INSIGE... The Pundit Looks At Wegmans • Chilean Avocados • Fall Merchandising • EASTERN APPLES • Pears • Juices Wisconsin Potatoes • MICHIGAN APPLES • California Grapes • IDAHO POTATOES • COLORADO POTATOES • Sustainable Transportation • Pistachios OLYMPIC Produce • Potato Marketing • Leafy Greens • Foodservice Distribution • Floral Certification Programs • Regional Profile: PHILADELPHIA



THE GREEN ISSUE Sustainability Resource Guide





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Reader Service # 41



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Acclaimed Chef Earns His Reputation

known for its focus on local produce.



THIS MONTH'S WINNER:

Louie Macias Produce Specialist Bashas' Chandler, AZ

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How To Win

To win the Produce Business Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our November issue of Produce Business. The winner must agree to submit a color photo to be published in that issue.

Louie Macias has come a long way since working as a courtesy clerk at one of the 160 supermarkets owned by Bashas', Inc., Chandler, AZ. Today, Macias works at the corporate level as a produce specialist in charge of merchandising, gross profits and sales. "I started working in the produce department right out of high school - and that was 42 years ago."

His duties include visiting stores on a regular basis to make sure the produce departments are well merchandised and look picture-perfect. "The best parts about working in this industry are the people and opening new stores," he explains. "I enjoy setting them up and trying out different things with the departments."

In operation for more than 75 years, the family-owned chain operates under three banners: Food City, Bashas' and AJ's Fine Foods. Louie explains, "Our No. 1 priority is customer service and quality."

As the winner of the Produce Business Quiz, Louie wins a set of golf clubs.

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OUESTIONS FOR THE SEPTEMBER ISSUE

1) What is the PMA booth number for Columbia Marketing International?

2) What is the street address for Habelman Bros.?_____

3) What is the web address for Four Seasons?

4) What is the fax number for Thermal Tech?

5) What is the toll-free number for Riveridge? ____

6) What is the P.O. box number for the Wisconsin Potato & Vegetable Growers Association?

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

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Proud of Where We Stand

No effort is too small or large when it comes to sustaining our planet's resources. From desk-side recycling to our "Clean Sky Blue" biodiesel tractors, Tanimura & Antle is committed to sustainable practices in the production and distribution of our premium quality fresh produce.

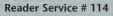


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Precise Water Application



WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY TOM STENZEL, PRESIDENT • UNITED FRESH PRODUCE ASSOCIATION



What's COOL And What's Not

andatory country-of-origin labeling (COOL) may be the greatest idea ever or a waste of money, depending on your view. But like it or hate it, COOL will be a reality for produce suppliers and retailers doing business in the United States after Sept. 30, 2008.

THIT

As we launch what is likely to be a multiyear effort to blend the COOL requirements into everyday efficient business systems for the produce industry, it's a good time to remember what the law is intended to accomplish, and a few things it is not.

First, COOL is an information and marketing requirement, designed to give consumers at retail stores the immediate ability to learn in which country a produce item was grown. Retailers can provide country-oforigin (COO) information through signs, pre-labeled packages, PLU stickers and the like, as long as the information is prominent enough for consumers to see. Keeping the information in a booklet, or on a computer system, is not enough.

Prepackaged and pre-labeled produce items easily comply. Much of the challenge at retail will be dealing with bulk displays and items too small or otherwise not feasible for individual labeling.

Put simply, that is all there is to COOL government has instructed all produce displays at retail shall convey this information to consumers. But when it comes to government regulation, nothing is ever as simple as one would like. The U.S. Department of Agriculture (USDA) proposed regulations implementing this simple concept run into the hundreds of pages, with descriptions of what is, and what is not, acceptable in conveying this information and documenting its accuracy for verification. You can count on some level of confusion and stress over the next year as both industry and government try to figure out some of these details before USDA issues a final set of rules for COOL.

That's where looking at what the COOL law is NOT intended to do may be helpful.

1. COOL is a NOT a food-safety law.

Produce can be grown safely in countries around the world, or it can be grown without adhering to appropriate safety standards. That is not dependent upon a country sticker on a label but upon the commit-

You can count on some level of confusion and stress over the next year... before USDA issues a final set of rules for COOL.

ment of the person growing that product. With COOL information becoming more widespread, the industry needs to help consumers understand that geography cannot become shorthand for food safety. Growers, marketers and retailers working together have the means to assure every produce item sold in a store has been produced and distributed under good agricultural and handling practices. That is a pledge every retailer makes with his/her reputation every day.

2. COOL is NOT a produce traceability law. One of the most perplexing challenges is how to demonstrate the accuracy of COOL labeling. It's easy to tell whether a COO sign appears above a retail bulk bin. But when a USDA inspector looks at the specific fruit in the bin, how does he or she know the sign above the display is accurate? What records does the retailer need to have to prove the sign is correct, especially considering the carton has probably been discarded?

Retailers are allowed to rely on the truthfulness of suppliers in communicating the COO of a product. In fact, the law requires suppliers to accurately convey this information to retailers. But suppose a piece of fruit is pre-labeled with a PLU sticker that reads "Product of Chile." Even with fruit carrying a PLU sticker, a USDA inspector is likely to ask the retailer how that claim can be verified. While the claim is actually the responsibility of the producer/packer that affixed the PLU sticker, the retailer must have records of who sold it the product and be able to trace that item back down the supply chain to the initial stickering. That type of recordkeeping could go far beyond even the Bioterrorism Act requirement of "one-step forward" and "one-step back" in the supply chain.

We've communicated to USDA that COOL is not a traceability law, and efforts to verify accuracy of the PLU sticker cannot require multiple new recordkeeping schemes. Congress specifically wrote into the law that USDA cannot require retailers or suppliers to keep records "other than those kept in the normal course of business" in implementing COOL. The goal of COOL is to inform consumers about where produce comes from, not create a new regulatory infrastructure.

3. Finally, COOL is NOT a punitive law. Congress this year made it clear the law is about making a "good faith effort" to inform consumers, not penalizing companies for occasional mistakes at store level or searching for detailed paper trails and records without which massive fines will be levied. Congress went so far as to allow USDA to fine only a company that has been shown to "willfully" disregard the law. If USDA sees a mismatched sign in the grocery store, it must advise the store and give it 30 days to correct the problem. The legal standard of "willful" disregard for the law is intended to focus only on those stores that don't bother to label at all or intentionally misrepresent where the produce came from. Even then, these bad actors would have 30 days to make amends and get with the program.

It is clear Congress intended COOL to be implemented to inform consumers. That's a serious and mighty big task given our industry's complex worldwide supply chain. But it's also a much more reasonable task without the added baggage of food-safety implications, recordkeeping for traceability and fears of fines for making a mistake.

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eader Service # 127

THE FRUITS OF THOUGHT



Sustainability Pull-Back?

ustainability as a theory and political movement operates on a different level from sustainability as practiced by individual businesses. For businesses are, inherently, constrained in their choices by the necessity of profitable operation.

So mighty as the argument to reduce, say, carbon emissions might be, a business cannot just pay the vig and switch to alternative energy vehicles or install photovoltaic cells unless market forces and government regulation have conspired to make it economical to do so. If a business does otherwise, it will make its cost structure uncompetitive in what is always, in the produce industry, a very competitive marketplace.

By the same token, a company cannot long resist being green if

markets and governments have set the incentives such that green companies will have a competitive edge.

Indeed much of the motivation by top corporate executives to move on sustainability has been driven by the conviction of these executives that energy will become more expensive and that some governmental scheme — either a carbon tax or a "cap-and-trade" mechanism for carbon — will soon be imposed.

It has been this conviction that justifies actions which otherwise might not be fully justified by current market conditions.

Yet just as sustainability had started to permeate the industry, one senses a pull-back. Part of it is consumer-driven, with the real estate crash and fear of a recession leading to a dive in consumer confidence. In such a situation, sustainability starts to be seen as a luxury good — and one we maybe cannot afford right now.

On the public policy front, politicians pay tribute to the idea of producing new high-tech "green" jobs. The only idea that seems to have gained traction, though, is the idea of spending less money overseas for oil and, although the idea may intersect with talk of windmills and solar power, it also is likely to involve drilling for oil and gas and use of coal and nuclear power. In any case, it is a thought driven by some mixture of patriotism and economics, and sustainability is only a coincidental factor.

In truth, political will on sustainability is weak. To start with, our system is not very strong at getting people to sacrifice now for long term benefits. Even substantial carbon output reduction is projected to have no benefit at all for decades. In addition, it is hard enough to get our own government to come to a consensus. With projects such as carbon reduction, it does little good for the United States — or even the Western nations — to act alone. So effective action deepens crucially on finding a program agreeable to countries at widely varying states of development and with different and often opposing interests. It is easy to imagine that any

real action on this front may simply be deferred. Instead, what sustainability has become in the public policy

arena is a kind of front for other interests. So, for example, combased ethanol gets backed by corn interests and those looking to reduce dependence on foreign oil. Sustainability then becomes a flag of convenience that these interests can wave.

The industry is no different. There has always been a market for locally grown product. Sweet corn promotions and the like have been staples of summer merchandising in the Northeast and Midwest for generations, but the recent celebrations of "local" are unlikely to survive major decreases in transport costs.

For the most part, retailers are using the "local" banner to grab opportunities to save money. In fact, the way many do it, they are

> expecting their "strategic" suppliers to be ready with fill-in product if weather should make "local" product unavailable. Of course, this means that big national shippers have to grow extra product, which means a big chunk of the carbon footprint is already expended even if the product winds up being "disced" under.

> It is easy to attack retailers, of course, but just as politicians know the voters, retailers know what consumers want and what consumers want right now is to feel virtuous about buying local while also getting the

cheapest price and no interruption in supply. Retail policies, even when self-serving, tend to grow out of consumer demand.

Sustainability contains, as a kernel of meaning, a vision for a beautiful world. Isn't it odd that the realization of such a vision should depend crucially on keeping gas prices high? Such is the case, however, and if fuel costs retreat, the local programs will retreat as well.

There is some low hanging fruit on every tree and, certainly, the sustainability movement has done us all real good by making us look at our procurement, packaging, logistics and resource use to find efficiencies and avoid waste.

Yet, just as sustainability began, one senses it has momentarily crested. Some of the reason is the short term issues of the economy and recently receding fuel prices, but, perhaps more significantly, sustainability has morphed from what Al Gore thought would be a great "generational mission" to a rather prudential business practice responding to high energy prices.

Instead of Gore's "moral and spiritual challenge," raising the prospect of sustainability leading us to live more elevated and meaningful lives, it turns out that sustainability means we better watch the tire pressure and check the light bulbs. Nothing wrong with that, but not as paradigm-busting and life-transforming as we were once were led to believe — or hope.

Has the sustainability movement reached its zenith?

Happy Birthday Broccolini!

Celebrating 10 years of looking and tasting oh so good ...





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Sustainability Success Stories



ALBERT'S CELEBRATES 25 YEARS

Albert's Organics, Inc., Bridgeport, NJ, celebrated 25 years of bringing organic growers and retailers together as the nation's leading distributor of quality, organically grown produce and perishable items. Albert's donated half of the net profits — up to \$25,000 — it earned in February from its Grateful Harvest brand sales to the Organic Farming Research Foundation (OFRF), Santa Cruz, CA. Albert's is the first organic distributor with nationwide coverage to receive organic certification.

Reader Service No. 300



AURORA ADOPTS PET PACKAGING Aurora Products, Inc., a Stratford, CT-based packer and distributor of branded, all-natural and organic dried fruits, nuts, trail mixes and granolas, introduced new packaging for its Aurora Natural line. Made from more than 50 percent post-consumer recycled polyethylene terephthalate (PET) packaging, these plastic containers are clear, sturdy and stackable. Aurora launched the new line, which is available in 15 snack varieties, to show retailers and consumers it cares about their health and the environment.

Reader Service No. 301



CAL GIANT DONATES \$30,000 TO CANCER

Members of the Watsonville, CA-based California Giant Berry Farms (Cal Giant) team donated \$30,000 to the American Cancer Society Relay For Life on Aug. 9 in Watsonville. Cal Giant served as the presenting sponsor. Each member on the Cal Giant's "Hope In A Big Way" team participated by fund-raising for the cause, and the Watsonville community was extremely supportive. The 24-hour celebration of life allows participants to join the effort to fight cancer.

Reader Service No. 302



CHEP JOINS ENERGY-EFFICIENT EFFORTS

CHEP Equipment Pooling Systems, Orlando, FL, joined the SmartWay Transport Partnership, a collaboration between the U.S. environmental Protection Agency (EPA) and the freight industry designed to increase energy efficiency while significantly reducing greenhouse gases and air pollution. CHEP, a leader in pallet and container pooling services leasing, works with EPA tools and strategies to measure and reduce its environmental impact and the efficiency of its freight operations and fuel-usage.

Reader Service No. 303



CLARK INTRODUCES GREEN PACKAGING INITIATIVE

Clark Products, Inc., Grove Village, IL, unveiled its One World green products program available across the Midwest and Northeast. The program features approximately 250 SKUs of packaging and janitorial items featuring significant environmental benefits, such as bio-degradability, compostability, recyclability or source-reduction opportunities. The packaging bundle includes items made from corn and other plant resins that are renewable resources. Clark also offers free One World packaging audits to its 5,000 customers.

Sustainability Success Stories



DECAS CRANBERRY TO CONDUCT ENERGY STUDY

Decas Cranberry Products, Inc., Carver, MA, plans to launch a 1-year feasibility study to determine whether wind is a sustainable source of power for its Massachusetts operation. It will be funded in part by a grant from the Massachusetts Technology Collaborative (MTC), Westborough, MA. Harnessing the power of the wind for energy, the 1.65 megawatt (mw) wind turbine is expected to produce 3,279,000 kilowatt hour (kwh) or roughly half the energy needed to run Decas operations.

Reader Service No. 305



DOLE RECOGNIZED FOR SUSTAINABILITY EFFORTS

Dole Standard Fruit Co. de Costa Rica, a subsidiary of Dole Food Co., Inc., Westlake Village, CA, was honored with the 2007 Overall Excellence Award from the Costa Rican Industry Association for the second time in Dole's history. Additionally, Dole Food was named one of the world's most ethical companies for a second year in a row by *Ethisphere Magazine*. Dole was selected for the award based on factors such as code of ethics, investment in innovation and commitment to sustainability efforts.

Reader Service No. 306



EARTHBOUND REMAINS COMMITTED TO THE ENVIRONMENT

Earthbound Farm, San Juan Bautista, CA, committed to sustainable farming for over 24 years, works with 150 farmers growing on about 40,000 acres. Its organic farming methods will keep about 13 million pounds of chemicals out of the environment in 2008 alone. Recent initiatives include switching to 99 percent post-consumer/1 percent post-industrial recycled corrugate for all shipping cartons and using biodiesel in farm equipment and improving energy and resource conservation efforts throughout its facilities. Reader Service No. 307



FOUR SEASONS EARNS ENERGY STAR AWARD

Four Seasons Produce, Inc., Ephrata, PA, earned the U.S. Environmental Protection Agency's (EPA) Energy Star, the national symbol for superior energy efficiency and environmental protection for its Wabash Road distribution center. Four Seasons has improved its use of energy and resources across the entire organization, including installing energy-management software in the refrigeration system and reducing electric use by more than 50,000 kwh per month.

Reader Service No. 308



FRESHSENSE LAUNCHES ZEAL TREE FRUIT

FreshSense, the Parlier, CA-based marketer of Ripe 'N Ready peaches, plums and nectarines, has introduced Zeal, a tree-fruit label for items certified as sustainable through independent audit. In order for fruit to be packaged under the Zeal label, it must meet strict standards developed and maintained by Protected Harvest, the Soquel, CA-based non-profit entity overseeing Zeal's audit systems. Zeal appeals to consumers who are both concerned about the environment and looking for great-tasting fruit.

Sustainability Success Stories



GILLS ONIONS TAKES ACTION ON CLIMATE CHANGE

Gills Onions, Oxnard, CA, became a founding reporter of The Climate Registry, a Los Angeles, CA-based, non-profit organization established to measure and publicly report greenhouse gas (GHG) emissions in a common, accurate and transparent manner consistent across industry sectors and borders. A forerunner in the fresh produce processing industry, Gills Onions has demonstrated environmental stewardship on several fronts by voluntarily committing to measure, independently verify and publicly report its GHG emissions on an annual basis.

Reader Service No. 310



A family of <u>Growing</u> companies."

GRIMMWAY EARNS PG&E AWARD

Grimmway Farms, Bakersfield, CA, was awarded San Francisco, CA-based Pacific Gas and Electric (PG&E) Company's Clean and Green Award for demonstrating exemplary leadership in energy efficiency and environmentally progressive business practices. Grimmway has averaged two major energy-efficiency projects per year for the past 19 years, conserving enough power to provide energy needs for more than 4,000 homes and eliminating the emission of more than 31 million pounds of carbon dioxide per year.

Reader Service No. 311



H. BROOKS BECOMES FOOD ALLIANCE CERTIFIED

H. Brooks and Co., LLC, New Brighton, MN, continues to develop local food initiatives and increase marketing of local and sustainable products. The family-owned company recently became certified by Food Alliance, Portland, OR, to better serve its customers with sustainably grown products. This partnership brings opportunities for growers to advance distribution of their products by using H. Brooks as their local and regional hub for distribution, providing consumers easy access to local and sustainable products.

Reader Service No. 312



HOLLANDIA LAUNCHES SUSTAINABILITY VIDEO

Hollandia Produce, Inc., Carpinteria, CA, grower and shipper of Live Gourmet lettuces and watercress, launched an online streaming video, Our Commitment to Sustainability, to further its ongoing commitment to the environment and common-sense conservation. It was created to meet growing consumer interest in a positive and constructive dialogue on sustainability. Hollandia maintains a policy of environmentally friendly best practices and consistently chooses vender partners that provide sustainable product solutions.

Reader Service No. 313



L&M COMMITS TO SUSTAINABLE INITIATIVES

L&M Companies, Inc., Raleigh, NC, is working closely with experts at the Safe Quality Food (SQF) Institute, a division of Arlington, VA-based Food Marketing Institute (FMI), to develop and define how it documents and measures its sustainability efforts. L&M's goal is to continually improve its processes and conduct its business in an environmentally and socially responsible manner. L&M's initiatives include water preservation, recycling, sustainable farming, energy conservation and use of biodegradable bags.

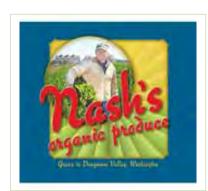
THE ADVANTAGE COUNTS

MIATECH CREATES GREEN-LABELING PROGRAM

Miatech, Inc., Clackamas, OR, launched Energy Green, a labeling program designed to identify and promote its energy-efficient products, including mechanical equipment for saving energy in refrigerated cases, power-efficient humidification equipment and water-saving products. Labeling allows Miatech's customers to make informed purchasing decisions by providing them with a means of easily identifying products that fit energy-efficient standards. Only the most eco-friendly products receive the Energy Green label.

Sustainability Success Stories

Reader Service No. 315



NASH'S OWNER WINS STEWARDSHIP AWARD

Nash Huber, owner and operator, Nash's Organic Produce, Sequim, WA, was awarded the Steward of the Land Award from the American Farmland Trust (AFT), Washington, D.C. Nash received the \$10,000 AFT prize for his environmental stewardship and farmland protection efforts. Nash and his wife, Patty McManus, are leaders and critical advocates for the preservation of farmland and are involved in a variety of efforts to raise public awareness about the issue.



NATALIE'S ORCHID ISLAND RECEIVES AWARD

Natalie's Orchid Island Juice Co., Fort Pierce, FL, was named a Save Energy Now plant by the U.S. Department of Energy (DOE) for its reduction of energy usage and carbon footprint. Natalie's Orchid Island worked with the University of Miami, Miami, FL, to evaluate key industrial process systems and identify cost-saving opportunities throughout its plant. DOE conducts energy assessments to help manufacturing facilities across the nation identify opportunities to conserve energy and money.

Reader Service No. 317

ingeo[®] NatureWorks[®]

NATUREWORKS Hosts Earth Month

NatureWorks, LLC, Minnetonka, MN, hosted its fourth annual Ingeo Earth Month in May, focusing on its Ingeo brand's sustainable and environmental message for natural-in-origin products that appeal and perform very well for food packaging, serviceware and more. Ingeo Earth Month 2008 showcased commercial brands with new ranges of innovative products available today. Created for consumers living a socially responsible lifestyle, Ingeo is made with 100 percent annually renewable plant resources, not oil. Reader Service No. 318

Contractions Contractions Contractions Contractions

Reader Service No. 316

NOBLE KICKS OFF GO HEALTHY SNACK PACK CLEMENTINE

Noble Worldwide, a Winter Haven, FL-based, fourthgeneration grower, packer and shipper of fresh Florida citrus, kicked off its Go Healthy Snack Pack Clementine in a new, convenient, ready-to-go 3-pack. This anytime, anywhere snack encourages healthful consumption of fruit loaded with vitamin C and natural antioxidants. The new product packaging is comprised of ecologically sound clamshells and labels made from compostable corn plastic.

PRODUCE

Sustainability Success Stories



OPPENHEIMER BRAND REFLECTS SUSTAINABILITY COMMITMENT

The Oppenheimer Group, Vancouver, BC, Canada, is looking internally and externally for opportunities to reduce its carbon footprint and better the communities it does business in. Across all 12 of its offices, Oppenheimer has put comprehensive recycling programs in place, installed power-saving office equipment and lighting and upgraded to more energy-efficient transportation methods and storage facilities. The company is also researching green transportation alternatives to reduce its impact on the environment.

PBH SPREADS

MORE MATTERS MESSAGE

Produce For Better Health

Foundation (PBH), Wilmington,

DE, prints its Fruits & Veggies -

More Matters logo on more than

wide on nationally marketed,

1,000 food labels in stores nation-

brand-name products and private-

label products. Its Adopt-A-School

makes a positive impact on several

Community Outreach Program

communities by providing local

schools with Fruits & Veggies -

More Matters Creative Pockets

Teaching Kits that help children

learn the importance of eating a

variety of fruits and vegetables.

Reader Service No. 320

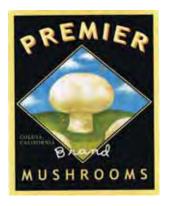
fruits&veggies



OZONATOR NATURALLY EXTENDS SHELF LIFE

Ozonator, LLC, Las Vegas, NV, offers the Ozonator, a natural tool to help consumers increase the storage life of foods and thus achieve meaningful financial savings. It releases enough ozone, a powerful disinfectant, to elevate the cleanliness of the environment inside a home refrigerator and extend the life of fresh fruits and vegetables. Once its job is done, excess ozone reverts back into useful oxygen. The company claims this type of non-chemical disinfection is key to the balance of nature.

Reader Service No. 321



PREMIER MUSHROOMS **EARNS CERTIFICATION**

Premier Mushrooms, LP, Colusa, CA, was awarded the NutriClean lab-tested and certified pesticidefree designation for its full line of white, brown and portabella mushrooms. Scientific Certification Systems (SCS), Emeryville, CA, issued the certification. SCS's NutriClean label is reserved for products that undergo the rigorous SCS certification program, involving full disclosure of pest management practices, evaluation of pest management practices, on-site worst-case sampling of products and laboratory testing.

Reader Service No. 322



RAINIER OPENS ENERGY-EFFICIENT FACILITY

Rainier Fruit Co., Selah, WA, opened a shipping facility in Selah with energy-conservation upgrades to reduce total lighting and refrigeration use by approximately 55 percent. The newly constructed facility features a first-of-its-kind heat pump compressor, high-efficiency condenser selection, skylights and fluorescent lighting with motion sensors and photo cells, fast-acting warehouse doors and high-performance seals on loading back doors. Rainier is dedicated to farming practices that use principles of good stewardship.

