced a truly consumer-friendly garlic clove pack. Each vacuum pouch pack has an easy-to-open pull-tab and contains three to four large peeled fresh garlic cloves. VakPak comes in 3- or 6-pouch sizes with a refrigerated shelf life of 60 days from date of production.

Global Juices & Fruits, LLC, Eagle, ID, introduced a line of Earthly Delights ready-to-drink teas. The teas are full of antioxidants and come in white tea, pomegranate tea and green tea and are lightly sweetened with agave.

Goodness Gardens, New Hampton, NY, introduced Squ'eezy Fruit, squeezable fruit in a tube made with real fruit and berries. The product is low in added sugar and the 6.5-ounce tubes are available in apricot, blackberry, mango, blueberry, peach, raspberry, strawberry and pineapple.

Great Lakes International Trading, Inc., Traverse City, MI, introduced several new varieties to its packaged dried fruit and nut lines. These include 8-ounce dried cranberries and 8-ounce dried cherries, a 16-ounce stand-up bag of pine nuts and a 32-ounce stand-up bag of Turkish dried apricots. The larger packages provide retailers with a size that can be run on special to compete with club stores.

Green Giant Fresh/ Sholl Group II, Eden Prairie, MN, offers five versions of Patio Grillers — fresh vegetables and a butter or olive oil-based sauce in a foil pan. Cook on the barbecue grill and serve four. Selections include Fire Roasted Salsa; a California blend of broccoli, cauliflower, squash, zucchini and carrots; BBQ blend with broccoli, red potatoes, squash and carrots; a medley of green beans and carrots; and baby red potatoes.

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HerbThyme Farms, Compton, CA, introduced certified organic herbs and herb collections, including the Poultry Bouquet, in new extended shelf-life film and self-merchandising shipper boxes. New plastic packaging is super clear for showcasing product and includes recipe cards. The self-merchandising shippers come with a thermal blanket to protect during truck shipment.

Itaueira Agropecuaria S.A., Fortaleza, Ceara, Brazil, exhibited the REI Melon from Brazil. This new melon is just recently admissible from Brazil and is being exported for the first time. The production focuses on providing consistent flavor.

Los Angeles Salad Co., City of Industry, CA, introduced fresh shelled English peas in an 8-ounce and a 12-ounce package with a 14-day shelf life. The 8-ounce package is microwavable and steam-in-the-bag ready.

Mann Packing, Salinas, CA, has introduced vegetable party platters, the Light Bites packaged line, geared toward desktop diners and "grazers," and retail packs of leaf singles previously offered only to the foodservice segment.

Monterey Mushrooms, Watsonville, CA, introduced Sun Bella mushrooms, a line with 100 percent RDA of vitamin D. Mushrooms can soak up vitamin D from light sources just as humans can absorb vitamin D from sunlight through their skin. Vitamin D is an essential nutrient that is available in food only through fortification.

Naturally Fresh, Inc., Atlanta, GA, introduced Salad Toppings, dried and chopped fruits and nuts to add some crunch to even the simplest salad. The 3.5-ounce bags come in Roasted Pecan & Almond Pieces, Roasted & Glazed Pecan Pieces, Glazed Almond & Pecan Pieces and Nuts and Fruit Mix.

New Floral Items

Micky's Minis, Millstadt, IL, introduced a Kitchen Herb Centerpiece featuring fresh rosemary in the middle. Designed for cooks who enjoy using fresh herbs, the wrought iron centerpiece also serves as an attractive bit of decor. The Kitchen Herb Centerpiece holds six 2-inch herb pots and one 4-inch herb pot of rosemary in the middle. Assorted herbs are available in the 2-inch pots including parsley, oregano and mint. The centerpiece is available three per case and can be shipped DSD.

A. K. Nursery, Inc., Apopka, FL, introduced Plant PetPals — moss-filled, critter-shaped plant holders. Shown with orchids and ivy, the embellished containers are available as puppies, hippos or bunnies. The collectible Plant PetPals measure about 7 inches long by 3 inches wide by 3 inches high without the inserted orchid or ivy.

Logigraf, Trois-Rivieres, QC, Canada, introduced a new floral signage kit to help retailers merchandise cut flowers, plants and bouquets. The oval-shaped, floral photo sign card with an As Advertised topper was developed for use as an insert with the company's line of telescopic sign holders. The photo sign card has a slot to accept a variety of pre-printed prices. **pb**

NBI Juiceworks, Orlando, FL, introduced Sun Shower Super Blends iced coffees, teas and lattes. The Iced Coffee, Mocha Cappuccino, Chai Tea Latte and Chocolate Raspberry Frappe contain nutritional fortification, are high in protein, low in fat and contain half the carbohydrates, sugar and calories of competing juice blends.

Oakshire Mushrooms, Kennett Square, PA, has introduced Dole brand vitamin D-enhanced portobello mushrooms in 6-ounce packages of caps and slices. The company has also expanded its stuffed portobello offerings to include Southwest flavored.

Ocean Mist Farms, Castroville, CA, introduced a 2-count artichoke handle bag. Two artichokes in a grab-and-go handle bag for impulse purchases. An insert in the bag contains information on how to prepare and cook artichoke recipes, nutrition facts, a UPC code and country-of-origin (COOL) labeling.

The Oppenheimer Group, Coquitlam, BC, Canada, introduced the Envy apple. Full figured with intensely red skin, this Royal Gala/Braeburn cross has exceptional storage abilities. Initial plantings have been made in several countries and plans for planting commercial volumes in the United States are underway. First volumes for commercial sale are expected in 2010.

Pasco Onions Ltd., Flower Mound, TX, now offers thin sliced, crisp-fried onions. These two new kosher-certified onion products, one organic and the other all natural, in a 3.5-ounce shaker-top container, are packed without additives or trans fat. Packed 12 packages to the carton with a floor stand display carton pack available. Shelf life is one year when held at room temperature below 80° F.

Pioneer Growers, Belle Glade, FL, is offering a 12-ounce package of "Sun Kernals," fresh kernel corn off the cob. This item will reduce

shipping costs and the carbon footprint.

Procacci Brothers Sales Corp., Philadelphia, PA, in conjunction with Italian Rose, Riviera Beach, FL, is using its Santa Sweets grape tomatoes and UglyRipe Heirloom Tomatoes to manufacture Fresh Organic Salsa, UglyMary Mix and Fresh Tomato Soup. The soup and drink mix are packed in 50-ounce plastic bottles and the salsa in 16-ounce tubs.

Rainier Fruit Co., Selah, WA, introduced the Lady Alice, a spectacular new apple variety offering the perfect combination of sweet and tart. They are slow to brown and hold their texture well when used for baking.

C.H. Robinson, Co., Eden Prairie, MN, presented Fresh 'n Easy QuickSteam vegetable side dishes (in conjunction with River Ranch Fresh Foods) that can go from refrigerator to table in less than three minutes. With seven flavors, the product has no trans fat and between 70 to 100 calories per serving. It is packaged in an easy-to-use heat 'n serve bowl with a proprietary steam cooking system. Flavors include: Alfredo, Asian Citrus, Blue Cheese, Creamy Tomato Basil, Garlic & Butter, Sharp Cheddar, and Southwestern.

Shenandoah Growers, Harrisonburg, VA, will be expanding its line of Living Organics Culinary Herbs in January to include mint and Italian parsley. The line of potted herbs is designed to sit on the windowsill or counter and provide fresh herbs until the leaves are gone. Data indicates the line does not cannibalize existing cut-herb SKUs; instead it attracts its own unique consumer.

Sundia Corporation, Oakland, CA introduced refrigerated fresh-cut organic fruit in a ready-to-eat, single-serve cup topped with a foldable spork. The product is pasteurized and film-sealed, giving it a refrigerated shelf life of up to one year. Fruit varieties include mango, ruby grapefruit, peach and pineapple packed in 10.75-ounce servings. In January 2009, Sundia expects to release Sundia True Fruit Lite, sweetened with Splenda. Due next June is a True Fruit line fortified with specific nutrients including calcium, omega-3 fatty acids, and vitamin A, C, E combination.

Taylor Farms, Salinas, CA, has expanded its prepared salad line to include Toss Ups, single-serve salad kits that contain protein. All salad components are individually sealed. Flavors include Santa Fe Chicken, Farmhouse (with grilled chicken), Chicken Caesar and Country Chef (with grilled chicken, ham and Cheddar cheese).

Tropical Foods, Charlotte, NC, introduced Spices by Tropical, Christelle Bay dried fruit, nuts and assorted snack mixes, York's Harvest certified organic nuts, dried fruits and snack mixes, Grabeez Snacks on the Fly in new portable, resealable packaging and Artisan Creations with each nut, fruit or mix designed to impart bolder, more unique flavors.

Waymouth Farms, Inc., New Hope, MN, introduced 100 percent natural kid's snacks called FruitMates in Cran-Apple Twister and Lemon Landslide under its Good Sense flagship brand. Another new product just released is Almond Pizazz, all-natural, seasoned and sliced almonds in Honey Roasted, Zesty Ranch, Garlic Herb and Oven Roasted varieties.

Wholly Guacamole, Ft. Worth, TX, has added salsa to complement its line of guacamoles. Mild, medium and hot salsa is available in eight 12-ounce resealable tubs with lids.

Wiley's Healthy Southern Classics, Fairfield, CT, introduced Wiley's Candied Yams Kit. The kit comes with 12 or 20 ounces of United States Department of Agriculture (USDA) No. 1 fresh-cut yams packed in a clamshell with Wiley's Sweet Potato & Yam Spice.

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Wilson Produce, LLC, Nogales, AZ, having previously sold large club packs of midget multicolored peppers to the big-box stores, is replacing its retail pint clamshell pack with a resealable bag for supermarket selling.

TECHNOLOGY, TRANSPORTATION AND MERCHANDISING

Blanc Industries, Dover, NJ, has a new modular sign system. Metal sign holders slot into a frame base as part of euro tables, island tables and wall cases, giving retailers flexibility in the number and placement of 7 x 11-inch signs. The system makes signs easier for customers to find and see clearly.

Carlson Airflo Merchandising System, Brooklyn Park, MN, introduced The Wave, a movable merchandising system for refrigerated wall units. The "wavy" display can be used for fruit and vegetables and is also appropriate for wet racks. It allows for eye-catching displays that stand out from traditional linear displays.

Escort Data Loggers Inc., Buchanan, VA, introduced the iMiniPlus. Escort Intelligent Mini data loggers have been developed for the transport industries and are a low-cost solution for temperature monitoring problems. The iMiniPlus has internal or external sensor options, a large LCD display and a 2-kilobyte memory, capable of 8,048 readings.

Hurst International, Los Angeles, CA, is now offering Verasprint System, an on-demand, information-rich label that allows companies to trace back to a specific farm, orchard or facility where the product was grown, processed or packaged.

Infratab, Oxnard CA, introduced an RFID-based reader/writer that tracks, traces and monitors produce shipments, helping retailers calculate remaining shelf life. The savings realized by reducing shrinkage can easily offset the item's $500 price tag. The company's semi-passive tags last for about one year and sell for $15. This price includes a refundable credit when the tags are returned. Infratab has structured the tags in this manner so it can harvest the used batteries and thus qualify as a green item in Europe.

Layer Saver, Hinsdale, IL, is manufacturing a new product designed to protect produce and reduce transportation costs. Layer Saver is a 2-layered, collapsible, reusable pallet-shipping vessel made from recycled plastic and designed to withstand more weight than conventional wood or plastic. The first tier functions as a standard pallet and the second tier expands the capacity to hold at least 25 percent more product within the same footprint as a standard pallet.

PakSense, Inc., Boise, ID, unveiled PakSense Ultra T3, a farm-to-fork traceability solution with integrated temperature monitoring and country-of-origin labeling (COOL) capabilities. Powered by HarvestMark, Redwood City, CA, Ultra T3 gives shippers the ability to track and trace products through the supply chain while monitoring the cold chain and complying with COOL requirements. Traceability, cold chain and COOL data are uploaded and stored in a hosted database, accessible anywhere via a password-protected Web portal.

Sabert Corp., Sayreville, NJ, has developed the Freshpack Bowl Collection, a new line of clear or black PET round containers with lids in 18-, 24-, 32-, and 48-ounce sizes featuring a smaller 6.5-inch diameter and taller sidewall profile. A common lid is used for all sizes. All are designed for use in cold food applications.

Sambrailo Packaging, Watsonville, CA, introduced a new type of clamshell tray for blueberries. The new clamshell enables filling at faster speeds, and improved de-nesting lugs align with conveyor guides to prevent loss during filling. These lugs allow for consistent spacing and a flat base grips the conveyor. The lid has been designed so the base of the package can fit securely into it. The new lid, while secure, still opens with relative ease. **pb**

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RETAIL Rx FOR THE GLOBAL ECONOMY

Strong relationships and up-to-the-minute information are key in today's "flat" world.

BY JODEAN ROBBINS

As the international growing and trade community reacts to the ailing U.S. economy and increasing business costs, a retailer's best medicine may be firming relationships and gleaning information.

Effects of the higher costs of doing business and the disturbed U.S. economy are reaching across borders and causing changes in international sourcing. "With the economy so tied in to everything right now, it's going to have an effect on everything else, including international supply," says Mark Mulcahy, produce director for New Leaf Community Markets, a 6-store chain based in Santa Cruz, CA. "It's all related as long as we're a global market and it's one of the challenges a produce buyer has to face."

"The cost of goods is very high," states Paul Kneeland, vice president of produce and floral for Kings Super Markets, a 36-store chain based in Parsippany, NJ. "Just as in domestic product, more and more [offshore produce] is going to Europe, the United Kingdom and Russia, which really tightens up the market. Transportation costs, economic issues and inputs are all converging to make it more expensive and difficult."

The soft dollar is causing some change in supply. "The weak dollar has led to reduced availability and increased prices during the import season," according to John Anderson, chairman, president, CEO and majority owner of The Oppenheimer Group, based in Vancouver, BC, Canada. "This puts pressure on

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everyone in the supply chain, but it seems the consumer is hardest hit because there is a smaller assortment available and prices are high — at the same time belts are tightening due to our struggling economy. The U.S. dollar has strengthened recently so there may be some relief ahead."

In the face of lower returns, overseas exporters remain hopeful. "Exporters to the United States are feeling a negative effect from the weak dollar and other issues," notes Jose Luis Obregon, managing director of the Hass Avocado Board (HAB) in Irvine, CA. "Fortunately, demand for Hass avocados is strong and transportation costs, while affecting producers and importers, have not had a significant effect on consumer demand."

"Based on U.S. dollar exports, many growers are receiving 15 to 20 percent less income than they had in the past or expected to have," says Peter A. Warren, special projects with Fresh King, Inc. in Homestead, FL. "Hopefully, the dollar will begin to strengthen as we move past the elections and we'll see some relief."

Foreign producers are reconsidering many aspects of their businesses. "Producers are being forced to focus on applying more efficient production techniques and on eliminating products considered risky from a production standpoint," notes Mark Greenberg, senior vice president procurement and COO for Fisher Capespan in Montreal, QC, Canada. "They're being forced to find new markets and to exploit all possible destinations for their fruit. They're being forced to ensure they understand the requirements of each market and to segment their exports to be certain each market gets what it really wants in terms of product, variety, quality and timing."

GROWERS UNDER PRESSURE

The increasing cost of transportation and inputs, as well as other factors such as weather, are putting growers and shippers under greater pressure. "The Chilean Exporters Association, ASOEX [based in Santiago, Chile], reports exports from Chile to the United States decreased by about 10 percent in 2007/08 compared to the previous season," reports Oppenheimer's Anderson. "This drop was driven by the strength of the euro as well as the reduction in crop due to inclement weather. We believe the 2008/09 season will return to more typical volumes but are cognizant of the importance of managing all costs involved in marketing the fruit."

"The cost of inputs has just skyrocketed," says John Campbell-Barmmer, director of marketing at Chestnut Hill Farms in Miami, FL. "The cost of getting product to market has gone through the roof. It's been very difficult for producers to cover the cost increases."

Increased costs are pushing growers either to more efficient production and distribution or to loss of business. "Increased energy costs have increased the cost of production of produce in the country of origin as well as the distribution cost in the country of destination," says Greenberg. "With growers experiencing increasing costs in all aspects of their business, the price of produce will of necessity increase — or the grower will not survive. If the market is unable or unwilling to deliver higher prices, growers will not be able to afford to ship to it."

"We believe the 2008/09 season will return to more typical volumes but are cognizant of the importance of managing all costs involved in marketing the fruit."

— John Anderson
The Oppenheimer Group

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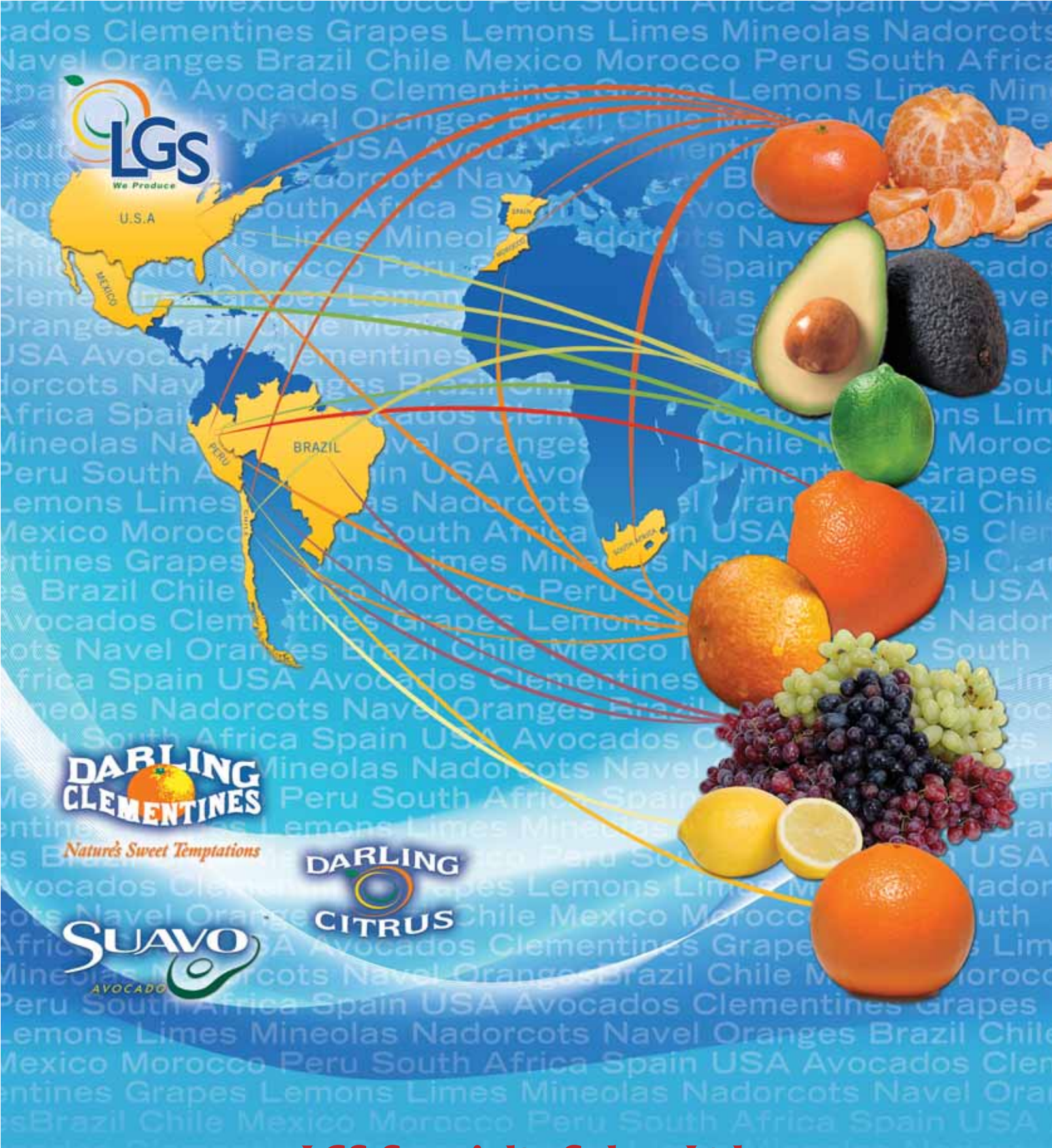

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"Countries such as New Zealand and Chile do not have the luxury of a large domestic population to absorb production and must bear the additional costs," explains Nancy Tucker, vice president of global business development for the Produce Marketing Association (PMA) in Newark, DE. "This pushes the need for being more efficient in all parts of their business, selling varieties that bring higher prices and consolidating to achieve greater economies of scale."

Issues in banking and certifications add to the increasing dilemma. "International banking has drastically tightened lending practices, especially for agricultural-based companies, which are considered high risk," according to Anderson. "Many growers need short-term financing to cover production costs for the season. In many countries, their credit limits have been reduced and interest rates have skyrocketed."

"Offshore growers view the U.S. market as an increasingly difficult country to do business in," Anderson continues. "For example, GlobalGAP food-safety certification is acceptable anywhere else in the world except for North America. C-TPAT [Customs Trade Partnership Against Terrorism] compliance requires new security practices and places additional administration on growers. The pending 10+2 regulations for import documentation will place significant burden on importers and growers due to information and submission timing requirements. Country-of-origin labeling [COOL] and new industry traceability requirements for case coding and record keeping are necessary and important, but add significant costs to the supply chain."[*Editor's note: 10+2 is a Department of Homeland Security rule that requires both importers and carriers to submit additional cargo information before cargo is loaded on U.S.-bound vessels. It describes how importers will report 10 additional items of information on cargo shipped to the United States, while the carrier provides two more data sets.*]

NOT THE ONLY GAME

As exporters seek greater efficiency and return, more product is shifting to markets besides North America. "The relative weakness of the U.S. dollar both against the euro and against the currencies of the countries where products originate is having a major effect on international sourcing," says Greenberg. "The relative strength of the euro has made European markets more attractive as a destination for produce and has served to divert to Europe some volume that in the past had been almost automatically shipped to the United States. Of course, in the last month, the U.S. dollar has regained much of the value it lost against the euro over the last year. It's not clear, though, how long this trend will continue."

"Diversion of some product to other markets can cause tighter supplies for us," says Kings' Kneeland. "It's to the point in some cases where sellers right now don't need the U.S. market. They can make more money selling the same product and shipping a shorter distance. Of course, there are a lot of growers with loyalties here and they're still selling to the United States. Those suppliers, from a volume standpoint, are rewarded in this market."

"Some products are more expensive because of the U.S. dollar opening other markets for international shippers," says Henry Lehmann, director of produce procurement for Dierbergs Markets, Inc., a 23-store chain based in Chesterfield, MO.

Emerging markets are destinations for some shifted product. "In recent years we have seen the emergence of relatively new markets for fresh produce such as Eastern Europe and Russia," explains Greenberg. "Increased prosperity in these countries has created a segment of the population demanding fresh produce and with the ability to pay for it. For years, fresh produce exporters have relied exclusively on Europe, Asia and North America to consume imported fresh produce. Producers now have a wider array of potential destinations. This is good, although it makes procuring fruit for North America a little more challenging. We're not the only game in town any more. But in the end, all of the stakeholders in the fresh-produce industry benefit when growers are strong, and more market opportunities can only serve to strengthen producers."

> **"International distribution channels are not something to be turned on and off like a switch but require years, if not decades, to build. It would be a tremendous strategic error to abandon a major market because of short-term exchange-rate weaknesses."**
>
> **— Celso Paganini**
> **Paganini Foods, LLC**

Growing domestic markets in some producer countries are another home for product. "Farms are under a tremendous amount of pressure and since everything is dollar based, the weakening dollar hasn't helped," states Campbell-Barmmer. "One

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example is how in Brazil the *real* is very strong so they're probably going to send more product to their domestic market instead of exporting it."

However, many exporters remain committed to the U.S. market and some are even benefitting from the situation. "The United States is still a very large and strong market and thus is very attractive," says Tucker. "For example, even though the weak U.S. dollar has made it very difficult for European exporters to sell to the United States, the Italians are making a major push to increase their exports to this country."

The higher oil price actually favors imports from Italy to the United States, as explained by Celso Paganini, president and founder of Swedesboro, NJ-based Paganini Foods, LLC, which markets under the BellaVita brand. "Because oil prices affect costs of domestic trucking more than ocean transportation, it can actually be cheaper to ship to the U.S. East Coast from Italy than California," he reports. "For example, right now a container from Italy to New York costs around $6,500 whereas from California to New York it is around $8,500."

ADAPTATIONS

Shippers and importers are adapting to the new environment by searching out better transportation options. "Everybody's looking for the best deal but there are only so many containers available right now," says Chestnut Hill's Campbell-Barmmer. "For example, more asparagus is coming by sea than was projected to come because of the cost. However, there's not a lot you can do with pineapples from Costa Rica or melons from Honduras because there are only so many ways you can get them here."

"Some producers are engaged in looking for a more direct route to their clients with the view to eliminating what they may feel are unnecessary costs in the distribution chain," notes Fisher Capespan's Greenberg. "Of course, there are added costs and risks of producers directly supplying retail customers, and exporters going this route need to be certain they understand the calculus of it."

The freight-cost issue definitely affects decision-making. Fresh King's Warren explains, "When freight costs account for such a high percentage of the sales price of the product, it definitely opens opportunities in new growing areas in an effort to reduce the cost of freight."

Many importers are trying to eliminate the overlap of imported products with the availability of domestic supplies. "This is all really tied up in the importers' obligation to bring in only fruit accorded value in the market," says Greenberg. "It means focusing on understanding what your clients need or want and not merely on what is available from a foreign source. While importers were focused 10 years ago on simply bringing in volume, now we are paying more attention to ensuring the market for the imported product will be there when the fruit arrives."

"Importers can help mitigate costs by achieving sustainable pricing for growers' products and minimizing complexity and cost by optimizing and aligning the supply chain," states Oppenheimer's Anderson. "This means strong collaboration with customers and handling all the technicalities and administration required. It's also important to establish the right mix of programs and have alternate sources of supply in the event of a disruption to the supply chain."