Reader Service No. 324

Sustainability Success Stories

REUSABLE PACKAGING

RPA ANNOUNCES ANNUAL EDUCATION FORUM

The Reusable Packaging Association (RPA), the Las Vegas, NV-based organization formerly known as the Reusable Pallet & Container Coalition (RPCC), announced its eighth annual education forum. The 2008 Education Forum is set for Sept. 24-25 in Oakland, CA. The forum, *Choose Reusables! Driving Economic & Environmental Value With Reusable Packaging*, is designed for top managers, executives, packaging engineers, materials managers, supply-chain directors and other decision makers who are interested in adopting reusable packaging systems or maximizing their existing efforts.

Reader Service No. 325



STEMILT NAMED WASHINGTON'S 'GREENEST' AG COMPANY

Stemilt Growers, Inc., Wenatchee, WA, was honored by Seattle, WAbased Washington CEO Magazine as the greenest agriculture company in Washington state for its leadership in environmental sustainability. Additionally, Larry Cadwell, operator of Cherryview Farms, a Benton City, WA-based grower of early cherries for Stemilt, utilizes sustainable processes throughout the 8-acre orchard. Cadwell implemented a drip-irrigation system that releases water only when trees need watering along with a nutrition program that relies primarily on compost to fuel the soil.



TANIMURA & ANTLE PRESENTS SOCIAL RESPONSIBILITY REPORT

Tanimura & Antle, Salinas, CA, released its first-ever Social Responsibility Report, which outlines sustainability projects it successfully completed in 2007. The report focused on sustainable farming practices, soil management, solar nursery heating, integrated pest management, recycling, reusable packaging and water and energy conservation. The company's approach to farming includes sustainable practices that were implemented before the sustainable concept was ever applied to growing.



TURBANA INVESTS IN SOCIAL RESPONSIBILITY PROGRAMS

Turbana Corp., a Coral Gables, FLbased banana importer that is partially owned by Uniban, Medellín, Columbia, has worked with Fundauniban, a social-welfare foundation created by Uniban as a means to improve the quality of life for plantation workers, their families and their communities. During the past 21 years, Fundauniban has improved the lives of 13,500 families, 17,797 students and 5,400 children, created 4,600 housing solutions and built 19,000 aqueducts that benefit 25,000 people.

Reader Service No. 326

Reader Service No. 327

Reader Service No. 328



UNCLE MATT'S INCREASES ORGANIC CITRUS ACREAGE

Uncle Matt's Fresh, the Clermont, FL-based organic produce arm of Uncle Matt's Organic, continues to expand the number of its organic citrus growers and the amount of acreage dedicated to organic citrus. Uncle Matt's currently manages more than 1,000 acres of citrus groves, including 15 family-owned farms. This number continues to grow as the company helps conventional growers transition to organic. Uncle Matt's executes an organic farm plan to increase nutrient density, develop bio-diversity and build healthy soils.



Viva Humanitarian Efforts Spur Commodity Consultancy

Viva Marketing Strategies (VMS), LLC, Nogales, AZ, is focusing its efforts on building worker resources in agricultural regions, improving conditions in many areas, particularly Latin America and the Caribbean Basin, and working with growers and their distributors to build a stronger export image for them. VMS is organizing these types of activities with interested grower operations and working with international charitable organizations that are already involved in these efforts.

Sustainability Success Stories



WCCPF EMPOWERING PEOPLE Western Cape Citrus Producers' Forum (WCCPF), Citrusdale, South Africa, is sponsoring A Harvest of Hope, a program designed to help the people who live on South Africa's citrus farms and in the surrounding rural communities. People are sharing ownership in agricultural enterprises and entire communities are sharing in the social structures that have been built around the farms. Through partnership with commercial farmers, they share in technology and skills transfer.



WHOLE FOODS SPONSORS FARM AID MUSIC FESTIVAL

Whole Foods Market, Austin, TX, will sponsor Farm Aid 2008 on Sept. 20 in Mansfield, MA, along with Horizon Organic, Boulder, CO. The festival will include Farm Aid founders John Mellencamp, Willie Nelson and Neil Young as well as Kenny Chesney and Dave Matthews, a member of the Farm Aid Board of Directors. Since 1985, Farm Aid has raised more than \$30 million to support programs that help farmers thrive, change the dominant system of industrial agriculture and promote family-owned farms.

Reader Service No. 332

Reader Service No. 330

Producel 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@phoenixmdeianet.com

Reader Service No. 331

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e all dream of unwavering client loyalty, captive-audience clientele and pioneering new avenues of business and virgin markets. However, when that dream comes true and it is time to serve a menu of more than 800 recipes comprising more than 3.5 million meals in one month to feed a drastically diverse crowd of more than 60,000, those Olympic dreams can remind you to be careful what you wish for. Unless you are the Philadelphia, PA-based foodservice giant Aramark Corp. or its suppliers for the 2008 Olympic Summer Games in Beijing, China. California Giant Berry Farms (Cal Giant), Watsonville, CA, Driscoll Strawberry Associates, Inc., Watsonville, CA, and the other suppliers have just finished feeding the dignitaries, staff, coaches, trainers, spectators, media and, of course, Olympic athletes.

The Beijing Organizing Committee for the Olympic Games (BOGOC) selected Aramark along with the Beijing Tourism Group (BTG) to handle all catering operations for the Olympic Village, two media centers and two media villages during the Olympics. This was the largest Olympic operation Aramark, which has an established division in Beijing, ever handled. This year's Olympic Games also mark the 40th anniversary of Aramark's first Olympic effort, when it handled culinary operations for athletes in the 1968 Olympics in Mexico City, Mexico.

On scale alone, successfully mobilizing a staff of more than 7,000 managers, chefs and employees from China, Ireland, the United Kingdom, Germany and the United States, and thousands of culinary and hospitality students from schools around Beijing and from U.S. universities is an impressive feat. To illustrate the market significance of Aramark's undertaking, consider the volume of produce purchased and prepared for these games: 37,000 kilograms of potatoes, more than 1 million apples, just under 1 million bananas, 684,000 carrots, 21,000 kilograms of onions, 22,000 kilograms of mushrooms and 20,000 heads of lettuce for a "World Menu" of 160 vegetable and potato dishes, 128 rice and pasta dishes, 400 desserts, pastry and bakery items and 320 separate main-entrée dishes.

Until the Beijing 2008 Olympics, strawberries grown in the United States had never been commercially shipped into mainland China. Driscoll and Cal Giant broke that barrier in a joint effort with Chinese import and supply specialists such as Beijing Baiguo Shennong Fruit Delivery Co., Ltd. on Aug. 5, 2008, when the first shipment of strawberries harvested from California were served at the 6,000-seat Olympic Village Dining Hall in Beijing. "We have had irons in the fire there for the past few years, so this is really the overnight-success story that never happens that way," explains Gloria Chillon, director of marketing for Driscoll. "We have been making trips to China since 2005 [when California Gov. Arnold Schwarzenegger also traveled to China to promote California produce]. Kenny Kasumoto, our export sales manager, has done these trips for a few years now."

U.S. COMPANIES

Aramark, Cal Giant, Driscoll and other suppliers earn golden approval at the 2008 Olympic Summer Games. — BY PETER LAVERY

Kasumoto is "very, very well versed in Chinese culture and business aspects," notes Chillon. He assessed demand for Driscoll's products, only to discover not only that there was significant demand for Driscoll's brand and its specific products but that there was also a "solid demand for other sectors of the industry, including foodservice, produce and other sectors."

Assessing demand identifies the end game, which begs the question of how to deal with Chinese import companies and government officials to open the door. "It was just a matter of could we get the product there," Chillon reports. "The door seemed to swing open, if you will, after it had been slowly creaking open [for the past few years], when the Olympic athletes named strawberries third in the list of foods they wanted to have at the games. Hopefully, the quality of the product we delivered will demonstrate to Chinese officials the benefit of opening the market to us."

When asked about the tremendous amount of paperwork and diplomacy involved in this first export, Cindy Jewell, director of marketing for Cal Giant, notes, "We are definitely charting new territory here, and we are being extra careful and working not to step on toes accidentally, to follow all protocols very carefully."

Jewell also notes that the timing of this market opening is important, given that the Chinese population continues to grow and present a great opportunity for more produce imports.

The California Strawberry Commission (CSC), Watsonville, CA, lent its help to ensure the historic first shipment of U.S. strawberries to China was a success, explains Mary DeGroat, director of marketing and communications. This year's Olympic Games proved to be a phenomenal opportunity for U.S. produce in "charting new territory" for U.S. strawberry growers. The strawberries for the first shipment to China were harvested on Aug. 2, sent to Los Angeles International Airport (LAX), Los Angeles, CA, and flown to Beijing, where Chinese officials held the shipment for 12 hours after it arrived for government inspection. Following a successful inspection, half the shipment was sent to the Olympic Village while the other half was sent to the U.S. High-Performance Center and the USA House for a VIP reception attended by President George W. Bush.

"It is nice to know that we are part of the Olympic Games," states Jewell, noting Cal Giant's overall marketing position focuses on health, fitness and an association with a diet that includes strawberries. In addition to its participation in these games, CalGiant also sponsors a U.S. cycling team, the Tennis Channel's coverage of Wimbledon and diet and fitness messaging in association with its sponsorship of the popular children's TV show *Sesame Street*.

While Aramark bought and prepared enough carrots to circle the 90,000-seat National Stadium in Beijing 150 times, the strawberry won the medal for opening a new market to Western produce in China.

RESEARCH perspectives

BY BRYAN SILBERMANN, PRESIDENT • PRODUCE MARKETING ASSOCIATION

Market Disruption: Challenge Or Opportunity?

ot a day passes now without rising food prices making headlines around the world, and produce is no exception. The latest Consumer Price Index data shows fresh produce prices up 6 percent from this time last year — that's three percentage points higher than the normal year-to-year increase. Given the current produce marketing climate being anything but normal, historical data has become a poor predictor of what our industry and producebuying consumers are facing in the months and years ahead. Produce Marketing Association (PMA) recently sought to learn how consumers feel about the rising price of produce.

Most surveyed consumers told us they consider food-cost increases extremely serious. If produce prices jump as much as 26¢ to 50¢ per pound, many say they would migrate away from fresh produce. Most consumers tell us they would move to less expensive produce or canned and frozen options. Nearly one in five — 19 percent — claim they would abandon produce purchases all together if prices reach an extra 51¢ to 75¢ per pound. These survey results underscore consumers' alarm with rising food prices and reveal their readiness to alter purchase patterns should produce prices climb further. However, to what — and to what extent — they would migrate is another question, as other food categories are also headed up and one can't look at produce in isolation.

You know and I know that shoppers aren't the only ones alarmed. There's no doubt that produce industry members in both retail and foodservice channels also wrangle with the impact of dramatically rising costs on consumer food prices. We must also continue to point out the health and other benefits of eating fresh produce. When our industry struggles not only with rising consumer prices but also with astronomical price increases of our own inputs ranging from fertilizer to fuel, normal business practices get even further pinched and the produce supply chain cannot be expected to absorb the line on prices indefinitely. Plus, cost is only one item on board a truckload of market disruptors currently being faced by the fresh produce industry.

Market disruption is defined as "situations causing markets to cease functioning in their traditional manner." Price, the slowing economy, sustainability, the "locavore" movement, food safety — these are all disruptors of our traditional market paradigms that have merged into a perfect storm that I believe is changing our industry forever. Serious market forces we have never seen before at this level — and certainly not all at once — are advancing a brave but scary new world. To survive means finding opportunity amid challenges, and opportunity will come only when we challenge ourselves to question how we have done things in the past and why.

We have grown used to cheap everything, believing that most inputs will always be there for us because we have the dollars to pay for them: cheap water to grow; cheap labor to harvest, pack, and deliver; cheap packaging to protect; cheap fuel to drive. American consumers have benefited, too, by being treated to the lowest percentage of disposable income spent on food on this planet. Consider that in 1950 our grandfathers who farmed received an average of 41¢ for every dollar spent on food. Today, the average return to our growers is less than 17¢. Two generations later, we're drowning in the realities of modern-day farm economics, trying to deal with costs for some inputs that have tripled in only a few years.

And so we see some members of our supply chain closing their doors or changing their business fundamentals. Producers are moving farms to Mexico or decentralizing production — in part to help tap into consumer interest in locally grown, in part to reduce transportation ost is only one item on board a truckload of market disruptors currently being faced by the fresh produce industry.

costs. Retailers are dramatically shifting their formats, such as the current explosion of small-store formats — think Tesco and Bloom, for example. Foodservice is doing everything possible to reduce plate costs (presenting an ever-greater opportunity for produce, by the way). Every link in the supply chain grapples with enhancing food safety and worries about the human and financial costs of an outbreak. Every link is getting its head around sustainability.

Is the lesson we're starting to learn that the many privileges our businesses and lives have grown dependent upon have been undervalued and are unsustainable whether for our farmers, for our environment, or for consumers? We've done so many things because we *could*. Isn't it time to start asking ourselves the question: do we do things the way we do because we *should*?

I believe we have entered an era of intense questioning for our industry worldwide, perhaps a tipping point that will dictate our future for decades to come. The availability and cost of inputs, of land, of water, of labor, will have as much to say about our successes as anything that has gone before. Whether they present challenges or opportunities will be up to us.

COMMENTS & analysis



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

Look Beyond The Industry

hen FDA used its authority to institute a *de facto* ban on the sale of spinach, tomatoes and jalapeños, those were all examples of *market disruption*. When the prices of agricultural inputs rise, as fertilizer has, for example, that is just an example of *markets*.

As Bryan points out, everything has to be considered in context. Consumer research is vital but, as is always the case, the answers you get depend on the questions you ask. If you ask consumers what they will do in the event bus fare will go up — they will say ride the bus less frequently. But if you mention that train fare and gas prices are also going up, they may say they have no alternative but to pay it as they have to commute to work.

If chicken prices alone go up, beef sales probably will rise as consumers substitute. If both go up proportionately, there may or may not be a change in consumption. Possibly consumers will try to keep their "meat and poultry budget" to a fixed dollar amount and thus switch to the cheaper item, but maybe not. And much depends on whether that price switch is isolated or part of a general inflation. If it is a broad-based inflation, then wage earners may be getting raises and it will not impact their consumption very much. Some segments of the population — say pensioners on fixed incomes — may have to reduce consumption substantially.

Equally with fresh produce, if prices rise, we have seen no indications in the consumer surveys that indicate consumers will be reducing consumption of food except in the most extreme of economic situations. If consumers are going to eat just as much as ever, then they are unlikely to significantly reduce fresh produce consumption unless fresh produce prices rise disproportionately.

Right now that is not happening, and the reasons it could happen are mostly public policy questions. If immigration is severely restricted, for example, then harvesting labor may go way up in price. If we can't automate economically, the cost of domestically grown fresh produce may go up disproportionately. This could lead to the substitution of foreigngrown produce for domestically grown.

If food-safety rules are imposed on the growing of produce for sale as fresh, and such rules are expensive to implement, but such rules are not applied to produce that is canned or frozen since all of this product is cooked or blanched, one might see a consumer shift to less expensive frozen or canned product.

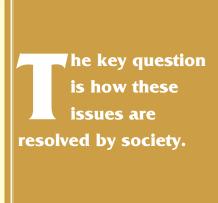
Of course, none of this has happened. What has happened is a more generalized inflation, especially of costs such as transportation and fertilizer tied to fuel prices. This has left in the lurch those producers who agreed to fixedprice contracts for a year or two.

Inflation is resurging now, and this means producers need to be cautious about signing fixed-price agreements. They either have to use adjustment clauses or learn to use sophisticated hedging strategies involving petroleum futures and other proxies for their costs.

On the broader issue of sustainability, the core of the matter is actually outside what any company in the industry can actually do. Companies have to operate within the economic environment developed by government policy. Otherwise their competitors will drive them out of business, so company-directed sustainability efforts can only be effective on the margins — better use of energy, etc.

The big questions are social. If immigrants, for example, pose a social cost, say for free medical care, but immigration is not restricted nor costs imposed on their employers, it will be difficult for a competitor to unilaterally spend the money for expensive mechanization. The promoters of sustainability are fundamentally expressing a belief that things we do in society — including food production — impose costs on society that are not being accounted for in the product itself. The most obvious claim is that by expelling carbon into the environment in the course of producing food, we are promoting global warming and that global warming will impose great costs on society.

There are other claims. The industry uses a lot of water and the allocation of that water may have been more influenced by politics



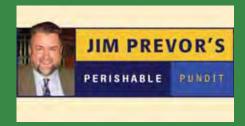
than social good. Pesticides may have impacts on people or workers that have not been fully accounted for.

There are many specific issues. The key question is how these issues are resolved by society. If government decides to trump the market by instituting bans and mandating performance — say by mandating the use of ethanol or electric cars — we will indeed have market disruption and will, as a society, be much poorer than we could have been. If the government decides to use market forces to correct what economists call externalities by, say, imposing taxes on carbon output proportionate to the expense such output imposes on society, we will not have market disruption but instead, the market itself will act as it always does to move our consumption from resources that are scarce to those that are plentiful.

Whatever the government does, there is no question that change is a constant. As to whether, as Bryan suggests, such change shall be an opportunity or challenge, we are reminded of the Chinese symbols for crisis pronounced *wei ji*.

Wei means danger or peril, and *ji* means opportunity or crucial point — so the Chinese remind us in their very language that a crisis is always a situation combining both danger and opportunity. Sound advice from an ancient civilization.

Wegmans Responds To 'Double Standard' Allegation



From Jim Prevor's Perishable Pundit, Aug. 19, 2008

We've written about the issue of food safety and locally grown produce previously, but our recent piece, New York Times Article Reveals Double Standard On Food Safety, caught the interest of many. Some were large growers applauding attention being paid to this issue. For example we received this missive from a large grower:

Amen, Amen and Amen. Finally the elephant in the room and the crazy aunt in the closet are exposed. A huge double standard.

As a producer both on the West Coast and in Mexico, this double standard in food-safety program criteria and application has me on the edge of bitterness towards an industry I love and have been passionate about for nearly 30 years.

 Steve Scaroni, Veg Packer USA and Veg Packer de Mexico

We also heard from several retailers objecting to the characterization of the situation as a "double standard," most specifically in the form of this letter from Wegmans:

In The Perishable Pundit dated Aug. 7, 2008, you include a piece entitled New York Times Reveals Double Standard On Food Safety. In this piece you review an article from The New York Times on locally grown produce, and take me and Wegmans Food Markets to task for having a double standard on food safety for large and small growers.

I would like to provide an accurate description of my comments because, as you know, a reporter doesn't always report everything you tell them. I work for a company of high integrity and I wouldn't work against that value. In fact, I'm very passionate about food-safety practices across industry, not excluding small growers. I think minimal food-safety standards need to apply across the board. Clean water, controlling manure, and high levels of personal hygiene for people working with food are critical requirements for any farm, regardless of size. And I've got to make sure that I'm holding up my end at the retail level.

For The New York Times article, I was asked what's different today with our local growing initiative versus many years ago (in our case over 20 years of local produce procurement). One of my quotes published was referencing relationships, not standards. In addressing relationships, it would be an oxymoron for this program to be driven centrally when local growers harvest and deliver directly to the stores. Our store managers and team leaders establish these local relationships and that's a key difference in the success of our local program. I then mentioned about guiding stores, meaning providing guidelines for quality specifications, pricing, etc. A key element today that's different from 20 years ago is food safety. Our responsibility is to provide guidance, no pun, on food safety.

We've worked with Dr. Bob Gravani at Cornell University and sponsored GAPs training for our local growers since 2005. We

Is the company prepared to cut off growers unwilling or unable to get audited?

expanded this to include Dr. Wes Kline at Rutgers and the folks at the USDA GAPs program in 2006 and 2007. We will do more training sessions this year, and are requiring our local suppliers of lettuce and leafy greens, tomatoes, netted melons, green onions and herbs to provide us with a third-party GAPs audit of their operation. Bill Pool, our Manager Food Safety and Regulation for Produce, assists me greatly in this process. Certification of these practices becomes effective this season, and if the grower is not willing or able to do that, our stores won't be able to buy from them. We require our California leafy greens suppliers to be part of the CLGMA, and our local lettuce sup-

pliers to be GAPs certified.

I don't think we have a double standard. I informed the reporter about our food-safety standards with local growers but those comments didn't make the article.

I thought it was important to address the issues raised by your comments and to clarify my position on food safety.

 David Corsi, VP Produce and Floral, Wegmans Food Markets

We thank Dave very much for writing. So many in the industry are afraid to speak up, yet if we don't honestly address our problems the industry can never advance.

And Dave's letter is actually giving

important news. Up to this point in time, Wegmans' public pronouncements on food safety related to local growers have included only a "recommendation" to local growers to get an audit. As recently as July 7, 2008, in a press release, Wegmans was unwilling to go beyond saying it was "asking" as opposed to "requiring" local growers to get audited.

This is the first time that an executive who works for Wegmans has actually said that the company is prepared to cut off growers unwilling or unable to get audited.

Now, we found the letter a little unclear so we went back and forth with Dave on e-mails, and Dave was courteous enough to clarify this point. Here is what he explained to us:

Local growers who provide products of high risk must have GAP's certification this year. By the '09 growing season, we will require the entire local grower community to be GAP-certified.

We had taken the names of Wegmans' local suppliers off its website and ran the farms against the admittedly incomplete public databases available from companies such as Primus and SCS of audited farms. We also looked at the USDA program. We found that few of Wegmans' local suppliers had been audited by any of these third parties.

It turns out that what Dave means is that on the items identified as "high-risk" by the FDA, Wegmans is asking local growers to conduct audits this season — which is just now approaching high season. By their nature, doing the audits this season means the results don't affect purchasing eligibility on high-risk items until next season.

By the same token, the growers of the rest of the items are being asked to conduct audits during the 2009 season. If they fail, they won't be eligible to sell to Wegmans in 2010.

We have often praised Wegmans for a progressive attitude on food safety, even pointing to its willingness to offer irradiated chop meat. We also have praised Dave Corsi, personally, for leadership on food safety, presenting him with our Single Step Award for his contributions as a co-founder of the buyer-led Food Safety Initiative to resolving the spinach crisis of 2006.

And in all fairness, we never saw this as an issue particular to Wegmans. The issue of differential treatment of local growers applies to all retailers who run real local programs. That is to say, programs that really try to bring into the supply chain small growers who were not selling to big chains previously.

On the substance of it, Dave's announcement that Wegmans is moving to mandatory GAP audits for food-safety purposes on locally grown product is very good news. It sets Wegmans up as a leader, and we hope others will follow this example.

It is certainly not a complete solution. GAP is itself too vague and selfreferential, dependent on a farm's own assessment of its food-safety needs. Dave further advised us that Wegmans would be requiring, specifically, "all local growers to be audited/certified using the National GAP's Program process starting next year. AMS, who has oversight for this program, also provides oversight for the California Leafy Greens Marketing Agreements in effect in California and Arizona."

This AMS/USDA program is also too lax. As an example, it requires a score of 80 out of 100 to pass. By contrast, no non-conformance is acceptable with the California Leafy Greens Marketing Agreement.

On the other hand, if the issue is progress, just the fact that farms have to develop a food-safety plan will encourage focus on the issue, and the prospect of USDA inspectors on the property will focus more attention on the issue. This is all to the

good. Dave Corsi, Bill Pool and Wegmans should be praised for this move. Wegmans ownership should be saluted for supporting and encouraging such a move.

Yet all this hardly addresses the issue of a "double-standard" and, on that issue, Dave's letter merely confirms the case.

First, all the things Dave is talking about are things that will happen in the future. As of today, Wegmans is buying unaudited produce from local growers. It won't do this from national producers right now — so that is a double standard.

Second, as Dave points out, to use leafy greens as an example, on those products Wegmans is requiring California and Arizona producers to meet the metrics of the CLGMA. We doubt these metrics are perfect, but they certainly are different than simply a GAP audit. We asked Dave about this and he responded, "The Leafy Greens Marketing Agreement and the associated metrics were developed for a specific commodity in a specific growing area. As other commodity-specific guidance is developed (such as the tomato guidance), we will review and implement as necessary."