"The last thing we want to do is beat up a shipper who thinks something will work for us but in the end it doesn't meet our specs."

— Henry Lehmann
Dierbergs Markets, Inc.

Despite short-term crises, serious shippers and importers emphasize the importance of being committed to the market and having options. "Importers must help growers understand they need to be well diversified in several markets," says Paganini of Paganini Foods. "International distribution channels are not something to be turned on and off like a switch but require years, if not decades, to build. It would be a tremendous strategic error to abandon a major market because of short-term exchange-rate weaknesses."

"Certainly, we see the euro drawing fruit away from North America," adds Anderson. "However, growers do need to keep a foothold here for when the tide turns. At Oppenheimer, we work with our producers to define the sizes and varieties performing best in this market, matching these with our customers' preferences. This way, we can strive to make the preferred fruit available while also creating a positive return for the growers."

"While it is somewhat more attractive to go to alternative markets, avocado exporters have developed relationships and are in the U.S. market for the long term," reports HAB's Obregon.

INFORMATION DRIVEN

Information and communication are of even greater value in volatile times. "Communication and information from suppliers are even more

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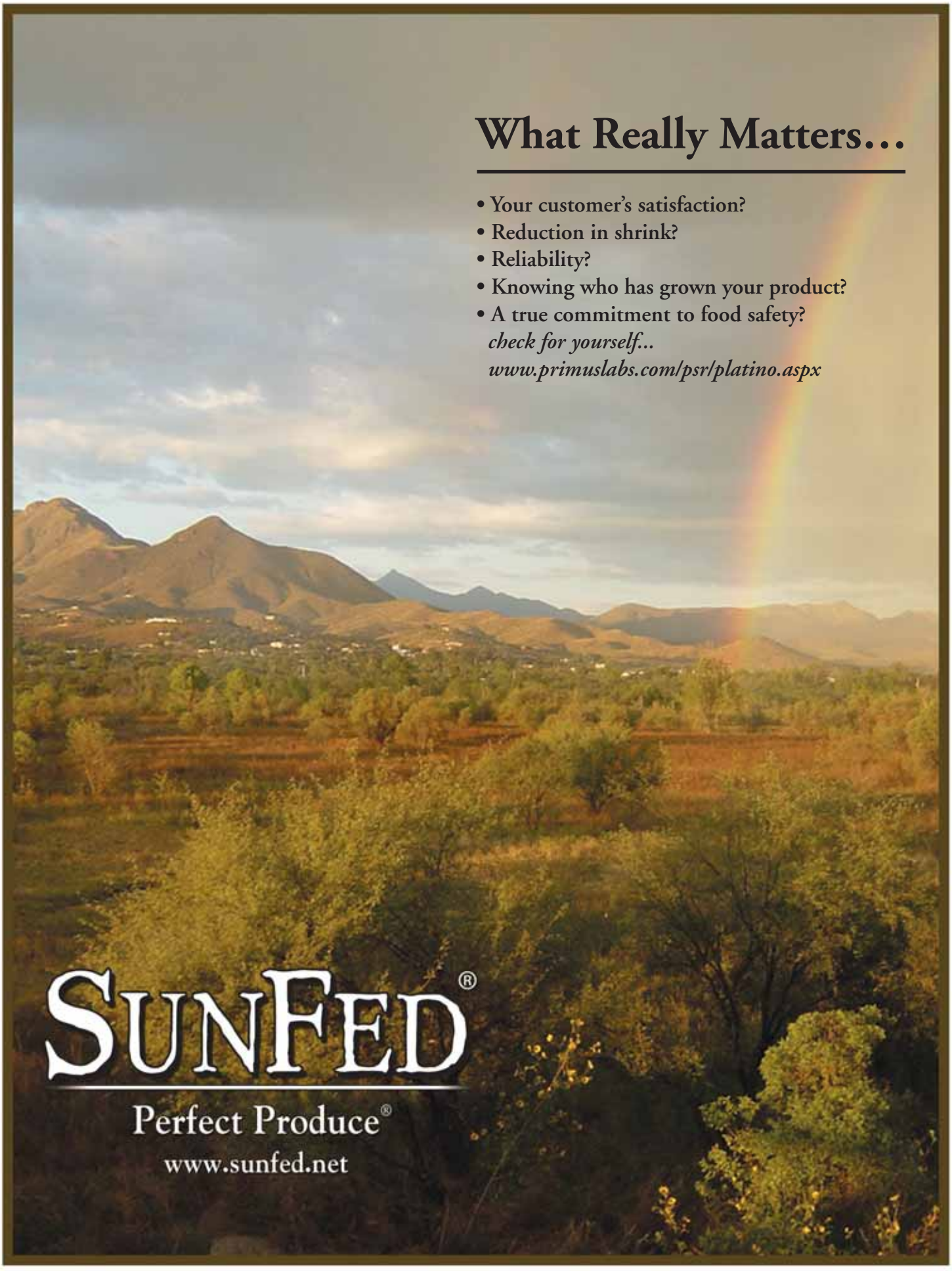

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important in this environment," says King's Kneeland. "Now, more than ever, you really have to focus with all your grower partners. There are ways to work together to benefit everyone. You need to be an open book with your supplier and really rely on the relationship."

"Good communication as far as what seasons, quality, and FOBs are going to be like is important," says Dierbergs' Lehmann. "The cost isn't always as big an issue as the cost and availability. It's important we communicate our specs and exactly what we want to our shippers so we receive the quality we're expecting. The last thing we want to do is beat up a shipper who thinks something will work for us but in the end it doesn't meet our specs."

Forecasts and projects are increasingly valuable. "We're trying to work closely together with growers to keep markets in balance as much as we can," according to Chestnut Hill's Campbell-Barmmer. "We're getting better production information and rolling forecasts."

"I'm constantly talking to my distributors and asking them what's going on," reports Mulcahy of New Leaf. "Most produce buyers do this. You're always trying to project as far out as you can. If I were trying to do an international deal right now, I'd be looking into everything I could with the crop so we know what's going on."

The new pressures are causing evolutionary changes in the way international product is sold in North America. "The imported fresh fruit industry in the United States has been traditionally characterized by the free-consignment method that worked well when the dollar was strong and there was some scarcity of product in the market," explains Fisher Capespan's Greenberg. "Today, there is a lot of produce being imported and growers are becoming more and more reticent about shipping without some indication or guarantee of price. More and more exporters are demanding firm prices for products to be shipped to specific retailers on a program [scheduled] basis. Much of this change has been driven by the club stores that demand specific packaging and compliance with a well-defined set of product specifications. They're prepared to fix a price for fruit meeting their requirements and this is attractive to growers who must manage their risk carefully."

Planning and accurate projections become even more important as growers and importers shift to a different import model. "Planning is critical to minimize costs, and importers are being much more specific about the type of product [varieties/sizes] the market will take and timing of market entry and exit," reports Oppenheimer's Anderson. "Every piece of the supply chain is examined to minimize costs and improve efficiencies."

"This new method does take away the risk of not knowing what the fruit will earn in the market," according to Greenberg. "More and more premium fruit from exporters is being used to fill these programs. Many other retailers have continued to buy their fresh produce on a week-to-week basis with prices determined on the basis of the prevailing price at the time they order. But if fruit exporters continue to favor packing to specific program-oriented retailers and start to decrease their shipments to the United States because of the high cost of accessing the market, these retailers could find it more challenging to obtain the fruit they require in the specification their clients demand."

"With the economy the way it is, we can't absorb all the costs so having some additional marketing programs makes the product more acceptable to the customers and it's more socially responsible."

— Paul Kneeland
Kings Super Markets

DIFFERENTIATION

In the increasingly competitive environment, exporters, importers and retailers are also looking for ways to differentiate their products. "New Zealand is becoming a leader in the industry for measuring carbon footprinting and food miles and developing sustainable agricultural practices," reports PMA's Tucker. "They are also concentrating on taste as a way to differentiate their products."

Looking for ways to add value through marketing is another way retailers can make rising prices a bit more palatable. "With the economy the way it is, we can't absorb all the costs so having some additional marketing programs makes the product more acceptable to the customers and it's more socially responsible," reports Kings' Kneeland. "Our FairTrade produce items have received a great response from our customers." [*Editor's note: Please see* FairTrade Growing Business for Retailers *on page 42.*]

Kings has incorporated more FairTrade products, including blueberries, bananas and pears, into its produce department and its floral department has FairTrade bouquets and stem flowers. Kroger currently sells FairTrade coffee and reports it is looking forward to adding FairTrade produce.

"It's important for Kroger to rise to the standards set forth by our customers," reports Dorothy Shaver, RD, LD/N, corporate dietitian for the 126-store Kroger Mid-Atlantic chain, based in Roanoke, VA. "We are constantly striving to fulfill their needs and desires, and FairTrade is just one more way to do this for them."

"Everybody is looking for the niche to bring people in beyond just competitive pricing," adds Mulcahy whose New Leaf Markets carry FairTrade produce. "Local and FairTrade fit into this area of marketing but it must be tailored for each marketplace."

As consumers feel pinched financially, communicating the value of imported products becomes even more important. "We have to do a better job of communicating the value equation," notes Chestnut Hill's Campbell-Barmmer. "Consumers are trading down as they feel squeezed. The industry needs to work together more than ever before to get the message out and cut as much cost out of the distribution system as possible."

Retailers in an increasingly competitive environment must look to distinguish themselves even more by offering value, quality and variety. "Some chains will focus on quality, almost irrespective of price," relates Fisher Capespan's Greenberg. "Some will favor value or the ability to offer good fruit at low prices with promotional opportunities. Others will want something different, something their competitors don't have. Importers must understand their clients' specific needs and procure for them the products most closely matching each customer's needs."

SMALLER MARGINS, FOCUSED PROMOTION

With economic and competitive forces building, retailers are urged to skinny-up margins in favor of volume. "Retailers should try to sell as competitively as possible," advises Campbell-Barmmer. "For example, it's not a $3.99 asparagus market anymore. We need promotions on certain items. The retailer can help by working with its supplier more and knowing what's going to be good to promote."

"Margin is a huge point of contention," according to Fresh King's Warren. "Last year in asparagus, the average retail margin from the delivered price was over 150 percent. There must be a way to reach the retailers' objectives and still offer value to the consumer."

Pricing is becoming more of an issue as customers pinch pennies. "Moderate pricing, combined with low-cost promotions such as silent sampling, high-impact signage and cross-merchandising will benefit consumers and contribute to the bottom line," states Oppenheimer's Anderson.

"Margin is very important to us but at the same time, we're in a highly competitive market so if we're advertising we have to be right on retail," says Dierbergs' Lehmann. "Price points become a major

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issue when writing an ad and planning ahead."

Tighter pricing at retail is seen as a positive for everyone. "It's a win-win-win," explains Chestnut Hill's Campbell-Barmmer. "Consumers feel they're getting a good deal in these tough times, retailers maintain their market, and suppliers move the product they need to. We need to go for gross margin dollars and not gross margin percentage right now."

"More and more retailers are looking at EDLP [every-day-low-price] programs where they're going to give you their cost up front," says Kings' Kneeland. "Similar international growers are pretty competitively priced, so you will see one country go after pricing against another country, for example Canada vs. Holland. Competing suppliers are more aware of the markets, which helps the retailer make better buys."

Focusing on value and re-evaluating promotions is key for retail success. "Don't bring in fruit without a reasonable chance of selling at a reasonable value," advises Fisher Capespan's Greenberg. "Allow some scarcity in the market to keep sales values economical or at least avoid large surpluses. This will allow for faster product movement through the import and sales system, in turn allowing fresh arrivals at the chain store depot, resulting in fresher fruit offered to customers, causing repeat purchases, and resulting in less shrink at the retail level. All of this should help keep overseas producers strong, retailers profitable and consumers well-fed."

"Everybody is re-evaluating their promotions," says Kneeland. "You see people going back to basics. You see less promotion on exotic items versus people going back to the 79¢ apple. I think you'll see more of the basics on sale. You're also going to see higher retail on some promotions because of tighter supplies."

"We work closely together with our suppliers as far as planning and promotions," says Lehmann. "We put together a calendar of events. We work close with our partners to develop new sales and generate extra sales. We want to be on the leading edge as far as new items with international shippers."

Analyzing location advantages and sourcing efficiencies may give some retailers substantial gains. "Retailers can look at better programming in order to maximize economies of scale and efficiencies in the importing process," suggests Paganini of Paganini Foods. "Some retailers may be better able to understand the benefits their location offers. For instance, several major retailers are within 10 to 20 miles from the main port in the Northeast — a main entry gate for imports from Europe. They still do not understand the strategic advantage of their location. Wal-Mart [headquartered in Bentonville, AR], in a similar position, would have leveraged such an advantage."

"The E.U. chain Metro [Cash & Carry, based in Düsseldorf, Germany] is growing its global sourcing operations," reports PMA's Tucker. "Metro is a €60 billion company with stores in 30 countries and is opening stores in two new countries per year, most recently in Kazakhstan and Egypt. They have a global sourcing office in Hong Kong with 300 employees. While much of this focuses on non-food products, they are increasingly sourcing fresh food items."

Knowing and collaborating with suppliers is increasingly important. "Retailers need to make sure they know who they are doing business with," says Warren. "The importer's background off-shore facilities and growers are all more important than ever to the retailer. Retailers need to work more closely with the import community to evaluate how the game is being played."

"Retailers will realize the most success if they collaborate with their preferred suppliers because it's the only way to drive costs out of the supply chain while ensuring they have consistent supply of the products they need," says Anderson. "Contract programs allow the supplier to coordinate with growers on varieties, packaging, logistics, achieving economy of scale in transportation and storage in the most optimal manner. Retailers can conduct joint planning sessions to go over new consumer/product trends, coordinate demand/supply forecasts and establish an annual program and seasonal program for pricing and volume, committing both parties working together for mutual success." **pb**

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Demand Increasing For Central American Produce

Consistent supplies, reasonable prices and quality enhance appeal of Central American produce.

BY LIZ PARKS

Consistent supplies of a variety of high-quality produce, ideal temperate climates, easy access to U.S. ports, high quality-control standards and cost-efficient transportation have led to an increasing number of U.S. supermarkets offering produce from Central American countries.

Central America consists of Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, but parts of Mexico that border Guatemala are also sometimes included in the geographic classification. According to the U.S. Department of Commerce (USDC), Central America exported $1.6 billion of edible vegetables and fruits, excluding citrus and melons, to the United States in 2007, up 9 percent versus the previous year. Of that $1.6 billon, $536 million came from Guatemala.

Moises Merida, trade commissioner, Guatemala Trade and Investment Office, Los Angeles, CA, notes the US-Dominican Republic Free Trade Agreement (CAFTA-DR) between the United States and Central America "has created a lot of enthusiasm for Central American produce. Now, both importers and exporters have the certainty that the current conditions of access and regulations will prevail and won't be changed arbitrarily or unilaterally by any of the parties. And a lot of business has been generated by that."

Photo courtesy of Jungle Jim's International Market

As consumers become more aware of the health benefits associated with incorporating fresh produce into their daily diets, retailers are responding by adding more types of produce from Central America into their product mix, states Dionysios Christou, vice president marketing, Del Monte Fresh Produce, N.A., Inc., Coral Gables, FL. This is done "to meet consumer demand regardless of the season."

The demand for produce from Central America has also been increasing "as more Spanish and Asian consumers migrate into U.S. communities," explains Mary Ostlund, marketing director, Brooks Tropicals, LLC, Homestead, FL. "They want tropical fruits and vegetables and they want it beyond mangos. Tropical fruits and vegetables are not specialties for these consumers — they are staples."

Many of Del Monte's products, such as extra sweet pineapples and bananas, can grow only in tropical climates such as those found throughout the year in many Central American countries. "North American consumers expect to find their favorite produce on retail shelves regardless of the local growing conditions," reports Christou. "With significant offshore growing capabilities, Del Monte has the ability to supply customers and consumers premium quality products from Central America on a year-round basis."

Teagan Donovan, ethnic produce manager, Jungle Jim's International Market, a single-store retailer in Fairfield, OH, buys a variety of Central American produce and agrees the consumer usage base is both wide and deep. "We have a pretty broad mix of consumers buying produce from Central America. The range includes Indian, Middle Eastern, Hispanic, Asian, Caribbean and Caucasian. It's much more

than just Hispanic or Asian."

More than 50,000 consumers visit Jungle Jim's each week and peruse through its 2,000-square-foot international produce section. The product mix from Central America typically includes a large assortment of what might be called exotic produce, such as yuca root, malanga yautía, malanga lila, name (white Costa Rican yams), boniato (similar to sweet potatoes) and calabaza squash. The market also offers as much as 24 linear feet devoted to 3-tiered displays of fruit and at least as much space devoted to root vegetables. Donovan often uses descriptive signs that give consumers information about what the product is and how to prepare it.

Consumers' growing recognition of logos and brands from Central America is also driving demand for Central American produce, reports Lou Kertesz, vice president, marketing and sales, Fresh Quest, Inc., Pompano Beach, FL. For example, Fresh Quest stickers each of its "new generation" cantaloupes with the Fresh Quest logo. "[It's] our guarantee that our melons will consistently be sweet and flavorful on purchase," he adds.

Donovan, who has "always been happy with the quality and consistency of supply," adds, "In addition to the supply being consistent, the prices stay pretty consistent."

Dean Balzum, produce director, Kowalski's Markets, a St. Paul, MN-based chain with nine stores, characterizes the consistency of supply from Central America as "very good."

Due to its many micro climates, Guatemala offers a steady supply of products that are only seasonally grown in the United States or other countries. Buying "good quality produce, such as cherries and seedless grapes, at a reasonable price from Central American when they are out of season in the United States gives us a chance to bring spring to our consumers in January and February," explains Balzum. "That's especially true in Minnesota because our winters are so long."

IDEAL CLIMATE

Although Guatemala is a small country — about the size of Kentucky — it has a wide variety of climates ranging from tropical rain forests to 15-meter-plus highlands to small deserts. "So we can grow many, many kinds of different products very quickly, very well and throughout the entire year," explains Merida of the Guatemala Trade Office. "That's why we are called The Country of Eternal Spring. We can pretty much grow anything anytime"

Guatemala has a rainy season and the country has experienced high-velocity tropical storms including some that become hurricanes elsewhere. In 2007, when the last tropical storm hit, it created some disruption in production but because Guatemala is protected by mountains, it was nothing significant enough to affect supply.

"There have been some hurricanes that have skirted us," notes Michael Warren, president, Central American Produce, Inc., based in Pompano Beach, FL, "They haven't affected supply."

Guatemala's soil is very fertile due in part to its 32 volcanoes, including a few that are always spewing ashes. This means the soil can be used to quickly grow virtually any kind of crop without requiring many chemicals during production, Warren adds.

"The tropical climate in most Central American countries allows for excellent growing conditions for many consumer produce favorites," explains Del Monte's Christou. "In recent years, consumers have expected these healthful favorites to be at their local retail stores, no matter the season."

Importers are also bringing in a variety of exotic produce, including snow peas, sugar snaps, mini carrots, broccoli florets, green beans, french beans, green peppers, herbs and flowers, full heads of broccoli, chives, Brussels sprouts and peppers. Some Central American suppliers are also increasing exports of blackberries and raspberries as well as small-volume or low-demand vegetables such as leeks, green onions, multicolored peppers, cucumbers, radicchio, artichokes and even organic produce that until a few years ago were not available from Central America.

Three years ago, CAFTA-DR granted Guatemala permission to ship certain produce that it wasn't allowed to ship in prior years. That list includes red tomatoes, red, green and multi-colored bell peppers, rambutan and most recently, blueberries, which will be shipped to the United States this winter.

COST-EFFICIENT TRANSPORTATION

Since Guatemala is so close to the United States and shares a border with Mexico, the cost of transporting produce into the United States is relatively low compared to trucking

Brand Imaging

Guatemala has succeeded in creating a brand image for its coffee, and some importers are creating brand images for produce.

Central American Produce, Inc., Pompano Beach, FL, uses the Mayan Pride brand for its melons, Mayan Fresh for other products and Gusto for its individually bagged radicchio. "Some consumers recognize our Mayan brand because we've had it for years," reports Michael Warren, president. "We also feature the Mayan brand on our Web site, in our POS information and in the recipes we create."

Fresh Quest, Inc., Pompano Beach, FL, is positioning its Fresh Quest melons, which it characterizes as "new generation" melons, as premium melons with high sugar content, excellent coloring and a longer shelf life than any other melon on the market," explains Lou Kertesz, vice president, marketing and sales. In its marketing, Fresh Quest promises its melons "will always be sweet and favorable and will hold up after being sliced and refrigerated for several days." For the past two seasons, Fresh Quest has individually stickered all its melons.

Brooks Tropicals, LLC, Homestead, FL, applies labels with its Web site address directly to its papayas, reports Mary Ostlund, marketing director. It does the same with its cartons of star fruit. "We get a lot of traffic on our Web site because of that. People want to know more about the fruits or they are looking for recipes or nutritional information." Ostlund also writes a blog discussing the benefits of consuming tropical produce as well as ways to use them.

Ayco Farms Inc., Pompano Beach, FL, has used the logo and brand name, MiniMe, on its personal seedless watermelons for almost six years. It also promotes the quality, taste and nutritional value of MiniMe on its Web site, according to Kenny Kodish, key account manager in sales and marketing.

"That kind of marketing support is very helpful and it will be even more helpful with the country-of-origin labeling law (COOL) in effect as of Sept. 30th for produce," states Teagan Donovan, ethnic produce manager, Jungle Jim's International Market, based in Fairfield, OH.

Kowalski's Markets, based in St. Paul, MN, creates its own POP for displays, but Dean Balzum, produce director, is "always glad" to see growers send informational material he can use to describe exotic produce to consumers or to tell them how to prepare it. Some growers/shippers from Central America are providing that and Balzum expects and hopes to see the trend continue. **pb**

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produce from coast to coast. The time lag from the harvesting of produce to its arrival at its end destination tends to vary; the produce is usually transported by ship but sometimes by air.

If a retailer is receiving produce from Guatemala's Atlantic coast, "The time will be shorter for the boat to arrive in Miami than for the truck to arrive from Los Angeles," explains Merida of the Guatemala Trade Office. "The cost of fuel for the ship will be less than the fuel costs for the truck, plus there are fewer labor costs associated with ground transportation. That gives our region a clear advantage over other regions such as South America or Asia. Plus, because Guatemala has ports on both its Atlantic and Pacific sides, we can ship [efficiently] to Miami, Los Angeles or Louisiana."

Jungle Jim's Donovan emphasizes that freight on produce coming from California could cost him "$325 a pallet as opposed to $150 a pallet for produce imported from Central America and coming to me from Florida. Those types of saving add up quick."

Kenny Kodish, key account manager in sales and marketing, Ayco Farms, Inc., Pompano Beach, FL, stresses that escalating fuel costs are changing the dynamic of produce procurement. "These days, it costs too much to ship produce from California, Arizona and Mexico to the Northeast and Southeast. The freight is almost prohibitive, so while the freight costs from Central America are not cheap, they are more affordable. We have heard of trucks costing as much as $7,000 to $9,000 during this past spring and summer, coming from the West Coast to the Northeast, as hard as that is to imagine. Is that going to continue this winter? We think so."

In addition, Kodish points out, the upswing in fuel costs is also causing some trucking companies to go out of business. "As you take more trucks out of the available transportation dynamic, especially during peak demand periods [and combine it] with limited transportation supplies, it results in higher freight costs."

VALUE-ADDED PRODUCTS

For the past few years, some Guatemalan exporters have tried to add more value to their products by creating specialty items, such as mini vegetables packaged in small trays, that deliver more convenience to the consumer. All the labeling on packages coming to the United States is in English and some exporters are branding their products, either on the trays or with stickers on individual items.

Almost all Central American growers, packers and shippers use high-quality packages that maintain uniformity of the produce, notes Central American Produce's Warren. "Central America does have an advantage on labor, so they can make nicer retail and consumer packs. To extend shelf life, many Central American exporters, are now using special enhanced plastic bags that maintain a controlled environment to contain ripening products such as cantaloupe, he adds.

Ayco Farms is exploring a variety of options to move products more efficiently through the food chain, including finding ways to reconfigure boxes so more can fit on a pallet to maximize freight efficiencies.

FOOD-SAFETY STANDARDS

In recent years, product recalls of produce contaminated in the field have made food safety a top priority for everyone in the supply chain.

"Because of our long-standing tradition of producing high-quality products, consumers and retailers can be confident that when they purchase Del Monte, they will be getting the highest quality and safest produce," states Christou. "As a vertically integrated company, we are able to control everything from our farms in Central America to the store. Our farming safeguards ensure that our products meet some of the strictest guidelines for sanitary and phytosanitary measures in the food industry."

Central America exporters and importers rely on "very stringent food safety regulations," notes Warren. "As growers and distributors, we take food safety very seriously. We had an import alert for melons recently but no one ever did find a direct connection between the contaminated product and the grower in Honduras. Everyone is constantly food testing, water testing, complying with the certification requirements of PrimusLabs and GlobalGap as well as creating and maintaining our own checks and balances. We all consider food safety an important issue and we all work on improving systems every year. It's a necessity." **pb**

Best Ways To Sell Peruvian Asparagus

Add value to the asparagus category through exciting displays, enticing promotions and creative cross-merchandising.

BY JODEAN ROBBINS

Fresh Peruvian asparagus continues to grow in popularity with consumers.

"Per capita consumption of fresh asparagus has increased by more than 45 percent since 1998," notes Priscilla Lleras, coordinator, Peruvian Asparagus Importers Association (PAIA), Dallas, TX. "It is anticipated to increase to 1.3 pounds per person, including foodservice, in 2008. Per capita consumption of asparagus in the United States has almost doubled in the past decade alone, exceeding the rate of growth exhibited by nearly all other vegetables."

She adds, "In 2007, the United States imported more than 273 million pounds of fresh-market asparagus of which Peruvian asparagus represented more than 56 percent of the total world supply. In the same year, Peruvian asparagus represented 57 percent of the total U.S. import value for fresh-market asparagus."

Still, asparagus is often an impulse buy. "Asparagus is still fairly an impulse item except for certain holidays," reports John Campbell-Barmmer, director of marketing, Chestnut Hill Farms, Miami, FL. "It may be on the shopping list for Thanksgiving, Christmas and possibly Easter, but otherwise it's an impulse, which is why retailers need to concentrate on merchandising it."

Promotional techniques, such as increasing visibility, can help retailers sell more. "Asparagus has shown itself to be a popular promotional item for retailers because consumers respond well to it," according to Matthew DeCarlo, president, Altar Produce, LLC, Calexico, CA. "There are big increases in demand and sales volume when retailers promote."

Not everyone shares this view. While Peruvian asparagus serves a key role in supplying asparagus when California, Washington and Mexico are not growing, Leo Rolandelli, president, Jacobs, Malcolm & Burtt Co. (JMB), San Francisco, CA, says it often lacks freshness. "Our customer base prefers asparagus from California and Mexico.

"The logistics of moving the product from Peru is very difficult," he continues. "By the time it's cut, packed and shipped, no one knows how many days have passed since it was harvested. Time is a major issue with Peruvian asparagus."

Consumers should be able to find asparagus easily in stores, but this isn't always the case. "Part of the problem is finding asparagus when you go into a supermarket," Campbell-Barmmer points out. "You have to really look for it. Giving it a more prominent display will help increase sales."

"Placement in the store is important yet many times the consumer has to hunt for asparagus," agrees Dan Borer, sales manager, Keystone Fruit Marketing, Inc., a Greencastle, PA-based supplier and marketing partner of Progressive Produce Corp., Los Angeles, CA. "Make it as visible and attractive as possible. It's a great product and it will sell."

Variety and options in the asparagus display create excitement and sales. "Marketing different sizes and colors can help to increase profits," adds Don Hessel, general manager, Mission Asparagus, LLC, Oxnard, CA.

The more exposure, the greater the opportunity for increasing sales. "You'll always sell more if you put it in high-traffic locations," states Rick Rutte, produce director, North State Grocery (NSG), Inc., a Cottonwood, CA-based chain with 20 stores. "Even if you just widen out the display in its normal location, you'll see some results."

USE CLEAR SIGNAGE

Signage is key to attracting consumers to asparagus displays. "One of the biggest mistakes is not having a visible sign telling customers where the product is or what the price is," notes Campbell-Barmmer. "If consumers have to hunt for the product or guess at the price, they won't buy it."

"Signs that promote aggressive pricing to con-

sumers are helpful," DeCarlo notes. "They can really help consumers understand when the price being offered at a specific time is especially attractive."

Signs can convey a variety of useful information. "Signs should educate the consumer," advises Charlie Eagle, vice president of business development, Southern Specialties, Inc., Pompano Beach, FL. "We try to explain the flavor profile, growing/harvesting methods and recipes for white asparagus from Peru. You should show pictures of prepared dishes where possible."

"Effective signage describes different ways to prepare asparagus and recipes," adds Nick Osmulski, sales manager, North Bay Produce Co., Inc., Traverse City, MI. "Many consumers simply aren't aware of all the different usages of asparagus. Numerous times, I've seen someone try asparagus prepared in a way they've never had before and comment on how good it was."

HANDLE WITH CARE

The perishable nature of asparagus means retailers should always be conscious of how the product is handled throughout the chain. "Refrigeration is extremely important for asparagus at the retail level to get the most shelf life out of it," states Osmulski. "Many retailers have very strict specifications for the temperature of asparagus upon arrival to their warehouses. However, when it gets to the store level, it's being displayed at room temperature all day."

"Refrigeration helps prolong the shelf life for both the retailer and consumer," explains Mission's Hessel. "Optimally, it should be at 35° to 36° F and standing in water if possible. Asparagus does best in high humidity."

"Maintaining a proper cold chain is the single most important factor contributing to maximizing shelf life," reports Altar's DeCarlo. "Maintaining proper cold chain and maximizing shelf life are important because they are directly correlated to the commercial value of the product. Maximizing the amount of time a product is fresh and aesthetically appealing is logically connected to determining how many consumers entering a given store will decide to purchase asparagus. Put simply, fresh product generates more sales and minimizes costs associated with in-store shrink."

Hydration is also important. "Dehydration is a big issue with asparagus," notes Chestnut Hill's Campbell-Barmmer. "Keeping the butts in water or keeping it misted and refrigerated works against the natural dehydration process. If it's not going to be displayed in refrigeration, we recommend it be displayed in water, like an ice tub, which will draw water up through the stalk and keep the asparagus from dehydrating."

Retailers should be careful how they hydrate and display the product. "It should be displayed in the refrigerated section without the water misters hitting it," according to Osmulski. "A common mistake is displaying it in the correct area but having the water hit it all day. This causes the tips to get soft and slimy throughout the day."

OFFER VALUE-ADDED

Peruvian asparagus importers are working closely with their suppliers and/or farms to bring value-added options designed for both retail and foodservice to market. "As U.S. consumers increasingly look for healthful and convenient foods, the Peruvian asparagus importers are providing customers with various options, including convenient, economical, microwavable and ready-to-eat selections," explains PAIA's Lleras. "This is making fresh asparagus an easy-to-prepare and convenient option for U.S. households."

"The value-added products are good in the off-season because people are cooking more," reports NSG's Rutte. "Since I'm in California, consumers may not want to pay the premium on value-added when local is in season, but it's a real value in the import season."

Promoting value of the product is especially pertinent to consumers. "The value-pack approach is very relevant particularly with the economy right now," notes Keystone's Borer. "Everybody is looking for value. Asparagus is a high-value product because it's very nutritional, eye appealing and extremely easy to use. It's ready to go."

Eagle suggests "offering a variety of value-added asparagus products from Peru, such as asparagus tips, microwave bags, grilling asparagus and white asparagus."

CROSS-MERCHANDISE

Retailers can cross-merchandise asparagus with an array of items. "Asparagus goes with so many items and can easily be an add-on vegetable," advises Campbell-Barmmer. "It can be merchandised with any sauce beyond the typical hollandaise. Bagged salads are another idea. Cross-merchandising asparagus with other vegetables, such as broccoli, gives you the chance to promote a highly nutritious combination."

Cross-merchandising asparagus "can be as simple as placing [it] near lemons, hollandaise sauce or soup mixes," Eagle states. "Asparagus is particularly good grilled. Place it near other grilling vegetables and next to meats and seafood. White asparagus works well cross-merchandised with prosciutto ham and parmesan cheese."

Combining products from other departments provides additional solutions. "We've done complete meals displayed in one section with asparagus, meat, bread, cheese and wine — a one-stop meal solution," explains NSG's Rutte. "Especially with products such as white asparagus, having complementary

Thinking Ahead

Planning ahead can help with promotion and profit. "Often asparagus is flown into the United States with higher costs," explains Don Hessel, general manger, Mission Asparagus, LLC, Oxnard, CA. "Planning ahead can help not only to lower costs but also to provide more accurate delivery times. Forecasting is difficult but planning ahead can help to meet scheduled promotion times, keep pricing down and keep the shelves accurately filled helping to maximize sales and profits."

Rick Rutte, produce director, North State Grocery (NSG), Inc., Cottonwood, CA, says, "Because of the nature of the business, you can't plan too far out with produce, but I generally write ads two to three weeks out and know when [Peruvian asparagus] will be plentiful. You can go by history, too, looking at what you did in the past and how it worked. Our distributor does a good job keeping us informed about availability and what's coming up."

Proper planning revolves around good communication. "The more perishable the product, the more important communication is," according to Dan Borer, sales manager, Keystone Fruit Marketing, Inc., Greencastle, PA. "Staying in close contact with their suppliers will allow retailers to take advantage of changes and to be able to pass the value along to the consumer, resulting in success for everybody."

The Peruvian Asparagus Importers Association (PAIA), Dallas, TX, supports retailers through its category-management plan outline for fresh Peruvian asparagus. "The focus in the development and distribution of the category management-plan outline is to share information regarding the health benefits of fresh Peruvian asparagus as well as data pertaining to the trade," notes Priscilla Lleras, coordinator. "Encompassed within the plan are statistics identifying market growth and trends, industry facts and informational data aiding retailers in the marketing and promotion of Peruvian asparagus." **pb**

items or a recipe help sell the product."

"One natural combination is asparagus and steak," says Altar's DeCarlo. "Retailers can utilize promotional floor stand displays placed strategically in meat department."

LOOK BEYOND HOLIDAYS

While traditional holidays move asparagus, retailers can increase sales during other times. "Traditionally, peak production in the field does not coincide with peak demand periods or holidays," explains DeCarlo. "Retail promotions can be a valuable tool to stimulate demand when consumers are not inherently looking for asparagus and especially for those non-traditional asparagus months characterized by strong production."

"Thanksgiving and Christmas are the obvious times to promote asparagus, but retailers also need to look at periods when volume is highest and prices are lowest," agrees North Bay's Osmulski. "This typically occurs during September and October."

The combination of volume and quality favors early fall promotions. "September is a great month to promote," advises Chestnut Hill's Campbell-Barmmer. "You're still barbecuing in September and asparagus is a good BBQ item. There's also good promotable volume and pricing at this time."

"October is a good month for promotions because it's in the heart of the best quality and supply from Peru," reports Mission's Hessel. "While holidays are a great time to promote asparagus, pricing and logistics can be an obstacle. Good, accurate planning is very important during the holiday season."

Southern Specialties' Eagle suggests looking at other holidays, too. "Peruvian asparagus can be successfully promoted for the Jewish holiday season in September, Valentine's Day and Easter," he says. "Both white and green asparagus can be offered."

BE FLEXIBLE WITH PRICING

The more flexible a retailer can be with pricing, the better. "If retailers can shorten the time required to change pricing at store level, they can take advantage of aggressive and temporary pricing during unforeseen production increases and inevitably see huge increases in sales of asparagus," says DeCarlo. "Used periodically throughout the year, this strategy contributes to the retailer experiencing growth in sales. For those retailers that have changed prices quickly, we have seen in-store promos — without any print support — quickly and efficiently create significant increases in demand."

JMB's Rolandelli says Peruvian asparagus "is not always an easy product to market." It is best thing to "try to get it at the best price possible and feature it during peak season," between September and December.

"Pricing is a very complex issue," adds Keystone's Borer. "Everybody's costs on the farming end are up, and getting more money for the product is a challenge for everyone." He suggests cultivating sales by "presenting value to the consumer and passing value onto the consumer."

Pricing and advertising don't necessarily mean offering bargain-basement prices. "Advertising the product on a monthly promotion seems to work well," reports Campbell-Barmmer. "Asparagus responds well to ads and ads don't have to be just price driven."

"We're able to sell asparagus nearly year-round, but when it gets plentiful enough for ad, I put it on ad, which is not necessarily at holiday time," notes NSG's Rutte. "It may not be on ad for 99¢, but even a small price discount helps move the product."

"Retailers probably have a good handle on the correct strategy for their demographics," states DeCarlo. "However, one strategy unfavorable for marketing asparagus is EDLP [everyday low pricing]. Asparagus production varies a great deal based on changes in temperature, age of field and many other factors. EDLP works in direct contradiction to equalizing supply and demand of asparagus." **pb**

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Reader Service # 6

Merchandise Imported Onions With Ease

Sweet offerings from Peru, Chile and Mexico bring excellent profits when domestic supplies are unavailable.

BY DUANE CRAIG

In September, when the Vidalia season runs dry, many turn to Peru for sweet onions. Delbert Bland, owner, Bland Farms, LLC, Vidalia, GA, says his father sent a handful of seed to Peru years ago with a man who was visiting the country.

Today, that seed provides the company with very flat sweet onions well into February. After that, Bland Farms sources from Ecuador and Mexico.

"What happens is Vidalia basically runs out of its controlled-atmosphere storage onions [in September]," reports Bob Debruyn, owner, Debruyn Produce Co., Zeeland, MI. "It varies year to year. There is a market for flat sweet onions and Peru fills that gap quite nicely. That deal will take us around to at least the Mexican sweet onions, which are rounds, but they seem to fill in that little gap between Peru and when Vidalia starts back again."

In order to close the gap between Peruvian and domestic onions, some companies are importing sweet onions from Chile. "Chile is just so much farther south then Peru that the weather patterns are quite different, so Chile is later and would probably be somewhat similar to Vidalia season," according to Matt Curry, president, Curry and Co., Brooks, OR.

Brian Kastick, general manager, OsoSweet Onions, San Francisco, CA, says Chile's cool nights help drive the sugar content in its onions. "Plus, Chile's rich soil produces low pungency, very sweet and very mild onions."

"Peru is in harvest from August until December and [into] January. Depending on the year, Chile comes into play because they are harvesting into late November and December and those onions get you into March," adds Curry. "Mexican sweets are going then also, but some people do not like to do those and prefer to stay with Chilean product until Texas comes on line. Texas then overlaps with the beginning of the Vidalia season."

"Vidalia shippers tried to store the onions to stretch the season but have not had a lot of success due to quality issues

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coming out of storage," explains Wade Carmichael, senior category manager of produce, Ukrop's Super Markets, Inc., a Richmond, VA-based chain with 29 stores. "The retail customer who uses the sweet onion is a different customer than the one who uses a yellow onion for cooking purposes. The sweet onion is no longer an in-and-out or seasonal item, but it has rather become a staple item to the consumer."

Bland of Bland farms believes Peruvian onions rival Vidalias. "They are fresh and the growing conditions in South America are much more conducive to an onion than they are here in Georgia," he states. "The areas that we grow these onions in Peru, for example, are places that have had about a quarter of an inch of rain in four years. As a result, all the water that is put on them is irrigation water so you are able to water them exactly when you need to. You don't have all the humidity and the disease pressure that you have in Georgia. The Peruvian onion will be better quality overall than the Vidalia. It is a very mild sweet onion — and it only makes you cry when it is gone."

According to Kurt Schweitzer, president, Keystone Fruit Marketing, Inc., Greencastle, PA, "The best sweet onions are grown during the spring season in a specific area. This coincides with the inherent mechanism of short-day sweet onions to start bulbing. A true short-day sweet onion needs to be grown and harvested weekly. They are not storage type onions. These certified sweets meet the expectation of customers who demand the sweetest onions all year-round."

Photo courtesy of Shuman Produce, Inc.

Onion fields in Peru have a season that lasts nearly six months.

PROFIT OPPORTUNITIES

"The advantage of Peru is the consistent quality of the onion varieties of which we use four varieties of Granex," reports Barry Rogers, president, Sweet Onion Trading Corp., Palm Bay, FL. "Consumers and buyers alike prefer a sweet-flat type. I think this comfort keeps sales brisk at store level."

"The season is a good six months long," adds John Shuman, president, Shuman Produce, Inc., Reidsville, GA. "That is a tremendous advantage for being able to deliver consistent supplies. The other particularly important thing is the varieties down in South America. We are able to grow the same varieties in Peru that we grow in Vidalia. I

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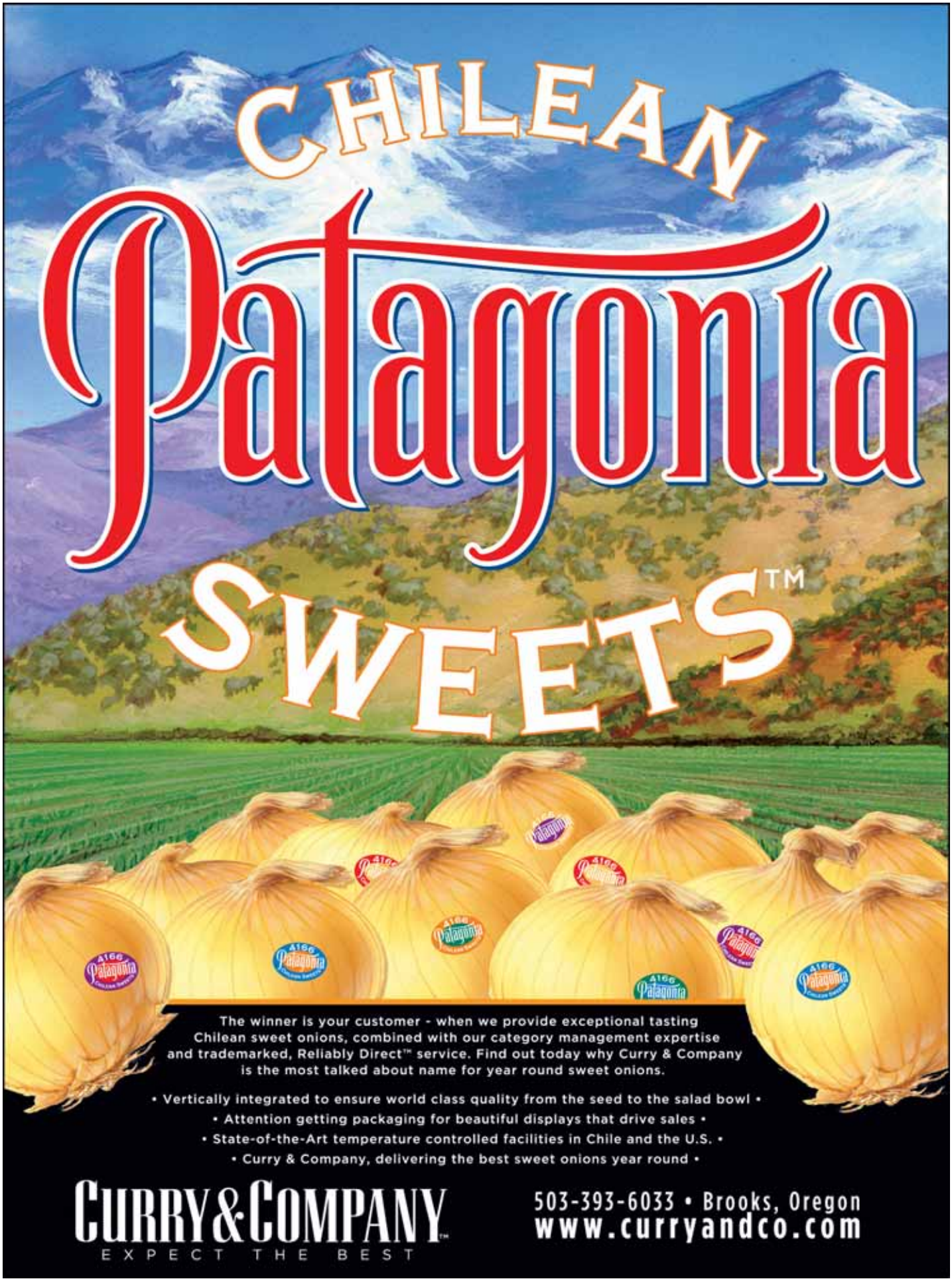

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think everyone would agree Vidalia sweet onions created the sweet onion category, and so it is sort of the mother of all sweet onions in terms of consumer preference and in consumer-brand recognition."

"There aren't very many products that [cause] consumers [to] tear up," explains Curry of Curry and Co.. "So a sweet onion is one way to mitigate that. That is why the category consumption has increased."

According to Bland of Bland Farms, "All the onions we bring in from Peru and all of South America, we bring in bulk. We regrade and repack all of them. Some of these onions are packed in Peru. If you packed them down there and they traveled by boat and then it was 20 days by the time you actually delivered that onion to the grocery store, it has probably been 45 days since those onions were looked at by a person. So we definitely repack."

Henry Lehmann, produce buyer, Dierbergs Markets Inc., a Chesterfield, MO-based chain with 23 stores, does quite a bit of business in imported onions. "I use Bland Farms," he says. "They have a good offshore onion for us that fills in the gap in supply. So it gives us sweet onions 52 weeks out of the year." Throughout the year, many of his consumers ask when each of the various sweet onions will be arriving.

"[Imported onions fill in] much the same way the imported Chilean stone fruit and grapes have filled the gap we used to have when the California season ended," explains Ukrop's Carmichael. "Other than the first few weeks of new crop Vidalia shipping, weekly and ad-case movement remain relatively the same on the Vidalia and imported onions throughout the year."

CHALLENGES

The vagaries of this past year's market and this year's growing conditions have affected supplies and sizes. "What was challenging this year is the onions just didn't get ready," notes Debruyn of Debruyn Produce. "The temperatures hadn't gone up as high as they normally do, and they had a lot more cloudy, foggy days. Those onions will stay green virtually forever in those conditions. You need a little heat to cure them."

> **"[Imported onions fill in] much the same way the imported Chilean stone fruit and grapes have filled the gap we used to have when the California season ended."**
>
> **— Wade Carmichael, Ukrop's Super Markets, Inc.**

"One thing about this year's crop is it is significantly lighter than last year," continues Curry. "Last year, there was a record amount of imported onions that came to the United States. This year, we will probably see a 25 to 30 percent reduction. Nonetheless, there will still be plenty of promotable volume for retailers. We're going to see sizing that is not as large as it was last year."

Shuman of Shuman Produce expects volumes to be enough to meet retail demand. "You're going to see the prices higher than last year. One of the reasons is the overall crop out of Peru is going to be down. That's strictly because the farmers in Peru had such a devastating season last year. FOBs in the United States were so low it didn't justify a good return for them. It was one of the rea-

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sons the crop in Peru came off a little bit late this year. The farmers in Peru had a tough time getting their finances together last spring when it was time to plant. It took them two, three, four weeks longer than it should have — and I'm talking about the industry as a whole. So the crops were a good couple of weeks behind."

> **"We just work ahead with the shippers. I don't wait until the last minute to place orders. We stay ahead of the game so that we have ample supplies."**
>
> **— Henry Lehmann**
> **Dierbergs Markets, Inc.**

"Sourcing challenges change every season," notes Rogers of Sweet Onion Trading. "Our values and expectations are much different from the values and expectations of different countries. Even when they are articulated, cultural differences can cause problems in communication."

"We just work ahead with the shippers. I don't wait until the last minute to place orders," relates Dierbergs' Lehmann. "We stay ahead of the game so that we have ample supplies."

Ukrop's Carmichael doesn't experience any major issues when sourcing onions. "Inspections at shipping points and at the ports have improved, and the supply chain has not been disrupted. The only issues that could arise are a late boat or when the shippers have weather-related events that can sometimes delay harvest," which are the same issues that affect domestic growers. "Normally, once the season starts, it goes uninterrupted until it finishes about the time we start to ship new crop Vidalia onions."

PROFITABILITY

Debruyn of Debruyn Produce remarks that sweet onions have moved toward premium pricing.

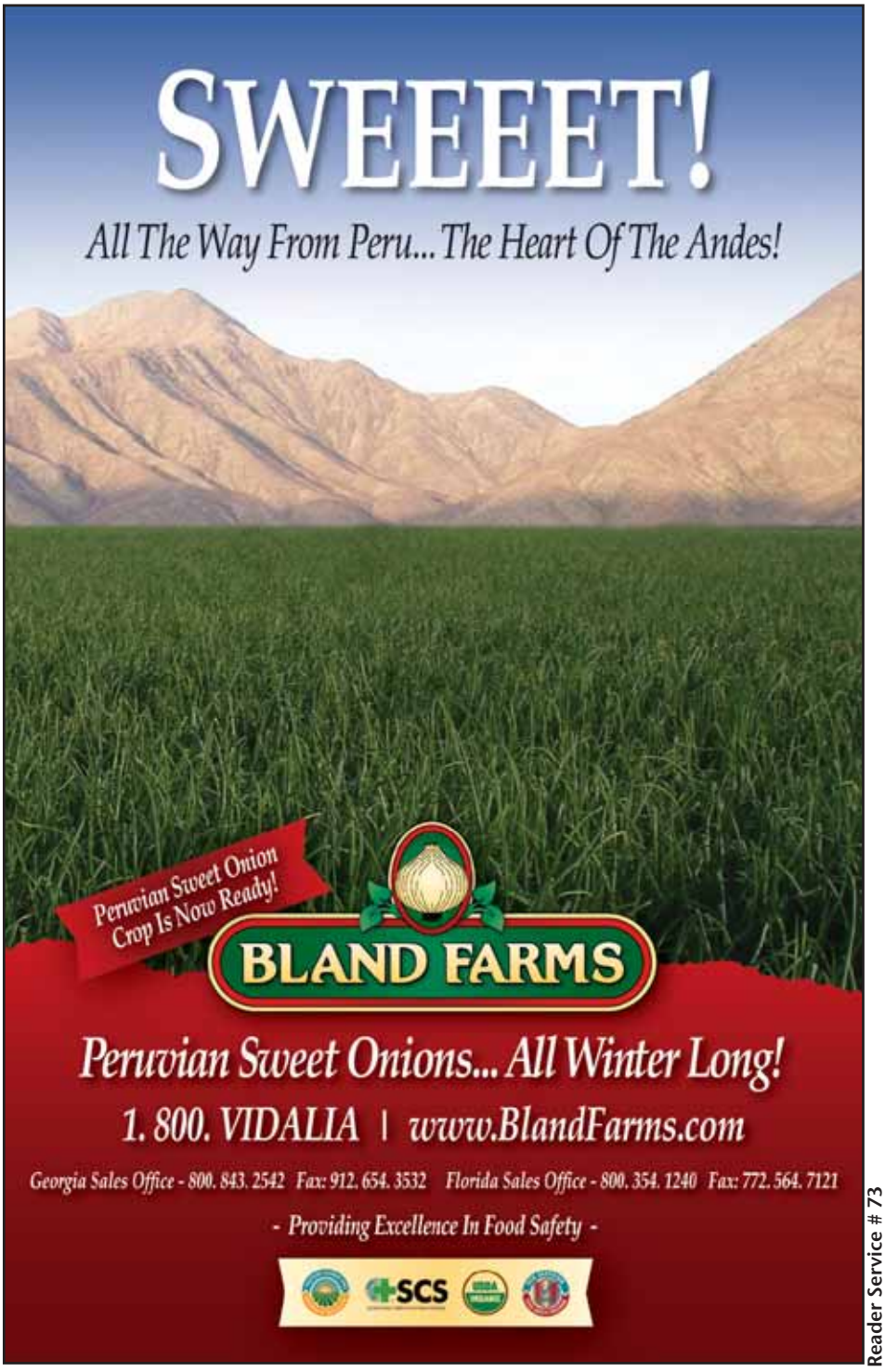
"There's no question they're profitable," states Bland of Bland Farms. "They're going to have a higher retail [than standard onions]. Having that higher retail means you are going to have a better profit margin and gross margin as well."