This is a fair enough claim, but it doesn't really hold up when one considers the CLGMA metrics are applied not just in the Salinas Valley but across the length and breadth of two enormously productive agricultural states. From the deserts of Arizona to the coast of Monterey, from the mountains to the valleys, these metrics apply.

Daily deliveries from local farms. **Our Philosophy** At Wegmans, one of our company values is to make a difference in the communities that we serve. That's why we've been buying local produce direct from area growers for over 20 years. Deliveries come straight to our stores from local farms. It's one of the ways we bring you the "best from the earth" all season long. Sustainability at Wegmans Today, Tomorrow, Together. **Grower Partners** Availability Calendar See What's in Seas Rochester and Finger Lakes Southern Tier and Syracuse Buffalo, Erie and Jamestown Food Miles Perinsylvania Benefits to Buying Locally New Jersey Virginia and Maryland Locally Grown

To say that requiring a GAP audit is equivalent to requiring a farmer to follow the CLGMA is not true, so, once again, we have a double standard.

Third, of course, you have the question of what the standards are for all other produce items. Wegmans is in a tough position here. It is

> not a Wal-Mart-size buyer and buys a lot through wholesalers and brokers, which makes it difficult for it to establish proprietary food-safety standards. There are other buyers out there — often on foodservice, some retailers — who set up their own proprietary standards, sitting down with vendors and demanding to see evidence of water tests on a set schedule, demanding a specific auditor or performing audits themselves, etc., as a prerequisite to being approved as a vendor.

Wegmans doesn't do this. As Dave explained in a subsequent email, "We are not asking anything beyond the CLGMA requirement and the GAP's requirements," — so its national standards are more generic. If Wegmans gets all its local items GAP-audited, it will not be out of line with its requirements for most of its national suppliers and, thus, not be a double standard.

Of course, other buyers that do impose special requirements on national shippers are often waiving them on local produce and certainly have a double standard.

None of this should overshadow the fact that Wegmans is trying to move in the right direction. There are plenty of buyers out there who are buying anonymous produce at Amish Auctions, and so the fact that a GAP audit is being required is a big win. The truth is that audits and water testing, etc., are very expensive on small farms, and the tension between uniform national standards and the viability of small farmers will not go away soon.

In fact, if this controversy makes the industry confront the broader issue of how amorphous GAP standards are, it might turn into a really big win for the trade. That, however, is an article for another day.

For now, we wish to thank Dave Corsi and Wegmans for sharing with the industry this important news about the new requirement for its local vendors to get GAP audits and, more broadly, elaborating on Wegmans food-safety efforts. **www.pershablepundit.com**

The issue of differential treatment of local growers applies to all retailers who run real local programs.

COOL UPDATE

REGULATIONS SET TO TAKE EFFECT ON SEPT. 30, 2008.

n Aug. 5, Produce Marketing Association (PMA), Newark, DE, and Western Growers (WG), Newport Beach, CA, held a joint webinar to educate industry members about implementation of country-of-origin labeling (COOL) requirements that go into effect on Sept. 30, 2008, as part of the 2008 Farm Bill passed by Congress and signed into law by President George W. Bush.

The 2002 Farm Bill enacted mandatory COOL but delayed implementation. In 2004, the U.S. Department of Agriculture (USDA) published an interim final ruling (IFR) for fish and shellfish only. Implementation for all other commodities was delayed until Sept. 30, 2008. On Aug. 1, 2008, USDA published 7CFR Part 65, an IFR for the remaining covered commodities with Sept. 30 set as the implementation date.

The requirements do not apply to covered commodities produced or packaged before Sept. 30, 2008. During the 6-month period following the implementation date, USDA's Agricultural Marketing Service (AMS) will focus its resources on education and outreach.

Retailers are required to label covered commodities with COOL. A retailer is defined as any person licensed as a retailer under the Perishable Agricultural Commodities Act (PACA). The PACA definition includes only those retailers handling fresh and frozen fruits and vegetables with an invoice value of at least \$230,000 annually. There are approximately 4,000 active licenses (36,000 stores).

The law exempts foodservice establishments including those within retail establishments. This exempts restaurants, cafeterias, lunchrooms, food stands, salad bars, delicatessens and other food enterprises that provide ready-to-eat food located with retail establishments.

For produce departments, the covered commodities include fresh fruits and vegetables, peanuts, pecans, macadamia nuts and ginseng.

Items are excluded from labeling when a covered commodity is an ingredient in a processed food item. A processed food item is defined as a retail item derived from a covered commodity that has undergone specific processing resulting in a change in the character of the covered commodity or that has been combined with at least one other covered commodity or other substantive food component (*e.g.*, chocolate-covered strawberries and breaded zucchini slices).

Processed food items are not covered commodities. Examples of processed food items are breaded okra, salad mix that contains lettuce and carrots and/or salad dressing, fruit cup that contains melons, bananas and strawberries.

• To be labeled with U.S. country of origin (COO), fresh fruits and vegetables, peanuts, pecans, macadamia nuts and ginseng must be grown in the United States. For this purpose, the United States is defined as the United States and all its commonwealths.

• Covered commodities further processed or handled in a foreign country after meeting the requirements to be labeled as U.S. origin may bear a declaration that identifies the United States as the sole COO as long as the identity of the product is maintained along with the necessary records, *e.g.*, carrots exported to Mexico to be peeled and sliced.

• Imported covered commodities for which origin has already been established by this law and for which no production steps occur in the United States retain the origin as declared to U.S. Customs and Border Protection (USCBP), *e.g.*, Chilean grapes.

• All COOL notifications and markings must be legible and in a conspicuous location. Only abbreviations approved by USCBP may be used; symbols and flags alone are not acceptable. At this time, there are no specific font sizes or types required, therefore PLU labels with COOL are acceptable.

• COO declarations can be made on a placard, sign, label, sticker, band, twist tie, pin tag or other display. Bulk containers may contain covered commodities from multiple origins and must be labeled accordingly.

• Examples of acceptable declarations for COO: Product of the USA, Produce of the USA, Grown in Mexico, California (state, regional and locality designations are acceptable for everything falling in the produce category), U.S., Canada, \checkmark China (check mark with country name).

• Examples of acceptable state, region and locality labeling: Washington State apples, Idaho potatoes, California Grown, Northwest cherries, Tampico onions.

• Within five business days of a request by USDA representatives, retailers and suppliers must provide records maintained in the normal course of business. Information can be provided on the product, master shipping container or in a document that accompanies the product through retail sale.

• Recordkeeping: Any person engaged in the business of supplying a covered commodity to a retailer, directly or indirectly, must make information about the country(ies) or origin of the covered commodity available to the buyer. Information can be provided on the product, master shipping container or in a document that accompanies the product through retail sale.

• **Retailers:** For covered commodities sold in pre-labeled consumerready packages, the label itself is sufficient evidence of COO as long as labeled by the identified firm making the claim.

• **Retailers:** For covered commodities not pre-labeled, records must identify the covered commodity, the retail supplier and COO.

• **Retailers:** For products pre-labeled with origin information on the shipping container, retailers must either maintain the pre-labeled container at the retail store as long as the product is on hand or ensure origin is included in the record identifying the covered commodity and retail supplier.

• **Suppliers** are defined as including but not limited to growers, distributors, handlers, packers and processors.

• **Suppliers** initiating claims must possess or have legal access to records necessary to substantiate claims.

• **Suppliers** must maintain records to establish and identify the immediate previous source and immediate subsequent recipient of a covered commodity for one year from the date of the transaction,

• Retail surveillance activities include cooperative agreements, retail reviews and supplier audits.

• Cooperative agreements are defined as an official partnership established between USDA and state agencies to assist with COOL retail surveillance responsibilities. These are multi-year agreements contingent upon the availability of funds.

• Enforcement: Only USDA can initiate enforcement actions for non-conformance with COOL regulations. There is a 30-day period allowed for violators to comply with regulations. There are civil penalties of up to \$1,000 per violation for all covered commodities. Any mislabeling of COO is also in violation of PACA misbranding provisions.

USDA is soliciting comments from the industry. Comments must be submitted on or before Sept. 30, 2008, to be assured of consideration. To provide comments, visit *www.regulations.gov*. For additional information, visit *www.ams.usda.gov.cool*. **pb**

To access the COOL webinar, visit www.pma.com/issues/labeling.cfm or www.wga.com/Default.aspx?tabid = 608.

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VOICE OF THE INDUSTRY



The Consumer Side Of Sustainability

ustainability has become a multi-headed, industry-driven cause. Media headlines are far more likely to contain news about alternative energy, socially conscious products or the latest efforts to green retail, residential and workplace environments than to describe consumer motivations to purchase or participate in various green behaviors, goods or services. The reality is that consumers are not really as preoccupied with sustainability as the media or industry would like to think.

As a culture of consumption, we tend to fixate on what are perceived as tangibles, such as products, services and technologies, rather than the driving behaviors behind consumption - or as we

sometimes say at The Hartman Group, "the why behind the buy." To remedy the dearth of consumer insights about sustainability amidst the global environmental hubbub, The Hartman Group has circled back on 20 years of cultural research, which began in the 1980s with analysis of consumer motivations to live and behave environmentally, a key element that involves the world of food.

In the 1990s, we moved through analysis of cultural preoccupations with health and wellness - signs of which are embodied in the growth of organics, premium retail and a changing culture of food. In 2008, we ended up with an integrated view of consumers who now see our culture involved in an overall quest for higher-quality experiences or the good life. Ele-

ments of the good life include consumer attempts to live more sustainably but also spread out to related lifestyle areas where consumers view their lives and health spiritually and physically in relation to their household, their community and finally, the planet.

Findings from our most recent research on sustainability show:

• Consumers are not that savvy about what sustainability means. In late 2007, just over half (54 percent) of consumers claimed any familiarity at all with the term and most could not define it appropriately upon probing.

• Only 5 percent of consumers indicated they knew which companies support sustainability values.

• Only 12 percent indicated they knew where to buy products from sustainable-minded companies.

Despite relatively vague notions about how to define a mainly media-driven term, 93 percent of Americans have a sustainability consciousness, according to our research. Among this segment:

• 17 percent are periphery sustainability consumers, who concentrate an awareness of risk on their own lives and bodies and tend to focus on personal benefits, convenience and price.

• 65 percent are mid-level sustainability consumers who, in addition to themselves, also consider their surroundings at home and their community from a risk perspective.

• 18 percent have extensive awareness and concern encompassing personal and physical well-being, concern for the household, the community and the entire planet and its long-term future.

To measure some of their tangible involvement in the World of Sustainability in 2007, we interviewed and observed consumers in a variety of settings, including home, shopping and socializing. From these consumer immersions, we learned food and beverages are, by

The reality is that consumers are not really as preoccupied with sustainability as the media or industry would like to think. far, the primary gateways to consumer participation in sustainable-purchasing behaviors. Within food and beverage, however, we found sustainable foods and beverages are not consumer categories. In other words, consumers do not think, "I'll buy the sustainable carton of milk this time." Instead, they consider certain sustainable attributes and symbols, such as organic, local, fair trade and recyclable, in their decision-making process. Each attribute carries unique benefits; some of the benefits, such as organic produce, drive purchase while others, such as peace of mind derived from fair trade, are merely added value.

Consumers consider produce to be sustainable for unique reasons. Fresh fruit and vegetables are typically considered when cues of local

or organic are present. It is important for agricultural producers and marketers to acknowledge that their output is a primary steppingstone in sustainability behavior. Thus, trends in consumer desires for fresh, local, artisanal fruit and vegetable products not only underscore where consumers are going in terms of sustainability but also represent cues toward cultural needs for higher-quality experiences.

Many business leaders and marketers are immersing themselves in strategic thinking and planning around sustainability. The key opportunity is to open up the dialogue with consumers to understand how they want sustainability to be portrayed. The Hartman Group is currently working in detail to understand where consumers are going today in terms of diverse categories of goods and services, including everything from food and beverage to home decor. Many companies are asking if sustainability will lose relevance in the current economic climate. Our research says that it is more important than ever before. With all things being equal – price, efficacy and quality – a green benefit can be the tiebreaker. **pb**

Alison Worthington is director of sustainability practices at The Hartman Group, Inc., a leading consulting and consumer-insights firm, based in Bellevue, WA.



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Reader Service # 72

THE GREEN ISSUE Sustainability Resource Guide

Done well, sustainability can and should be joyful, a kind of celebration of a journey of continuous improvement with priorities established and projects undertaken because doing so is so compelling to stakeholders and, especially, employees.

Introduction By Jim Prevor

his issue is a terrific resource tackling sustainability from many angles. Yet sustainability is still, to echo Winston Churchill in another context, "a riddle wrapped in a mystery inside an enigma."

There is the marketing puff — although that is becoming less effective as consumer sensitivity to "greenwashing" grows. Real sustainability, though, is difficult to quantify and express. Oh sure, there are loads of certifications out there, but they only testify to one's conformance with those particular standards, and those particular standards are not objectively correct — rather they grow out of the particular priorities and dispositions of particular people and groups.

The problem is that no outsider can ever know if a particular action is truly sustainable because the definition of sustainable involves confronting three separate responsibilities: environmental, economic and social. So if a company puts a bunch of solar panels on the roof of all its facilities, it may make a

A sensible way of thinking about sustainability is really to consider it as a kind of business discipline in which the goal is to avoid inadvertent waste.

good press release, it may even be environmentally beneficial — but is it sustainable? That depends on the trade-offs. Is the price paid such that the company will get a good return on investment and thus grow and prosper? Or is the company overpaying and the cost of the solar panels and installation will lead to slower growth and less innovation and employment, maybe even bankruptcy? A policy is not sustainable if it makes you close up shop.

A sensible way of thinking about sustainability is really to consider it as a kind of business discipline in which the goal is to avoid inadvertent waste. Sustainability, properly considered, functions as a kind of consciousness-raising in which a business conducts itself so as to evaluate things that might not normally be evaluated.

In the normal course of business, companies tend to neglect many possibilities to do things better. They rely on vendors or the forces of competition to bring things to their attention. When will a company evaluate its light bulbs? In many cases never — unless, perhaps, a new light bulb vendor walks in



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the door and suggests it can save the company a lot of money.

When will most companies consider telling a vendor to reexamine the way it packages something? For the most part never. However, if an alternative vendor comes calling and is able to offer a better price because it has developed more economical packaging or packaging that can be transported more economically, the buyer may switch suppliers and thus the new packaging becomes standard. Yet being sustainable requires evaluating business practices such as these. Done right, it requires a systemic approach to make sure opportunities for improvement are identified and improvements are sustained over time.

In other words, sustainability should be viewed as a business discipline and, in fact, the key to successfully implementing a sustainability program is in many senses to move from random initiatives to a sustainability business management system.

Yet if sustainability must be profitable and if it should be integrated into a normal business operation, how does sustainability differ from good, solid business practices?

It is an interesting question and the answer is not as clear as advocates of sustainability really would like. It seems, however, reasonable to identify three key distinctions:

1) Sustainability biases toward the long term.

It is a mistake to install windmills if the return on investment doesn't exceed one's cost of capital — no, more than that, it is unsustainable. If, however, the return on investment is adequate but you don't invest because you hope to flip the company next year, it is fair to say that this short-term thinking is not a sustainable attitude.

2) Sustainability involves carefully considering the value of "reputational capital."

Almost all businesses recognize that certain expenditures, which at first glance seem like losers, actually produce intangible but important gains. Supporting the local hospital or volunteer fire department or sponsoring a Little League team may be expected, and a failure to do these things may make it difficult to attract employees or may lead the city council to be unsympathetic when your company requires a zoning variance.

This principle is a tricky one as, of course, it has no natural limits. One can assert that building a windmill will win goodwill without being able to quantify it.

Yet, nonetheless, it is an important point. It requires at least a consciousness of the value of being thought well of and thus a willingness to at least attempt to assess that value in making decisions.

3) A recognition of the influence of non-contractual stakeholders.

Every executive knows you can't conduct business without the approval of those parties that have contractual rights. A CEO may want to sell the company, but if the shareholders don't agree, the deal is off. Perhaps a CEO wants to build a new building but if the bank won't finance it or the city won't allow the zoning change needed, construction can't proceed.

The key to successfully implementing a sustainability program is in many senses to move from random initiatives to a sustainability business management system.

One business phenomenon of the modern age has been the rise of the NGO or non-governmental organization. Sustainability acknowledges the power of these groups and thus requires extensive stakeholder engagement as a common business practice.

In other words, although it may be true that your neighbors have no legal claim against your planned as-of-right facility expansion, we have learned that agitated neighbors can form NGOs and get zoning changed or tie things up in court. So, although sustainability requires no fixed outcome — in other words, you don't have to agree with your neighbors — it does require outreach. It requires an honest attempt to understand the opinions of all stakeholders and consideration for those opinions.

Many in the industry can embrace all this. They value being sustainable in reference to the environment and recognize the value of the economic responsibility as a check on irrational spending, yet they shudder at facing the third component of sustainability, the social responsibility.

It is understandable why this would be so. It is through laws such as the minimum wage law and child labor laws that we compromise among different sectors of our society on issues such as how people ought to be treated. In raising the spectre of some amorphous "social responsibility," we seem to open the floodgates to unlimited and unreasonable demands from social activists.

Yet intrinsic to sustainability is that legal minimums are not always enough. Our behavior cannot be justified simply by pointing to its legality; we have to live in our own skins and think ourselves to be doing the right thing.

Although this can make for some heated battles, the self-conscious attitude this requires — not so much dictating any behavior as dictating that we think about what we are doing — is really the crucial element of sustainability.

And it is not as much of a challenge as one might think. In fact, the social component is a crucial offset to the environmental. After all, although helping the planet may be an important value, it is not our only value.

So if the environment would benefit from moving a facility to a less trafficked area but local people would lose jobs or suffer a loss of income, there is no slam-dunk answer. A balancing between different interests — social and environmental — is what is required.

Although it is true that acknowledging social responsibilities beyond obeying the law opens the door to those who would advocate all kinds of expenditures including increases in labor costs, it is also true that conducting such a discussion within the context of sustainability creates an automatic framework to moderate unreasonable demands. After all, urging a larger payroll is fine but it has to make sense in terms of our economic responsibility.

With so many multi-generational family businesses in the industry, many have been practicing sustainability for a long time. Family businesses are motivated not only in the obvious sense of preserving the vitality of the land for the next generation but also in the broader sense of being cognizant of the desirability of sustaining and enhancing the reputation of the family and business for generations yet to come.

It is unfortunate that so often sustainability comes across as somewhat dour such as being forced to focus on doing whatever is required to win a certification or an emphasis on doing less of a bad thing such as emitting carbon or pollution. Done well, sustainability can and should be joyful, a kind of celebration of a journey of continuous improvement with priorities established and projects undertaken because doing so is so compelling to stakeholders and, especially, employees.

Throughout this issue, you will read the thoughts and stories of an industry inching toward a new way of perceiving business, of an industry trying to become more sustainable as it comes to understand sustainability. **pb**





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Reader Service # 87

Tackling Sustainability

Retail and foodservice companies are finding ways to implement sustainable operations and best business practices.

By Duane Craig

aking their cue from growing public sentiment, retailers and foodservice operators are spreading their wings over everything green. A recent poll conducted by Global Strategy Group, New York, NY, revealed 87 percent of consumers are more likely to buy products from retailers committed to environmentally friendly practices than companies that don't convey an eco-friendly image.

Now, under the all-encompassing banners of sustainability and corporate social responsibility (CSR), companies are lumping together environmental, social and energy policies and a sort of cradle-to-grave accounting of the products they produce, distribute, sell and consume. While the lines often blur between the various terms, many are not waiting around for clearer definitions.

According to a recent article by Anne-Marie Roerink, director of research for the Food Marketing Institute (FMI), Arlington, VA, 42 percent of retailers have corporatelevel sustainability policies in place and another 15 percent plan to create them in the next year or two. She notes 93 percent of retailers make reusable shopping bags available and half of those offer incentives for consumers to use them. Nearly 100 percent recycle cardboard and more than half recycle paper, oil, fat, grease and plastic. She says retail real-estate investments have not been overlooked when it comes to green; 80 percent list green building as an important goal now or in the very near future.

FMI says one highly embraced tactic in the greening of stores is to reuse or upgrade existing buildings instead of building new ones. It reports that in 2006 more stores were retrofitted than new ones were built, and it claims that was a first.

This effort has not been lost on consumers, although certain categories of consumers appear to be more willing to embrace products associated with sustainability and health. ACNielsen, New York, NY, reports that readers of LOHAS Journal, Louisville, CO, are top spenders in many categories, such as fresh produce and nuts. (According to its Web site, LOHAS is an acronym for Lifestyles of Health and Sustainability, a market segment focused on health and fitness, the environment, personal development, sustainable living, and social justice.) Their spending is expected to almost double by 2010. Nielsen claims 81 percent of LOHAS households purchase items labeled organic and spend four times as much as the group of consumers who are not ecologically aware.

In a separate study conducted by Packaged Facts, Rockville, MD, Hispanic families were more likely to select organic and fresh foods than non-Hispanic consumers.

Children are now aggressive consumers, so it's not surprising they're pressuring their parents to buy green. According to Packaged Facts, of the \$123 billion consumers spent on their 3- to 11-year-olds in 2007, \$65 billion was on food, and more than half of 6- to 8-yearolds encouraged their parents to buy green. Hispanic children lead non-Hispanic groups by a wide margin.

Foodservices Picture

Although the restaurant industry started becoming eco-friendly many years ago with moves toward organic menus and recipes dependent upon local ingredients, the jump to critical mass is a recent phenomenon. The Green Restaurant Association, Boston, MA, tripled its membership in 2007 and is on track to do that again this year. Consumers, however, are not recognizing the efforts.

A study by the NPD Group, Inc., Port Washington, NY, found diners are ready for environmentally friendly cuisine and ready to pay for it. Consumers ranked restaurants at



the bottom of the list of a dozen other industries for their efforts at becoming eco-friendly. Only 15 percent said fast-food and full-service restaurants were making good progress toward becoming environmentally friendly while 30 percent thought grocery stores were.

Still, industry efforts are underway to heighten sensitivities toward sustainability within the foodservice sector. The Sustainable Food Lab, managed by staff at the Hartland, VT-based Sustainability Institute, outlines its objectives in this regard as "actively seeking ways to bring real change to the ways we grow, harvest, buy and distribute food."

This effort, a coalition of business and social leaders from three continents, recently released a guide for foodservice professionals that provides clear information on sustainable terms, consumer trends and new technologies in sustainable food purchasing. Through a series of real-life stories told by those in the foodservice business, the guide illustrates the misunderstandings that exist with terms, extending even to terms related to health claims.

One account manager for a national foodservice distributor that delivers products to thousands of restaurants every day told of the issue faced when consumers asked the manager to review a draft of a new menu with the statement, "All of our items are completely trans-fat free." The manager questioned how that statement could be accurate given the naturally occurring trans fats in dairy products included on the menu. Once the customer understood the complexity of the trans-fat issue, the menu line was changed to: "...items contain no industrial or artificial trans fats."

Foodservice faces some particular challenges explaining its efforts related to health, green and sustainability. Is a salad still organic if a few sprigs of cilantro within it are not? Is a casserole still sustainable if one ingredient

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Reader Service # 53

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traveled 1,000 miles to get to the mixing bowl?

A number of foodservice operations appear not to be giving green and sustainability priority. "With all the other things we're dealing with, sustainability is just not on the radar yet," notes a major national restaurant chain spokesperson who chose to remain anonymous.

Certifications

When it comes to certifications requested of food and commodity suppliers, both foodservice operators and retailers are most focused on food-safety items, such as Good Agricultural Practices (GAP) and Hazard Analysis and Critical Control Point (HACCP) certifications from third-party auditors.