"The margin for the retailer is definitely greater when selling a sweet onion rather than a standard onion, and that is why you see them featured," explains Curry of Curry & Co. "The retail margins are great and so stores want to build more retail space for them and do more promotions. I don't think they need to lower their prices on yellow onions — they just need to have a consistent, daily price."

OsoSweet's Kastick suggests using plenty of banners and POS materials to promote sweet onions, particularly during the winter months. "We import sweet onions from Chile from January through March."

"Sweet onions are a big part of wintertime onion retail sales," adds Ken Nabal, vice president of sales and logistics, Frontera Produce, based in Edinburg, TX. "Frequent promotions with appealing displays can drive incremental sales."

Shuman of Shuman Produce recommends having consistent variety, shape and flavor to build consumer appeal. The holidays and other group-gathering events, such as the Super Bowl, are excellent times to conduct recipe-driven and bin promotions. **pb**



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Winter Merchandising

Build spectacular sales this holiday season with cross-merchandising, themed promotions and eye-catching displays.

BY CAROL BAREUTHER, RD

In the backdrop of a turbulent economy, some consumers are opting to take staycations or stay-at-home vacations this holiday and winter season, opting to entertain family and friends in their own environs.

"Entertaining and cooking at home will become an even bigger part of the picture," explains Karen Caplan, president, Frieda's Inc., Los Alamitos, CA. Not only does this give retailers the opportunity to offer consumers low prices, but it also allows retailers to inspire consumers with variety of ingredients and new ways to use them, she adds. "Innovative chains, for example, are now doing this with in-store cooking classes."

This time of year, back-to-back holidays provide a variety of wintertime promotional themes.

DECEMBER
CHANUKAH
Dec. 21-29

Celebrated by the Jewish faith, this holiday also known as The Festival of Lights lasts eight days and eight nights. "It's a time for traditional foods such as potato pancakes — or latkes — and family gatherings," states Caplan.

Produce items ideal to merchandise around this holiday "include all types of onions such as shallots and white, gold and red pearls; potatoes such as Dutch Yellow, mixed Fingerlings and Ruby Gold; and specialty vegetables such as fennel, horseradish, parsnips, beets and celery root," recommends Robert Schueller, director of public relations for Melissa's/World Variety Produce, Inc., headquartered in Los Angeles, CA.

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Seckel pears are in-season, notes Dennis James, director of marketing, Pear Bureau Northwest (PBN), Milwaukie, OR. "These are small, colorful, sweet pears popular with the Jewish community."

Kings' Specialty Mushrooms Promotion

Cooking with specialty mushrooms was the theme of a promotion held the week leading up to Christmas 2007 at Kings Super Markets, Inc., Parsippany, NJ. "We're known as the store that offers consumers something new and different, hence the theme 'Expect the unexpected,' explains Paul Kneeland, vice president of produce and floral. "Our goal with this promotion was to bring in some strange mushroom varieties at a time when consumers were more apt to cook as well as entertain."

Double-sized refrigerated displays up to 6-feet long held varieties, such as lobster, maitakes, royal trumpets, and white and brown beech mushrooms. The base of the display held bulk while shelves above were set with packaged mushrooms. Each variety was tagged with a label identifying its name and usage tips. Packaged dried mushrooms were also part of the display. Some stores, room permitting, cross-merchandised some of the specialty mushrooms in the meat department.

Concurrent with the in-store displays, Kings ran a full-page color ad in its weekly circular about the specialty mushroom promotion. "In addition to the mushrooms on ad, we included the non-advertised ones in the display, too, to show off the variety Kings offers," according to Kneeland. "The displays drew lots of attention and the purpose was to make consumers aware of what was available to intrigue them and to engage them." **pb**

CHRISTMAS Dec. 25

Christmas Day is one of the biggest food occasions of the year. "Christmas displays should be colorful, festive and filled with plenty of products," Schueller reports.

Carrots are a wintertime staple, states Phil Gruzka, vice president of marketing, Grimmway Farms, Bakersfield, CA. "When it gets colder, carrot sales get a natural boost because they are key ingredients in soups and stews. They are also a vegetable that adds a healthful balance to holiday party fare. Value-added carrots continue to be huge. Our No. 1 carrot SKU [that has grown] by double-digits every year for the past few years is the microwave petite carrots."

Retailers should display and promote a variety of carrot products, Gruzka recommends. "For example, offer a deep discount

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on popular baby carrots paired with a few cents off another value-added item to encourage customer trial. For example, if a 1-pound baby typically retails for $2.29, then drop the price to $1.29 for promotion and co-advertise carrot chips at $1.78 or $1.89 rather than $1.99."

Wintertime is also peak season for leafy greens, especially leafy cooking greens, explains Jan Berk, vice president of sales and marketing, San Miguel Produce, Inc., Oxnard, CA. "Spinach continues to be one of the most popular leafy greens among consumers, however, gaining in popularity are kale, chards and beet greens. These greens, like spinach, are milder in flavor and have excellent nutritional value, making them attractive to consumers.

"Bulk leafy cooking greens make for an attractive wet-rack display," she continues. "Packaged greens displayed near the bulk greens will provide consumers with a convenient and timesaving option when preparing their holiday meal. Providing simple signage that offers preparation and cooking tips helps greens to be less intimidating. This season, we will be providing holiday recipes to help enhance sales and cross-promotional programs with the company's Cut 'n Clean Greens seasoning."

Sweet potato sales are strong in December, reports Matt Garber, partner, Garber Farms, Iota, LA. "We sell 35 to 40 percent of our crop in the weeks before Thanksgiving, but Christmas is also a big sales holiday."

George Wooten, owner and president, Wayne E. Bailey Produce Co., Chadbourn, NC, says, "We offer 10-pound boxes for the holiday. At a special rate of 89¢ to 99¢ per pound, people, especially in the South, see this as a great gift. A great way to merchandise sweet potatoes is by linking them with a recipe. Include the associated ingredients right in the display, too, for convenience. Recipes really get people thinking."

According to Dave Moquist, co-owner, O.C. Schulz & Sons, Inc., Crystal, ND, "There's good demand for all types of potatoes because they are an essential part of the traditional holiday meal."

Red, White and Yukon Gold potatoes are good movers for the holidays, reports Tom Campbell, co-owner, Tri-Campbell Farms, Grafton, ND. "So are our mini-gourmet creamer potatoes offered in a 28-ounce plastic clamshell."

Size A Red potatoes sell best for Christmas, adds Steve Tweten, co-owner, NoKota Packers, Inc., Buxton, ND. "So do Reds in 5-pound bags."

Donald Flannery, executive director, Maine Potato Board (MPB), Presque Isle, ME, reports, "We're historically a round, white-table market. Now, we grow Reds and Golds as well and see them all move well from November right into January and February."

Tight supplies caused higher prices for potatoes this summer, slowing sales more than usual, notes Ted Kreis, marketing director, Northern Plains Potato Growers Association (NPPGA), East Grand Forks, MN. "With more plentiful supplies, cooler weather and holidays approaching, it's important for retailers to increase space and promote potatoes again."

However, "It's also crucial to keep prices at a level where producers can make a profit," adds Paul Dolan, general manager, Associated Potato Growers (APG), Inc., Grand Forks, ND. That means retailers aren't going to be able to get the same prices they got for potatoes in the past."

Retailers shouldn't worry about deeply discounting potatoes for holiday consumption. "Consumers are going to buy them anyway, so a deep discount is just giving away your margin," advises Seth Pemsler, vice president of retail for the Idaho Potato Commission (IPC), Eagle, ID. "It's important to promote potatoes to keep them top of mind. Recipes and ways to facilitate their use are a great theme during the holidays since more people tend to cook."

Brad Brownsey, trade representative, Prince Edward Island Potato Board, Charlottetown, PEI, Canada, agrees, adding, "Pro-

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Rice Epicurean's Super Bowl Promotion

Just about everything in the produce department can tie into snacking and parties, "so we have a lot of fun at Super Bowl time and consumers get hyped," reports Mark Luchak, director of produce and floral, Rice Epicurean Markets, a Houston, TX-based chain with five stores. Potatoes, tomatoes, avocadoes, berries, dips, watermelon and pineapple are just a few of the produce items ties in to the promotion. "We'll also set up displays and promote produce that ties in to the colors of the teams that are playing, along with team balloons," he adds.

Talking signs accompany each promoted item. "For example, we'll write 'Great for potato skins' on the potato sign or 'Great for dipping' next to the berries," Luchak reports. "The signs make an instant connection, giving consumers immediate ideas of how they could serve and enjoy each item."

This past year, produce staff turned a number of personal-size watermelons into single-serve boats filled with pineapple chunks, grapes, melon balls and berries. These were featured in store and in the promotional circular. "They were such a hit. They went fast," Luchak notes.

Rice's Super Bowl produce promotion starts two weeks before kick-off, "to put it in people's minds," he reports. "It's a soft start, but the biggest part of the promotion is the week leading up to the game." **pb**

mote varieties and their best uses — a potato is not just a potato. Add quick and easy-to-prepare tips and recipes to your ads, POS signage and educational information consumers can later peruse at home."

JANUARY
NEW YEAR'S DAY
Jan. 1

New Year's Day is filled with college football games, parades, special events and food. Entertaining is the theme, explains Frieda's Caplan. "Pre-assembled fruit and vegetable trays are big as are the ingredients for consumers to make their own. Offering entertaining party ideas is a great way to increase produce sales."

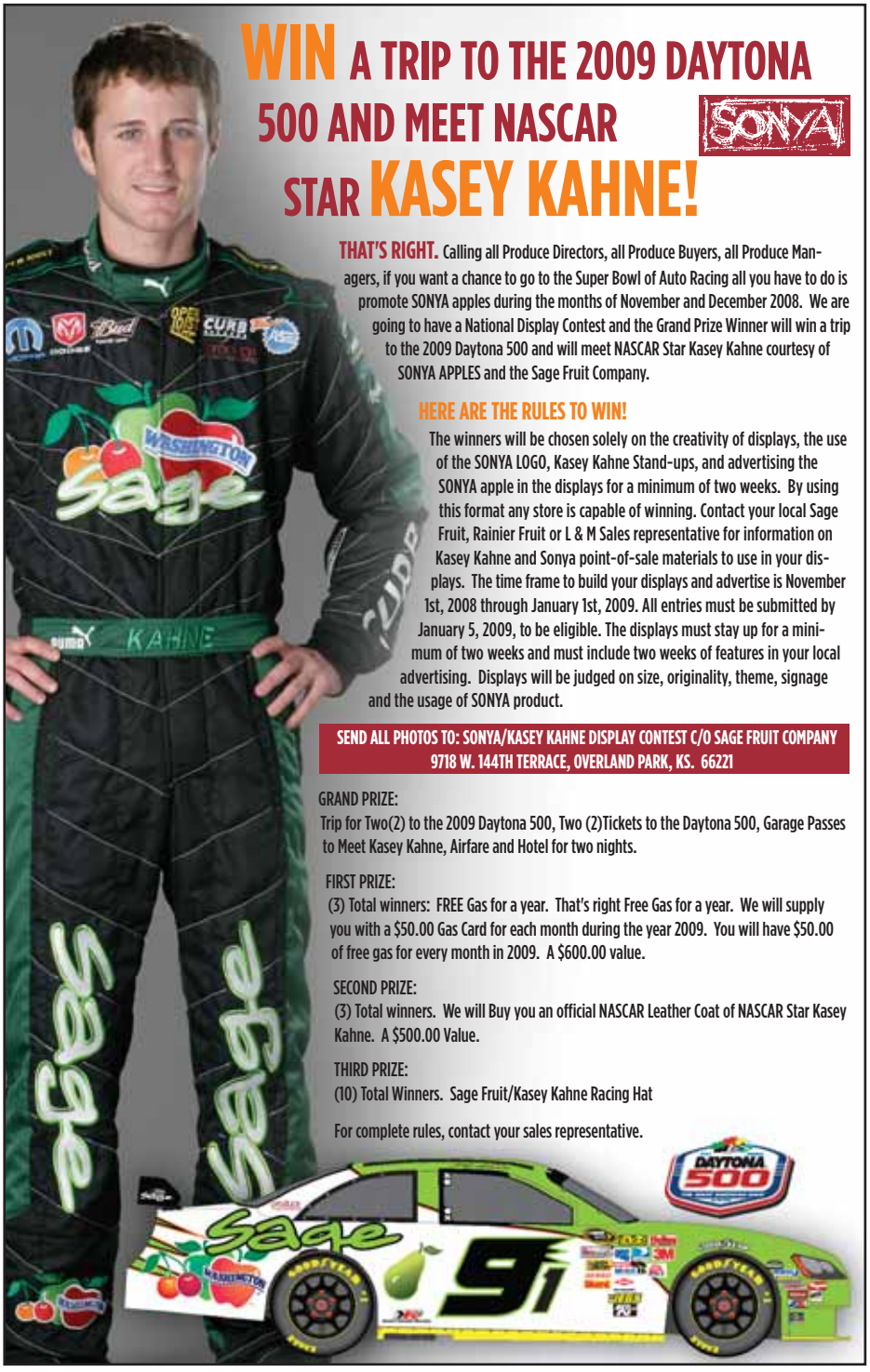
The New Year is also a time many consumers think about healthful eating, adds Melissa's Schueller. "That means they're trying to eat more produce in general."

Available year-round, salad ingredients also offer retailers a chance to boost produce sales around New Year's celebrations. "In the winter, we source 65 to 70 percent of our tomatoes out of Florida," reports Joe Comito, president, Capital City Fruit, Norwalk, IA.

Seasonal fruits, such as pears and apples, are another draw. "Display pears with apples," suggests Neil Galone, vice president of sales and marketing, Booth Ranches, LLC, Orange Cove, CA. "Consumers buy both, and showcasing product side-by-side makes for eye-catching color breaks."

The healthful, high-fiber, quick-energy attributes of pears will be the focus of a PBN 2009 promotion. "We'll be working with medium to small chains through their wholesalers on a promotion called InsPEA-Ration that can be customized in a variety of ways," states James. "Basically, POS materials and ads will convey that pears are a great part of a healthful diet and exercise program. Retailers, working through their wholesalers, can promote any pears they'd like. For example, the Northeast likes Bosc and the Midwest Green Anjou."

In-season citrus is a seasonal, cold-fight-



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ing and nutrient-packed favorite during the winter. In early 2009, Florida grapefruit and grapefruit juice will be the focus of an integrated advertising and public relations campaign organized by the Florida Department of Citrus (FDOC), Lakeland, FL. "The objective is to reach a young demographic and educate them about grapefruit's taste and nutritional attributes," according to Leigh Killeen, director of domestic marketing. "We'll do this via print ads in publications, such as *Cosmopolitan* and *Cooking Light*, and with a celebrity health expert that will head our head-to-toe Ruby Red Carpet campaign. The idea is to tie into the film industry awards season and show how eating grapefruit and drinking grapefruit juice can help you look and feel great."

"Florida offers a full line of citrus," notes David Mixon, senior vice president and chief marketing officer, Seald-Sweet International, Vero Beach, FL. "In addition to stocking Florida navels and grapefruit throughout the season, retailers can take advantage of the availability of a variety of specialty citrus for in-and-out promotions. For example, Sunburst tangerines begin in late December and run through the end of January and Honey tangelos are available in February and March. We provide retailers with a planner that helps them to plan promotions in advance."

Reader Service # 20

Econo Foods Celebrates Chinese New Year

Econo Foods, an Iron Mountain, MI-based chain with 25 stores, has been promoting Chinese New Year for 10 years. "There aren't many purely produce holidays, except perhaps Cinco de Mayo, according to Jim Weber, produce supervisor. "That's why we first decided to do this promotion. Plus, people want to eat more healthfully at the beginning of the year. Asian cuisine has a healthful connotation."

Napa cabbage, daikon, bok choy, snow peas, sprouts and ginger are among the 25 to 40 items each store's produce department features in 8- to 12-foot displays. The displays are signed with theme banners to catch consumers' attention and also feature a number of tear-pad recipes for consumers to take with them.

"Only one of our stores has a significant number of Asian consumers, but we run the promotion in all stores and in our ad circular," states Weber. "It's a great way to draw in new consumers. In fact, we run the promotion for three weeks so consumers can get familiar with the products and we can get repeat sales."

The promotion resulted in Asian category sales experiencing a lift of from 10 percent during one year without promotions to 400 to 500 percent on some items during the following year when these Asian items were highlighted. "Eggroll wrappers and wontons experienced a huge lift," according to Weber. "Bok choy and Napa cabbage also got a big lift, as did carrots." **pb**

Claire Smith, public relations manager for Sunkist Growers, Inc., Sherman Oaks, CA, agrees, adding, "Cara Cara navels, pummelos, oroblancos, moro oranges, melogolds and honey mandarins, for example, are all available during the winter.

"The best way to introduce some of these less familiar varieties is to demo them — cut, sample and provide usage tips and recipes," she adds.

Group all citrus into one big eye-catching display, Smith suggests. "A big, colorful citrus display goes a long way toward brightening up the winter gloom and stimulating impulse purchases."

During the next five years, "Florida will have several new citrus varieties available," states Mixon. "These all aim to provide consumers with what they want: taste, flavor, easy peel and seedless."

CHINESE NEW YEAR Jan. 26

The traditional Chinese New Year or Lunar New Year "combines the elements of many American holidays into one celebration," according to Melissa's Schueller. "Ideal items to promote include vegetables such as ginger, daikon, baby bok choy and napa cabbage, edamame, eggroll wrappers and wonton wrappers, tofu and fruits such as pummelos, oroblancos and Buddha's hand."

Melissa's offers a useful Chinese New Year promotional kit to retailers. Each kit contains shelf strips, danglers and three recipe tear pads — one for ginger, snow peas and bok choy.

"We carry bok choy and Napa cabbage year-round, but we see a spike in sales for Chinese New Year," notes Jesse Perez, sales manager, Pismo-Oceana Vegetable

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Reader Service # 22

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FEBRUARY
SUPER BOWL SUNDAY
Feb. 1

The Super Bowl is one of the most widely watched sporting events in the world and the most popular football game in the United States. "This means a day of parties with plenty of fast and easy snack foods," according to Schueller. "Best-selling items include salsa and salsa ingredients, such as tomatoes, chilies and cilantro; limes for salsa and beer; nuts for snacking; fruits, and, of course, guacamole, avocado and other guacamole fixings."

According to Jan DeLyser, vice president of merchandising, California Avocado Commission (CAC), Santa Ana, CA, "Last year, 3.18 percent of the total annual retail sales of avocados took place during the Super Bowl and Cinco de Mayo was in second place with 2.82 percent."

To get the most sales out of this holiday, DeLyser says, "Display a line-up of party favorites, such as avocados, chips, salads, soda, beer/wine and deli items, to make the selection of process quick and easy for shoppers. Start your displays and advertis-

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ing of Super Bowl promotions early to maximize sales and create impact and awareness with the shopper. Make sure you have plenty of ripe avocadoes not only prior to Super Bowl, but also on Super Bowl Sunday. Many partygoers make half-time runs to the grocery store to purchase more soda, beer, chips and avocados."

VALENTINE'S DAY
Feb. 14

Everyone thinks of sweets for Valentine's Day, but instead of encouraging consumers to buy candy and chocolate, retailers should suggest consumers, "Serve healthful fruits and vegetables in creative ways to show how much you love your loved ones," advises Schueller. "For example, retailers can promote ingredients, such as crepes, roasted bell peppers, fresh herbs, berries and tropical fruits."

PBN will again offer its Perfect Pairs sweepstakes for Valentine's Day. The promotion has spiked sales of Bosc and Red Anjou pears up to over 100 percent in the two years PBN has run the contest in participating stores, reports James. "The sweepstakes has a romantic Valentine's Day theme and asks entrants to complete their entry form by listing items they believe pair perfectly with pears. Consumers pick up Perfect Pairs entry forms at their retailer's pear display. This in turn gets consumers familiar with these two varieties."

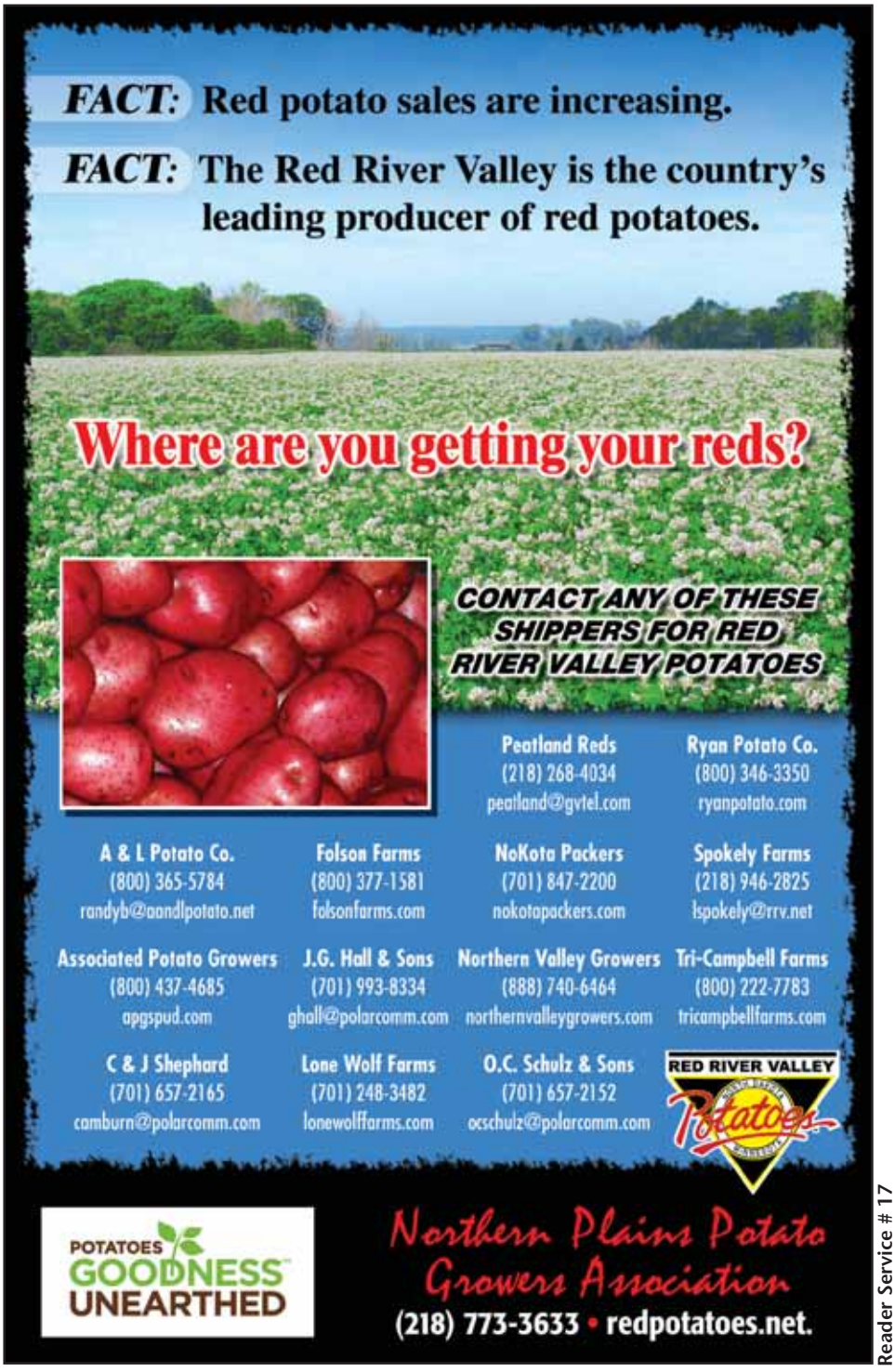
Winners, who have their entry drawn, are eligible to receive a $200 shopping spree or the grand prize of $3,000 cash. The promotion has been so successful "that many retailers have extended it to run the whole month," points out James.

POTATO LOVER'S MONTH
February

In February, IPC will hold its 18th annual Potato Lover's Month (PLM) Retail Display Contest. In 2008, PLM received nearly 2,000 entries and awarded more than $150,000 in cash and merchandise prizes to retailers across the country.

"Historically, I'm told the promotion was started because February was the lowest month of the year for potato sales," reports Pemsler. "While we don't have national statistics to prove it, the display contest has made February one of the best months [for potato sales]. Last year, for example, our shippers saw an average 10 percent bump in sales and Idaho's share of the market increased 3 to 5 percent compared to other states during this time."

In 2009, IPC will partner its promotion



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Piggly Wiggly Promotes Potato Lover's Month

Huge, eye-catching displays stop customers dead in their tracks in the midst of the winter doldrums. That's the attitude taken by Jeff Stewart, produce manager at the Piggly Wiggly, LLC, store in Bonifay, FL, who won first prize for his efforts in the Boise, ID-based Idaho Potato Commission's (IPC) Potato Lover's Month (PLM) display and ad contest this past February. Piggly Wiggly is a Keene, NH-based chain with more than 600 stores and an affiliate of Keene, NH-based C&S Wholesale Grocers, Inc.

It takes four things create this kind of in-store excitement, reports Stewart. "The first is a theme. We used a super-hero or super-spud theme to highlight that potatoes are healthful, nutritious and a good choice after over-eating during the holidays."

Second, "It takes massiveness," he adds. "The display was built on pallets from floor to ceiling in the middle of the department where we had more room. The focal point was a 2-foot by 4-foot Russet we made out of chicken wire and old store circulars turned into paper mache. We created a waterfall of loose bakers and used 10-pound and 4-pound cello bags of Russets on either side."