Retailers point to the growers they chose as suppliers as evidence of their continuing efforts to be ecologically responsible. "We have a number of suppliers that are very conscious of the overall effect their growing practices have on the environment, their teammates and our consumers," explains Bob Denomme, director of floral and produce merchandising, Bi-Lo, LLC, Mauldin, SC, which has 225 stores and is a wholly-owned subsidiary of Bi-Lo Holdings, LLC, Greenville, SC. "Growers are naturally conservative in how they use water, pesticides, insecticides, fertilizers and supplies. All of these things cost them money, so when they can conserve, they do. We do not have a policy in place that limits us to using only vendors that use these practices, but we do buy only from vendors with the best growing practices and these two things generally go hand in hand."

Retailers offer little evidence they are pushing down requirements to suppliers for certifications in sustainability or eco- and social friendliness.

Matthew Buck, assistant director, Food Alliance, a Portland, OR-based non-profit that certifies sustainable agricultural and business practices of farms, ranches, processors and distributors, says the organization has historically noted the produce sector to be a certification challenge. "One of the things we've learned over the years is certification can be a very effective tool to differentiate and add value to branded products. In commodity settings, such as fresh fruits and vegetables, you don't see as much branded product so I think people struggle to find benefit from certification.

"For some of those products, such as organic, consumer recognition may create pull for those products in absence of a producer brand or a packer brand," he continues. "There are folks who carry both organic and Food Alliance certification and often they're looking to us to sort of broaden the issue coverage. We look at labor and wildlife habitat and issues that aren't specifically addressed by organic certification but that are important to consumers of those products. If somebody is coming from a commodity mindset and just hoping that a seal or certification is going to add another nickel a box, that can be a

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Reader Service # 28

fairly tough proposition."

Food Alliance has specific certification standards for almost 50 fruits and vegetables; its goals are to be a national influence on the food system and to create value for producers of all kinds of agricultural products.

Foodservice seems to be more heavily represented; Buck says Food Alliance is seeing greater interest from that sector, most notably as the result of activism at colleges and universities. Its certifications have increased at an annual rate of 18 percent over the past five years and in 2007, they jumped 30 percent. Food Alliance is on track to exceed that increase this year.

No matter the popularity of any movement, there are always those who question its validity or staying power. In this case, some wonder if industry groups and the media aren't simply pushing the green thing, and they question whether green will survive beyond the fad stage. A recent New York Times article reported ad agencies were pulling back on environmentally themed ads because of growing consumer skepticism over environmental messages. The article also indicated Time magazine's Earth Day issue was its thirdlowest selling issue for 2008 as of August.

With so much invested in rhetoric and money, efforts toward green, sustainability, CSR and other buzzwords, it's no doubt they're here to stay - if not in the hearts and minds of consumers, then certainly in the day-to-day



business practices of countless companies that are making investments in these directions. Not only are they seeing reductions in costs but they are also realizing savings from improved tracking of perishables. In today's challenging economy, companies are reaping the rewards associated with employing what some call recession-proofing strategies.

In Armonk, NY-based IBM's report, Attaining Sustainable Growth Through Corporate Social Responsibility, authors George Pohle and Jeff Hittner point to a "body of evidence that corporations can do well by doing good." According to the report, "Well-known companies have already proven that they can differentiate their brands and reputations as well as their products and services if they take responsibility for the well-being of the societies and environments in which they operate. Today, a surprising number of companies already regard CSR as a platform for growth and differentiation."

The report shows 68 percent of business leaders surveyed focus on CSR activities to create new revenue and 54 percent believe their CSR activities are already giving them competitive advantages. Besides being perceived as the "right thing to do," these initiatives also represent a sort of retooling of business as it continues to evolve in the global economy while simultaneously coping with higher fuel costs, changes in climate and, to some degree, changes in social consciousness.

A hundred years ago, as Model T Fords were rolling off the first assembly lines, new ways of doing business were being born to adapt to a changing economy. Today, sustainability and CSR might just as aptly be named best business practices for a new century.

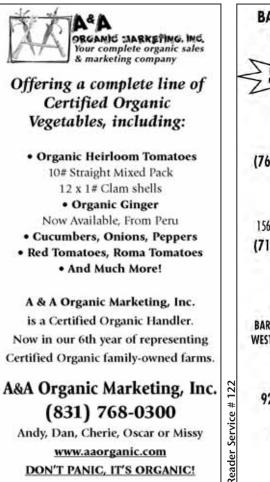
What are retailers and foodservice companies up to when it comes to sustainability, all things green and CSR? Here's a roundup gleaned from retailer and foodservice Web sites, company publications and interviews.

SUSTAINABILITY ROUNDUP

RETAILERS ALBERTSONS, INC., Boise, ID



Albertsons, a subsidiary of Eden Prairie, MN-based Supervalu, focuses considerable effort on the environmental front. Albert-



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sons' environmental affairs department oversees daily activities with an eye toward preventing pollution and conserving resources and helps stores and distribution centers to refine their operating strategies so environmental impacts are minimized.

In terms of its building efforts, Albertsons recently received Leadership in Energy and



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Environmental Design (LEED) certification, a designation bestowed by the U.S. Green Building Council (USGBC), Washington, D.C., for its Shaw's supermarket in Worcester, MA. Some of the features incorporated into the store included high-efficiency refrigeration, monitored temperature and humidity controls, water efficiency, recycling large amounts of materials and use of local materials during construction.

Throughout Albertsons' chain, there are aggressive energy-conservation measures, waste reduction, recycling and moves toward sustainable packaging. The company recycles more than 635 million pounds of materials.

BJ'S WHOLESALE CLUB, Natick, MA



By using innovative, environmentally sound, energy-efficiency programs, the 175-plus-store chain claims to have reduced its energy consumption an average of

100 million kilowatt hours (kwh). It has made clean energy, energy efficiency, demand management of energy, education and awareness the cornerstones in these efforts.

In partnerships with 14 clubs in six states, BJ's dedicated roof space where solar panels generating a total of 480 kwh are creating clean energy. The company installed energy management systems throughout its chain and is purchasing energy efficient equipment.

During peak energy-load days in summer, BJ's turns off 50 percent of the lights in clubs in New York and Connecticut. This results in a total load reduction of more than two megawatts and helps to reduce electricity price spikes and voltage reductions or blackouts.

The company's chain-wide information exchange program helps clubs to reduce or eliminate energy-wasteful operations and educates staff on energy-efficient processes.

COSTCO WHOLESALE CORP., Issaquah, WA



The 537-store Costco has done sustainable things for years as ways to reduce operating

costs. Costco is heavily into skylights on its buildings so the interiors can remain bright without much electrical use. Referred to as daylight harvesting, special controls turn off interior lights when there is enough light entering from outside. "We have been doing these things because they were efficient and bring cost reductions," according to Karen Raines, director of corporate sustainability. "And now we're finding out they're also green."

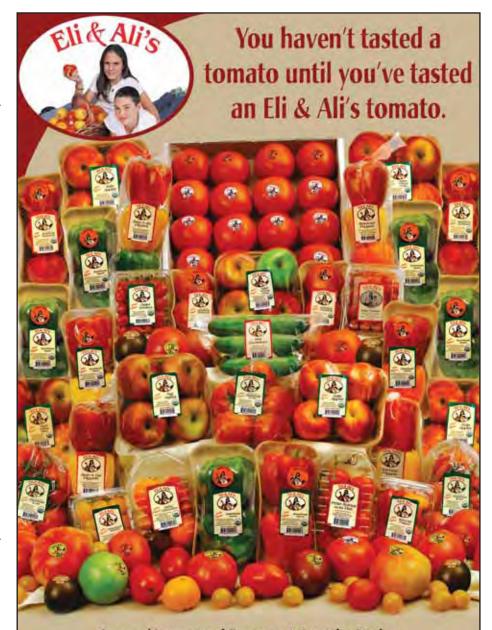
Today, the company continues to seek ways to lower the impact of its warehouses on the environment. With nearly 400 warehouses in the United States consuming 1.9 billion kwh in 2007, the company has harvested sunshine as one way to reduce its electrical consumption. It installed its first solar panels in 2006, and more than a dozen warehouses are equipped with them today.

Any new refrigeration, air conditioning and lighting systems are high-efficiency units while upgrading older equipment is having a marked effect on energy use. Tune-ups to air conditioning and lighting systems controls netted a 5 percent reduction in energy use in 350 stores.

Costco points out that produce waste accounts for as much as 1.5 tons per week, per warehouse, so it is testing several programs to keep the produce out of landfills. One scheme involves paying compost companies to pick up the waste for a rate lower than what the garbage companies charge. On the recycling front, the company expects to recycle 240,000 tons of cardboard and plastic wrap this year. Packaging is a great deal of scrutiny and suppliers are being guided toward paperboard and PET plastic, such as clamshells, to wrap a myriad of products.

DELHAIZE GROUP, Brussels, Belgium FOOD LION, LLC, Salisbury, NC HANNAFORD BROTHERS CO., Scarborough, ME

Delhaize's overarching efforts on behalf of sustainability are aimed at energy and reducing waste. More than 400 of its Food Lion stores are Energy Star rated, and this banner



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achieved a savings of 80 million kwh in 2005. Energy Star is an international standard for energy-efficient consumer products.

Food Lion recently unveiled what it calls "the nation's first grocery store" incorporating two ozone-friendly refrigeration systems. The company expects a 60

percent reduction in the amount of refrigerant needed to keep things cool and frozen. Waste avoidance, collection and recycling are ways the company works toward more sustainable operations. For instance, Food Lion has recycled more than 138,000 tons of cardboard.

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The 150-store Hannaford chain is also an Energy Star partner and is achieving Platinum Leadership in Energy and Environmental

Design (LEED) status, the highest available, on at least one new store in Augusta, ME. Getting to that designation requires installing advanced features, such as photovoltaics, a green roof, geothermal heating and cooling, high-efficiency refrigeration and incorporating an advanced recycling program.

Hannaford recognizes the extension of sustainability to its supplier base. "We have increased the network of local farms that directly supply stores rather dramatically in the past three years and are now up to about 220 farms," according to Mike Norton, director of corporate communication. "It's not solely about sustainability since consumers have many reasons why they're interested in that. Some of it is about freshness, some it is about preserving open space and some it is a group of those issues. We also do a lot with composting, and our Massachusetts stores as a group are certified for their work in recycling food wastes and composting."

Hannaford is one of six U.S. supermarket chains to have joined a voluntary Environmental Protection Agency (EPA) program that promotes environmentally conscious refrigeration technology designed to protect the ozone. Hannaford and Food Lion are among the initial 10 businesses, including representatives from refrigeration manufacturers and the chemical refrigerant industry, entering the GreenChill program. Participating refrigeration systems and methods in new and remodeled stores.



"Hannaford has a long history of being at the forefront of taking care of our environment," reported Art Aleshire, senior vice president of corporate development,

during a ceremony marking the launch of the GreenChill program. "I remember back to 1995 when there was no mandate to take out CFCs from our refrigerant systems, but we thought it was the right thing to do, so we did it voluntarily. Ever since then, we've been working to find different ways we can be innovative and save our environment." Hannaford recycled 63 percent of its waste in 2007 and created a unique partnership where used plastic pails and pill bottles are recycled into decking boards

GIANT EAGLE, INC., Pittsburgh, PA



Giant Eagle, which has 156 companyowned and 69 franchise stores, uses a "Fresh Approach to Green" through its sus-

tainability hallmarks, which include energy management and recycling initiatives. The company claims to have built the first LEEDcertified supermarket and Pennsylvania's first Silver Commercial Interior LEED-certified store. Its Energy Star efforts earned it the Sustained Excellence Award from 2006 through 2008 and it was awarded Partner of the Year for 2004-2005.

The chain has been on an aggressive campaign to replace lighting with more efficient options, install store-wide power management equipment, install occupancy sensors and assign Energy Point Persons at every location to identify conservation opportunities and help educate employees.

Giant Eagle offers reusable shopping bags to consumers, and this past year, the company's operations recycled more than 144 million pounds of materials, including paper, cardboard, plastic film, rigid plastics, proteins and batteries.

On the energy generation side, the retailer purchases 17 million kwh a year of renewable wind power as a member of the EPA's Green Power Partnership.

THE GREAT ATLANTIC AND PACIFIC TEA COMPANY, INC. (A&P), Montvale, NJ PATHMARK SUPERMARKETS, Carteret, NJ



The 447-store A&P chain seeks environmentally friendly products and practices throughout its operations. It has backed

initiatives to lower lights, adjust temperatures and develop comprehensive best practices to conserve natural resources.



Pathmark, a 141-store chain, was acquired by A&P in December 2007. Since then, most of its stores have switched to high-efficiency lighting and

centralized energy-management systems. Refrigeration units throughout all stores are monitored to avoid overstocking — a practice that robs the units of air circulation and lowers their efficiency.

As stores are updated, efforts, such as white roofing, higher-efficiency heating and cooling systems, solar electricity generation, and in some instances, micro-turbine generating systems to cut energy use and reduce demand on the grid are adopted. Besides

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rewarding consumers for using reusable shopping bags, the company also maintains recycling bins for plastic grocery bags, dry cleaning bags and shrink-wrap.

HARRIS TEETER SUPERMARKETS, INC., Matthews, NC



The 174-store Harris Teeter chain divides its sustainability efforts into six specific areas: Farmers Market; store design; packaging; giving; Fishermans Market; logistics and distribution; and recycling.

While the Farmers Market concentrates on delivering certified organic fruits and vegetables and minimizing the carbon footprint of packaging used for those commodities, the Fishermans Market partners with seafood suppliers that practice sustainable fishing and sustainable fish farming.

Harris Teeter maintains an aggressive Energy Star program, had 16 stores labeled as Energy Star compliant in 2006 and plans on labeling 35 more stores in 2008. It is incorporating efficient roofing systems, energy-management programs, non-ozone depleting refrigeration, water conservation at all fixtures and high-efficiency gas water heaters.

The company recycles all the usual suspects plus packaging and shipping pallets, and its shopping carts are made from recycled plastic. The stores maintain recycling centers where consumers can dispose of paper and plastic bags. The company recycles 30,000 tons of cardboard and 1.9 million pounds of plastic each year.

H. E. BUTT GROCERY COMPANY (HEB), San Antonio, TX



Focusing on energy efficiency and conserving natural resources, 310-store HEB highlights the

benefits to the planet and the savings to consumers. Its mantra is "Reduce, Reuse, Recycle," and the numbers it offers appear to back that up.

Through its recycling efforts, HEB reduces air pollutants by 6 million pounds each year and it saves 6.2 million gallons of water each year by reusing condensation water. By increasing the number of items packed into bags, it has reduced its plastic bag use by more than 136 million.

The company claims to be the first retailer in Texas to offer E-85 fuel made from domestically produced corn. The fuel is 85 percent ethanol. By converting half its delivery trucks in Houston to operate on natural gas, it says it has reduced nitrous oxide emissions by 35 tons annually. The company has simultaneously reduced its diesel fuel use by 4.7 million gallons each year, netting a 30 percent reduction in carbon dioxide emissions.

Its Austin area stores buy 27.6 million kwh

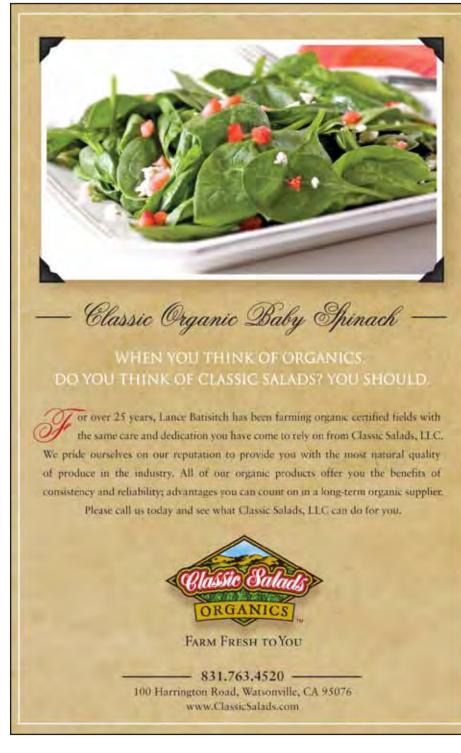
of wind power each year and 137 stores have received Energy Star labels. Stores are being converted to energy-efficient lighting, landscaping is designed to minimize water use and runoff and many of the components used in its buildings have a high percentage of recycled content.

HYVEE, Des Moines, IA



As the 197-store HyVee chain incorporates more green products into its offerings, behind the scenes it takes further steps to make sure its operations are as sustainable as they can be. Through waste reduction and recycling, HyVee recycled more than 2 million pounds of cardboard, 1 million pounds of plastic, 2 million pounds of pallets, 75,000 pounds of tin cans, 24,000 pounds of paper and 10,000 gallons of used oil in 2007.

HyVee offers reusable shopping bags and plastic-bag recycling centers. Some of its store design attributes, such as the synthetic-free concrete and terrazzo floors, help reduce chemical use, Nighttime lights are automatically dimmed during restocking, refrigerated cases are upgraded to more energy-efficient models, low-emittance (low-E) tinted windows help



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RETAILERS IN THE U.K.

Marks & Spencer Group plc (M&S), London, England



M&S, with 840 stores, has created sustainability efforts that address climate change, reducing waste, safeguarding natural resources, trading ethically and building a healthier nation. Its Plan, called Plan A, is further divided into the Five Pillars or goals. The company makes no bones about

how serious its efforts are since there is no Plan B.

By 2012, M&S wants to be carbon neutral, not sending any waste to landfills, extending sustainable sourcing, improving lives of people in its supply chain and helping consumers and employees to live more healthful lifestyles.

During the past year, M&S has reduced greenhouse-gas emissions by 55,000 metric tons (60,627 tons), supported farmers investing in small-scale renewable energy production, opened three eco-stores, ordered 140 aerodynamic trailers and completed a carbon footprint for its food business.

M&S is working to reduce bag use, recycle clothing, reduce packaging and increase various other types of recycling. It has also increased the sales of organic food by 48 percent.

J Sainsbury plc, London, England

J Sainsbury plc

J Sainsbury plc, the parent company of 504-store Sainsbury Supermarkets Ltd., chain, aims to source with integrity. As of July, it procured 100 percent of its produce from EurepGap or equivalent

accredited sources. It has met its target of having 90 percent of its organic produce packaging recyclable, reusable or compostable, and it is on track to meet its target of a 5 percent reduction in packaging relative to turnover by 2010.

Sainsbury is also on track to reduce its greenhouse-gas emissions by 25 percent by 2012 against a 2004/2005 baseline. It also intends to reduce its per-case-transported greenhouse gas emissions by 5 percent by March 2009, reduce fleet and travel distance by 5 million km (3.10 million miles), have 100 percent of its online shopping deliveries in urban areas delivered by electric vans by 2010, and use off-site construction methods on eight key building projects.

The company is also on track to reduce electricity use at its depots by 12 percent by 2010. It has completed a water-saving initiative that results in 210 million litres (55.47 million gallons) of savings and is on track to reduce its landfill waste by 50 percent relative to sales against a 2005/2006 baseline.

Tesco plc, Cheshunt, England



Using a multi-faceted approach, the 2,106-store chain is cutting its carbon footprint in every area of its business. Besides encouraging shoppers to use fewer bags, Tesco is rewarding consumers with

Green Clubcard points when they take environmentally friendly action, such as recycling shopping bags, inkjet cartridges and mobile phones.

The company has reduced some packaging by up to 90 percent over the previous year and is importing wine in bulk to cut carbon emissions associated with transport. Tesco is running trials on including carbon-footprint labeling on certain items, such as potatoes, orange juice and washing detergent. It is showcasing some of the 1,200 apples unique to the United Kingdom and has been aggressively sourcing from local and regional suppliers.

This year, the company hopes to achieve an 80 percent rate of recycling on its store waste. When it incorporated automatic recycling machines in 2005, it did so with the thought of increasing the amount of recycling its consumers were doing.

Tesco stores are using 50 percent less energy than they did in 2000. By incorporating timers on lights and energy-efficient appliances and by having an energy-saving champion in every store, Tesco is on track for further reductions. It's also investing in farmers through its Nature's Choice program, an integrated farm management scheme. One fruit grower was helped to plant wildflower strips between rows in the orchard thereby attracting beneficial insects to deal with fruit pests.

Waitrose, Bracknell, England



According to its 2007 CSR report, the 191store Waitrose chain is on track to reduce its greenhouse-gas emissions by 10 percent by 2010. It hopes to improve the energy efficiency

of its stores and offices by 20 percent by 2010. Overall, the company has decreased its like-for-like carbon footprint by 10.6 percent since 2006.

Waitrose has pioneered trials of high-efficiency engines for its fleet, tested supplier deliveries directly to shops and has saved 2 million miles of driving by loading return trips. The retailer has reduced packaging consumption by 33 percent since 2000. It is recycling 23,000 metric tons (25,353 tons) of waste each year and offering a range of recycling opportunities to its consumers including bag and phone recycling.

Waitrose requires its British growers to adopt Linking Environment and Farming (LEAF), a certification that promotes the use of efficiency, transparency and standards. The company has more than 1,200 local and regional product lines from more than 300 producers.

hold down temperature changes, landscaping with native plants reduces the company's water use and reclaimed heat from compressors preheats water and air.

HyVee is also testing high-efficiency tires for its vehicle fleet and has added aerodynamic kits to its trucks and trailers.

KROGER CO., Cincinnati, OH



The 2,274-store chain's approach to sustainability involves partnering "with our consumers and our associates to provide choices so they can impact their local and global environ-

ment in a meaningful way," explains Lynn Marmer, group vice president of corporate affairs. "We continue to expand our green living and sustainable offerings as our consumers and associates look for more ways to do their part when it comes to the environment."

One of those ways is through recycling centers, which accommodate plastic bags, dry cleaning bags and plastic shrink-wrap, at the store. The bags are made into new products, such as landscape bricks, plastic lumber and more plastic bags. Kroger is also switching to thinner plastic for many of its private-label plastic bottles. Kroger stores and its consumers recycled 9.1 million pounds of plastic in 2007 and the stores recycled more than a billion pounds of cardboard.

Several of Kroger's divisions compost leftover produce that can't be sold. Part of Kroger's recycling efforts extend to its outdoor advertising. It maintains 829,000 square feet of billboards and has switched them from PVC-based material to material made from recyclable polyethylene — a move that will eliminate 68,000 pounds of PVC from the waste stream this year.

The company has cut its energy consumption by more than 22 percent since 2000 and expects to have reduced diesel fuel use by more than a million gallons over a 3-year period.

It donated more than 24 million pounds of food and other products to food banks in 2007. Kroger also pursues extensive social efforts in areas such as food safety, vendor standards, ethics, safety, sustainable products and animal welfare.

MEIJER, INC.,

Grand Rapids, MI

"A year ago August, we opened our first



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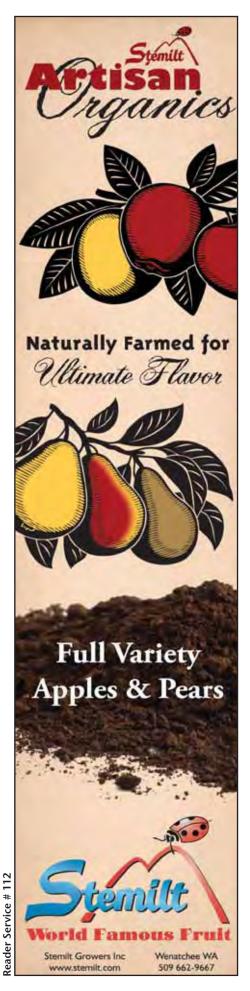
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LEED-certified store," says Frank J. Guglielmi, director of public relations, for the 182-store chain. "It's in Alan Park, MI, and was built in a development that was a former landfill site used by Ford Motor Company. We'll open nine new stores in 2008 and five of them are replacing existing Meijer stores, so we're netting out at four new stores this year." In two cases, the company recycled 95 percent of the old, nearby stores that were being replaced. Meijer has also part-



nered with The Nature Conservancy, Arlington, VA, to offer a wide selection of non-inva-

sive plants in its garden centers. "That has been a very successful program for us since we actually more than doubled the number of non-invasive plants we had available for sale this year," Guglielmi says. "We're in five states, so the plants differ from location to location."