Cross-merchandising is the third important point. "We ran ranch dressing and Cheez Whiz on one side and up the back of the display, and, we set up an ice bin with sour cream on the other side," describes Stewart. "Fresh heads of broccoli were next to the sour cream. Dried potato flakes were also a prominent part of the display."

Fourth, creativity is key. "We came up with the concept and then ordered our banner," he states. "On it, we played on our Super Spud theme by picturing an Idaho Russet in a cape with the words 'It's a Russet. It's a Baker.' We also highlighted that the potato is fat-free and cholesterol-free and provided the Web site for the IPC so consumers could use it to find recipes.

"The display must be shop-worthy too," he continues. "Consumers have to be able to reach every item easily. Sure, it's about the wow [factor], but more importantly it's about selling product." **pb**

with Mrs. Dash and Molly McButter, both manufactured by Alberto-Culver Co., Melrose Park, IL. "PLM is adapting to the nutrition trends of today," Pemsler explains. "Most folks start a new diet in January and this is the right product for this time of year." The success of PLM "is that it creates excitement and draws consumers into the produce department during the cold of winter. It's important at the same time to educate consumers about all the ways potatoes can be enjoyed." **pb**

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Reader Service #31

Nine Ideas For Better Banana Merchandising

Boost sales of this popular produce item by expanding offerings, building creative displays and promoting beyond price.

BY CAROL BAREUTHER, RD

Some 99.7 percent of all bananas sold in the United States are imported, yet this staple is America's favorite fruit and a sales are gold mine for retailers.

"Bananas are available year-round, they're a value in spite of recent price increases, they're easy to eat, they come in their own packaging, there's no guess work to figuring out when they're ripe and they appeal to consumers of all ages," extols Mark Luchak, director of produce and floral at Rice Epicurean Markets, an upscale 8-store chain based in Houston, TX. "It's no wonder they're so popular and such a profit center. I expect they'll stay this way in the future, too."

Bananas are indeed a lucrative category. In 2007, they contributed 5.4 percent of total produce department sales, according to statistics supplied by The Perishables Group Inc., West Dundee, IL.

A 2-color program caters to consumers who want ready-to-eat bananas or bananas that will be ripe in a few days.

1. KEEP CAVENDISH KING

The regular yellow-skinned or Cavendish banana "is No. 1 and will always be No. 1," reports Paul Kneeland, vice president of produce and floral, Kings Super Markets Inc., a 25-store chain based in Parsippany, NJ. "This variety is synonymous with banana, much as navel is with orange."

"Given today's lifestyle trends, all varieties of bananas show an increase in consumption, but the Cavendish maintains the No. 1 spot, controlling 90-plus percent of all banana sales," states Dionysios Christou, vice president of marketing, Del Monte Fresh Produce N.A., Inc., Coral Gables, FL.

2. OFFER RIPE BANANAS

The single most important factor to guarantee maximum banana sales "is having ripe — meaning the right color — bananas on the shelf at all times," advises Craig Stephen, vice president and general manager, Chiquita Brands International, Inc., Cincinnati, OH. "In a single color program, this means a color 4 or 5. This is the nearly ready-to-eat stage consumers look for. A common retail mistake is to put out green bananas, a color 3, for example, with the idea of preventing shrink. In the consumers' mind, however, the green color means not yet ripe and many will walk away without buying."

A 2-color program — offering both ripe and unripe bananas — can be difficult to execute consistently, but it's worth it, according to Jim Weber, produce supervisor for Econo Foods, a 6-store chain based in Iron Mountain, MI. "If you don't offer both — meaning bananas ready-to-eat in a day or two as well as those ready to eat in a couple of days — then it's telling the consumer they have to come back. If they don't, then you've potentially lost half of your sales."

A 2-color program "varies according to the market, but a general rule is to offer 60 percent ripe and 40 percent green or color 3," notes Marion Tabard, marketing director for the Turbana Corp., Miami, FL.

For display purposes, "The product should be separated by ripeness stage to facilitate different consumer choices," reports Christou.

Executing a 1- or 2-color program optimally boils down to having the right ripening protocol in place. Smaller chains tend to outsource ripening to a wholesaler. "We

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have 5-day-a-week delivery from our wholesaler," notes Kneeland. "On the weekend, they turn down the ripening. The end result is a consistent color for our consumers seven days a week."

Rice Epicurean gets banana deliveries every other day. "Occasionally, we'll see a spike in sales and have to ripen ourselves in the back room, but that's not often. We have pretty good forecasting and a dependable supply schedule from our wholesaler," according to Luchak.

Many large retail chains ripen bananas and other produce items, such as avocados, in their own distribution centers. David Byrne, vice president of sales, Thermal Technologies, Inc., Blythewood, SC, says, "The general rule of thumb is that if you're selling three loads of bananas a week, there can be a benefit to ripening yourself. That's because you need a minimum of three ripening rooms to provide flexibility and optimally control color. The same color or ripeness will ship two days from one room, before you need to move to a different room."

While there are no new technologies with regards to banana ripening, Byrne says refinements in the current process over the past five to six years have allowed a greater consistency of color. "More attention now is being paid to controlling the temperature of the banana itself instead of the air space in the room. The temperature of the banana is the most accurate barometer of how fast or slow it will ripen. For example, a color 4 at 58° F may last four days or only 2½ days if the pulp temperature is 62° F. Greater control over ripening means greater control over color and ultimately sales."

Ironically, offering a ripeness level that will maximize sales and minimize shrink often drills down to the last 50-feet of the bananas' 2,000-plus-mile trip from the tropics — that is, conditions from the retail backroom to display. "There's a wide range of temperature conditions in the backroom," explains Byrne. "A color 4 banana sent to 100 different stores can have 100 different outcomes on the shelf and ultimately in the consumer's kitchen."

Thermal Technologies offers a single-pallet fruit conditioner designed to store bananas in the back room at the ideal temperature of 58° F. "It eliminates the need for upcapping, cross-stacking and sorting," Byrne adds. "These are backroom best practices that can often damage fruit."

3. RECOGNIZE REGIONAL TRENDS

Consumers' preferences for bananas are generally uniform across the nation. However, retailers can capitalize on niche nuances. For example, according to data from The Perishables Group, consumers in the Eastern and Central states consume the most bananas, while sales volumes are lowest in the South. However, consumers in the South are the largest purchasers of specialty bananas (4.7 percent of category sales versus the national average of 2.7 percent), while stores in the central states see the lowest level of specialty banana purchases (0.8 percent).

Bagged bananas are another regional preference. "Historically, the Northeast has always been a bagged banana market," explains Bill Sheridan, vice president of sales and marketing, Banacol Marketing Corp., Coral Gables, FL. "The thought is that the bag protects the fruit from rubbing and scarring in the box during transit. Also, that it protects the bananas from chill damage in cold weather."

Turbana's Tabard adds, "Bagged bananas are also popular in certain formats such as club stores. The advantage is that you sell one unit per shopper and it reduces shrink at store level."

Chiquita is looking at two new packaging innovations. "Some convenience stores have started merchandising single bananas as a grab-and-go snack for up to $1 apiece," explains Stephen. "The problem historically has been that relatively infrequent delivery and low sales volume to this channel have created problems with shrink. As a result, we have introduced proprietary technology that creates shelf-life extension. This would add incremental sales and have applications in traditional retail formats such as merchandising bananas at the check-out."

Chiquita is planning to re-introduce its Chiquita Minis in a clamshell pack. The clamshell would provide a platform for messaging such as branding, nutrition and other serving suggestions.

4. BUILD MULTIPLE DISPLAYS

Some retailers position bananas at the front of the department to attract consumers. "Consumer research continually emphasizes the importance of great produce departments as the primary criterion for selecting a supermarket to shop and often the produce department is judged by its banana display," explains William Goldfield, communications manager, Dole Fresh Fruit Co., Westlake Village, CA. "It's important, therefore, for the display to be bountiful with quality fruit. A sparse display sends the wrong message. In difficult economic periods, consumers will become even pickier about quality to ensure the maximum value is derived from their fresh produce purchases. If consumers find an item visually unappealing or otherwise impaired, the item will remain on the shelf."

Other retailers position their banana displays toward the back of the department to pull consumers in and through. "Our banana displays are two-thirds of the way back in the department, near the potatoes and onions," reports Econo Foods' Weber. "We leave the front of the department for seasonal items and bananas aren't seasonal." Conventional and organic Cavendish are pre-

Looking Ahead

Retailers and suppliers are confident the banana category will continue to hold the top revenue-producing spot in the produce department. "We've seen an increase in both tonnage and sales during the past year in spite of supply issues this summer," explains Paul Kneeland, vice president of produce and floral, Kings Super Markets Inc., Parsippany, NJ. "The cost of bananas has risen, true, but so has the price of nearly all items in the produce department. In spite of the rising tide of all items, I think bananas will still stay No. 1."

The future of the banana looks good "as it continues to be one of the best values in the produce department," reports Dionysios Christou, vice president of marketing, Del Monte Fresh Produce N.A., Inc., Coral Gables, FL. "In the coming years, however, suppliers and retailers will have to increase their merchandising efforts by creating eye-catching displays and appealing marketing campaigns as competition from other products is expected to grow. As companies continue to source produce from other regions, there is a greater variety of products available year-round. In the past three years, seasons for stone fruit, citrus and melons have been extended as availability from other global growing regions becomes available."

Retailers should not view these challenges as insurmountable because the unique characteristics of the banana draw many different types of consumers, Christou adds. **pb**

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sented side-by-side on displays a minimum of eight feet wide, adds Weber.

"Organic bananas are best merchandised according to the philosophy of the retailer," notes Stephen. "For example, a chain whose consumers shop there because of its organic department should have organic bananas merchandised in that area. On the other hand, a chain that isn't particularly known for its organics should merchandise organic bananas next to conventional with the appropriate barriers for integrity so that consumers can see all of their choices at once."

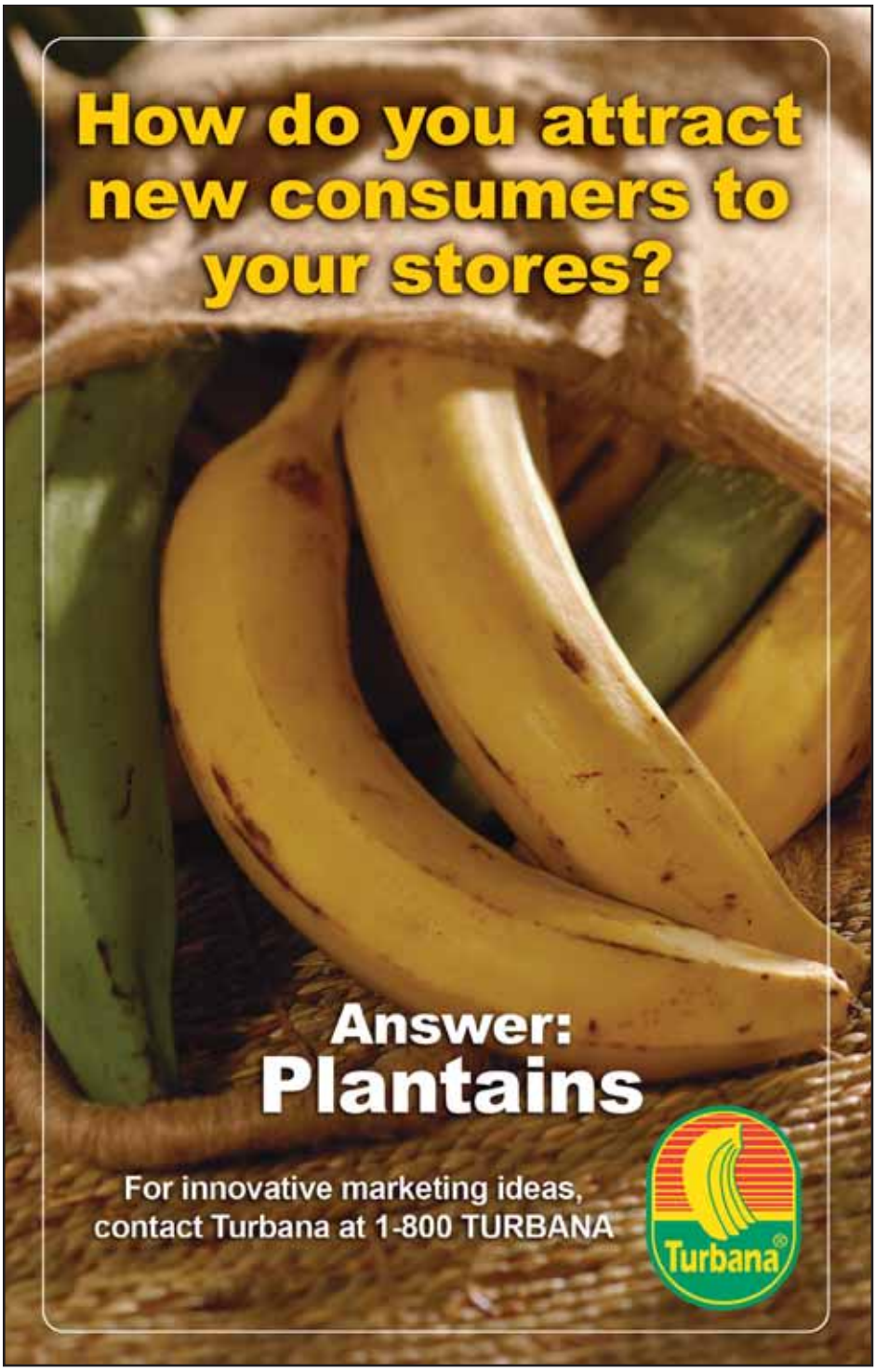
"We integrate specialty bananas, such as reds and babies, into the main banana display and use these as color and size breaks," explains Kings' Kneeland.

Another way to merchandise specialty bananas "is on end caps or to the left or right of the main banana display," recommends Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., Los Angeles, CA. "This way, consumers can clearly see and be enticed to try these higher-margin items."

Big displays, or an average of 30 square feet, should attract more consumers, advises Del Monte's Christou, "However, demographics and store size should be carefully analyzed in order to avoid shrink."

Often, not enough space is devoted to this No. 1 selling fruit, adds Chiquita's Stephen. "The right size shelf space," he says, "accommodates the amount of bananas displayed in a single layer — so they don't bruise from stacking — that will turn over in five to seven hours. Longer than this and the display appearance suffers."

Luchak makes sure bananas are displayed at Rice Epicurean in multiple spots throughout the stores. "Our primary display is an average 6-foot by 8-foot in the produce department. We also have a banana tree display in the cereal aisle and in the deli next to the sandwiches and prepared meals. This last spot has been really productive for us."



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5. MARKET DEMOGRAPHICALLY

Kids, seniors and ethnic shoppers are all niche consumer groups for bananas. Mini bananas "show good interest by kids and parents buying for kids," notes Kneeland.

"We position our Chiquita Minis as a naturally smaller variety of bananas for when a little is exactly enough," adds Stephen. "That fits with kids. It also resonates with seniors and anyone else with a smaller appetite."

The colors, unique tastes and interesting sizes of specialty bananas, such as red and baby bananas, "are appealing to kids and offer tremendous opportunities to increase consumption among younger consumers," reports Christou. "Adults and seniors are more interested in nutritional facts, convenience and pricing, so it is important to include this information when communicating with these groups."

Plantains "are the No. 1 specialty banana with Latin customers," notes Schueller.

Diversification is important, stresses Turbana's Tabard. "By diversifying the offering, retailers can expand the category and meet the needs of different shoppers. For example, offering conventional bananas, organic bananas, Fair Trade Certified bananas, as well as the exotic varieties such as babies, reds and manzanos. This has been a successful strategy in several European countries."

6. CREATIVELY CROSS-MERCHANDISE

Cross-merchandising bananas with ice cream and sampling the two "are effective sales boosters for both products," suggests King's Kneeland.

According to Christou, "By cross-merchandising, retailers have the opportunity to increase banana sales and sales of related products. Ideas include pairing bananas with ice cream, strawberries, other tropical

fruit, cereal, salads, chocolate dips and peanut butter. It can be especially beneficial to pair bananas with other fruits for smoothie purposes, as they are a big part of the healthful lifestyle trend. Cross-merchandising ripe and green plantains with cheeses and other typical Hispanic foods, such as guacamole or rice and beans, can also create additional sales opportunities."

7. OFFER ORGANIC

Organic bananas are becoming a "huge part of the category," according to Kneeland. "They're providing a good boost to category sales."

Even when organic bananas aren't setting category sales on fire, they are trending to be must-haves in many produce departments. "Organic Cavendish bananas are a year-round SKU in our stores," Luchak adds. "It's not that they're a big part of banana category sales, but they are incremental and they are our No. 1 selling fruit in organics."

Weber of Econo Foods reports, "We carry organic bananas as well as conventional because we feel it's important to give our customers' that choice."

Organic banana sales currently represent about 2.5 percent of the category, according to Chiquita's Stephen. "There's been strong growth in the past year and in the past couple of years in organic bananas. We expect this to continue and organic bananas to grow to represent 7 to 10 percent of category sales in the next five years."

On the other hand, "Organic sales could be adversely affected by cost structure and the slowing economy," says Tabard.

"In the future, we may look at offering Chiquita Minis and plantains as organic," Stephen notes. "But currently, we're focusing on an organic Cavendish since this variety represents the largest segment of the category."

8. GAIN INCREMENTAL SALES WITH SPECIALTIES

Beyond Cavendish and organic, other specialty banana varieties are popular with consumers at Kings, notes Kneeland. "This summer, we brought in the ice cream or Hawaiian apple bananas and positioned them as unique to our stores. We provided descriptive information and flavor profile and made consumers feel a real emotional attachment. As a result, we sold out."

At Rice Epicurean, plantains, red bananas and manzanos are merchandised as in-and-out items, says Luchak. "We'll bring them in individually for a few weeks at a time and then bring them back when consumers start asking for them. This way, it builds excitement and anticipation, and consumers will buy in case they're not in store the next week."

Specialty banana dollars accounted for 2.7 percent of category sales in 2007, according to data from The Perishables Group.

"Consumers are becoming more aware of the exotic varieties, such as reds, manzanos and plantains and they continue to do well, especially in regions of the country where Hispanic and Caribbean nationalities are prevalent," reports Christou.

Education is especially important to garnering and growing sales of specialty bananas, explains Schueller. "Let consumers know the story behind the variety. For example, the Hawaiian apple banana is grown on the slopes of Hawaii's most active volcano, Kilauea. They are smaller and sweeter than the Cavendish variety.

"Tell consumers about the flavor of each specialty banana, its optimal ripeness, texture, nutritional attributes and how best to enjoy, he adds. "This can be done via signage, ad circulars, demos and other communication channels that reach consumers."

9. PROMOTE BEYOND PRICE

Retailers are promoting bananas less as the price per pound has risen. "We used to promote two to three times a year," notes Econo Food's Weber. "In fact we just put bananas on ad for 38¢ per pound, which is hot since prices have risen to anywhere from 65¢ to 69¢ per pound after years of being 39¢ to 49¢ per pound."

Bananas have indeed experienced their first major price increase in years. According to The Perishables Group, banana prices jumped from 53¢ per pound in the fourth quarter of 2007 to 57¢ in the first quarter of 2008 and then 64¢ in the second quarter.

Kings didn't promote Cavendish bananas this past year, states Kneeland. "We only promote the unique items because we found promoting regular bananas didn't really boost sales. Sales went right back down to baseline the week after the ad. Advertising specialty bananas is beneficial because consumers aren't as familiar with them."

Price doesn't always have to be the promotion's focal point, notes Stephen. "For example, a promotion can take place around a seasonal event such as back-to-school, or retailers can promote bananas' unique characteristics such as their high potassium content or other lesser known benefits."

Christou concurs and adds, "We offer demo kits, recipe cards and cross-promotions with other fresh produce items. The use of POS materials, such as healthful lifestyle display cards that show nutritional value and benefits, recipe cards, inflatable bananas or other props, can also attract the attention of consumers." **pb**

Six Tips For Merchandising Citrus Year-Round

Find new ways to attract consumers with plentiful displays, usage ideas and effective sampling.

BY JULIE COOK RAMIREZ

Fruit grown in warm, sunny climates has traditionally been in season only during the coldest months of the year in most of the United States. On the one hand, this seems appropriate because citrus is associated with good health, giving it extra appeal during cold and flu season. On the other hand, the inability to acquire what might be termed "sunshine fruit" during the warm summer months just never seemed right.

In recent years, that has all changed, as citrus imports have arrived on U.S. shores with increasing frequency — and better quality fruit — boosting consumer interest in a year-round citrus market. "The quality of the imports is really starting to rival what we've been accustomed to seeing just in the winter," explains Vince Mastromauro, produce and floral director, Sunset Foods, a Highland Park, IL-based chain with four stores. "With the advent of different varieties being shipped out abroad, it brings a lot of interest here in the warmer months."

Consumers are growing accustomed to year-round availability as a number of retailers report increased citrus sales during what would previously have been considered the off-season. "Normally, once the navel orange crop withers away, people aren't as interested in citrus, but for some reason, I've seen more year-round interest this year than ever before," notes Karen Seitter, produce manager, Seitter's Market, a single-store operation in New Haven, MO.

This trend gives retailers both a challenge and an opportunity — to merchandise citrus 12 months a year rather than merely three or four. "Retailers need to look at citrus as more of a year-round item," states Luke Sears, president, LGS Specialty Sales, Ltd., Bronx, NY. "There are going to be opportunities for them to promote during time periods when they haven't in the past, which means they are going to have to keep track of the different varieties and keep their promotions in line with what the supply is."

Retailers feel the challenge of merchandising quality citrus throughout the year.

Florida's fresh citrus season began in October, reports Karen Bennett Mathis, public relations director, Florida Department of Citrus (FDC), Lakeland, FL. "Exact dates of availability vary each season due to weather conditions," she notes. "Most Florida citrus varieties are readily available from December through March."

To best merchandise and promote citrus year-round, retailers must flex their creative muscle and find new ways to pique consumer interest in citrus. Techniques include exposing consumers to new varieties providing serving suggestions, offering different purchasing options and making sure the appropriate amount of space is being allocated to the product.

1. KNOW YOUR CUSTOMERS

Above all else, demographics should dictate any retailer's approach to merchandising citrus. By taking into consideration the make-up of their customer base, retailers can best determine not only which varieties of citrus to stock but also how much citrus to stock and how to display it. Fortunately, this proposition is not as difficult as it first appears because the groundwork has already been laid. "Retailers know their neighborhoods," reports Paula Fouchek, marketing director, Edinburg Citrus Association (ECA), Edinburg, TX. "They know the people who are coming into their stores and whatever ethnic area they are in."

Upscale neighborhoods, such as that surrounding Sunset Foods, are highly prized, according to Mastromauro. This has led him to seek out fruit, such as the Heirloom Navel,

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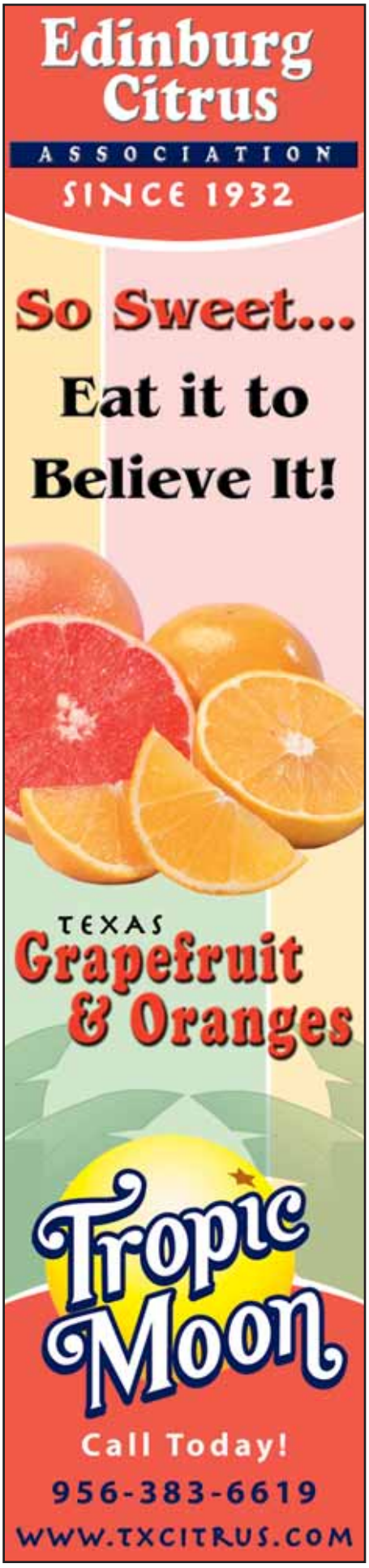

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Partner In Promoting

The verdict may still be out on the ability of recipes to boost citrus sales, but a number of suppliers and retailers testify to the value of cross-promoting citrus with complementary products. Claire Smith, director of corporate communications, Sunkist Growers, Inc., Sherman Oaks, CA, suggests placing lemons with tea or bottled water.

Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., Los Angeles, CA, recommends merchandising key limes with salsa ingredients or with beer, particularly around Super Bowl time.

At Sunset Foods, Highland Park, IL, produce and floral director Vince Mastromauro conducted a successful cross-merchandising program last Thanksgiving, pairing Mandarin oranges with Fresh Express Spring Mix bagged salads.

Darrell Genthner, director of marketing and business development, Noble Worldwide Florida Citrus Sales, Winter Haven, FL, says retailers should be choosy when selecting items to merchandise alongside citrus and thinks placing juicers near juice oranges would be a wise move. "Cross-promotions are only good if they entice customers to buy or help them make better use of your products." **pb**

which he describes as "the most outstanding citrus orange you could ever find."

Sunset's Mastromauro knows his customer base very well and understands that price is not an issue, particularly with a prized piece of fruit. "With something unique like that, there is a price tag attached to it, but it doesn't matter when they know they are getting a good fruit that is by far the best."