Meijer has been aggressive about including as much locally produced product as possible and received an award from the state of Michigan for its leading role in supporting local growers. Meijer's organic line has more than 200 items.

Guglielmi tells of a wildly successful reusable bag program: consumers buy polypropylene bags at cost from the store and then reuse them over and over again. "We launched the reusable bags last October and it took off like wildfire," he says. "At its peak, we were selling 40,000 of them each week, and to date we've sold over 800,000. People just love them. You see them carrying books in them and all kinds of things."

PUBLIX SUPER MARKETS, INC., Lakeland, FL

Publix.

The 941-store Publix chain publishes extensively on its sustainability efforts that range

from helping people to think green to smart product sourcing. The company looks for locally produced products first and then expands outward if products that meet its standards, price and quality are not available.

"At Publix, we're always searching for great value in product for our consumers," explains Maria Brous, the company's director of media and communications. "We secure a variety of produce year-round. While purchasing local means something different to each person you ask, we procure product within our market areas whenever available. If the product is not available within our 5-state geographic area, we look across the United States. If product is not available in the United States, we look abroad."

Reducing, reusing and recycling are at the heart of its efforts. Building more energy-efficient stores, reducing energy consumption at existing stores, minimizing water use, reducing fleet fuel use, reusing materials and items at all levels and recycling at every opportunity are built into the company's operations. "For several years, Publix has worked with corrugated manufacturers to test products to replace wax cardboard boxes," adds Brous. "Today, we work with our suppliers to encourage them to use shipping products and containers that are more environmentally friendly and recyclable."

With the establishment of its *Get Into a Green Routine* program, Publix has brought the concept of acting in "green ways" to the fore-front. The company credits the program with helping to save 643 million kwh since its inception in 2001.

Other company initiatives include energyefficient refrigeration and air-conditioning designs and equipment, incorporating halide and LED lighting into stores, integrating solar electricity-producing technologies into its buildings and policies for types of product packaging. By becoming more efficient with routing and loading, Publix has decreased its truck travel by 28,000 miles each week.

RALEY'S SUPERMARKETS, West Sacramento, CA



The 130-store Raley's Supermarkets chain sources local produce as much as possible, explains Nicole Townsend, spokeswoman. "We are fortunate to be

located around some spectacular growing regions and we work with local farmers constantly, often featuring them and their products in our weekly ads and magazine.

"In some cases, we have direct delivery from local growers to local stores," she continues. "For many years, we've also sent our produce waste to our distribution center, where it is collected and taken to farms as livestock feed. We recycle cardboard and waxed cardboard, which many companies do not do because it takes a different type of recycling process. Since we introduced organic produce in the mid-'80s, we've offered a wide variety that can be well over 100 items in any given period."

The company installs skylights, induction lighting that lowers power use by 20 percent, light-emitting diode (LED) lights, solar power stations, high-efficiency refrigeration systems and stratified air systems that focus heating and cooling on the occupancy zone of the store or the first eight feet above the sales floor. It is also refining air doors so there is little to no loss of heated or cooled air through open doorways at the stores' entrances. It has installed stained concrete and porcelain tile floors to eliminate the 10-year cycle of removing vinvl tile floors and sending them to landfills. It has also installed night blankets on refrigerators to limit energy loss during nighttime hours.

ROUNDY'S SUPERMARKETS, INC., Milwaukee, WI

The 152-store Roundy's takes particular

pride in its efforts to eliminate waste, especially in the perishables area, by paying careful attention to procurement. "One thing we do to prevent produce waste is to have very specific product specifications that we have written up and share with our suppliers," reports Steve Kinishi, vice president of produce.



"We deal with suppliers who are reputable, so the likelihood of getting un-saleable

product on the inbound side of our distribution centers is reduced," he continues. "We also have made a lot of progress in reducing waste by focusing on ordering what the consumer needs. As we understand demand better, we can order product to meet that demand. When you do that, it reduces waste. Shrink reduction, environmental friendliness and green efforts don't necessarily have to exist as separate goals. They all work together as good business practices."

Roundy's continually refines ordering and production practices so it is more effective in managing inventory in both the stores and the distribution centers. Through more effective ordering and efforts at turning the product in the distribution centers, it keeps waste to a minimum. It has also increased its organic offerings at a clip exceeding the national average, not only because its consumers are demanding it but also because it helps local growers and helps the environment.

Roundy's addresses the proliferation of packaging by ordering commodities in bins even though it may not necessarily use the bins in floor displays. It also recycles packaging and cardboard as well as packaging components that many may overlook as recyclables, e.g., corner boards from pallets and junk pallets.

According to Vivian King, director of public affairs, Roundy's careful attention to waste reduction does not translate into a reduction in charitable food giving. Besides periodic food drives, the company's foundation delivers 7,300 pounds of food to each of 50 food pantries twice a year. Through a partnership with Altera Coffee, Milwaukee, WI, a dollar from every pound of coffee sold goes to fight hunger through Chicago, IL-based America's Second Harvest branches throughout Roundy's geographic area of operations.

The company aggressively helps consumers recycle plastic, offers reusable shopping bags and reduces transportation waste by piggybacking trailers on trains and loading backhaul miles on local runs. Its new 1.1-million-square-foot distribution center was recognized for its green design features under the Wisconsin Department of Natural Resources (WDNR), Madison, WI, Green Tier Program. Roundy's is a Tier 1 participant in Green Tier. The distribution center maximizes the use of daylight, uses only sand for ice control on its parking lots and driveways and includes landscaping that provides habitat for wildlife and screens the facility.

SAFEWAY, INC., Pleasanton, CA



The 1,734-store Safeway uses wind to power all its U.S. fuel sta-

tions, its headquarters in northern California and its stores in San Francisco, CA, and Boulder, CO. It converted its truck fleet to biodiesel and currently harnesses the advantages of efficient lighting and refrigeration and recycles 500,000 tons of materials each year. Safeway saves more than 175 million kwh each year through its energy-efficiency efforts and, by using the EPA's SmartWay Fleet Logistics Environmental and Energy Tracking Performance Model, it is saving more than 6.5 million gallons of diesel fuel each year.

Besides conducting business in environmentally responsible ways, Safeway also minimizes the environmental liabilities associated with property acquisition and disposal and helps its consumers choose sound environmental practices. The company uses a 3phase approach to identifying and addressing the potential environmental impacts of its properties. Through public service announcements, Safeway highlights what people can do to manage energy more efficiently and tells its story about participation in programs that help it reduce its energy use.

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SAM'S CLUB, Bentonville, AR



Claiming its goal is to have its stores run by 100 percent renewable energy, create zero waste and sell products that sustain resources and the environment, the 718-store Sam's Club, a subsidiary of Wal-

Mart Stores, Inc., Bentonville, AR, outlines specific steps it's taking to get there. By installing auxiliary power supplies on its trucks, Sam's hopes to eliminate 100,000 metric tons of greenhouse-gas emissions and reduce its diesel fuel consumption by 10 million gallons. It is recycling shrink-wrap, plastic, aluminum and cardboard, and has developed a packaging scorecard to evaluate packaging so it can continuously improve it.

Sam's has an electronic recycling and trade-in program, is offering more choices in organic food and apparel and is selling only fish certified through the Marine Stewardship Council (MSC), Seattle, WA, and the Aquaculture Certification Council, Inc. (ACC), Kirkland, WA.

SUPERVALU, INC., Eden Prairie, MN



Supervalu, Inc., which operates 2,505 stores, organized a ValuEarth Council

that recommends and oversees ways for the

company to minimize its environmental footprint. Through its participation in the EPA's GreenChill Partnership program, it is using only non-depleting refrigerants in new construction and remodels, is reducing its emissions of ozone-depleting and greenhouse-gas emissions each year and is involved in a government/industry research program to assess the performance of new technologies.

Supervalu recycles 271 thousand tons of cardboard, 4,000 tons of plastic and 429 million beverage containers each year. Produce is recycled at various stores through composting or conversion to animal food.

From 2000 to 2007, the company invested more than \$95 million in capital energy projects that save more than 340 million kwh of energy each year. It is converting store signs to LED and switching to LED in frozen-food cases, medium temperature cases, backroom lighting, dock lighting, spot lighting and walk-in freezer and cooler boxes. The company is also incorporating solar electric generation in some stores and trying out green roofs on select facilities.

TARGET CORP., Minneapolis, MN

Target is a 1,500-plus-store chain, including more than 175 SuperTarget stores that add an upscale grocery shopping experience. Stores throughout the chain incorporate LEED, waste reduction, energy efficiency and innovative thinking to minimize its environmental footprint.



In 2006, Target recycled 911 million pounds of cardboard, 1.4 million pounds of electronics, 2.1 million pounds of plastic, 153,000 pounds of metal and either recycled or composted 6.2 million pounds of food waste. The

company also recycled or refurbished 47,600 shopping carts.

By incorporating energy-efficient and motion-sensor lighting, switching from exterior neon signs to LED and adding solar electricity generation capabilities, Target reduced its overall energy consumption. As a voluntary participant in the EPA's Climate Leaders program, the company tracks and reports its annual greenhouse gas emissions to the agency.

All new stores have specifications for low Volatile Organic Compounds (VOC) carpet, adhesives, sealants and paint. The company uses innovative site designs to minimize runoff and in 2006, more than a third of its new store projects involved rehabilitating older structures. Its vendor guidelines help encourage the use of more environmentally friendly packaging.

WAL-MART STORES, INC., Bentonville, AR

Wal-Mart Stores, Inc. is comprised of 915 Wal-Mart stores, 2,572 Supercenters and 143 Neigh-





borhood Markets. The chain works toward its goals of being 100 percent supplied by renewable energy, not creating any waste and offering products that sustain the natural resources and the environment. The company employs sustainable value networks that include some of its own employees along with those from suppliers and input from academia, government and environmental groups.

WAL*MART

Some littleknown and unique aspects of Wal-Mart's

efforts include the Acres for America Program, in which 395,000 acres of land have been permanently preserved, offsetting by three times the amount of land used by all Wal-Mart stores. During 2006 and 2007, the company also developed four brownfield sites or abandoned or under-used industrial and commercial facilities.

The company achieved a 15 percent increase in building efficiency between 2006 and 2007, opened two high-efficiency prototypes and made commitments for 22 on-site solar power installations that will produce 17 million kwh each year. Additionally, Wal-Mart had a 15 percent gain in truck fleet efficiency and recycled 124,000 pounds of electronic waste. All farmed shrimp factories are certified by ACC and Wal-Mart is going for full certification of all wild fish vendors with the MCS by 2010.

WEGMANS FOOD MARKETS, INC., Rochester, NY



"It's fair to say that Wegmans efforts on sustainability are mea-

sured and cautious," explains Mary Ellen Burris, senior vice president of consumer affairs for the 71-store chain. "Maybe too much so, but we worry about exploitation of consumer interest in things green. We try to work on projects that really make a difference and can be sustained. Our primary objectives are to reduce energy demand [in refrigeration, lighting, transportation and packaging], and increase our recycling rate [which is currently 62 percent]."

The company's sustainability team is busy exploring new ways for the company to be more sustainable. Its organic milk is produced by small, local family farms and the savings in fuel use for transportation amounts to 10,000 gallons per year. Wegman's puts two trailers on one truck, when possible, a practice that saved 200,000 gallons of fuel in 2007.

Wegmans recycled 3 million pounds of plastic bags and wrapping material in 2007, 81 million pounds of cardboard and office paper and, by reducing the weight of its prepared packaged salad container by 25 percent, it is saving 12,600 pounds of plastic and 1,100 gallons of fuel. All new and remodeled stores use high-efficiency lighting and the company switched to natural fiber boxes for its fish-fry containers.

In 2007, Wegmans donated more than 16 million pounds of food to food banks and pantries near its stores.

Whole Foods Market, Austin, TX



Highlighting organics as the place where the green movement began, the 270store chain stays on top of sustainable efforts. Naming areas such as healthy soil,

biodiversity, natural prevention and safeguarding water quality, Whole Foods drives home the point that it is human interaction in the world that tears down or builds up a sustainable environment.

The company highlights reducing, reusing and recycling as additional attributes to its efforts. By using paperless ordering systems, carpooling, using power monitors to reduce energy consumption and operating a composting program, Whole Foods reduces what it consumes. The company reuses assorted materials and recycles batteries, paper, glass, plastics and even cell phones.

After making the largest renewable-energy-credit purchase in the history of the continent, Whole Foods can claim all its stores are supplied by 100 percent renewable energy. Besides achieving LEED certifications for its



stores, the company takes times to select environmentally friendly materials, such as medium-density fiberboard, natural linoleum, recycled steel and Bonn, Germany-based Forest Stewardship Council (FSC)-certified wood.

FOODSERVICE APPLEBEE'S INTERNATIONAL, INC., Lenexa, KA



The 1,965-restaurant Applebee's highlights the efforts of one store in the Silicone Valley as representative of the

actions underway in its green and sustainable initiatives. The Silicon Valley restaurant teamed up with the Redwood City, CA-based Bay Area Green Business Program to become certified green, a process that took three months to come to fruition, even though it was already doing at least 70 percent of the practices required for certification..

Some of the practices necessary to qualify for certification include converting its menu box in the front to announce its sustainability efforts; recycling paper, cardboard, cans, and bottles; composting food waste; discouraging printing of e-mails; using recycled paper in the office; using recycled toner for the computer; using occupancy sensors for lighting when possible; using only compact florescent (CFL) bulbs in the front of the house and T-8 florescent bulbs in the back of the house; enacting a scheduled maintenance program on refrigeration equipment to keep up the efficiency of the units, gaskets and curtains; using chemical sanitizing in dishwashers to lower the temperature needed from the water heater; maintaining all faucets to make sure they are fixed when broken and installing low-flow nozzles on all sinks to cut back on water use; installing low-flow toilets to offset water use; and recycling all cooking oil for uses such as biodiesel fuel.

Applebee's is also working with Sustainable Silicon Valley (SSV), a San Jose, CAbased collaboration of businesses, governments and other organizations, to put together a guide book on showing other restaurants how to become green and what resources they have to do so.

BURGER KING, Miami, FL



One environmental hallmark of the 11,300-restaurant Burger King chain is its Return on Capital, or ROC, effort. This program describes new high-efficiency restaurants that are small-

er and require less heating and cooling than the larger restaurants. Specialized equipment such as tankless water heaters are part of the building package ultimately adding to the energy savings.

The company has rolled out a new Duke Flexible Batch Broiler from Duke Manufacturing Co., St. Louis. MO. It cycles energy on and off instead of constantly burning fuel. Besides keeping kitchens cooler and reducing gas consumption by 52 percent and electricity use by 90 percent, the new broilers don't send as much waste up the vent stack and they release less heat, reducing restaurant cooling and venting costs.

McDONALD'S CORP., Oak Brook, IL



Like all fast-food operations, the 31,000-restaurant McDonald's Corp. uses a great deal of packaging, so to reduce the impact on the environ-

ment, 83 percent of that packaging is paper or some other wood-fiber material. It redesigned its North American fry boxes and reduced the packaging weight by 1,100 tons per year and is phasing out perfluorooctanoic acid-based packaging in favor.

McDonald's is focusing on reusing and recycling, managing electrical energy and effective water management. It is purchasing goods made from recycled materials. On the real-estate side, new restaurants are designed to reduce air conditioning needs and all



equipment is evaluated for energy efficiency.

Through an informational program, the company keeps managers informed of better ways to manage electricity use and it has established a Global Water Team that sets standards for water quality and conservation measures.

McDonald's also works with its suppliers to shape and impact environmental issues. It developed an environmental scorecard for supplier performance, shifted whitefish purchases representing more than 18,000 metric tons away from unsustainable sources, and has been recognized by the EPA for leadership in its Refrigerants Naturally coalition.

PIZZA HUT, Addison, TX



Pizza Hut, the 34,000restaurant chain that is a subsidiary of Yum! Brands, Louisville, KY, has a code of conduct that directs its activities around the world. Largely focused on social responsibility, it directs that

all operations encourage long-lasting social well-being in communities. Competitive wages and benefits, complying with laws, and enforcing a code of conduct for suppliers are all high on the list.

Supplier diversity, animal welfare and community outreach are just a few of the company's other efforts outlined under its



SUBWAY, Milford, CT



In rolling out its Eco-Stores, Subway, which has more than 29,546 franchised units, is including high-effi-

ciency heating, ventilation and air-conditioning (HVAC) systems, remote-condensing units for refrigeration and ice making, controls for high efficiency lighting, LED lighting, low-flow water fixtures and materials from sustainable sources.

Subway also focuses a considerable amount of attention on using products derived from recyclable materials and recycling in consumer areas.

It is reviewing materials used in disposable gloves, product packaging and the locations of product distribution centers. Relocating several of those centers resulted in the saving of more than 1.5 million gallons of gas each year and the elimination of 10,491 truck routes.

Its switch from polystyrene cups to polypropylene cups resulted in an annual resin savings of 610,000 pounds and saved the equivalent of 13,000 barrels of oil. The company moved to napkins made of 100 percent recycled materials and has reduced its sandwich wrap wax.





A two-time recipient of the 100 Best Corporate Citizens award by Business Ethics magazine, Wendy's, which has 6,700 restaurants and is a subsidiary of Triarc Companies, Inc., Atlanta, GA, has many initiatives

extending throughout its supply chain. It gives preference to suppliers who share its dedication to preserving the environment and advancing the long-term stability of the agricultural systems.

Wendy's lettuce growers have to have fully implemented and documented GAP and HACCP programs, must verify that the water and soils where crops are grown meet established governmental standards for heavy metal and pesticide residues, and must report on the suitability of products for recycling, incineration and land disposal along with their efforts related to minimizing waste, encouraging recycling and removing environmentally unsuitable substances from the waste stream.

Bags are made with up to 40 percent recycled material and printed with water-based inks. Hot sandwiches are served in bio-degradable wraps and shortening is recycled into cosmetics and supplemental animal feeds. pb





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Reader Service # 129



Fall Merchandising Ideas

Go bold this fall with bright tips for building profits.

BY CAROL M. BAREUTHER, RD

Capitalize on the upcoming season with a series of strategically planned back-to-back fall produce promotions.

"The fall is one of the most exciting and most profitable seasons of the year for the produce department," notes Dave Brossart, general manager for produce and floral, Jungle Jim's International Market, Inc., a single specialty store in Fairfield, OH.

ORGANIC HARVEST MONTH September

Organic Harvest Month is rapidly becoming an



established event in the produce industry, explains Simcha Weinstein, promotions director, Albert's Organics, Inc., based in Bridgeport, NJ. "Since its inception in 1992, the celebration has steadily grown and picked up awareness among retailers. Particularly in the past five years, it seems to have taken off, not just among natural-foods retailers but also among mass-market retailers who take this as an opportunity to let shoppers know they are a destination point for organic foods and as a means to introduce new organic products to their shoppers."

Combine Organic Harvest Month with back-toschool and healthful snacking themes, recommends Tonya Antle, vice president of organic sales, Earthbound Farm, San Juan Bautista, CA. "All snack items, such as mini carrots, carrot dippers, sliced apples, dried fruit and grab-and-go salads, are plentiful this time of year. Of course, it's also generally a great time for apples, pears and organic salads with dried cranberries and walnuts."

Weinstein, "Creating more of a market-style look as opposed to a typical retail look can be a very effective merchandising strategy. For example, if you're promoting pears or apples, rather than having them on display in their usual position on the rack, try displaying them in large quantities in a bin."

Feature locally raised organic food and celebrate the local growers who contribute to this bounty, he adds. "Offer some type of discount on all organic fresh produce in the store. It doesn't have to be a huge discount. For instance, it may simply be 7 percent or the equivalent of eliminating sales tax. Often an across-the-board discount encourages QUALITY EVERY DAY. SCARLOTTA SEEDLESS[®] TODAY.

For a limited time we're featuring SCARLOTTA SEEDLESS* brand grapes — a naturally large, uniform, dark red seedless grape with a crisp, very sweet flavor. High color and super sweet, it's the perfect late season grape, just in time for the holidays.

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Where produce begins."

Reader Service # 35

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shoppers to check out the entire organic selection and not just the few items being featured. Finally, perhaps the best in-store promotion is to sample organic food every day throughout the month. Nothing works better than actually getting this food into the mouths of consumers."

Holly Givens, public affairs advisor, Organic Trade Association (OTA), Greenfield, MA, recommends "tying Organic Harvest Month in with other fall events in your region. Consider grouping products by meal and offering them with menus and recipes. For example, feature organic harvest breakfasts or easy brown-bag options for school or work."

Retailers can find Organic Harvest Month fact sheets for adults and coloring pages for kids on OTA's Web site.

HISPANIC HERITAGE MONTH Sept. 15-Oct. 15

This dedicated month celebrates the culture and traditions of Spain, Mexico and the Spanish-speaking nations of Central America, South America and the Caribbean, explains Robert Schueller, director of public relations for Melissa's/World Variety Produce, Inc., Los Angeles, CA. "Many retailers,

Schnuck Markets

chnuck Markets, Inc., a 101-store supermarket chain headquartered in St. Louis, MO, will celebrate its 7th annual fall health and fitness promotion, September is Fruits & Veggies -



Photo courtesy of Schnuck Markets

More Matters Month, reports Mike O'Brien, vice president of produce and immediate past chairman of the board of trustees of the Produce for Better Health Foundation (PBH), Wilmington, DE. "September is a good time for a promotion such as this because it's back-toschool, back-to-basics time."

Schnuck's promotion includes weekly ads featuring sponsors' produce items with a health message from Jackie Joyner-Kersee, an Olympic gold medalist who's been dubbed the First Lady of Track & Field. One of the ads from the 2007 promotion featured Watsonville, CA-based Montery Mushroom's baby bella mushrooms along with Joyner-Kersee's tips about the important nutrients provided by fruits and vegetables.

"We also have a health-and-fitness brochure aimed at elementary-school kids," notes O'Brien. "It's a fun and educational brochure we offer to parents and teachers."

The Fruits & Veggies – More Matters promotion ends in early October with a 5-mile fun run at Six Flags over St. Louis that Joyner-Kersee will attend. "The program has been very successful," adds O'Brien. "We have provided educational materials for young people and, hopefully, have encouraged them to eat more fruits and vegetables. Plus, the items featured in our ads around this promotion have seen a lift in sales." pb



Metropolitan Market

his fall, ready-to-eat pears will take center stage at Metropolitan Market, a 6-store chain based in Seattle, WA. "Our Pear Affair is similar to our Peach-O-Rama in the summer," explains Ed Laster, produce specialist. "We work with local growers willing to pre-condition fruit and pack it in singlelayer boxes that go directly on display in store. This prevents bruising in shipment and excessive handling at the store level, given the fruit is soft, ripe and juicy."

The promotion runs over four months. Bartletts are showcased in October, redskinned pears in November, Comice in December and Bosc and D'Anjou in January. "We'll feature the pear of the month for three weeks and then take a 1-week break before introducing the next month's variety," he adds.

Signage letting consumers know what to expect, passive and active sampling, recipes, informational ads with usage tips, such as pear and wine pairings, and chef-made recipes are offered at an in-store kiosk. "This will be our fourth annual Pear Affair and consumers start asking us in late summer when it will begin," laster concludes **pb**

however, zero their promotions in on Sept. 16, which is Mexican Independence Day."

According to the U.S. Census Bureau, the Hispanic population numbered 44.3 million as of July 1, 2006, with projected growth to 102.6 million by 2050. Hispanics are the nation's largest minority - definitely a group with sizable purchasing power.

"Many types of chilies as well as Roma tomatoes, white onions, cilantro, garlic, tomatillo, cucumbers, limes and mangos are available and excellent to promote during this time," according to LeeAnne Oxford, marketing director, L&M Companies, Inc., Raleigh, NC.