Stores located in higher-income areas are also more likely to experience demand for organic citrus than retailers in low-income areas, explains Jim Marderosian, president, Bee Sweet Citrus, Fowler, CA. If a retailer in a low-income area stocks a significant amount of organic produce, the chances of it not selling and rotting are high.

Darrell Genthner, director of marketing and business development, Noble Worldwide Florida Citrus Sales, Winter Haven, FL, breaks down the citrus category into four customer segments: bargain, traditional, quality and gourmet trending. He suggests retailers use that information to "create the right value propositions for the right slots." Retailers serving consumers who fall into the bargain segment must stock the lowest-priced citrus, period. No other factors come into play. Conversely, those serving quality-segment consumers need to ensure they have the cleanest, best-looking fruit possible.

Retailers should also consider the age and ethnicity of consumers. Stores that count many families among their shoppers may wish to increase their stock of Mandarin oranges, particularly at back-to-school time. Because they are easy to peel and seedless, Mandarins make a convenient lunchbox item, according to Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., Los Angeles, CA.

Paramount Citrus Association, Delano, CA, updated its logo and packaging as a means of reaching out to consumers and providing them with a modern, precise representation of the citrus leader, notes David Krause, president. The updated, environmentally friendly packaging is composed of kraft paper, a 100-percent biodegradable, unbleached, natural product. It also showcases the faces of Paramount Citrus employees — growers, packinghouse workers, customer service representatives and their children. "Paramount Citrus takes the environment and sustainability very seriously and incorporates it into business practices, including our packaging," he explains. "We wanted to get closer to our customers and their customers. To do this we asked ourselves, 'How can we get closer to our customers?' This is what we came up with."

LGS' Sears says retailers may wish to stock citrus with popular cartoon characters depicted on the packaging. "Maybe that will force the hand of a mom who's in between two kinds of citrus when the kid wants the Dora [the Explorer] bag."

At the other end of the spectrum, older consumers tend to eat more grapefruit, leading retailers in neighborhoods with an older population to stock more grapefruit.

When it comes to ethnic differences, Asian consumers are more likely to demand kumquats while Latinos prefer Mexican sweet limes, adds Schueller.

2. DESIGNATE SPACE WISELY

Space is at a premium in produce departments. The fight for shelf space is one of retailers' most-discussed frustrations. When it comes to determining the optimum amount of space to allocate to citrus, suppliers recommend "the more, the better," while retailers may say "not so fast."

> **"You look at what your movers are in the citrus category. You want to promote them and give them a fair amount of space on your sets."**
>
> **— Vince Mastromauro**
> **Sunset Food**

With a growing year-round interest in citrus, however, retailers may have to make room for more citrus. How they determine how much room to designate and for what products "depends on how good the price is and if it's in the ad," states Donna Sage, produce manager, Klein's Family Markets, an Aberdeen, MD-based chain with eight stores. "If it's on the front page of the ad, however, you'll want a massive display."

Sunset Foods allocates space based on top sellers. "You look at what your movers are in the citrus category," reports Mastromauro. "You want to promote them and give them a fair amount of space on your sets." He typically dedicates 12- to 16-foot sets to citrus in demand. He takes a somewhat different approach than some retailers, mixing citrus in with other winter fruits to create a colorful end cap. "We try and break it up with color because that's how you sell produce," he adds.

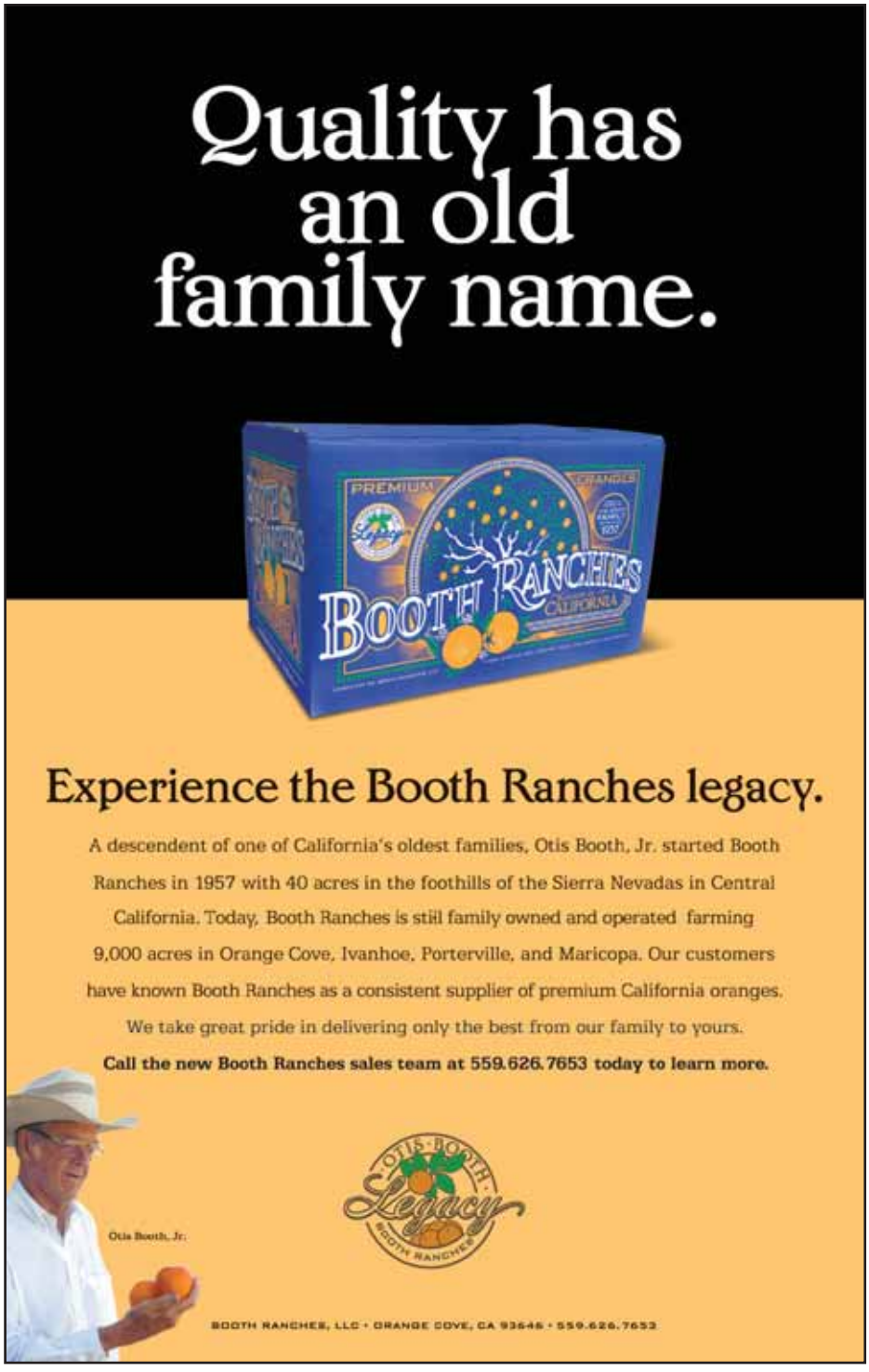
Remember there isn't a one-size-fits-all answer when it comes to allocating space, advises LGS' Sears. He argues space designations vary during different times of the year based on what's available. "I don't think you can put a number of square footage on it because every year is different. A good retailer is going to expand or decrease its displays based on the supply situation and what kind of margins it can make on a product."

3. RETHINK BRAND ALLEGIANCE

While there are a number of national brands in the category, citrus is largely a commodity. That leads to the question of brand loyalty and whether brand name really matters. The general consensus seems to be that it doesn't. Most consumers base their purchases on how the product looks, not on the name on the bag or the sticker. "People are less sensitive to brand when they walk into the store now," says Bee Sweet's Marderosian. "They buy with their eyes. If the appearance is good and it tastes good when they get it home, they are more likely to come back."

Seitter of Seitter's Market agrees, adding, "As long as it looks good and has nice color, that's what people buy."

"People just want quality," says Sage. "It doesn't matter if it's a cheaper brand as long



Reader Service # 4

as it looks good."

Sunset's Mastromauro, however, disagrees, arguing that consumers prize a name they recognize and trust and adding that branded citrus sells well in his store. "We feel there is no substitute for certain labels."

4. SELL BAGGED AND BULK

Bagged citrus drives up overall sales by providing a larger ring than bulk product. but in most areas, it is important for retailers to offer both bagged and bulk citrus in order to satisfy their entire customer base.

"Bulk fruit targets your quality-conscious consumer, which is your high income, highly educated single professional or empty nester, whereas bagged targets bargain hunters and large families," says Noble's Genthner. While bags tend to feature smaller fruit, he believes that's not an issue with consumers who gravitate toward bagged product. "It's not about how large the oranges are — it's about 'I've got five kids and this bag of oranges will at least feed my kids twice over.'"

Bagged citrus may not be as popular in college towns or urban environments where consumers tend to shop for just a day or two at a time, states Nicole Towell, marketing development manager, Duda Farm Fresh Foods, Oviedo, FL.

"I think it depends on the regions," states Al Finch, vice president of sales and marketing, Diversified Marketing, Inc., Lake Hamilton, FL. "Northeast retailers do it by bulk."

It's important to note that bags have yet to catch on when it comes to imported citrus. That's because the ring would be prohibitively high for most consumers, according to Stu Monaghan, national sales manager, DNE World Fruit Sales in Fort Pierce, FL.

5. PROVIDE USAGE IDEAS

Opinions vary when it comes to the usefulness of providing recipes and serving suggestions. Mastromauro says Sunset's recipe center has proven successful in giving consumers different ideas of how to use citrus.

Klein's Sage notes consumers appreciate recipes because they give them new ideas for incorporating citrus into their diet.

ECA's Fouchek suggests placing recipes in ads to eliminate the potential for a mess in supermarket aisles and still provide consumers the opportunity to add the necessary ingredients to their shopping list. "You've turned an impulse sale into a planned purchase because when they're trying a recipe, they want to make sure they don't miss an ingredient," she adds.

While most suppliers and retailers consider serving suggestions at least moderately helpful, some in the citrus industry question their effectiveness. "Who are you targeting with recipe cards?" asks Genthner. "It's certainly not the bargain consumer. It's either going to be the quality or the gourmet trending consumers and they're probably already buying the product, so it's not bringing anybody new to the category."

Towell disagrees, stating that providing recipes is not about bringing new users to the category but giving them new ways to use the products they are already buying.

Photo courtesy of DNE World Fruit Sales

6. ENCOURAGE TRIAL

Sampling is a highly effective tool for merchandising citrus. Both Klein's and Sunset regularly hold sampling events for citrus. Likewise, Seitter's puts out citrus samples on Thursdays, Fridays and Saturdays. "When they say sampling sells, it really sells," stresses Seitter.

Claire Smith, director of corporate communications, Sunkist Growers, Inc., Sherman Oaks, CA, says sampling helps expose consumers to varieties of citrus they hadn't previously experienced. She points to blood oranges as an example. "If people cut open a blood orange and see purple on the inside, they may not know how to react, but if they've sampled it and tasted it, it becomes a product they are familiar with and know how to use."

Finch suggests retailers practice visual sampling as a means to boost citrus sales. "A lot of retailers will cut a tangerine in half, cover it and place it in the display case. It's a blemish-free technique and it's a great way to show off the good-eating quality of Florida citrus."

FDC's Web site offers several techniques for cutting fresh citrus for easy sampling and snacking, reports Mathis.

Sampling events can also be used as educational opportunities. For example, Fouchek suggests teaching consumers the proper way to section grapefruit. Just having cut citrus on display can be helpful, she says. "When our Texas grapefruit is out there, it has a beautiful orange-red color on the outside, but when you cut the fruit, it's the beautiful deep red interior that initiates the sale." Allowing consumers to see the beauty contained within the fruit can also help mitigate concerns over wind scars, which are common to coastal fruit. "When you cut the fruit, you show the consumer that those scars are only on the peel and they don't affect the quality on the inside."

As retailers work to meet the challenge of merchandising citrus year-round, it's important to remember that the same techniques won't always work for every store. Merchandising decisions must be based on a store's specific factors, whether demographic, spatial or otherwise. Much thought and creativity goes into developing an effective merchandising program — one that will play up the inherent attributes of citrus, while giving consumers the varieties they want in the format they prefer.

Above all else, retailers should strive to create a nice-looking display. Remove bruised fruit. Ensure that the display looks full and plentiful. When in doubt, turn to suppliers for help. Most citrus suppliers are more than happy to assist retailers in building creative displays. Noble, for example, makes POP material available featuring the selling points of its citrus.

Sunkist also provides retailers with ample POS material, including everything from bin wraps to header cards to recipes. It's all about garnering the consumer's attention, explains Smith. "The more you attract the eye, the more you sell." **pb**

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Reader Service # 87

Best Spinach Merchandising Tips

Boost sales of this favorite by promoting its diverse usages, playing up health benefits and restoring consumer confidence.

BY LISA SOCARRAS

Spinach has a reputation for promoting health, but has had some setbacks in past years due to food-safety issues. Retailers can score the highest ring from spinach sales by marketing nutritional benefits and reassuring consumers of its safety.

Ronda Reed, vice president of marketing, Dole Fresh Vegetables, Monterey, CA, notes, "Consumers have migrated from a singular health focus to an overall wellness focus. Spinach is a natural product that fits well into this mind frame. Spinach is a superfood and consumers readily identify that it is a very healthful and tasteful food that can help maintain and improve their health and wellness in a simple, natural way."

Today's consumers are interested in the health benefits of the foods they eat. "I believe today's consumer is much more in tune to the nutritional values of what they are putting in their cart," states Dan Canales, vice president of sales and marketing, Misionero Vegetable Sales, Salinas, CA. "I believe that it is our industry's job to keep putting solid information in front of consumers to give them the ability to make informed decisions."

COMMUNICATE HEALTH

Retailers should communicate the health message. "The trend toward eating more healthfully should definitely include spinach," stresses Lindsay Martinez, director of marketing, Boskovich Farms, Inc., Oxnard, CA. "Retailers can list the numerous health benefits of spinach, such as a good source of vitamins A and C, lutein for eye health, with POS materials."

Spinach has shown to be helpful in disease prevention and in improving overall health. "Researchers have identified at least 13 different compounds in nutrient-rich spinach that function as antioxidants and anti-cancer agents," notes Kori Tuggle, marketing manager, Ocean Mist Farms, Castroville, CA shares. "Spinach has also shown to help those suffering from osteoporosis, heart disease, colon cancer, arthritis and other diseases."

Packaged spinach offers consumers added convenience.

Spinach is fat-free, cholesterol-free, low in calories and high in fiber, folate and magnesium. It provides 70 percent of the daily requirement for vitamin A, 25 percent of the daily requirement for vitamin C and 20 percent of the daily requirement for iron. It also provides vitamin K, which helps to coagulate blood and strengthen bones, as well as calcium, vitamin D and phosphorous.

"With all the health benefits of spinach there is a great opportunity to present that to consumers either through packaging, labeling or signage," explains Canales.

Retailers know that by communicating spinach's healthful qualities, consumers purchase more. "Sales can be affected when suppliers educate consumers about the nutritional value found in spinach," reports Maria Brous, director of media and community relations, Publix Super Markets, Inc., a Lakeland, FL-based chain with 941 stores.

WATCH PLACEMENT

Product placement and communicating nutritional values are important to boosting spinach sales. "Retailers should make spinach part of the main merchandising set and neither hide it on the wall nor place it in the packaged salad section," stresses Dole's Reed. "In-store signage that communicates the strong nutritional benefits of spinach will also help."

Tuggle advises merchandising similar produce items together in the categories of bulk and packaged. She emphasizes the importance of using signage to gain consumers' attention, along with providing usage ideas such as recipe cards. Ocean Mist also provides bunch spinach in two formats:

with root and clipped.

Ken Green, vice president of sales, J & D Produce, Inc., Edinburg, TX says finding the right assortment of loose, bunched, value-added, flat and curly leaf varieties increases sales. Good merchandising that includes finding the best display location, display space and display method also are important.

"Think about cross-merchandising with complementary items, such as sliced almonds, garlic bulbs, fresh lemon and fresh and dried berries," Ocean Mist's Tuggle adds.

DISPLAY EFFECTIVELY

"Many times, people are looking for suggestions to use spinach in new ways," states Boskovich's Martinez. "Cross-merchandising spinach with items that complement it, such as dressings and toppings, will create more sales, and adding POS materials with recipe and preparation tips can give additional ideas to consumers."

The amount of space dedicated to the product will vary, depending upon the store and its clientele. "As far as space allocation, it depends on the size and volume of the store as well as the cases or rows in the produce section," explains Publix's Brous.

The display must look attractive to draw consumer attention. "As with any display, it has to be large enough to draw attention and give the appearance of abundance," according to J & D's Green.

Consumer demand affects the real estate. "Space for spinach will be determined by consumer demand for each item," notes Reed. "Some locations will naturally sell more spinach than others and will need more facings. At a minimum, the retailer should carry two facings per item so consumers can easily find them."

Space should reflect the popularity of spinach. "I believe it should be one of the leading salads in terms of the salad set — second to spring mix blends," Misionero's Canales notes, because of the "versatility of the product as well as the nutritional value."

Space allocation depends on availability. "It really depends on other variables such as how much shelf space the retailer has available and how many produce SKUs it carries," reports Martinez. "Spinach continues to have a good presence on the bulk rack and the value-added case."

Brous stresses the importance of running advertisements to increase sales. "Retailers can sell more spinach by advertising more in weekly sales flyers and offering displays."

Promotions will increase sales, according to J & D's Green. "Ads are looked at in terms of frequency and amount of price reduction. This has the biggest impact on sales because it creates trial by new consumers."

CAPITALIZE ON POSITIVE MEDIA EXPOSURE

Exposure makes consumers more willing to try new recipes. "Cooking shows on TV, food magazines and the growing frequency of spinach on American menus all help educate shoppers about spinach, how it tastes and how it can be used at home," Tuggle adds.

Reed agrees, adding, "Cooking shows have greatly increased consumers' sophistication with many food categories including packaged salads. Consumers have increasingly experimented with darker greens, including spinach, and are becoming more creative with ingredients in their salads."

Dining out also influences meals prepared at home. "Restaurants are great for introducing new spinach dishes to people, and cooking shows give step-by-step instruction for preparation, giving consumers the means to incorporate more spinach into their diets," notes Martinez. "Both have been key factors to increasing spinach consumption."

Cooking shows encourage creativity and build consumer confidence, according to Canales. "It shows the public not only the different creative options for use but also instills consumers' confidence in the safety of the product." **pb**

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Reader Service # 62

COMPANY: BROOKS TROPICALS, LLC.
PRODUCT FOCUS: TROPICAL FRUITS AND VEGETABLES
TARGET ETHNIC GROUP: HISPANICS AND ASIANS

What is your target ethnic market?

Tropical fruits and vegetables from Florida, Central and South America are popular with Hispanic and Asian consumers.

Hispanics enjoy having ready access to the produce they found in their homeland. It may be price and/or availability that tempts our Asian consumers to try Caribbean produce, but it's the flavor that keeps them coming back. Often, Asians recognize that we're growing Asian favorites, such as the Caribbean Red Papaya, in the Caribbean.

What other segments are you targeting?

Most definitely, tropical produce attracts the health conscious and typically the more affluent.

What products are you directing to ethnic consumers?

Everything we sell attracts ethnic consumers with many items also gaining interest in mainstream markets.

How do product preferences differ among segments?

Meal time is quality time for family-oriented Hispanics and Asians. It's no surprise that they look for quality foods to bring to the family table. With many tropicals becoming available year-round, repeat purchases can – and do – build recognizable brands such as Brooks Tropicals.

Discuss supermarket buying habits among your target consumers.

Priorities are quality, price and convenience in that order.

What advice can you share on display tactics?

Tropical displays are great attention builders for the mainstream consumer. Hispanic and Asian consumers, however, care more for displays that allow them to visually and physically check out the produce. Selling papayas cut in half is an appreciated convenience for meals on-the-go.

Can you pinpoint key marketing strategies?

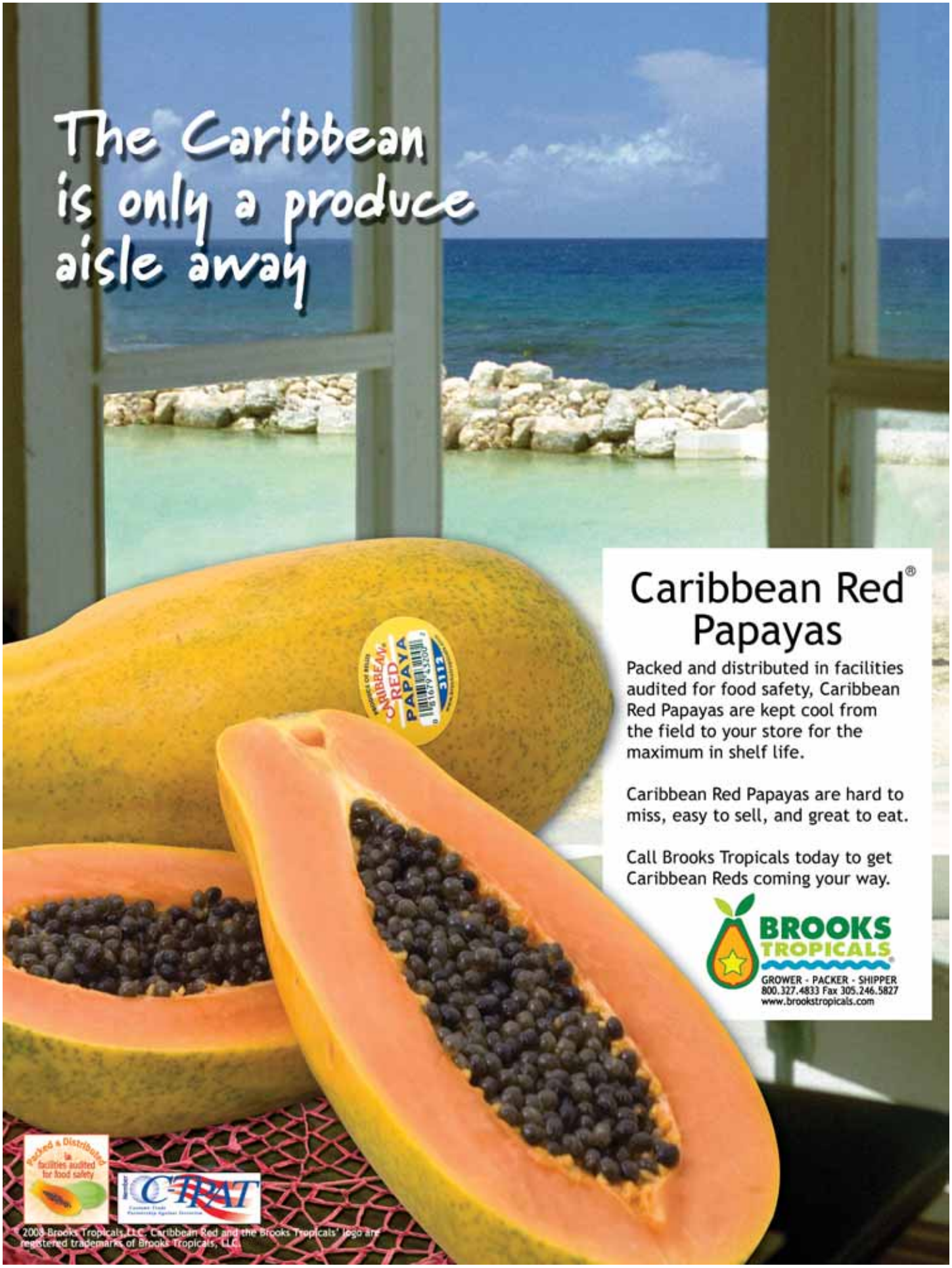
Buy enough to always have enough but still order frequently.

Build an 'exit' strategy for fast ripening tropicals. For example, a Caribbean Red papaya's skin may look over-ripe but the flesh inside is extra sweet. Cut the papaya in half, add a spoon and cover with film for a treat on-the-go. If the flesh is a little soft, use it to make smoothies, which your Hispanic clientele refer to as batidos.

What are the biggest challenges to ethnic marketing?

You've got to identify who your ethnic shoppers are and what they want to eat and serve their families. Determining the right mix of tropical fruits and vegetables can be tough but very rewarding.

An emerging challenge is knowing when it makes sense to break up the tropicals section and integrate some or all of the fruits and vegetables into the mainstream produce aisles: grouping russet potatoes with nuttier tasting boniatos, calabaza with pumpkins, chayotes with squash, Caribbean Red and Caribbean Sunrise papayas with other melons.



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REGIONAL MARKET PROFILE

ATLANTA PRODUCE Heats Up The South

Prime location, diverse demographics and a unique selection of fruits and vegetables keep this Southern city at the top.

BY K.O. MORGAN

Atlanta takes the cake in places to find fresh fruits and vegetables. Numerous farmers markets dot the city and surrounding suburbs, providing an array of locally grown produce — fresh for the picking. For those who love to sample food from a myriad of cultures, Atlanta offers many ethnic restaurants that serve up a diverse selection of produce.

"What makes Atlanta's produce market unique is the different varieties and ethnicities of fruits and vegetables that can be found here," explains Chris Grizzaffe, manager, Produce Exchange of Atlanta, Inc. "I came here from Tampa [FL], and you didn't have the ethnicity that you do here. Here, you have Mexican, Korean, Chinese, Indian and Middle Eastern, mixed with local whites and African Americans. These different ethnic groups want to buy for their cultures, but it also exposes other cultural groups to new and exciting types of produce."

Bill Parcells, general manager, Georgia Tomato Co., Inc., Forest Park, GA, says Atlanta's large Hispanic and Latin population has "brought a Southwestern type of flavor to the economy. There's a lot of produce here that comes from Mexico — really unique stuff, such as cactus, for example — and it's been a huge influence on this market."

"Atlanta is a melting pot," relates Andrew Scott, sales and procurement, General Produce, Inc., at the Georgia State Farmer's Market, Forest Park. "There are a lot of Hispanics here, but there's also a big influx of Koreans who are opening large supermarkets. There's a large Asian community here in general, as well."