"Create colorful displays," advises Melissa's Schueller. "Use your Cinco de Mayo decorations and go crazy with color and variety. Chile strings and wreaths, piñatas and steamers will add to this festive promotion."

FALL HARVEST September-November

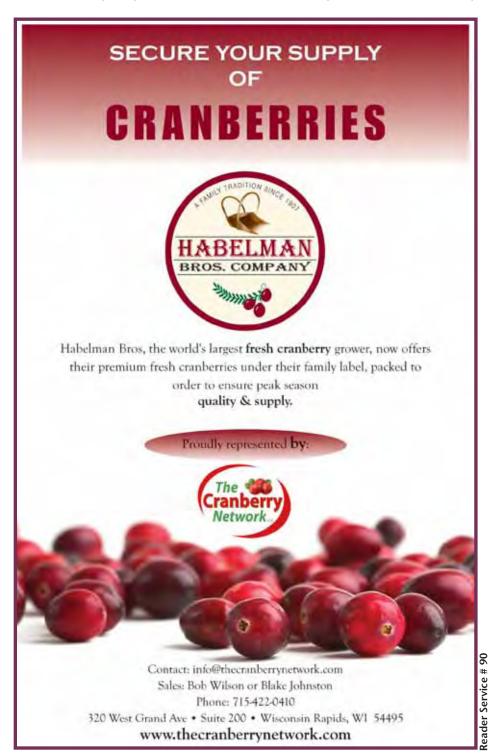
There's a sense of drama in the fall when hot summer days shift to the cool of

autumn. "This transition is reflected in the produce department with the fall re-set. Retailers can use the season's entire bounty — squash, gourds, apples, pears and more — to really make this a 'wow' for consumers," notes Karen Caplan, president, Frieda's, Inc., Los Alamitos, CA.

Oxford agrees, adding, "When this re-set happens depends on the region of the country. For example, in the Midwest and further north, it's just after Labor Day. It takes longer to happen for stores further south, such as in Georgia or Florida. But by the first of October, usually every store in the nation has switched to its fall theme."

The Northwest apple crop is projected to be one week behind schedule this year, but it's forecasted to be in full production by the beginning of September, reports Roger Pepperl, marketing director, Stemilt Growers, Inc., Wenatchee, WA. "Cold [temperatures] earlier in the year affected the bloom. That means smaller sizing on this year's apples, or 88s rather than 80s, 80s rather than 72s, for example."

"In a typical fall, we'll see Gala promotions in September, Golden or Red Delicious in October, Fujis in November and Granny



Smiths in December," Stemilt Pepperl continues. "Category research we've conducted shows that if you advertise an apple of the month, you'll get both item lift and category

> "If you advertise an apple of the month, you'll get both item lift and category lift."

— Roger Pepperl Stemilt Growers, Inc.

lift. Of course, there's a lot of overlap of varieties in the fall, making it an ideal time to promote multiple varieties."

Jungle Jim's International Market

veritable cornucopia awaits consumers in the weeks leading up to Thanksgiving at Jungle Jim's International Market, a single specialty store in Fairfield, OH. One eyecatching display is pumpkins. "I'll bring them in by the semi-load," reports Dave Brossart, general manager of produce and floral. "We set them up out in the garden center in at least four displays that are each 40-foot in size. Consumers like to come and take their picture or their kid's picture, sitting on a pumpkin. It's an annual ritual with many families."

Jungle Jim's 1-acre produce department is full of fall produce and fixings for holiday meals. "Apples are another big item," notes Brossart. "We bring in more than 30 varieties from Ohio, Michigan, Indiana and Kentucky. These apples are picked and shipped right away — unpolished and as fresh as you can get. This year, the fuel savings of these regionally grown apples are also a major plus."

Potatoes, sweet potatoes, winter squash, gourds, fresh and dried cranberries, Indian corn, baby pumpkins and painted pumpkins are just a few of the items set in huge displays. "Customer service is really big for us," explains Brossart. "We'll have 10 to 15 produce staff on the floor at any time, ready to help consumers pick something, explain what it is and offer recipe ideas. People come to our store because they want to try something new and exciting, and we really enjoy helping them out."

On the East Coast, the New York state apple crop is projected to be similar to this past year or about 30 million bushels, notes Jim Allen, president, New York Apple Association (NYAA), Fishers, NY. "Our No. 1 apple is McIntosh followed by Empire, but we grow just about all the varieties that Washington does except, for example, Granny Smith, Jazz and Pink Lady. However, unlike Washington, we're within a day's reach of three-fourths of the U.S. population, which gives us a fuel-savings advantage."

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Visit us at PMA Booth #2560 This year, Stemilt updated its POS sign cards. "Just about every apple is described as sweet and crispy," says Stemilt's Pepperl. "We've taken time to develop descriptions with deeper meanings to educate and entice consumers to try varieties they haven't before. This is important because many varieties, such as Braeburn, Gala and Fuji, all look similar."

Tote bags are important vehicles for fall apple promotions, Allen points out. "They give a farm-stand look. Our 5-pound totes are especially popular."

Bulk apples are still the majority of sales nationwide, reminds Pepperl. "It's around 80 percent bulk to 20 percent bagged on the East Coast. The Midwest is heavy toward bags, maybe 50-50 bulk and bagged, but in the West, it is 90 percent bulk to maybe 10 percent bagged."

Organic apple supplies will surge in 2009, predicts Pepperl. "This will come from

Wegmans Food Markets

Before a football game, a look into grocery carts in the checkout at Wegmans Food Markets, Inc., a 70-store chain based in Rochester, NY, reveals that tailgating fans are now chowing down on salads and antipasti as well as proteins.

"People have been partying before games for a long time, but if you look closely, you'll see some fans are getting a lot more creative in what they cook and serve," says Amanda Roberts, catering manager.

Pre-game shopping patterns divide fans into two categories. One group dashes into the store on the way to the stadium to pick up items, such as subs, chips, soda and cookies, all packed into a soft-sided cooler to keep everything fresh for halftime. Then there are the tailgating hosts and hostesses who shop a day or two before the big game and buy anything and everything for the grill.

"Our consumers are making some fantastic food, such as grilled pork tenderloin, barbecue ribs, salmon, swordfish, veggies or even fruit," she adds.

Whether fans chow down at the stadium or in front of the TV, the food never stops. "Our pre-prepared trays practically fly out of the store before a game," Roberts notes. "The wheat-wrap trays, fruit and veggie trays and shrimp platters are especially popular." **pb** both transitional acreage and new acreage coming on."

The Northwest pear crop is expected to be about two weeks late. However, shipments of early-season pears, such as Bartletts and Star Crimson, will be rolling by September, states Cristie Mather, communications manager for the Pear Bureau Northwest (PBN), Milwaukie, OR. "What differentiates the early pears from winter varieties, such as Anjou, Bosc and Comice, is that the Bartletts and Star Crimson show a color change when ripe. We call these pears transformers. Kids get the concept immediately." She suggests "displaying a number of pear varieties at one time."

"We recommend retailers offer consumers pears with varying degrees of ripeness," notes Neil Galone, vice president of marketing, Diamond Fruit Growers, Inc., Hood River, OR. "This provides the opportunity to buy pears for today and tomorrow. Display pears with apples. Consumers buy both and showcasing product side by side makes for eye-catching color breaks."

Unlike the increasing mainstreaming of organic apples, organic pears appear to remain a niche market. "Some farmers have



found the increase in price they can get for organic pears isn't enough to offset the increased cost of production," Galone adds.

HALLOWEEN Oct. 31

Halloween is a major decorating holiday, states John Carl, sales manager, Dan Schantz Farm & Greenhouse, LLC, Zionsville, PA. "I think, with the economy and gas prices the way they are, people will be staying closer to home and more likely to decorate at home. This should translate into good sales of items such as pumpkins."

There's been a big push for painted pumpkins in the past few years, Carl adds. "Our best-sellers are the brightly painted ones that appeal to young kids in the 6-to-12-year-old range. Some retailers like these while others go with pumpkins painted as witches and goblins. Still others go for pumpkins decorated as community professionals such as doctors, policeman and construction workers."

Dan Schantz also grows Atlantic Giant pumpkins. "This past year, they were as big as 800 pounds," states Carl. "Most retailers usually look for big pumpkins in the 100- to 200- pound range. They'll set these up for decoration in the department and maybe tie it to an opportunity for consumers to take their photo in front or a guess-the-weight contest. Either way, it generates a good amount of excitement at the store level."

Ornamental gourds, hard squash and decorative Indian corn are also popular this time of year, according to Melissa's Schueller. "Halloween doesn't have to be all about candy. Retailers can set up a display of small bags of dried fruits and nuts to provide healthful options and increased sales opportunities."

National Apple Month

reativity, cross-merchandising and copious quantities of apples boost sales for retailers participating in National Apple Month (NAM), the annual contest sponsored by the Vienna, VA-based U.S. Apple Association (USAA). It jump-starts the domestic apple industry's marketing season and runs from September through November.

This past year, the Big M store in Boonville, NY, one of 71 Big M stores owned by P&C Foods, Inc., a subsidiary of Syracuse, NY-based Penn Traffic Company, featured 15 different varieties of fresh apples that accounted for more than 160 cases of apples sold during the store's 14-day store promotion. Entry coordinator Nancy Latvis created a tribute to the fall apple harvest that included locally grown apples and tied in complementary products, such as caramels and peanuts. The result, she says, was double-digit apple sales.

At a West Des Moines, IA-based HyVee store in Marshalltown, IA, entry coordinator John Sherman found success using a large display with the theme, *Apples, Apples, Apples*. The display occupied the entire entrance of the produce department and featured Honeycrisp apples along with 21 other varieties of fresh apples sold loose, in 3-pound bags or in prefilled totes. Sherman also included processed apple products, peanuts and peanut butter, along with freshly baked apple pies and breads from the store bakery in the display.

Nutrition is such an important message for apples that stores compete for a special NAM Best Health-Oriented Display prize. This past year, Shady Maple Farm Market, a single store in East Earl, PA, won by featuring nutritional messages throughout the apple display that included facts for consumers, such as apples are high in pectin, which is good for digestion; high in antioxidants, which are good for the immune system; and rich in vitamins and nutrients. The display featured 17 different varieties of fresh apples and several tie-in items. The store experienced sales lifts of 11 percent for apple sales and up to a 27 percent increase on tie-in ingredients. "It truly was a successful promotional event for our store and our suppliers," reports entry coordinator Wayne Sauder.

This year, PBN will again partner with Radio Disney for a Halloween Pear-Ade promotion. Themed around pear-friendly safety tips, such as 'Always walk in pears,' the promotion will take place at three community events within each of 20 markets nationwide in October. "Participating retailers in each market display their banner at each community event, their tag line is played on Radio Disney and they can tie in in-store by offering coupons for pears or other promotions," explains Mather. "It's all about attracting new consumers to the store."

THANKSGIVING Nov. 27

Thanksgiving is one of the largest food holidays of the year, notes Schueller. "There are many traditional foods for Thanksgiving, including squash, potatoes, shallots, garlic, herbs, spices, grains, cranberries, hazelnuts, pine nuts, French beans, baby carrots and fresh herbs such as basil, sage and rosemary."

Stocking and promoting product in the run-up to Thanksgiving "should start right after Halloween," states Frieda's Caplan. "Many consumers like to see what's in-store ahead of time to get ideas about what to serve for their big Thanksgiving meal. In other words, let them know what ingredients might be new and different or offer a new twist on the traditional."

One newer item "is the sweet potato Fingerling," reports George Wooten, owner and president, Wayne E. Bailey Produce Company, Chadbourn, NC. "It offers retailers yet another SKU of sales opportunity."

Sweet potatoes should be available earlier this year than in years past, he adds. "The industry is trying to bring the new crop to





market sooner this year with upgraded storage and curing capacity. It used to be the first week of November; now the new crop of cured sweet potatoes should hit the stores by the first week to mid-October."

While sweet potatoes are a year-round crop, Thanksgiving is the major sales holiday. "We still move about 25 to 30 percent of the crop in November," adds Wooten.

Sue Johnson Langdon, executive director, North Carolina Sweet Potato Commission (NCSPC), Smithfield, NC, recommends, "Use POS signage to offer menu suggestions

> "This is the time of year when the weather is getting cooler and people are starting to think about cranberries."

> > — Ray Habelman Habelman Brothers Company

and recipe ideas or recipe-tear pads. There are many things you can do with sweet potatoes beyond simply boiling and mashing them."

NCSPC offers POS posters with four different themes — North Carolina, health, locally grown and all occasion — that retailers can download from its Web site. "These POS materials can be used to build customized displays," she adds.

Fresh cranberries are one of the last truly seasonal crops. "Depending on the weather, we'll have product by the third week of September or a little after that if it's a warm fall and the fruit doesn't color up as fast," reports David Nolte, environmental health and safety officer, Decas Cranberry Sales, Inc., Wareham, MA.

Based on current crop projections, "We should have a record year," says Mark Sherburne, general manager of produce, Ocean Spray Cranberries, Inc., Lakeville-Middleboro, MA. "Most fresh cranberries are sold during the three weeks before Thanksgiving. Retailers are most successful if they plan their season out with promotions starting in late September or early October."

Ray Habelman, vice president, Habelman Brothers Company, Tomah, WI, agrees, adding, "This is the time of year when the weather is getting cooler and people are starting to think about cranberries."

Habelman Bros. expects this year's crop to produce a nice supply of the highest-quality fresh cranberries for retail and privatelabel customers during the Thanksgiving and Christmas holidays, adds Habelman.

Ocean Spray will pack fruit out of its new state-of-the-art packing facility in Quebec. "This facility allows us to keep berries refrigerated during the full cycle," adds Sherburne. "Because of this, we anticipate a tremendous pack-out and longer-keeping quality."

Nolte advises stores to "display cranberries where it's cool and dry. Keep bags away from misters."

"Lock in supply early, and then aggressively promote. This is the time. Come Christmas or just after, fresh cranberries are out of the market," Sherburne adds. **pb**



Colorado Provides Prime Location

Freight advantage, plentiful organics and diverse offerings attract buyers to the Mile High State.

BY SANDY LINDBLAD LEE

Colorado's scenery, climate and popularity as a tourist destination often overshadow some of its less obvious assets, such as its wide array of fresh produce.

The Mile High State offers diversity that satisfies the cravings and needs of even the most inventive retail and foodservice buyers. Add Colorado's natural freight advantage and the appeal of its fresh produce is relatively unmatched.

Colorado's freight advantage continues to gain attention from buyers because of the ongoing skyhigh fuel prices. Buyers who had previously diverted their purchases to more distant growing regions

find Colorado's offerings to be increasingly attractive.

"I don't see any signs of fuel prices ever going down," notes Chuck Bird, general manager, Martin Produce Co. in Greeley, CO. "The higher the fuel, the better the freight advantage to us." Martin's Colorado growing and packing operations are situated 40 to 50 miles north of Denver, in one of the state's primary produce-growing regions.

Frank McCarthy, former vice president of marketing, Albert's Organics, Inc., with headquarters located in Bridgeport, NJ, and a distribution center in Aurora, CO, views Colorado's central location as a key component to the distribution chain. "We have the largest distribution coverage of any organic produce supplier in the country."

Colorado has received more than its share of hits from Mother Nature this year. Several devastating tornados, including a giant storm that cut a swath through Windsor, CO, and numerous twisters that swept through southern Weld County fields in late May, were only part of a record-breaking spring of adverse weather. The odd weather patterns also included prevailing lower-than-average temperatures that considerably slowed crop growth.

Despite these problems, shipping of volume has been steady since harvest began in early summer - and it is expected to continue through the fall.

David Petrocco Farms, based in Brighton, CO, is one of the state's most diversified lettuce and mixed green growers. David Petrocco Sr., owner, says Colorado's freight advantage is a benefit to his customers, but because his growing operations stretch throughout the state, increased fuel costs severely impact his company. "It not only affects the price of diesel fuel and gasoline to run our vehicles," he stresses, "but it also affects the price of our chemicals and waxed containers."

Lynn Fagerberg, president, Fagerberg Produce Co., Eaton, CO, is working to cut costs and increase efficiencies in other facets of his business to help compensate for the rising fuel costs. Fagerberg is one of the larger onion shippers in the nation. This year-round operation ships over 2,700 loads annually, supplying its customer base with yellow, white and red onions packed in a full range of bulk and consumer package sizes. Its specialized offerings include a year-round sweet onion program and organically grown onions. The company's customer base is about 70 percent retail and 30 percent foodservice. "Buying a bag with a Fagerberg Produce label promises a product that has been grown and packed using the best methods available, and marketed and delivered to the receiver in the most effi-



Colorado potatoes were featured during Colorado Proud's *Growing Season Is Grilling Season* campaign.



Susan and David Petrocco Sr. of David Petrocco Farms and Janice and Randy Knutson of Martin Produce

cient manner possible."

PRODUCE VARIETY

Onions and potatoes are two of the state's leading vegetable crops, but they're only the beginning. Carrots, sweet corn, beans, squash, mixed greens, cabbage, broccoli and tree fruit are also shipped.

Yellow squash, zucchini and mixed leaf lettuce varieties are a few examples of the items Dallas, TX-based Reaves Brokerage, a wholesale operation servicing wholesale and retail in the Dallas-Ft. Worth, TX region, buys during the Colorado produce season every summer and fall, according to owner Larry Reaves.

Ray Keegan, an owner of American Produce, LLC, Denver, CO, appreciates the Colorado produce that helps him supply his retail and foodservice customer base. The company's key retail customers include Safeway, Inc., based in Pleasanton, CA; King Soopers, based in Denver, CO; Albertsons, based in Fullerton, CA; Super K-Mart Center, based in Detroit, MI.; and various Hispanic markets. "Colorado vegetables have more flavor, they keep their freshness longer and the quality is great," he says.

Colorado's dry climate yields high quality onions and potatoes to supply the United States and export markets nearly year-round — thanks to in-field curing and modern storage facilities. Most of the onions are grown north and east of Denver, with some in the Arkansas Valley in the southern part of the state and on the Western Slope. The largest potato-growing region is the San Luis Valley in southwestern Colorado.

Cantaloupes and watermelons began shipments in late July. The Arkansas Valley maintains a reputation for its legendary Rocky Ford cantaloupes.

Tasty high-quality fruit from Colorado orchards is grown on the Western Slope. The four leading fruit crops are apples, peaches, pears and sweet cherries. Yields have been lighter this year, affected by cooler-than-normal temperatures. Shippers



Roger Christensen of Colorado Potato Administrative Committee (CPAC), Mike Harper of Superior Farms, John Stulp of CPAC, Lachlan MacKinnon-Patterson of Frasca Food & Wine, Gary May of May Farms and Jim Ehrlich of CPAC

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Colorado Promotions

B uy local – for the environment, for farmers, for flavor and for fun. This is the message at the center of Colorado's campaign that features farmers, a celebrity chef and restaurants. *Colorado Proud* contributes to the sustainability trend.

Created in 1999 by the Colorado Department of Agriculture (CDA), Lakewood, CO, *Colorado Proud*, which promotes locally grown, raised and processed products statewide, has more than 950 members including growers, processors, restaurants, retailers and associations.

A special event was held at May Farms in Byers, CO, to demonstrate the theme, Growing Season Is Grilling Season, and to kick off the 2008 campaign, explains Wendy White, CDA marketing specialist. Partners in this effort included CDA's *Colorado Proud* program, the Colorado Lamb Council, Arrada, CO, the Colorado Potato Administrative Committee (CPAC), Monte Vista, CO, the California Fresh Fig Growers Association (CFFGA), Fresno, CA, and Chef Lachlan MacKinnon-Patterson's Frasca Food & wine restaurant in Boulder, CO.

"The average food item on your dinner plate has traveled somewhere between 1,200 to 1,500 miles, causing a large part of your food dollar to go toward transportation costs," reports White. "Therefore, reducing the distance food travels from production to consumption also reduces its carbon footprint."

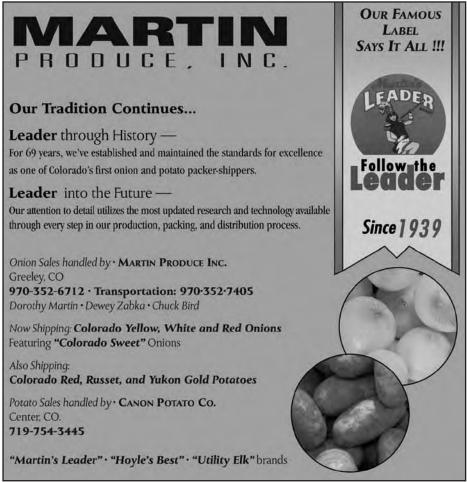
Other events continue to draw attention to Colorado-grown products. The *Colorado Proud* television advertising campaign began in July and continued through the Summer Olympics and the Democratic National Convention in Denver.

"A goal of the Democratic National Convention is for all guests to

have healthful options while eating at restaurants and other gatherings, and to provide opportunities to move and be active," White explains. "They will invite guests to make lean-and-green choices that are healthful for their bodies and the environment, and choose lowcarbon footprint, locally grown and organic meals. These meals will be based on healthful nutrition guidelines and include a percentage of ingredients that are locally and organically produced. The leanand-green guidelines provide a simple framework for restaurants, caterers and others to offer at least one healthful and green option to consumers during the convention."

Denver-area restaurants will be featuring Colorado products on menus during Harvest Week, Sept. 6-12. The Denver Independent Network of Restaurants (DINR), Denver, CO, created Harvest Week in partnership with the Colorado Wine Board, Boulder, CO, and *Colorado Proud.* "We wanted to hold an event that would celebrate the spirit of DINR while contributing to the local community," explains David Zahradnik, DINR president and general manager, Steuben's, Denver, CO. "DINR is excited to embark on a project that will raise awareness about eating locally and directly support local producers."

"Eating locally not only helps keep the cost of food down because it doesn't have far to travel but also encourages the production of superior ingredients while benefiting the environment," according to Elizabeth Williams, Harvest Week committee chairwoman and events manager at Highland's Garden Café in Denver, CO "Harvest Week will be the start of more ongoing relationships between restaurants and local producers." **pb**



report cherries got nailed by severe frost and are practically non-existent this year. Peach volume was expected to be adequate with pear yields reduced. Although apple acreage has been decreasing in recent years, good overall quality was reported.

In spite of this year's reduced volume, sellers say universal regard will maintain the popularity of Colorado fruit. Producers and distributors agree the high altitude at which the fruit grows make it delicious. Other regions of the country have focused on bringing back the lost flavor in stone fruit while western Colorado orchard owners claim they have always maintained a practice of not harvesting fruit before it reaches its flavor peak.

COLORADO'S EXPANDING ORGANIC INDUSTRY

In 1989, the Colorado Department of Agriculture (CDA), Lakewood, CO, was the first state agency to begin a certification program for organic farmers, notes Tim Larsen, senior international marketing specialist. "Since then, some farmers, ranchers and processors are choosing organic production and processing to differentiate their products and seek greater farm revenues."

Colorado's organic industry consists of 268 certified organic farms and ranches



Dorothy Zabka of Martin Produce

with more organic certified acres – over 580,000 – than any other state, according to a U.S. Department of Agriculture (USDA) report on national organic certification statistics. This represents 25 percent of the total certified organic acreage in the United States. Of that acreage, 45 farms utilize 10,700 acres for vegetable production, placing Colorado third in the nation for organic vegetable acreage.

CDA reports 30 farms produce organic fruit on over 550 acres. Colorado has more than 60 food processors that are producing some or all of their food products under organic certification regulations.

One of the larger organic operations is Grant Family Farms, Inc., a Wellington, CObased family-owned organic vegetable farm that plants and harvests more than 2,500 acres. Its signature item is savoy spinach but it also grows other organic favorites, such as leaf lettuce, romaine, broccoli parsley, cilantro, chard, collards and several squash varieties, notes co-owner Andy Grant.

With a lineup that includes several fingerling potato varieties, Strohauer Farms, Inc., LaSalle, CO, has seen phenomenal growth in its organic specialty produce. This past year's 400 percent increase in organic fingerling production included Russian Banana, French Fingerling, Rose Finn Apple and Peruvian Purple varieties, notes president Harry Strohauer.

"Strohauer Farms' organic and convention Fingerling potatoes are smaller in size, which makes them convenient, flavorful and versatile," reports Tanya Fell, director of marketing and retail relations. The company introduced new packaging with labels reflecting "the natural lifestyle of Colorado" and provides consumer totes with handles for organic and conventional fingerlings.

"Fingerlings bake quickly because of their size," she adds. "They can also be roasted, grilled, steamed, sautéed, boiled, fried or mashed. However you prepare them, fingerlings add outstanding flavor and color to your favorite meal." **pb**



Chuck Bird of Martin Produce



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Sell A New Table Grape Image

Rethink grape merchandising to create excitement around popular category.

BY TRISHA J. WOOLDRIDGE

California grapes offer retailers an array of opportunities to boost sales through creative merchandising and marketing.

While high prices can make grapes a tough sell during the fall, retailers are finding ways to highlight the value behind the tasty treat.

"Grapes are becoming pricey," states one East Coast retailer who preferred to remain anonymous. "I've seen people return bags of grapes when they saw the price on the receipt. Grapes in everyday displays at more than \$2 per pound are hard to move."

While stores can aggressively advertise and price, the key to maintaining sales may lie in showing that grapes are worth the price charged.

Grapes are a natural draw for the grab-and-go consumer. "California grapes not only are sweet and delicious but also serve as a powerful antioxidant and immunity builder, which can prove to be a great marketing tool," explains Dionysios Christou, vice-president of marketing, Del Monte Fresh Produce. Coral Gables, FL. Antioxidant-rich foods are receiving positive media attention. With grapes still abundant in the fall, marketing their immunityboosting properties during the change of seasons and kids' return to school can boost sales. Grapes' grab-and-go convenience also makes them ideal for lunch boxes.

Convenience can be an easy sell, but it can also pigeonhole an item, limiting its potential. With



growing interest in home cooking and consumer desire for something different, expanding consumer perception of grapes, their usage and their image can increase sales. Demos, recipes, cross-merchandising and creative promotion are the key.

Jon Zaninovich, vice president of marketing, Jasmine Vineyard, Inc., based in Delano, CA, suggests showing consumers fancy cheese or hors d'oeurve plates garnished with grapes and believes showing grapes paired with high-end foods increases their perceived value. He also notes that the California Table Grape Commission (CTGC), Fresno, CA, recently published *Cooking with Grapes*, a book that could be merchandised with grape displays.

Cross-promotion and themed promotions also broaden grapes' image. Several ethnic cuisines, particularly Latin, Mediterranean and Indian, include grapes. Making a display including these items gives average consumers ideas they likely wouldn't have thought about.

Mixing varieties and colors of grapes gives consumers a chance to expand their grape experience. Mixed packaging also has an eye-catching appeal. "Not only can tricolor packs entice consumers to try different varieties but they can also prove to be a helpful option for families that enjoy a diverse variety of grapes," explains Christou.

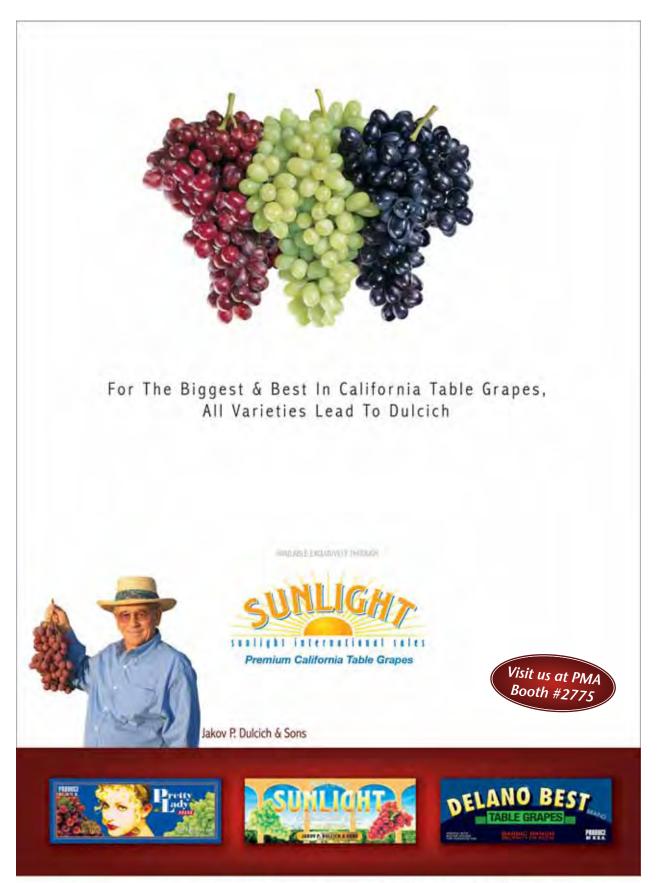
Whether retailers go for a modern or farm-stand look, John Pandol, director of special projects, Pandol Bros., Inc., Delano, CA, suggests retailers use customized promotional materials that are universal and complement the produce department. "A lot of growers and shippers have display ideas, images and text ready for stores to use directly or incorporate in their program or look. It must jibe with the rest of your materials. You don't want every eight feet to look different."

Partnerships and creative promotions shine a fresh spotlight on grapes. "We have seen success in incorporating grapes into different promotions," he states. "For example, in fall 2007, Del Monte promoted grapes through a very successful partnership with Disney's *Jungle Book* that included great prizes for consumers and higher sales for retailers."

DIFFERENTIATE VARIETALS

When people talk about California wines, they talk in varietals: Chardonnay, Zinfandel, Cabernet Sauvignon, Pinot Noir. When people talk about California table grapes, they talk in colors: green, red and black. Seeded and seedless also come into play. The different nuances, textures and flavors of table grapes are lost in the labeling. While some argue consumers aren't interested beyond color coding, taking time to consider variety can boost sales.

People get excited about apples, pears and even sweet onions. They know their Macouns, Comices



For more information contact Nick Dulcich, George Galloway, or Bert Boyd at 661,792,6360 www.Dulcich.com

and Vidalias. The seasonal nature for some of these inspires consumers to buy while they're available. If consumers aren't aware of grape differences, they won't get excited about a particular variety or a limited availability — it's up to stores to create that excitement.

According to Mike Aiton, senior vice president, Sun World International, LLC, Bakersfield, CA, "Varieties are an acquired taste." To get consumers to see grapes as they see apples and differentiate between eight or nine varieties "will take a lot of effort and a lot of marketing."

Jasmine's Zaninovich suggests stores run advertising and merchandising campaigns – such as new crop of Crimsons or new Princess grapes available this month only – to showcase varietals and their seasons, "You don't need to put them on a sale," he points out. Varietal spotlight campaigns paint a premium image that draws consumers to the product because it is special and limited, and can help validate the higher price points.

On the flip side, many growers, distributors and retailers argue consumers still wouldn't be interested in specific varieties. Still, some retailers are trying to expose consumers to varietals. A produce expert from a California-based retailer who preferred to remain anonymous says he has almost never had a consumer ask for a specific variety, but he purposely picks varieties with the flavor and quality he wants in his store even if he doesn't specify variety to consumers. "You have to carry enough variety to keep the customer interested," he states.

Some growers note particularly strong grape variety sellers. Nick Dulcich, owner of Sunlight International Sales, Inc., and Jakov P. Dulcich & Sons, LLC, Delano, CA, notes, "The fall Top 3 are Thompson Seedless, Crimson Seedless and Autumn Royal Black." New varietals on the horizon include Scarlet Royals, a new red seedless variety that will be available in the next few years, and Autumn Kings, a seedless green variety.

PROVIDE SEASONAL SUPPORT

California grapes are available from May to January, spanning three calendar seasons. Although these seasonal changes offer their own opportunities for grape merchandising, David Simonian, owner, Simonian Fruit Company, Fowler, CA, sees grapes promoted in store without much promotion for the seasonal differences.

Scott Boyajian, director of marketing, Sunview Marketing International, Delano, CA, doesn't see much of a seasonal effect on grape sales. "A grape deal is a grape deal. It continues from the day you start it until the

Grape Misconceptions

G rapes may be ubiquitous, but retailers can still drum up consumer excitement and improve the eating experience.

One common misconception concerns color. The California Table Grape Commission (CTGC), Fresno, CA, points out that many people often mistake the honey/amber color that green grapes can get as a problem with the grape. In fact, the opposite is true. The amber tinge denotes a higher sugar and juice content because the grapes have been left on the vine longer; Amber grapes are, in fact, sweeter, than green grapes.

However, more color on red grapes does not indicate a superior sugar or flavor level. "Grapes don't need to be at full color to be sweet," explains Jon Zaninovich, vice president of marketing, Jasmine Vineyards, Inc., Delano, CA. "Some grapes just reach a certain point and they won't get more color." Color is

day you end it."

According to Del Monte's Christou, "Traditionally, the summer months produce higher grape sales than the fall. This could result from retailers providing more elaborate displays and shelf space during this time and also due to more outdoor summer activities that require grab-and-go snacks. However, offering enticing and creative promotions and displays can promote sales and increase consumer satisfaction [during fall holidays and throughout the year]."

"There aren't as many ads in fall as in summer," reports Zaninovich. "Grapes are good all the time and they're harvested well into November and stored through December. They're a good item, fresh and U.S. grown. [Fall] is a good time to keep them on the shelves and have more end-cap displays."

Fall provides it own opportunities for grape merchandising. "As summer fruit dwindles in availability, grapes are still able to provide the sales dollars and ad activity needed to keep the produce department viable through the fall," explains Dulcich.

Aiton concurs, adding, "By September, the grape season is not even half over. It can move into the spotlight. Later in the season, grapes are sweeter." He believes fall offers an opportunity to expand the grape category and include more varieties. "You can increase sales and one won't cannibalize the sales of another. Why not expand with different varieties and different package styles?"

The last half of the year offers an abun-

based on sun exposure or variety. A bunch of grapes on the inside of a vine ripens and increases sugar level, even if the skin is pale. Some strains of some varieties simply don't produce deep pigment. Either way, the flavor is not affected by the color.

Scott Boyajian, director of marketing, Sunview Marketing International, Delano, CA, feels there has been an overemphasis on size at the expense of taste. The size of the grape does not affect taste, and while larger sizes have visual impact, a customer unhappy with taste won't be a repeat buyer. "How food eats is important to repeat sales. Flavor is more important than size, and you should have grapes that eat well."

Dispelling misconceptions about grapes can increase sales. Passing on information to consumers isn't going to hurt sales – and it just might help. **pb**

dance of holidays and activities that serve as great tools for promotions and displays, Christou adds. "Take advantage of holidays, such as Labor Day, Halloween, Thanksgiving and Christmas. They're great choices for creating themed displays."

EDUCATE CONSUMERS

Variety and season are excellent opportunities to mesh educational and promotional material. Savvy home cooks are more likely to want information on flavor and cooking opportunities; time-crunched parents may want to know the most healthful, convenient snack to pack for lunch. A wide range of consumers is looking for information on where produce was grown. Catering to a store's demographic demand for information increases the chance that the extra effort in education will pay off in increased sales.

While Boyajian rarely sees consumers requesting information on variety, he often sees them requesting information on product origin. "People are more concerned with where their food comes from, and that will impact what they're looking for."

Recent illness breakouts tied to food have increased consumer awareness. "People like to know where their product comes from," Zaninovich states. "California has a pretty good track record with products."

Highlighting that grapes are from California can make a difference. "Stores should want to [label origin] because it increases sales and it satisfies their consumers better," adds Zaninovich. They should want to do it because it's the right thing to do and because they want to help their consumers."

CREATE BEAUTIFUL DISPLAYS

Effective displays capture the essence of abundance and grab consumer attention.

"The key factors to remember when merchandising grapes are quality and abundance," says Del Monte's Christou. "Maintaining a clean, fresh and abundant display will generate greater grape sales. It's important to keep displays stocked with product and include a variety of offerings. Additionally, highlighting different varieties in a non-traditional display, such as secondary display units, can and will motivate impulse purchasing." Variety can include packages, bags and different-sized clamshells.

Sunlight's Dulcich suggests displaying 50 percent red grapes, 40 percent green grapes and 10 percent black grapes. "Huge displays of eye-catching color mix and large berry size," combined with retailers "taking advantage of marketing vendor packaging" create successful displays, he maintains.

"Keep the display looking nice," advises Simonian Fruit's Simonian. "If the grapes don't look nice, people won't buy them."

"Research shows total grape sales increase when displays mix grape colors, sizes and varieties to add a dramatic look and provide consumers with convenience while selecting grapes," according to Cindy Plummer, CTGC vice president. "Also, eyecatching spillover or waterfall displays and secondary displays are effective ways to drive additional sales and highlight unique varieties. Abundant, fresh, high-quality and well-maintained California grape displays will increase total grape sales."

Grapes are a "high-household-penetration item for the produce department, Plummer points out. "It's very important that the grapes on display be in the best condition possible in order to create the most impulse sales. Research shows consumers place a high value on grape displays that are well sanitized, free of debris, fresh-looking and properly labeled with information on the origin, variety and price."

HANDLE WITH CARE

As with any produce item, employees should maintain the right temperature and humidity for grapes. They should be kept at 30° to 32° F with a 90 to 95 percent relative humidity during transport and storage. Refrigeration at display significantly lengthens the shelf life, as does how they are packaged. For example, bagged grapes can be displayed for up to 48 hours without visible shrink but grapes in clamshells can be displayed for up to 72 hours. For both packages, lack of refrigeration at display shaves off an entire day of display potential.

While refrigeration is recommended, excess moisture decreases shelf life. Grapes are naturally protected from moisture with bloom, a soft white powder that covers the grapes but is often mistaken for dust. Bloom helps them retain moisture on their own, so it's better to keep grapes away from misters or iced displays.

Grapes are delicate and can shatter or break from the stem clusters, reducing their

appeal and shortening shelf life. Make sure bagged grapes are stacked only two to three layers deep, 2-pound clamshells only four layers deep and 4-pound clamshells at no more than six layers deep.

"I'm seeing some interesting displays using a combination of bulk and bag displays," reports Pandol of Pandol Bros. "Some retailers can do really big displays because they have the staff and time to keep them fresh, but it's not for everyone. Smaller stores are better off with small, frequently stocked displays than larger displays that don't stay fresh." **pb**



Chilean Avocados Ripe For Retail Sales

Chile offers retailers a steady flow of counter-seasonal avocados, thus enabling year-round sales.

BY K.O. MORGAN

Chilean avocados are a moneymaker for produce departments, thanks to a peak growing season that complements rather than competes with U.S. producers.

California produces 90 percent of the avocados consumed in the United States from March to August, with Chile and Mexico making up the difference from September to February. Retailers that merchandise around the different avocado seasons can provide their consumers with this popular fruit 365 days of the year.

"Chile has a unique avocado season," states Xavier Equihua, executive director, Chilean Avocados Importers Association (CAIA), Washington, D.C. CAIA is composed of Chilean avocado importers, exporters and producers that promote Chilean avocado consumption. "It is the No. 1 exporter of avocados to the United States during the fall and winter. That is spring and summer in Chile — California has little to no product during these months."

In 1984, Mission Produce, Inc., Oxnard, CA, was the first U.S. company to import Chilean avocados. "You'll never find Chilean avocados next to avocados from California because the two different seasons stagger throughout the year," explains William Tarleton, director of communications. "At Mission



Produce, we do best when we revolve our sales around the different growing seasons."

"There are times of the year when Chilean avocados are at their ripest, while other times retailers are better off stocking avocados from Mexico, California or Florida," explains Rick Illig, sales manager, Interfresh, Inc., Fullerton, CA. "Chilean avocados are usually ready in time for Super Bowl, an event when avocado sales are at their highest. Produce managers should take advantage of that."

"If it's a Hass avocado, which most of Chile and California's are, it's good — no matter where it comes from," adds Equihua. "The question should be, is the Chilean avocado product a complement to the U.S. avocado? The answer is yes, because of the different climates and different growing seasons."

Debbie Willmann, sales manager, Index Fresh, Inc., Bloomington, CA, says, "What comes out of Chile and California is the Hass variety, and all Hass are good when it's the right time to pick them. The dual growing seasons provide retailers and consumers with Hass avocados year-round."

Bruce Dowhan, general manager, Giumarra of Escondido, an Escondido, CA-based importer of Hass and Fuerte varieties under the Nature's Partner brand, says Chile provides a very consistent, good quality product. "You have a very expected maturity process."

Maggie Bezart, CAIA marketing director and principal of Maggie Bezart Marketing Services, Aptos, CA, works with avocado importers, growers and handlers. "Avocados are an excellent profit item for produce departments. They are a top advertising-list item, a good profit builder and a healthful snack for consumers," she says.

The avocado, which once had a reputation as being high in fat, is enjoying a surge in popularity, thanks to its many beneficial health properties. The fruit, sometimes known as the alligator pear, is high in potassium, fiber, folic acid, vitamin E and minerals. "The educated consumer is more aware of the nutritional value of the avocado, including its hearthealthful fats," continues Bezart. "As marketers, we

GROWING GREAT AVOCADOS IS ONLY PART OF OUR GAME PLAN.

In addition to our national media programs, we're running powerful promotions to maximize sales of Chilean Hass Avocados during the critical fall and winter selling seasons. Our partnerships with the AYSO and Chivas Soccer Club reach millions of parents and kids with healthy messages about Chilean Hass Avocados, via billboards, game fliers, soccer magazines and our popular online video contest. Our program for Registered Dieticians also provides valuable instruction on consulting with customers and local media. At the CAIA, we're working hard to help you become a leading player in the field, too. For more information, contact us today.

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AVOCADOS

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Promotional Opportunities

apitalizing on different times of the year when avocado dishes are particularly popular, such as Super Bowl Sunday and the winter holidays, can help boost Chilean avocado sales. "Have a nice selection of ripe fruit displayed with accommodating vegetables, such as lemons, limes and tomatoes," advises William Tarleton, director of communications, Mission Produce, Inc., Oxnard, CA.

Promotional assistance is available from the Chilean Avocados Importers Association (CAIA), Washington, D.C. "We have a \$4 million marketing program that includes media, public relations and retail marketing," reports Xavier Equihua, executive director. "We have a team of public relations merchandisers who go around and offer these programs to retailers. Other organizations have not offered TV spots, so we spend a substantial amount of money on these. We also do radio, traditional public relations campaigns and non-traditional advertising, such as teaming up with the [Los Angeles, CA] Chivas USA soccer team or the American Youth Soccer Organization [(AYSO), based in Hawthorne, CA] to do joint promotions with them. We also offer TV spots in Spanish."

"These commissions, such as CAIA and others, have lots of money to help retailers," notes Debbie Willmann, sales manager, Index Fresh, Inc., Bloomington, CA. "They help with merchandising and have readily available funds for ads, in-store demonstrations and other ways that can benefit retailers."

Avi Crane, president and CEO, Prime Produce International, LLC, Orange, CA, agrees, adding, "The CAIA is made up of professionals who know how to customize promotions for each specific store. They have the funds needed and their retailer programs are developed with input from importers, exporters and retailers. They have been doing these promotional attract consumers to their stores during the Chilean avocado season." **pb**

no longer receive questions on the fat content in avocados."

OVERCOMING CHALLENGES

Chile, the No. 1 exporter of avocados consumed in the United States, has made it possible for retailers to meet year-round consumer demand, but the weakened U.S. dollar and the high price of gasoline are challenging the ability to continue to meet that demand. "Chile is shipping more fruit to Europe because of the weakened U.S. dollar," admits Rob Wedin, vice president of sales and fresh marketing, Calavo Growers, Inc., Santa Paula, CA.

"As it has done with many commodities,

the weakened dollar makes other markets such as the United Kingdom and other European markets, more attractive," relates Avi Crane, president and CEO, Prime Produce International, LLC, Orange, CA.

Mission's Tarleton agrees, adding, "Right now, Chile does better when it sells to Europe than when it sells to the United States, but as far as transportation costs go, Chile will take it on the chin and absorb the cost of gas because the United States is a strong avocado market."

Index Fresh's Willmann expresses some initial trepidation going into the season. "Prices are high because of fuel, but the market in the United States is good. It just may mean that Chile can't ship in as much [this year]."

The United States will have to accept that currently, with the weak U.S. dollar, Chile is doing more avocado business with Europe than with the United States. Chile wants to maintain its U.S. export market because of the high U.S. demand for avocados, but it must react to market forces; both sides will have to make some compromises this year.

Giumarra's Dowhan says time is another major challenge in getting avocados from Chile into the United States. "The distance is certainly an issue. It's difficult when you're working with a limited amount of time."

Retailers can best meet the demand for year-round avocados through appropriate merchandising and marketing. "The key is having plenty of ripe avocados on display," adds Bezart of Maggie Bezart. "Consumers have become accustomed to purchasing avocados for immediate consumption."

This will be particularly important this year, because Chilean avocados are expected to yield a smaller crop due to the July 2007 freeze from which Chile is still recovering. "While this year's crop is not as big — about 40 percent less than normal — there will be a consistent supply during season," reports Crane. "Shipments will be the same as the previous year — spread out as evenly as the trees allow."

RIPENING TECHNIQUES

One way to grow Chilean avocado sales is through preconditioned or ripening programs. According to Willmann, some retailers go with avocados at one stage of ripeness - choosing one stage from five possible stages where stage one is not ripe and stage five is ready to eat - "and some go with a 3tiered program where you have a display where the fruit on the bottom is not ripe, the fruit in the middle is almost ripe and the fruit on the top is ready to eat. Both pro-



Chilean avocados being readied for export to the United States.

grams are big right now in supermarkets and both work well."

Mission's Tarleton has a different view of what retailers should offer. "What produce managers are finally figuring out is that the giant pyramid displays of avocados don't work anymore because you risk the fruit getting too ripe too quickly. Manageable displays with a good selection of ripe fruit are what work best. The idea is to sell when avocados are ripe or will be ripe in a day. Stores used to sell them rock hard, and consumers would have to sit the avocado on the counter or windowsill until it ripened. That no longer works with consumers."

Merchandising Chilean avocados when they are at their ripest state works best, advises Calavo's Wedin. "That's important with any avocado program, not just Chilean avocados. We believe in that 100 percent because you want the fruit to move through the system while it's still good. By the time Chilean avocados reach the United States, the fruit has been off the tree for two to three weeks. Any long period in coolers is not good for freshness and you begin to have more issues with it. You want to get it to consumers who will eat it right away, and you do that by merchandising the avocados when the fruit is ripe."

Ripeness is key to good flavor, which is

Pricing Concerns

D omestic avocados can sometimes be more expensive than imported; whether increased transportation costs will change the equation remains to be seen. Retailers should take advantage of the Chilean avocado season, when prices are attractive to consumers.

"Sometimes Chilean avocados are less expensive than California avocados, which means they represent a value to certain shoppers," explains Rob Wedin, vice president of sales and fresh marketing, Calavo Growers, Inc., Santa Paula, CA.

"History has shown that at certain times during in the avocado season, wholesale costs are lower [for Chilean avocados]," he

key to sales. "Some retailers are paying shippers excessive premiums to ripen the fruit for them, which is unnecessary in my opinion," notes Index Fresh's Willmann. "Others are doing it themselves and saving \$2 to \$3 per carton. We don't believe in paying shippers because the fruit is handled too much by the time the retailer gets it. We support the old traditional way, which is forced ethylene adds. "This is particularly true at the start of Chilean season, which is when California avocados are at peak flavor. There are also certain times of year when Chilean avocados are in abundance — that's when pricing can get weak and lower costs to the consumer."