Large numbers of Asians and Indians call Atlanta home, creating a demand for unique types of produce, adds Parcells. "This large variety has helped the produce market grow here."

"Atlanta is known for its restaurants and different cultural eateries,"

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notes Scott. "This is a major convention city and a lot of these ethnic restaurants cater to these conventions."

EARTH-FRIENDLY EATING

Atlanta is a city rich in ethnicity, and diversity is on the rise, but it's the local farmers and Georgia's indigenous produce that make the biggest splashes at the city's most popular markets. "I have friends who come into town and want to see the produce market because of the bulk and the amount of food that moves through here," says Produce Exchange's Grizzaffe. "People don't realize the amount of produce that moves through here in just one day."

"Fresh produce is popular in Atlanta because the fruits and vegetables come [directly] from the farmers," explains Marsha Thomas, manager, Atlanta Produce Dealers Association (APDA), Forest Park, GA. "A lot is shipped in, but most people come to the farmers markets because of the price; it's cheaper and fresher than [produce for sale at] grocery stores," she states. "At the supermarkets, there have been three or four handlers by the time the consumer buys it, whereas our produce comes directly from the farmers. In fact, a lot of wholesalers who deal with the grocery stores also come here to buy produce from the farmers."

"We focus on buying as much local produce as we can. Buying from the local farmers means the difference between buying fresh or buying produce that has to be kept in the freezer. Local is better because it is fresher, which means it has a better flavor."

— Youssouf Diop
Harry's Farmers Market

"Atlanta as a unique produce place started with a unique group of characters who started selling produce here 60 years ago, when Atlanta was a transportation hub for the railroad," explains Lon Langston, president, Georgia National Produce, LLC, Forest Park, GA. "Many of these farmers, retailers and wholesalers are third and fourth generation. Others have simply been influenced by their legacy."

Harry's Farmers Market is a 3-store Alpharetta, GA-based chain owned by Whole Foods Market, Inc., Austin, TX. "We focus on buying as much local produce as we can," says Youssouf Diop, produce manager at the Roswell, GA, store. "Buying from the local farmers means the difference between buying fresh or buying produce that has to be kept in the freezer. Local is better because it is fresher, which means it has a better flavor."

"We purchase produce from local growers to provide our customers with the freshest, most nutritious produce available in the Southeast," states Glynn Jenkins, director of communications and public relations, Atlanta Division, Kroger Co., a 2,274 store chain

GENERAL PRODUCE BENEFITS FROM APM PACKER

By Bill Martin

While General Produce Inc., located at the State Farmer's Market in Forest Park, GA, is known as one of the largest wholesale distributors in the Southeast, repacking continues to be a growing part of its business, explains Andrew Scott, manager, buying and sales.

This past summer, General Produce purchased an APM Packer 1400 from APM, Inc., Norcross, GA. The model 1400 has been used to pack 2-, 3-, 5- and 8-pound bags of various types of produce. "We can pack to order for customers, especially in these times of trying to be real close with our inventories and trying not to buy too much," Scott emphasizes. General Produce also packs 12/2 onions, 9/3 citrus as well as 9/3 and 12/4 potatoes.

"This machine can do it all and it has some real good capabilities," he explains. "It has Ethernet on it. We can look at our computer to see what that machine is doing — even from the house."

Jim Sabourin, APM president, says modems are placed on every machine and the Ethernet connection allows companies to operate and adjust the equipment from a remote location. Depending on the commodity, the model 1400 can run 25 to 30 bags of apples per minute and up to 50 bags or more of soft fruit.

General Produce has used the packer to run various produce items, such as stone fruit, citrus, pears, "very delicate, thin-skinned potatoes" and onions, Sabourin says. However, it is primarily a machines designed for apples. "The apples we run in our factory [are shipped] to the market just as if they had been hand-packed. The key to packing apples is not bruising the fruit.

"It is powered by an Allen Bradley PLC [programmable logic controller], which is the brains," Sabourin continues. "It's the premier manufacturer of a lot of your electronic controllers. Another key feature is that it has digital electronics. It's very easy to operate and maintain."

The large weigh buckets are mounted in a drawer that can be pulled out for cleaning and servicing. "In my opinion, it is the most accurate produce weigher on the market," Sabourin adds. "The big thing is it has non-proprietary parts. All of the parts in that machine can virtually be bought from a parts distribution house. You don't have to go to Europe to get your parts. You don't have to buy them from us. You can buy them direct, which really reduces the overall cost of the equipment." **pb**

"Consumers also recognize that purchasing vegetables and fruits grown by local farmers has significant advantages, including helping the economy in the communities we serve and delivering produce to our stores much more quickly.

— Glynn Jenkins
Atlanta Division, Kroger Co.

based in Cincinnati, OH. "Consumers also recognize that purchasing vegetables and fruits grown by local farmers has significant advantages, including helping the economy in the communities we serve and delivering produce to our stores much more quickly. Locally grown also means less fossil fuel burned during preparation and transport and less energy needed to refrigerate during transportation, which promotes sustainability as well."

According to Moitaba Aryafar, produce manager, Kroger in Alpharetta, GA, "Organics are especially big among our consumer base. Luckily, Georgia has many varieties of organic fruits and vegetables."

"Health concerns are making produce more popular than ever," notes APDA's Thomas. "People are coming back to produce because they're becoming more health conscious."

"Atlanta is a great place for produce

APDA CONTINUES TO AID MARKET'S DEALERS

By K.O. Morgan

The Atlanta Produce Dealers Association (APDA), Forest Park, GA, is located on 149 acres, making it one of the largest open-air markets in the Southeast. In 1947, the late Gabe Thomas formed APDA to encourage and protect trade and commerce among produce dealers and to help those in the produce business with credit and insurance needs.

Today, the majority of its members are still produce dealers, but it also includes distribution companies, retailers and wholesalers, along with people in other industries, such as bankers, real estate agents and community leaders, who work closely with produce dealers.

APDA raises money from golf tournaments and auctions for scholarships offered to its members and their families. "Our commitment is to help those in the Atlanta produce business grow stronger," explains Marsha Thomas, APDA manager, who is also the founder's daughter. "It's something we've been doing for 49 years." **pb**

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because Georgia has a great climate for growing fruits and vegetables, with a good change of seasons," says General Produce's Andrew.

"I believe that our location in the Southeast with many cities in every direction combined with the many ethnic groups make our market a very strong and diverse marketplace where a consumer can find just about any commodity throughout the year."

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"We're well known for our Southern peaches and our Southeastern veggies, such as cabbage, for example, that start in October, such as cabbage, for example."

LOCATION, LOCATION, LOCATION

Atlanta's central location also helps boost produce sales. "Location is definitely a huge part of the answer to what makes Atlanta a unique produce market," reports Langston of Georgia National Produce.

According to Mike Jardina, president and CEO of J.J. Jardina Co., Inc., at the Georgia State Farmer's Market, Forest Park, GA, "I believe that our location in the Southeast with many cities in every direction combined with the many ethnic groups make our market a very strong and diverse marketplace where a consumer can find just about any commodity throughout the year."

Proximity and transportation are major benefits, agrees Andrew. "The [Hartsfield-Jackson] Atlanta [International] Airport is [one of the] largest airports in the world, and it's one of the busiest. From Atlanta's airport, you can get anywhere in two hours."

"Faster shipping means even fresher produce because items are picked and packed at a more mature stage, which brings out the flavor of the product," explains Jenkins. "That flavor is what makes Atlanta a popular produce market." **pb**

Specialty Trends Make Waves On Menus

Restaurants and other foodservice outlets expand their selection of specialty fruit and vegetable offerings.

BY PETER LAVERY

Distributors and restaurateurs are redefining specialty produce and changing their views of the category in the process. While some commodity dealers see specialty as the research and development department for the industry, they also recognize the potential for great rewards in dealing with unconventional new products. As the category morphs constantly on the East and West Coasts on divergent paths, produce executives agree chefs' palates — in both institutional foodservice and restaurants — drive much of the evolution of specialty on both coasts.

"Items such as chile peppers, edamame, Fingerlings, baby vegetables, fresh herbs, dragon fruit, pomegranates, passion fruit, cactus pears and lychee are all really hot right now," reports Karen Caplan, president, Frieda's, Inc., Los Alamitos, CA. "All of these specialty items were listed as hot in the National Restaurant Association's [NRA, Washington, D.C.] *What's Hot, What's Not* survey, indicating that specialty produce as a whole is getting pretty hot."

Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., Los Angeles, CA, sees a trend developing in fresh mushrooms. "Cutting-edge varieties of mushrooms such as hen-of-the woods, maitake, chanterelle and fresh porcini, as well as black, burgundy and white truffles" are good examples of popular mushrooms. "These are the most expensive [produce item] per pound, with black truffles at $700 to $800 per pound, burgundy at $1,000 per pound and white as high as $2,000 per pound — all depending on air freight and demand," he adds.

Fresh herbs are also gaining popularity.

Photo courtesy of Frieda's, Inc.

Specialty produce allows chefs to create signature dishes that define their menu.

"There is more demand in the fall with basil chives, mint, dill and oregano," Schueller notes. "The average American still uses dried, but if they know [what] chefs do, [they know] fresh equals [a better] flavor profile." He also points out growth in fresh ethnic spices such as ginger, turmeric, galangal, lemongrass and domestic wasabi. Melissa's wasabi is grown in northern California. Schueller says Melissa's defines specialty as "distinguishing yourself [from other suppliers] by offering what [they] don't."

Some chefs demand extraordinary produce items to set their menu apart from others, states Ande Manos, sales, Babé Farms, Inc., Santa Maria, CA. "Rare ingredients that chefs have the exclusive on allow them to create a signature menu that represents their identity, qualities and uniqueness."

Many people discuss specialty in terms of specific products but recognize categories within the realm of specialty as indicated by industry trends, states Michael Muzyk, president, Baldor Specialty Foods, Inc., Bronx, NY. "For example, the organic line is driven through retail markets. Typically, retail is nearly recession-proof, but as the economy is on a downward spiral, [I wonder] how this is going to impact the recent growth in organics as a specialty category." Muzyk remains hopeful that recent organic gains will not be lost as Americans tighten their purse strings and cut back on dining out.

MENU TRENDS

In California, Melissa's finds trends similar to those Baldor's is enjoying on the East Coast. "The use of freshness especially is important and there is a lot of growth in organics especially," says Schueller, who sees many restaurants taking on a green approach to business while incorporating locally grown and organic produce. But, he confesses, "Outside of the Southwest, it is

difficult to do locally grown. This trend is more media-driven than consumer-driven."

Baldor's Muzyk finds a growing interest in local produce as a flourishing specialty trend in the Northeast. "Local is a very hot topic these days in specialty produce. Local should mean fresher and therefore more nutritious. Here in New York, we are talking about buying from the Catskills versus California, with four hours on the road, instead of four days."

He notes logistics costs also drive the local trend. "I can get celery for $7 in California, but it costs $9 to get it here. That makes you look to the Catskills or to Canada to see what's going on. Necessity is the mother of invention."

According to Manos of Babé Farms, "While organics is certainly respected and a popular trend, the support of the local farmers has been a tremendous trend throughout the country. I think the importance of supporting your local grower, ultimate freshness and reducing our carbon footprint are all ways for chefs/restaurants to create a notion of being environmentally conscious, while promoting and utilizing local flavors."

Drawbacks of switching to more local produce still exist. "Customers were used to that perfect squash, perfect size, which may not be as available when you buy local," Muzyk says. He admits dealing in local produce sometimes means smaller quantities of a special product, but chefs get excited about produce from their own backyard. "The local buzz is so important these days, he adds. "Many people want ripe, ripe, ripe, but the [conventional] system is not made for ripe, ripe, ripe."

Baldor meets clients' demands with local produce despite economically weak smaller lots because Muzyk believes it's worth picking up that small lot to provide a unique product that a chef remembers.

Baldor coaches "local growers on what to grow or what varieties to grow," states Muzyk. "With heirloom tomatoes, growers realize they are getting $25 for 10 pounds instead of $10 for 25 pounds, and that is a real difference. The word heirloom has just exploded when attached to tomatoes."

As for flavor profiles that specifically incorporate hot items, Muzyk notes, "We've seen the Asian thing come and go and come back again now." One of Baldor's points of pride is the fresh mangosteen. "We have seen the mangosteen really succeed because of the funkiness of the fruit."

Melissa's biggest growth is happening within its line of Asian products, including Buddha's hand, uzu, kaffir lime, rambutan,

Sun-Dried Tomatoes Do Well in Produce

Even though produce is all about freshness, many wholesalers carry sun-dried tomatoes in order to capitalize on the item's resurgence in popularity. Karen Caplan, president, Frieda's, Inc., Los Alamitos, CA, says the trend rings particularly true in California. Frieda's carries a full line of sun-dried tomatoes and sun-dried value-added products.

Michael Muzyk, president, Baldor Specialty Foods, Inc., Bronx, NY, says the sun-dried tomato is also making a comeback on the East Coast. "It's back. I move a tractor trailer of sun-dried each week."

He recalls the popularity of sun-dried produce during the 1980s with the emergence of California cuisine. "Double-blanched garlic, sun-drieds, olive oil and cilantro – you could put that on anything." The popularity of sun-dried tomatoes may have suffered from lowered quality of certain imports, he says, but those problems have been corrected with the availability of today's products, which may well account for their renewed popularity. **pb**

lychee and longan, which Melissa's brings in from Hawaii. "We are seeing Asian produce and flavor trends in restaurants and in popular food, but Latin produce is also growing and beginning to segment itself by specific cuisines," Schueller explains. "Americans' No. 1 ethnic cuisine is still Italian, but more specificity is emerging."

> **"Many chefs are now making fruits and vegetables center of the plate so fresh flavors and interesting ingredients are paramount."**
>
> **— Karen Caplan**
> **Frieda's, Inc.**

Baldor's Muzyk agrees, adding, "Koppert Cress microgreens [from Koppert Cress USA, LLC, Lake Success, NY] are hot. They're a microgreen with the living media attached [and] delivered that way. Some restaurants wheel out a cart to diners who select greens that are cut and plated table-side. You can't get much fresher than that. Microveggies are quite robust with flavor — they're contributing to the composition of the dish, and chefs see that."

Despite ingredients' exotic appeal, "Chefs are also keeping simplicity in mind, highlighting simple, fresh ingredients with minimalist techniques," according to Frieda's Caplan. "Many chefs are now making fruits and vegetables center of the plate so fresh flavors and interesting ingredients are paramount."

Frieda's takes a very proactive approach to communicating specialty applications to clients, stressing the importance of constant communication, according to Caplan. "Frieda's sends out regular correspondence [to clients], including our twice-monthly *Crop Connection* newsletter, bi-weekly *Market Report* and e-mail promotions. We also keep our newly redesigned Web site up-to-date with the latest trends in foodservice, and we provide our clients with creative and attractive fact sheets and high-quality color photography. It also helps to have a well-informed sales staff who are experts in specialty produce."

"We're looking at the restaurant theme, but we're [also looking] at the demographic

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being served, making sure the hard-to-find items are made available and our clientele is made aware of them," reports Schueller. "By offering what others don't, we can introduce things. We bring in fresh mangosteen and Indian mangos, dragon fruit and rambutan. We bring samples to customers. The easiest sell is if you get it into their mouth."

With samples of new items, Schueller notes, "A lot of new light bulbs go on." This approach benefits not only the clients but also Melissa's. "Chefs are our test market. If a product works at foodservice, we know it will get to retail. Foodservice picks up on these new items faster than other segments, too, trying new things as a [means to maintain] distinctiveness by having the new item first."

With salads, "Value-added is the trend in foodservice," adds Schueller. "Ten-pound bag salad is really the trend, and unless it is being used as a garnish, whole, stemmed leaf is not as popular as it once was. Value-added is very popular. That works, but not on everything because of less shelf life.

"There is value in fresh-cut on items such as jícama, celery and carrots, which do not have a shelf-life issue. Microgreens continue to roll on as the leading garnish, whereas parsley not as much anymore, except in the really old-school restaurants," he continues.

Baby vegetables in the squash family aren't doing too well, but baby root vegetables, such as beets, carrots and others are gaining popularity because of the intense flavor they provide, according to Baldor's Muzyk. "That really delivers a lot to the composition of a dish. That profile of flavor has really come to the table now." He sees local, seasonal, wild items, such as ramps, wild garlic and crosnes (a tuber that is actually part of the mint family), gaining ground.

Baldor has invested heavily in a new fresh-cut facility. The fresh-cut category is "absolutely growing and growing as a trend," Muzyk states. "You peel an onion and get 40 percent yield; [restaurants and foodservice] know it's a point of cost — food safety, cost of labor, cost of health care are all rising. Nothing is free." **pb**

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Reader Service # 52

Holidays Ring In Dried Fruit And Nut Sales

Encourage sales this holiday season with increased advertising, smart merchandising and recipe ideas.

BY FRITZ ESKER

The holiday season is a peak sales period for dried fruits and nuts. A number of tips can help retailers make the most of this busy season and keep the momentum going well into the new year.

While dried fruits and nuts have become increasingly popular as snack items, they are still considered traditional for holiday baking and retailers should take advantage of this. "This is the best time of the year for both dried fruits and nuts," states Andrew Stillman, president, Amport Foods, Minneapolis, MN.

Prominently displaying dried fruits and nuts during the holiday season is critical. "The biggest thing is getting the products on the shelves because people are looking for them during the holiday season," explains Linda Cain, vice president of marketing and retail sales at Valley Fig Growers (VFG), Fresno, CA.

Creating special holiday displays for dried fruits and nuts attracts attention to the product. "Dried fruit is very much an impulse product," reports Joe Tamble, vice president of sales, Sun-Maid Growers of California, Kingsburg, CA. Typically, people need to be reminded to buy dried fruits and nuts. If they walk through a grocery store during the holiday season and see a holiday-themed display featuring dried fruits and/or nuts, they're likely to buy them. Retailers should use signage, shelf talkers and attractive, attention-getting displays to remind consumers to buy.

Stillman prefers displaying dried fruits in shipper displays because they do not take up much space. However, when shipper displays are sold out, they're gone. On the flip side, if a shipper display sells out quickly, it's proof the items are selling well.

Prominent displays in the produce department spur sales of dried fruits and nuts.

"I've always suggested using open bags and allowing consumers to pick exactly what they like," notes Salvatore Vacca, president, A.J. Trucco, Inc., Bronx, NY. "Displaying nuts in bulk provides a fresher look than packaged nut displays."

Sun-Maid has been successful with shipper displays. During the holiday season, their displays often sell out in one or two weeks. Larger pallet displays can be used to hold 20 cases. Pallet displays can take up a lot of room, but if retailers have the space, they can be beneficial.

It's important to display dates in fresh, not packaged form, advises Lorrie Cooper, manager, California Date Administrative Committee, Indio, CA, because "People aren't too familiar with dates." Displaying fresh dates gives consumers a chance to become familiar with them — to see and touch them. "People like seeing a fresh product on display in its natural form."

Dave Nelson, vice president, Bard Valley Medjool Date Growers Association, Bard, CA, believes it is important for customers to see the products but says this can be accomplished through clear packaging.

PRODUCE PROFITS

The best place to display dried fruits during the holiday season is in produce since it's a logical place for them, explains Tamble. "Raisins, after all, are just dried grapes."

The produce department is also where many healthful foods are located. "There is no place more healthful in the store than the produce department," reports Stillman. "It's where it will make the most profit for the store as a whole." Dried fruits have a number of health benefits and many customers will be looking for healthful options to counter balance the indulgences of the season.

Stillman says retailers should charge full price for dried fruits and nuts during the holi-

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Use The Season As A Launching Point

While the holiday rush to buy dried fruits and nuts can mean short-term profits for retailers, the season can also be used as an opportunity to encourage year-round consumption. Consumers want dried fruits and nuts year-round, but many stores take down their dried-fruit displays after the holiday season, according to Andrew Stillman, president, Amport Foods, Minneapolis, MN. "The No. 1 complaint we get is 'How come I can't buy these any more?'"

The period right after the Christmas holidays is typically the worst time of the year for fresh fruit, reports Stillman. Fresh fruit is often expensive then because of limited availability. Retailers should take advantage of this to showcase dried fruit. "Dried fruit is always ripe and always in season," notes Stillman. "The holiday season should be the beginning of promoting dried fruits for the next five to six months."

Keeping dried fruits and nuts in a prominent part of the produce section after the holidays is vital. "The reason people don't buy any more than they do is because they don't think about it," explains Betsy Owens, executive director, Virginia-Carolina Peanut Promotions, Nashville, NC. "They need to be reminded. If you have them in the same location in the produce department all the time, people are more likely to get them." **pb**

day season because they're in high demand and consumers are willing to pay full price. Some retailers mark down dried fruits and nuts at this time, but he believes this is a mistake.

RECIPES AND PROMOTIONS

Promotions Retailers can encourage consumers to buy dried fruits and nuts by providing recipes and usage ideas. Sun-Maid's Web site provides hundreds of recipes and offers five recipe books available to consumers for free. For retailers, Sun-maid provides tear pads with recipes for consumers to take home.

For nine years, the California Date Administrative Committee has hosted a chef competition in which chefs create their own unique recipes featuring California-grown dates. These recipes are then made available to the public to encourage consumers to try the dishes themselves.

Stillman recommends attaching recipes to shipping displays, adding that it's best to include both holiday and non-holiday recipes because it will make consumers want to buy dried fruits to use both during and after the holiday season.

VFG's Cain believes recipes are vitally important. Each year, VFG does recipe releases with Mission, KS-based Family Features, which places a full page of fig-related recipes in various newspapers during the holiday season. Cain estimates this strategy reaches between six and 10 million readers. The VFG Web site also highlights a variety of recipes that can work at all times of the year.

Diamond Foods, Stockton, CA, is taking an interactive approach to promoting nuts by creating a contest that requires consumers to submit their favorite holiday-entertaining tips for using in-shell nuts, says Andrew Burke, senior vice president of marketing. One grand prize winner will receive an all-expenses-paid trip to New York City to see the Nutcracker Ballet.

CROSS-MERCHANDISING

Retailers should take advantage of cross-merchandising opportunities as a means to boost peanut sales during the holiday season, which coincides with the second half of football season. Betsy Owens, executive director, Virginia-Carolina Peanut Promotions, Nashville, NC, says peanuts can be displayed in little plastic football containers to remind consumers they're a good snack while watching a game. Peanuts should be cross-promoted with items, such as beer and soft drinks — two other essentials for football viewing parties.

Since nuts are often used as a garnish for salads, ice creams and cereals. marketing nuts with salad items, such as lettuce, salad dressing, ice creams and cereals, is a good idea according to Burke. **pb**

FLORAL WATCH

TRANSITIONS

California Association of Flower Growers & Shippers, Capitola, CA

Steve Dionne was named president. The second-generation owner of Cal-Americas and United Floral Exchange, Vista, CA, Dionne originally became involved with the association in 2002 when he joined the transportation committee. He was later elected to the board of directors and became vice president in 2007.

CONGRATULATIONS

Floral Marketer Of The Year Award

Daniel S. Temkin, owner and president of Temkin International, Inc., Payson, UT, was named 2008 Floral Marketer of the Year at a lunch general session during PMA's Fresh Summit International Convention and Exposition held in Orlando, FL, October 24-27. The award recognizes an outstanding floral professional who has served the mass-market floral industry with dedication and distinction.

Reader Service No. 312

ANNOUNCEMENTS

Micky's Minis Recognized

Micky's Minis, Millstadt, IL, received a 2008 PMA Impact Award during PMA's Fresh Summit International Convention and Exposition held in Orlando, FL, October 24-27. The award recognizes companies leading the way with exceptional produce and floral packaging that demonstrates imagination and makes an impact. Vice president Bill Byland is pictured with the PMA Impact award.

Reader Service No. 313

VeriFlora Certified

Dos Gringos, Vista, CA, an integrated flower grower, bouquet maker and shipper of floral products, is the latest California-based floral company to earn the VeriFlora Certified Sustainably Grown label. The certification, conducted by Scientific Certification Systems, Emeryville, CA, confirms Dos Gringos meets high standards of environmental sustainability, social responsibility and product quality throughout its operations.

Reader Service No. 314

VeriFlora Certified

Kerry's Nursery, Inc., Homestead, FL, one of the largest orchid and bromeliad growers in the world, and Twyford International, Apopka, FL, one of the world's largest plant tissue culture labs, have achieved VeriFlora certification, the sustainability benchmark for potted plants and cut flowers sold in North America. Scientific Certification Systems, Emeryville, CA, developed and administers the VeriFlora certification program.

Reader Service No. 315

WF&FSA Convention Set For Orlando

The Wholesale Florists & Florist Supplier Association, Annapolis, MD, announces the 2009 WF&FSA Convention will be held in Orlando, FL, April 1 - 3 at the Hyatt Regency Grand Cypress Hotel. Owners and senior managers will learn to better connect with their businesses through a combination of speakers, interactive programs, and structured networking exercises with their peers.

Reader Service No. 316

NEW PRODUCTS

Handled Sleeve For Bouquets And Pots

A-ROO Company LLC, Strongsville, OH, introduces the Petal Pouch sleeve, a handled sleeve perfect for fresh floral bouquets and up to 4½-inch potted container plants. The crossover-ready floral packaging measures 20x18x5½ and is available in clear or various colors from the Simplicity Collection line.

Reader Service No. 317

Spring Collectibles

Blossom Bucket, Inc., N. Lawrence, OH, introduces Barbara Lloyd's Waiting for Spring collectible figurine, with its sunny colors, flowers and bunnies. Ideal for any floral department merchandising spring gifts and add-ons. The collectible measures 3.25"H x 6.5"L. Separate orders are accepted and auto-ship is available.

Reader Service No. 318

Designed For Small Spaces

Primescape Products Co., Buffalo Grove, IL, now offers a 3-foot floral frame perfect for small spaces. Designed for holiday plant displays or year-round floral displays. Frames are available in full diameter, holding 29 plants on three tiers, and half diameter, holding 18 plants on three tiers. They also are available in larger sizes (up to 20 feet).

Reader Service No. 319

Build A Wave

Structural Concepts, Muskegon, MI, offers curved floral cases that can be mixed and matched. The Wave cases are available with inside (concave) and outside (convex) curves and various glass configurations. They also feature the Fresh Flow gravity-fill watering system where the stems of your cut flowers are never out of water.

Reader Service No. 320

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

Listening To The Numbers

Proper category management practices enable floral directors and category managers to make informed decisions about providing just the right product mix.

BY JON VANZILE

Floral category veterans swear by category management (CM), the practice of using highly accurate scan data to increase sales and reduce shrinkage. Widely used in the produce and meat departments, CM is relatively new to the floral department.

By providing accurate weekly or other period sales data, CM allows floral departments to better respond to customer needs, create more efficient relationships with vendors and boost margins by reducing waste and better predicting sales trends.

CM is more than a tool; it's a philosophy that redefines the way floral departments operate. While a small chain or an independent store might be able to effectively operate on intuition, large chains need to minimize risk. By providing solid sales data, CM makes this possible.

The foundation of any successful CM program is the categories themselves. Even through floral is a relatively small department within most supermarkets, it requires a relatively large list of categories to best understand the flow of product. However, lack of standardization is a complication. Since there is no widely accepted list of UPC categories, each chain with CM experience started from scratch.

Schnuck Markets, Inc., a St. Louis, MO-based chain with 103 stores, runs an in-house CM program. Cheryl Bruno, floral category manager, notes floral wares are divided into 29 distinct categories, including basics such as bouquets, consumer bunches, roses and arrangements. The floral department also offers a full-service design center, so the scan data includes non-perishables such as ribbons, baskets and giftware. "Category management allows you to allocate space and pinpoint sales opportunities," she says.

Jon Strom, vice president of floral and lifestyle merchandising at Price Chopper Supermarkets, a Schenectady, NY-based chain with 114 stores, operates the CM program entirely in-house. The chain has identified about 25 categories, including cut flowers, potted plants and non-perishables.

Category management will be helped by industry-wide standardized UPCs.

Established programs like these don't suffer for lack of industry standards, but Chris Buss, president, TotalFloral, Homestead, FL, believes everyone would benefit from a standardized UPC category list. Buss is currently working to create what he hopes will be the industry standard. TotalFloral recently partnered with The Perishables Group, West Dundee, IL, which is linked with ACNielsen Co., New York, NY. ACNielsen provides regional comparison CM data that allows supermarkets to track their sales volume and prices against local competitors.

"Right now, we're working on the floral hierarchy," Buss reports. "It's going to take a lot to sort it out. The floral industry is highly subjective. There's no disciplined approach to how it has set up its UPCs, but everybody has something to gain from standardization."

The service isn't available yet, but Buss hopes when it goes live, it will enable chains to compare floral results regionally. "I have the full, clear-eyed realism that the first list we get done will be rough, and we'll continue to refine it and improve it," he adds.

RUNNING THE REPORTS

No matter how the data is organized, the real benefit comes from how it is gathered, reported and used. Different floral departments approach this differently. Strom jokes that his employees call the weekly scan-data information "Jon's favorite reports."

Price Chopper generates a complete category analysis every week plus a more in-depth monthly performance analysis that includes shrink rates and reduction. "We've gone beyond category management to in-depth pricing information and micro trends," Strom notes.

Bruno runs reports every four weeks plus special holiday analyses. Schnucks does some reporting for weekly scan items, but it's not the foundation of the program.

One persistent issue with floral scan data is accuracy. Scan data inaccuracies always exist, but as Bruno points out, "We're not the cereal aisle with boxes in and boxes out."

Some floral product might be used for displays or broken out into single-stem sales and some products, such as balloons and

vases, don't scan easily, so busy cashiers are likely to key-code the purchase as floral instead of using the specific UPC code. The result is scan data that can be wildly skewed.

"Let's say you buy 100 roses and only 80 are scanned," Schnucks' Bruno says. "It looks like 20 percent shrink, but that's not accurate, because a lot of those might have been used in displays and arrangements."

Unfortunately, no easy solution exists. Educating floral managers and cashiers can help, but ultimately, Bruno says, her department has to recognize that even though numbers aren't totally accurate, valuable information is still available.

Holidays And Special Events

A solid category management (CM) program will generate unique holiday reports, allowing buyers to spot trends in sales of special items and non-holiday items. These data, in turn, guide ordering decisions across the chain.

At Schnuck Markets, St. Louis, MO, data reports have enabled buyers to "go narrow and deep," explains Cheryl Bruno, floral category manager. "We do a recap every holiday. We run all items by scan data, so we can really focus on top-selling items."

Ultimately, the central idea behind using CM in floral is to improve overall profitability along the entire supply chain by generating better information. CM can help design promotions and pricing, identify problems areas and make pre-booking more accurate.

While it tends to be better suited to larger chains, TotalFloral, Homestead, FL, offers CM to all their customers. Upper-management support is essential to doing CM in house because of the costs involved with running and analyzing the reports, states Chris Buss, president. "It's about trend analysis. The whole idea is taking it out of the intuitive realm and putting it into the factual realm. It's a different language, a different thought process." **pb**

REAL-WORLD BENEFITS

CM impacts the bottom line and its real-life applications are endless. For example, Bruno's monthly reports recently showed an unusual level of shrinkage in the consumer-bunch category. First, she looked at the vendor relationship and asked herself whether the product quality was declining or if something changed with the product so consumers found it less appealing.

After discounting these considerations, she next looked at the supply chain itself and found the consumer bunches were coming in large packs, but not every floral department was interested in every item in the pack. Floral managers were ordering the large packs, throwing out the items they weren't interested in and selling the rest. The result was excessive waste and reduced profit.

Bruno's team launched a major effort to directly address the problem. Pack sizes in Schnucks stores were customized so individual floral managers can order the exact product they want, thus reducing shrink.

VENDOR ROLES

It's no surprise Bruno first turned to the vendor quality when analyzing the problem. One of the main benefits of CM is its ability to drill down into the vendor relationship with multiple benefits.

Past scan data allows department managers to better predict volume and even which products will be needed at which times of year. "We partner with suppliers for the long range," Price Chopper's Strom states. "I almost always know who the supplier is for any particular category, and I can usually tell how they're performing." **pb**

Reader Service # 18

By Dave Diver

Responsive Marketing

When Ohio-born Dick Bere, who would become president of Kroger Co., worked as a produce merchandiser in the Minneapolis area during the 1960s, he saw numerous consumers canning and freezing fresh fruits and vegetables. Never the one to overlook an opportunity, Bere became a leading promoter of large-unit, price-saving selling. While almost every other retailer concentrated on the traditional pint container, Bere sold value-priced blueberries in 10-pound boxes whose sales experienced dramatic changes in tonnage and dollar sales.

Blueberry marketing was basically static until the last decade and a half, when the combination of globalization and category management, coupled with nutritional importance, helped transform the industry. In 1970, production of the then summer-seasonal item reached approximately 100 million pounds; very few blueberries from the southern hemisphere reached U.S. shelves in the winter.

In 1992, worldwide volume had grown to 250 million pounds, but it had taken nearly a quarter century to reach this milestone. By 2007, production had nearly doubled to 500 million pounds, and it is projected to reach an impressive 800 million pounds by 2012. Expanded acreage in both former producing countries and new worldwide growing areas that previously never had blueberry plantings have contributed to this production gain.

Michigan has historically been the largest producer of blueberries, doubling its acreage over the last quarter century and ending 2007 with more than 19,000 acres. However, Chile has surpassed that number, reaching 22,700 acres. South American blueberries imported into the United States from October to April, along with expanding acreage in Florida and Georgia, provide adequate supplies during this timeframe. The Northern states have indirectly supplied the balance of the year. The Pacific Northwest acreage expansion for late-summer selling meets the pent-up, non-traditional demand.

The growth of blueberry market penetration represents an almost perfect confluence of events during the past several decades. Not the least of these was the increasing affluence of a large percentage of U.S. consumers coupled with the desire to access berries' nutritional benefits.

At a super store opening with a wide consumer demographic during the mid-'80s, May retails were triple to quadruple peak-season pricing. It was amazing to watch the quantity of blueberries purchased during the start of the U.S. production year. In the consumers' mind, blueberries had finally achieved a place in the household budget.

A decade later, California strawberry marketers recognized two challenges. The first was how to expand strawberry availability to year-round prominence and the second was to determine if strawberries could be developed into a significant category that justified meaningful year-round display space that would keep the product prominently in the consumers' view.

Large strawberry marketers were not the only group to become importers; U.S. blueberry organizations also expanded their global reach. Both developed business plans that supplied sufficient product year-round in order to satisfy continual contact with buyers and their consumers.

The growth of blueberry market penetration represents an almost perfect confluence of events during the past several decades.

Simultaneously, big-box club stores with an emphasis on larger size packaging at lower unit price points than those predominantly found in conventional supermarkets were important to the sales of increased tonnage. While conventional supermarkets continued concentrating on 4.4-ounce and pint-size clamshells, club stores focused on offering 12- , 18- and 32-ounce units to value-oriented consumers.

Conventional supermarkets' limited marketing response to larger-size packages, especially near the seasonal supply peaks as a way to increase sales and profits, has been a major surprise. This may reflect the majority of supermarket operators being slow to adopt and promote the 2-pound strawberry unit.

Perhaps better than those of any other commodity in recent years, blueberry marketers have addressed and continually are addressing the increase in worldwide production volume. In the current era of grower-input cost increases and fuel-surcharge acceleration, forward planning is necessary to effectively market the increased production so everyone in the distribution chain continues to profit.

Plans are being made to ship blueberries in a standard 6-ounce clamshell from South America as seasonal volume warrants. This seemingly small increase will account for a nearly 40 percent expansion of sales and tonnage based on the purchase of a similar number of consumer packages. Satisfying growing consumer demand will also continue to create sustainability for grower operations and success for retailers.

What other commodities have been as successful recently with a responsive marketing program satisfying consumer demand, grower profitability and contribution to retailers? This program provides a blueprint for any marketing group competing in the changing global environment. **pb**

Q & A With Philippe Binard

Philippe Binard is the secretary general of Freshfel Europe, the European association of fresh produce, importers, exporters, wholesalers, distributors and retailers, based in Brussels, Belgium

This is the first part of a 2-part interview.

Q: How did the Pan-European School Fruit Scheme evolve? What was the impetus for developing the European-wide scheme to provide free fruit and vegetables to schoolchildren?

A: Across Europe, consumption was at best stagnating, and there was an obvious need to explore any efforts that could stimulate consumption. It is important to address consumption during these impressionable early childhood years. Trying to get the youngest used to eating fresh product — tastes they don't know or unfamiliar varieties — could change their diet and eating habits long term. In Europe, as in America, the level of overweight and obesity among children has been growing, already reaching close to epidemic levels.

There was a greater consciousness among public authorities that those who set agriculture policy could take some action. This was a shift in mentality to recognize policy dealing with agriculture could also have health impacts on citizens — acceptance at the European Commission level and for the Directorate-General for Agriculture and Rural Development to believe their action could also contribute to the health of European citizens.

Q: What role does Freshfel play in shaping the program?

A: We believe it is about time to have this action implemented. In the past, we have noted action at regional and local levels appearing successful in their measured impact. Unfortunately, these programs are small scale in terms of geographic coverage or budget, not allowing for long-term projects.

Q: Could you provide some examples of these programs?

A: The most spectacular one in the United Kingdom has been securing on a daily basis a piece of fruit for young children in the 4-to-6 or 6-to-8 range, delivering one piece of fruit to each child five days a week for three or four years.

Q: Is there any interest in merging successful strategies across countries?

A: It makes sense as part of the European umbrella to insure consistency, facilitate exchange of best practices and provide greater awareness. A European umbrella makes it easier to show the government in a country where such a program is not seen as a priority how it could become a project worth implementing with European support. We have been supportive from the beginning, lobbying to the Commission. In the first week of July 2008 they launched a proposal and while not yet adopted, at least it's underway.

Q: What needs to be done to get this scheme adopted?

A: For the moment it's just a proposal. The objective is to see if what the European Commission is proposing is acceptable. The proposed system of co-financing would have the European Commission provide 50 percent — and in some countries 75 percent — of the budget to supply and distribute the product. This funding should cover the value of the product plus the cost of distribution. The member states should cover the remaining part by taking either the 50 percent or the poorest countries only 25 percent.

In order to have a program eligible, it is important that member states claiming to get the money will introduce some accompanying measures to increase consumption. The concept that it will just be fruit made available is not what the Commission is willing to do. The program will need a promotion measure, educational plan or psychological element. Some kind of communication is important to reinforce just making the fruit available.

There is still an element of discussion before finalization of the proposal. There are no details on top of that obligation of monitoring to make sure the program is effective. There should be some kind of evaluation before intervention starts and at the end to see whether the measure has had any impact.

Once the proposal is adopted, before the legal text, there is a need to make implementation rules and try to explain technically how that will work in practice — what kinds of fruits and vegetables are in the scheme, should some be out because they are carrying some sugar or salt, maybe further definition on scope. Then I suppose additional rules on good functioning of the program, maybe the Commission will just give flexibility in the scheme. If you look at how schools work — some canteen, some not, some have foodservice companies deliver, some don't operate in the afternoon, some do not allow vending machine distributing. There are so many formats. A call for a national strategy must adjust to local realities.

Q: Is there debate regarding the budget?

A: The idea for the budget went like this: The European Union's total budget for the national scheme within the E.U. framework was €156 million, out of which €90 million would be E.U. money. Members eligible for E.U. funding would make a national contribution to cover the balance.

Discussions have been taking place: whether we should skip the national contribution and boost the E.U.'s contribution to €156 million to simplify the scheme. This way member states not considering the program as a priority will still do it.

The Parliament would consider €156 million is not enough, and the program needs €300 million or €350 million to make it successful from the beginning. There is lobbying going on.

Q: What is your view?

A: Our estimation is that for smaller children to receive one piece of fruit every day for 30 weeks, you would need close to €900 million, so the figure 300 is not a big surprise.

If we compare the cost of obesity in Europe, what is €300 million? This is where agriculture policy could have a big benefit. It is always difficult to make the link from savings in one pocket to savings in another pocket. If we don't act today, the problem will get worse, especially if younger children don't get used to the flavors of fruits and vegetables and begin eating more produce.

A lot of studies show you get used to a taste when you're young. Once children are becoming teenagers, it is much more difficult.

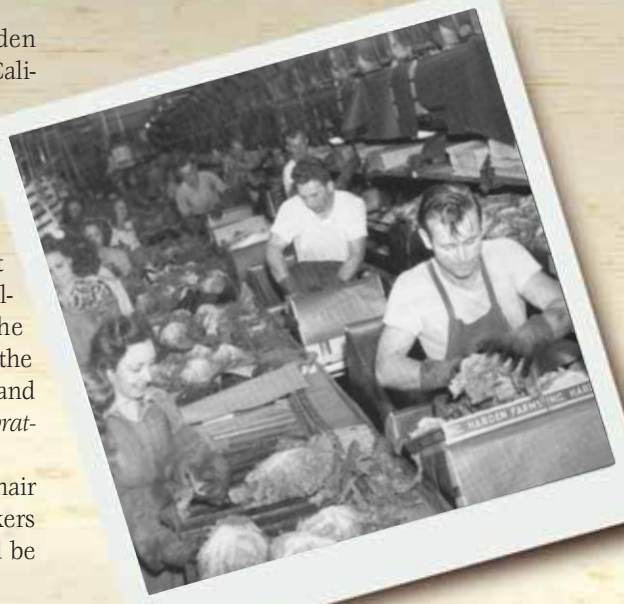
From an interview by Mira Slott in
Jim Prevor's Perishable Pundit — *Oct. 17, 2008*

Blast from the Past

In the 1920s, Eugene Harden formed E.E. Harden Packing Co., which later became Harden Farms of California and then Harden Farms, Inc., a Salinas, CA-based grower that worked primarily with iceberg lettuce, carrots, cauliflower and celery.

In this 1936 photo, women trim outer lettuce leaves while men pack trimmed lettuce heads into wooden crates at the Harden packing shed located at a string of sheds owned by the Growers Ice and Development Co., Salinas. "The wax sheets [seen in the upper right of the photo] were placed over the packed crates prior to top-icing the crate to prevent freezer burn," notes Burton Anderson, agricultural historian and author of *Grower-Shipper Association of Central California, A Special Edition Celebrating 75 Years of Service, 1930-2005*.

"The women and packers wore rubber gloves to protect their hands, but hair nets were not common or required at this time," Anderson adds. "Today, workers would be wearing hair nets and/or hard hats, and in salad plants, they would be wearing white uniforms."



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NOVEMBER 2008

COMPANY	PAGE #	RS#	PHONE	FAX
A & L Potato Company, Iinc.	62	26	800-365-5784	218-773-1850
A&A Organic Marketing, Inc.	82	61	831-685-0303	831-685-0302
Agrexco USA, Ltd.	96	64	718-481-8700	718-481-8710
Albert's Organics	83	13	800-996-0004	610-444-0316
Apache Produce / Melones International	23	2	520-281-2282	520-761-1829
Associated Potato Growers, Inc.	62	22	800-437-4685	701-746-5767
Awe Sum Organics, Inc.	82	51	831-462-2244	831-462-2552
Bland Farms	53	73	800-843-2542	912-654-3532
Blue Book Services	77	87	630-668-3500	630-668-0303
Bonita	69	82	718-816-9330	718-556-8457
Booth Ranches, LLC	75	4	559-626-7653	559-626-4818
Brooks Tropicals	80-81	71	800-327-4833	305-246-5827
Canadian Produce Marketing Association	94	56	613-226-4187	613-226-2984
Canon Potato Company, Inc.	60	20	719-754-3445	719-754-2227
Capital City Fruit Co., Inc.	62	11	515-981-5111	515-981-4564
CF Fresh	93	69	360-855-3192	360-855-2430
Chilean Avocado Importers Association	31	46	202-626-0560	
Christopher Ranch	82	59	408-847-1100	408-847-0581
Classic Salads, LLC	79	62	831-763-4520	831-763-1542
Classic Yam	64	89	209-394-8656	209-394-8714
Coosemans Atlanta, Inc.	89	29	404-366-7132	404-366-7058
Curry & Company	51	3	503-393-6033	503-393-6085
DeBruyn Produce Co.	48	74	800-733-9177	616-772-4242
Del Monte Fresh Produce	104	54	800-950-3683	305-520-8495
Dole Fresh Fruit Company	2	45	818-879-6600	818-879-6628
dProduce Man Software	94	52	888-PRODMAN	650-712-9973
Driscoll Strawberry Associates, Inc.	84	1	831-763-5000	831-761-5988
Duda Farm Fresh Foods, Inc.	73	16	866-792-DUDA	561-978-5705
Earth Source Trading	52	49	888-518-8502	717-721-2589
Earthbound Farm	82	58	888-624-1004	831-623-7886
East Coast Brokers & Packers, Inc.	103	36	800-557-7751	863-869-9850
Edinburg Citrus Association	74	25	956-383-6619	956-383-2435
Eli & Ali, LLC	84	44	866-354-2547	718-389-1514
Eurofresh Farms, Ltd.	25	27	520-384-4621	520-384-4187
European Flavors/CSO	21	75	39-0532-904511	39-0532-904520
Fidelity Fruit & Produce Co.	89	32	404-366-8445	404-361-2279
Florida Nursery, Growers & Landscape Association	99	18	800-375-3642	407-295-1619
The Florida Tomato Committee	28	76	407-894-3071	407-898-4296
Fresh Partners AB	34	88	46-8-742-1215	46-8-742-6201
Fresh Produce Association of The Americas	40	28	520-287-2707	520-287-2948
Fruit Logistica	32	5	540-372-3777	540-372-1414
G&D Wallace, Inc.	65	31	360-757-0981	360-757-SPUD
Garber Farms	64	77	337-824-6328	337-824-2676
Garden Fresh Distribution Service, Inc.	44	78	954-941-2910	609-582-6803
General Produce, Inc.	87	79	800-782-5833	404-361-1841
Global Organic Specialty Source, Inc.	85	10	877-952-1198	941-358-6551
Habelman Bros.	61	19	715-422-0410	715-422-0406
Herb Thyme Farms	83	30	831-476-9733	831-476-3710
Idaho Potato Commission	55	24	208-334-2350	208-334-2274
International Herbs, Ltd.	83	40	604-576-2345	604-574-3689
J & J Produce	65	66	561-422-9777	561-422-9778
J J Jardina Company, Inc.	90	63	404-366-6868	404-366-1386
Kern Ridge Growers, LLC	84	53	661-854-3156	661-854-2832
Lakeside Organic Gardens	85	91	831-761-8797	831-728-1104
LGS Specialty Sales, Ltd.	33	8	800-796-2349	718-542-2354
Maine Potato Board	64	23	207-769-5061	207-764-4148
Mann Packing Company, Inc.	9	70	800-884-6266	831-422-5171
The Marketsol Group, LLC	56	72	956-782-9933	956-782-9937
T. Marzetti Company	35	21	614-846-2232	614-842-4186
Mayrsohn International Trading Co., Inc.	44	80	305-470-1444	305-470-1440
Melissa's/World Variety Produce, Inc.	84	81	800-468-7111	323-588-7841
Miatech	34	50	800-339-5234	503-659-2204
Misionero Vegetables	82	41	800-EAT-SALAD	831-424-0740
MIXTEC Group	48	6	626-440-7077	626-440-1557
Mother Earth	84	14	610-869-7211	610-869-4729
National Mango Board	41	37	877-MANGOS-1	407-629-7593
New Harvest Organics, LLC	83	60	520-281-0231	520-281-0237
Northern Plains Potato Growers Assn.	63	17	218-773-3633	218-773-6227
Nunhems USA	57	7	800-733-8505	208-674-4005
Ozonator LLC	27	43	877-678-FRESH	760-862-2673
P.E.I. Potato Board	60	12	902-892-6551	902-566-4914
Pacific Fruit Inc.	69	82	718-816-9330	718-556-8457
Peri & Sons Farms	36	55	775-463-4444	775-463-4028
Peruvian Asparagus Importers Association	47	83	610-284-0326	
Plain Jane	23	2	520-281-2282	520-761-1829
Produce Exchange Co. of Atlanta, Inc.	90	33	800-480-4463	404-608-0401
Produce for Better Health Foundation	17	39	302-235-2329	302-235-5555
Sage Fruit Company	59	67	913-239-0060	913-239-0055
Shuman Produce, Inc.	49	38	912-557-4477	912-557-4478
Stemilt Growers, Inc.	85	65	509-662-9667	509-663-2914
Sunfed	37	84	866-4-SUNFED	529-761-1446
Sunlight Int'l. Sales	39	34	661-792-6360	661-792-6529
Sunrise Logistics	52	49	888-518-8502	717-721-2589
Sweet Onion Trading Company	50	47	800-699-3727	321-674-2003
Tanimura & Antle, Inc.	5	15	800-772-4542	831-455-3915
Thermal Technologies, Incorporated	67	57	803-691-8000	803-691-8010
Torrey Farms, Inc.	65	90	585-757-9941	585-757-2528
Turbana Banana Corp	70	68	800-TURBANA	305-443-8908
Uncle Matt's Organic	85	9	866-626-4613	352-394-1003
United Fresh Produce Association	15	35	202-303-3400	202-303-3433
Vessey & Company, Inc.	65	85	888-505-7798	760-356-0137
Weis-Buy Farms, Inc.	65	86	239-433-3530	239-433-3773
Well-Pict Berries	85	48	831-722-3871	831-722-6340

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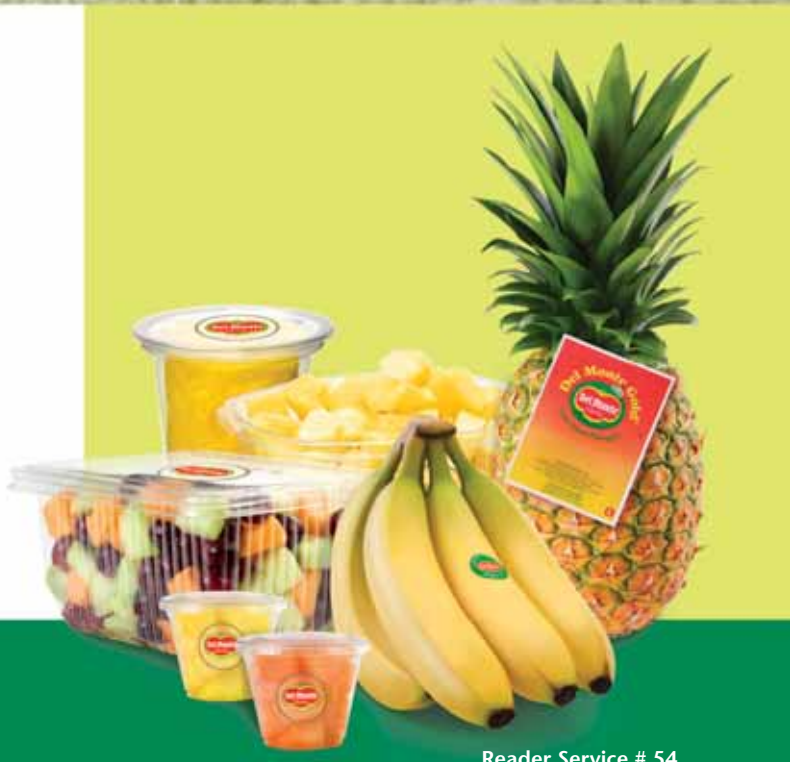
Reader Service # 36

They shop in your store

We know who they are. Live in the city, pop culture iconoclasts. Teenage kids, play video games and listen to their iPods. Everyone has a cell phone. HH size 4+, income $70,000+. Very concerned about the environment, enjoy spending time outdoors, and eating well - lots of fruits and vegetables, low sodium, low fat.

We have what it takes to reach and motivate them. The brand, the products, the programs, value added services, and category management tools that build sales.



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