When retailers have an abundance of Chilean avocados, Wedin suggests bagging smaller fruit to push sales. "We sell a lot of Chilean avocados in bags in October, when the season picks up pace and there's a tendency for too many small fruits. Bagged fruit is a good way to sell multiple amounts of Chilean avocados to consumers. When we bag avocados at that time of year, we sell more than a million a month." **pb**

rooms to ripen the fruit. Fruits give off ethylene naturally — we take the gas and force it through the room to ripen avocados faster."

Bezart of Maggie Bezart believes it's important to keep some unripened avocados on display. "Have hard avocados on hand for those consumers who do their shopping early in the week and are looking for a product to take home and ripen themselves." **pb**



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Maximize Sales Of Eastern Apples

Eastern apples offer retailers an opportunity to showcase the unique characteristics of this category veteran.

BY KIMBERLY RINKER

On a national level, Eastern apples have always quietly taken the role as the bridesmaid in both sales and press.

While Northwestern apples garner more attention, Eastern apples are growing in popularity, particularly within their own region where they have always held their own.

Sandy Cohen, president, Cohen Produce Marketing, Aspers, PA, believes, "Eastern apples are better than anything out of the Northwest in terms of flavor and sugar content. While our apples are perhaps not as aesthetically pleasing as some of the Northwestern varieties, as far as flavor they're second to none."

Cohen cites a number of factors, including growing practices, soil and weather conditions, as contributors to Eastern apples' flavors and sweetness. "Consumers are looking for an apple that tastes good and is priced right," he adds. "They want value and an apple they can be confident in coming back to again and again."

Traditionally, Northwestern apples, specifically



Red Delicious apples from Washington state, have been considered the premium apple by apple industry insiders. Beautifully shaped with striking eye appeal, the Red Delicious has been a gold mine for producers and retailers, however, in recent years, the tree-ripened, Eastern-harvested Red Delicious has caught up and surpassed its Northwestern counterpart.

"The Red Delicious is still No. 1 in the world, as far as volume," notes Jim Allen, president, New York Apple Association (NYAA), Fishers, NY, "but our McIntosh and Empire apples are strong seconds. Consumers are excited about the Honeycrisp, but it has a limited supply."

"The Honeycrisp is very popular now," agrees Russell Bartolotta, Sr., general manager, Klein's Kill Fruit Farm Corp., Germantown, NY. "It was developed at the University of Minnesota [Minneapolis, MN] in 1990, caught on around 2001 and is now the hottest regional apple out there. There's not enough of them to meet consumer demand because of a limited amount of growing trees."

Allen cites New York-grown Ginger Gold and Jonagold – both developed in the 1960s – and traditional Cortland and Macoun varieties as top regional favorites.

"The McIntosh is an all-purpose, traditional Northeastern apple that caters to all consumers," says Bartolotta. "The Empire, a cross between a McIntosh and Red Delicious, has been around for 35 years and is good as a snack in slices or on a salad."

Tim Mansfield, director, sales and marketing, Sun Orchard Fruit Company, based in Burt, NY, has a background in Northwest-grown produce and offers his perspectives. "The [Eastern] Red and Golden Delicious are just as tasty as those grown elsewhere. While their flesh might not be as smooth as Northwestern varieties, their flavor is just as good and in most cases, better. The Gala apples grown in the East are, in most cases, better than varieties grown elsewhere. The Eastern McIntosh apples are a better quality and have a firmer

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flesh. They're a better-tasting, good-quality apple. The Empire is an excellent, sweet and tart apple. The leading apple grown in New York in terms of volume, the Empire is hugely popular in the United States and the United Kingdom."

Brian Nicolson, vice president and secretary, Red Jacket Orchards, Inc., Geneva, NY, believes increased attention to handling and storage options of Eastern apples by growers and retailers have proved invaluable in their marketability. "The Empire has a huge eating appeal, and we've been doing such a good job of handling and storage, which is one reason for its rise in popularity," he notes. "The Gala is an exceptional apple, as is the Fuji, whose selling point is that its skin has a more pearlike quality. The Honeycrisp is a phenomenon that is so great for the industry - it encourages people who weren't apple lovers to eat apples.

"All of the Eastern-grown apples have done well because of the apple acid in them, which is key to the flavor," he continues. "Many of our newer varieties are dense in order to get the crunch and crispiness factor,



and this gives the retailer longevity in the produce department. For instance, the Rome apple stores incredibly well and is a great industry apple, and the Empire combines top flavor with good handling ability."

Not all consumers can differentiate specific apple-growing season, according to Dave Robishaw, marketing specialist, Virginia Department of Agriculture and Consumer Services (VDACS), Richmond, VA. "The Eastern-grown apples, including most of the East

Taste The Difference

n-store sampling of Eastern-grown apples helps consumers to get to know these tasty fruits, reports Russell Bartolotta, Sr., general manager, Klein's Kill Fruit Farm Corp., Germantown, NY. "Taste testing is the best way to showcase apples. Once consumers taste the rich flavor, they're hooked."

Brian Nicolson, vice president and secretary, Red Jacket Orchards, Inc., Geneva, NY, agrees, adding, "There's no better way to promote apples than to slice them and have people taste them. There are loads of opportunities to increase sales through sampling. There are also tie-ins with recipes, such as dips and peanut butter. With the health and obesity challenges, apples are a perfect solution. If you give a kid a great tasting apple, it's convenient both as a snack and with a meal. It's also super-green - you've got no packaging to throw away."

John Iannacci, sales, Joseph P. Sullivan & Company, Inc., Aver, MA, believes the Honeycrisp is the perfect apple for retailers to sample. "The Honeycrisp should always be part of sampling. It's got great flavor, and it's very crisp and juicy, so it highlights a wide variety of profiles. We have a large number of East and Southeast Coast retailers, such as Publix [Super Markets, Inc., based in Lakeland, FL], Winn Dixie [Stores, Inc., based in Jacksonville, FL] and Shaw's [Supermarkets, Inc., based in West Bridgewater, MA], that all do an excellent job of promoting apples in this regard."

Jim Allen, president, New York Apple Association (NYAA), Fishers, NY, says retailers should promote locally, touting the nutrition and health benefits of apples. "The health benefits from apples are numerous and with obesity in today's youth as a concern, the switch to a healthful, fresh apple is easy," he advises. "Retailers can push apples as portable, grab-and-go items that can be marketed anywhere. Place them in the supermarket deli and encourage consumers to pick up an apple instead of a bag of chips with their sub. Promote the fact that they are a good, healthful choice and that they are hardy and less perishable than other produce options."

"We have all the makings of a great crop this season," concludes Dave Robishaw, marketing specialist, Virginia Department of Agriculture and Consumer Services (VDACS), Richmond, VA. "Retailers have a tremendous opportunity to get these apples in front of the public, display them prominently, tout their benefits and make an impact." pb

Coast from Boston down through Virginia, produce apples with an outstanding taste profile. That's their main selling point and the reason they are super-popular throughout this region. Two-thirds of the entire U.S. population lives in this area and that's a lot of consumers eating a lot of apples."

PROMOTING APPLES

Lee Peters, vice president, sales and marketing, Fowler Brothers, Inc., Wolcott, NY, suggests targeting varieties to consumer use is key for strong sales. "We have 23 varieties and more on the horizon," Peters reports. "Our strong suit is that we offer options, with flavor as our main selling point. The flavor of the apple makes the flavor of the cider, the flavor of the pie or whatever the consumer is creating with a particular type of apple. The use of our apples is based on the preference of the consumer, and the variety of apple used is based on the demographic of the consumer."

Sun Orchard's Mansfield agrees, adding, "Consumers are choosing flavor over appearance. Eastern apples are known for their rich flavors and consumers are more discriminating now in terms of flavor and flesh texture."

"All grocery stores market their apples in different ways - in bags, bulk displays and totes," notes Peters. "Supermarkets need to be cognizant of their consumers and build the best display for their particular market. Aesthetically, arranging apples by using color breaks is a great marketing tool. It brings attention to the apple varieties, offering a rainbow of taste options."

"With the big push this year toward supporting local growers and an increased awareness of our carbon footprints, there's no better way to push apple sales than with environmentally friendly bags, totes or as loose items," offers Cohen Produce's Cohen. "A grocery store can show the consumer it cares about the environment by offering a eco-friendly product that requires almost no packaging per se." pb

Michigan Apples Count On Local Theme

Set Michigan apples apart from Washington and California varieties by focusing marketing efforts on locally grown aspect.

BY JON VANZILE

People have been selling the appeal of apples — or at least the idea of apples — since biblical times.

In today's world, apples are a commodity product – retailers typically make decisions based on availability and price.

Consumers, too, rarely pay attention to an apple's origin, according to a study conducted by the Michigan Apple Committee (MAC), DeWitt, MI, and the business school at Michigan State University, East Lansing, MI. The study found the majority of consumers didn't know where their apples came from. But here's the surprising news: This indifference may contain the seeds of a marketing strategy.

Pioneered by celebrity chefs and cooking magazines, the local produce movement is probably here to stay. When asked in surveys, consumers express a strong preference for local produce. They believe locally grown produce is fresh, caters to regional preferences and is environmentally conscious because it consumes less fossil fuels during ship-



ment than produce shipped across the country. "There are studies on which apples people prefer, and people prefer apples grown in their area," explains Barry Winkel, general manger of Greg Orchards Produce, Inc., Benton Harbor, MI.

When viewed lin this light, Michigan apples are an easy sell. In general, the market for Michigan apples extends in a southward-facing cone from Michigan, encompassing the Midwest, the Gulf states, Florida and Georgia. Washington apples dominate on the West Coast, while New York apples dominate on the East Coast.

Michigan fruit is available in 26 states, mostly east of the Mississippi, according to Denise Yockey, executive director, the Michigan Apple Committee (MAC), DeWitt, MI.

Chains, such as the 270-store

Whole Foods Market, Inc., based in Austin, TX and its 110-store subsidiary Wild Oats, paved the way for the locally grown movement. These high-end retailers succeeded in creating a narrative around their produce using in-store signage, promotions and marketing campaigns.

"While we ship to two-thirds of the country and throughout the southeast and south-central states and Canada, we have a very strong presence in our local markets," explains Don Armock, president, Riveridge Produce Marketing, Inc., Sparta, MI.

Steve Wright, produce program manager at Spartan Stores, Inc., a Grand Rapids, MI-based chain with nearly 400 stores, believes that if retailers promote Michigan apples, consumers will respond favorably. "Our consumers tell us that 75 times out of 100, they'd prefer Michigan produce," he states. "Through marketing and signage, we want to tell a story about our produce."

The first challenge is finding the advertising dollars and then balancing the increase in marketing expenses against any increase in apple sales or produce margins.

Another problem is operational. It's easy to come up with brilliant marketing plans and signage but too often, signs are displayed improperly or not at all. High turnover means many produce department employees may have no idea what the store is trying to accomplish, Wright adds.

CREATING A FARM MARKET

MAC is working hard to raise visibility of Michigan apples. "I don't think the locally grown trend is going to end any time soon," Yockey reports. "Retailers are trying to fine-tune strategies to offer locally grown produce and add apples that are regional favorites." To support this effort, MAC offers signage and POS information that raises consumer awareness of the apples' origins.

Unfortunately, these kinds of programs often run into trouble inside the stores, according to Wright. The trend in many retailers, including Spartan Stores, is toward uniformity. Increasingly, stores want all of their signage to have the same look, so there is no place for externally produced marketing material.

But even if externally produced materials can't be used, the strategy can still be effective. Many large stores are creating a farm-market atmosphere, offering local and organic produce. Retailers can achieve this by promoting unusual varieties of in-season Michigan apples or apples grown with integrated pest-management techniques.

The best time to market Michigan apples is during the harvest period, advises Riveridge's Armock. "September, October and early November are when apples are in greatest supply. Consumers will be looking for them, so you'll want to catch their attention with eye-catching displays."

Retailers should ask suppliers if unusual varieties of Michigan apples are in season and how their apples were grown, advises Spartan's Wright. Michigan growers produce more than 20 varieties, including staples such as Red Delicious, Jonathan, Jonagold, Empire, Gala and McIntosh. Honeycrisp is quickly becoming a consumer favorite.

The state also produces several exotic varietals, such as the Winesap, says John Schaefer, president, Jack Brown Produce, Inc., Sparta, MI. "It has yellowish flesh, a little snap and a wine taste. You don't see many of them in stores."

Packaging identifies apples as coming from Michigan. Most Michigan growers use a similar bag highlighting a Michigan apple logo, and tray apples are affixed with a stick-



er identifying the apple as Michigan fruit, Wright reports.

ENVIRONMENTAL APPEAL

The local produce approach might work for retailers in Michigan and throughout the upper Midwest, but further away it's difficult to pitch Michigan apples as "locally grown" when apples must travel more than 1,000 miles to reach the shelves.

In this case, it may be beneficial to use

the market-to-miles approach or to focus on carbon footprints. A retailer could point out that Michigan apples don't travel as far as apples from Washington or New York. "People are interested in a smaller carbon footprint," notes MAC's Yockey.

However, Wright says the market-tomiles approach is a hard sell when it comes to justifying higher prices. "Ultimately, people make decisions with their pocketbook. People who are environmentally conscious say they're not spending extra money on travel, but in today's economy, I think that price is a more sensitive issue."

Soon it will become easier to add state-oforigin information. On Sept. 30, the countryof-origin law first introduced in the 2002 Farm Bill will take effect and state of origin will be a method of compliance for U.S. product.

Yockey says retailers can benefit from moving away from a commodity-based approach toward a more sophisticated, local produce or environmental message. "They'll get improved consumer satisfaction and it will give them an opportunity to stay connected to their customers. It's important for them to let their consumers know they are matching their desire for locally grown produce or a smaller carbon footprint, and they'll probably sell more apples." **pb**



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IDAHO POTATOES The Importance Of Brand



IPC Potato Lover's Month second prize winner in the 6-9 cash-register category: Javier Cosneros, Save Mart #86, Modesto, CA

Marketing, advertising and promotions drive usage and consumer awareness of high-quality Idaho Potatoes.

BY LIZ PARKS

hat does an Idaho potato have in common with Tide or Crest? If you guessed that an Idaho potato is regarded by consumers as a valued and trusted brand, then you understand why Idaho potato suppliers consider their product the "premium alternative" in the potato category.

Idaho potatoes are not regarded as commodities. Not only do Idaho potatoes add class to the product mix of produce departments but they also generate significant profit dollars, according to Tony Miller, produce manager for Tom's Food Market in Freeburg, IL, one of 13 stores owned by Mascoutah, IL-based Norrenberns, Food, Inc. He believes consumers, sold on the nutritional value and superior taste of Idaho potatoes and determined to give their families and friends the best when they cook, willingly pay premium prices for Idaho potatoes.

It takes time and dedication to build a quality product into a

brand. In the produce category, Idaho has a long track record of successful brand building. "It's the only branded potato," according to Seth Pemsler, vice president, retail/international, for the Idaho Potato Commission (IPC), based in Eagle, ID. "If you ask consumers where potatoes are grown, they will tell you Idaho."

More than 70 years ago, IPC began marketing Idaho potatoes. While all potatoes have nutritional value and make great companions to meals built around meat, poultry, fish and even other vegetables, IPC has always made sure consumers know that Idaho potatoes are special.

"We have a long history growing potatoes," explains Dick Thomas, vice president of sales, Potandon Produce, LLC, Idaho Falls, ID. "IPC has done a great job promoting and shaping the brand."

When IPC first began marketing Idaho potatoes, it used print and radio advertising. In recent years, it has focused on television

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ads in major metropolitan cities, and this year, for the first time, it is using national television to promote the brand. "We're really reinforcing the health and wellness benefits associated with Idaho potatoes," Pemsler notes.

IDEAL GROWING CONDITIONS

Pemsler cites a number of factors that make Idaho potatoes unique. The state has an ideal climate for growing potatoes warm days and cool nights. The soil is volcanic and mineral-rich and the state's fields have access to a consistently available integrated water supply.

"We have a rich volcanic soil that helps give our potatoes their distinct flavor," explains Thomas.

Growers use the expertise of world-class potato researchers to keep abreast of trends, identify optimum ways to develop new varieties and maximize shelf life, freshness and nutritional value.

Randy Bonner, produce manager, Spain's Supermarket, an independently owned supermarket in Grenada, MS, calls Idaho potatoes "the best potatoes in the world," and reports that more than 90 percent of the potatoes he carries are Idahos.

Likewise, Tom's Miller says Idahos account for about 70 percent of his potato sales, adding that he has no worries about spoilage because they sell through very quickly. "People pay more for Idahos because they taste better. I can't describe it, but they taste like a high-quality potato."

Kevin Stanger, vice president of marketing, Wada Farms Marketing Group, LLC, the Idaho Falls, ID-based division of Wada Farms Potatoes, Inc., Pingree, ID, notes Idaho potatoes "absolutely generate and bring value to the potato category and produce departments. If I am in a booth at a food show, and people come in and see potatoes, almost everyone says 'Oh, Idaho potatoes,' whether they are Idahos or not. That's because when most people see a Russet potato, they assume it's from Idaho. There is a perceived connection in the country between potatoes and Idaho."

At 4,600 feet in elevation, "Idaho has very warm, hot days, but our nights cool down," explains Scott Phillips, director of sales, Nonpareil Corp., a grower, shipper and packer headquartered in Blackfoot, ID. "That allows the potato plant time to regenerate. It can use the heat to grow throughout the day, then it reenergizes and repairs itself at night."

CONSUMER RECOGNITION

According to an independent research

Idaho Potatoes 101

- Roughly one-third of all the potatoes grown in the United States are grown in Idaho.
- The average American eats 126 pounds of potatoes each year.
- The potato was the first vegetable grown in outer space.
- New York consumes more Idaho potatoes than any other state, followed by Ohio, Florida, Pennsylvania and Texas.
- To give a baked Idaho Russet a South-of-the-border twist, top it with cream cheese and finely chopped jalapeños.
- For an Italian twist, suggest topping Idahos with olive oil and chopped garlic.
- To add a dash of French appeal, top with Dijon mustard and fresh dill.
- For St. Patrick's Day, add an Irish twist mash Idahos and add kale.
- Add mint leaves to mashed potatoes for an Indian taste and nuts and cinnamon for Middle Eastern taste
- Source: Idaho Potato Commission (IPC), Eagle, ID.

study commissioned by IPC, 86 percent of consumers surveyed said they were "very familiar" with the Idaho brand. Many said they associated Idaho potatoes with "quality" and "flavor" and would be willing to pay a premium for Idaho potatoes.

To further the brand's recognition among consumers, IPC produced national television commercials featuring health and fitness expert Denise Austin. The commission expects the commercials will generate 780 million gross impressions this year, with the key target market being adults, ages 25 to 54. The ads are running on food and health channels, including the Food Network, Discovery Health, Lifetime, CNN, The Weather Channel and more.

"Instead of running promotions that feature just price, retailers can drive sales more effectively by running promotions to support the benefits of potatoes, such as the vitamins and the nutrients," advises Phillips.

Ryan Bybee, sales manager, GPOD of Idaho, a Shelley, ID-based shipper, points out that IPC has field representatives who work with retailers, educating them "about what each variety is used for and what they're good for, so the retailers in turn can educate their consumers."

On the national level, 86 percent of all households eat potatoes, according to New York, NY-based ACNielsen Homescan data. Relatively new varieties, such as Petite Golden potatoes, Red and Yellow Round potatoes, Yellow and Purple Fingerlings, along with smaller packages and microwavable packages are helping drive sales.

"Specialty variety potatoes were once primarily found in restaurants," explains Bybee. "Today, consumers have come out and said 'We want it all the time,' and I think that's what's driving growth in usage and sales at retail."

People are also eating at home more often because of the economy, fuel costs and inflation. Potatoes are popularly perceived as being a healthful, affordable alternative to pastas and rice. "Potatoes have made a resurgence since the end of the Atkins-Diet craze," reports Phillips.

"That's really helped out sales, not just of Idahos but also of all potatoes," Phillips continues. "I think, too, that the economy and the war [in Iraq] have had a huge effect on how people are modifying their eating habits. I think more people are eating more meals at home. So potatoes are a hot item right now, partly because of value and partly because they're a comfort food and so versatile. They have so many different uses that they're a good value compared to other alternatives."

Because Idaho potatoes are frequently used as a means on carrying other flavors to the palate, they are often topped with salsa, butter, cheese or sour cream. IPC has developed a number of cross-merchandising and/or coupon promotions, featuring brands, such as Kraft Cheez Whiz and ranch dressing, Fresh Gourmet salad toppings, Oscar Meyer bacon bits, Marie's salad dressing, Hillshire Farm ham, Salmon Creek pork roast, Concha y Toro wines and St. Pauli Girl beer.

CREATIVE DISPLAYS

IPC sponsors best-display and best-ad contests during National Potato Lover's Month in February. The contests give produce managers, category managers and individual stores the opportunity to win cash and other prizes. Produce managers receive prizes, such as a free Swiss Army watch, simply for entering their stores in the contest.

Spain's Bonner, who won a first prize this past February, displays Idaho potatoes nearly every week. His prize-winning, 14foot long by 8-foot high display featured a hand-drawn, black cardboard train with the Idaho Potato Man logo at the center of each wheel. He says weekly potato sales jumped more than 60 percent during the promotion.

Along with the train hung between endcaps adjacent to the produce department, Bonner stacked 5- and 10- pound bags of Idahos as well as displays of Idaho Reds and Idaho loose potatoes. He also cross-merchandised a variety of related products from other companies that also sponsored the contest, including Idaho instant potatoes, Kraft Cheez Whiz, Kraft ranch dressing and other items associated with baked potatoes, such as Oscar Meyer bacon bits. It took him a month to conceptualize and create the display and the signage, which read "Take the Fast Track Home with Idaho Potatoes and Kraft Foods."

Tom's Miller also win a display prize in this past year's National Potato Lover's contest and he came in fifth for an ad he wrote advertising Idahos. The 18-foot display was "easily the most visible display in our store" that month, he notes. It contained six display tables fanned out under a banner that read "Unlock The Flavor" and featured a combination lock with images of Idaho potatoes.

Miller used rack displays for the presentation, cross-merchandising various dressings that could be used on potatoes. Sales of Idaho potatoes for the month "more than doubled," he reports, and most of the sales were made at full price. Miller discounted the Idahos 15 percent only for the one week that the ad ran. He also gave away recipes for cooking with potatoes.

Knowing potatoes are often a planned purchase, many supermarkets make a point to enhance sales by displaying specialty and premium potatoes in the front of their produce aisles, where traffic flow is the heaviest, to gain incremental or higher-ticket purchases. They will also promote potatoes weekly even during off-peak seasons and frequently cross-merchandise potatoes with beef, pork, lamb and chicken.

OVERCOMING SPOILAGE ISSUES

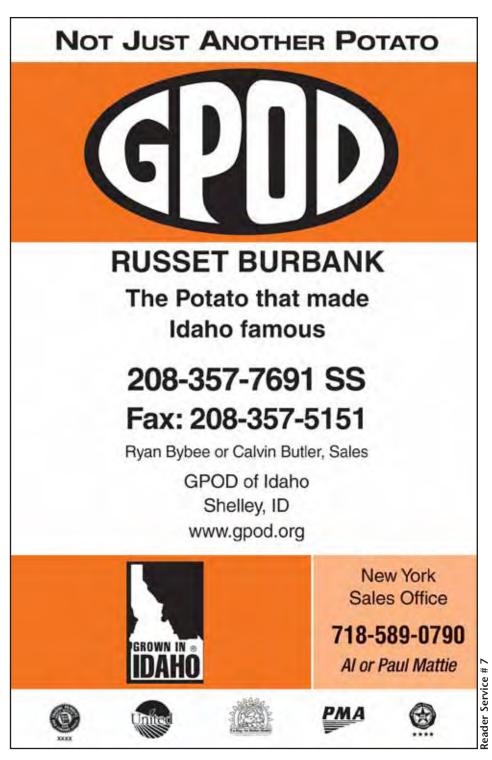
To minimize waste and shrinkage due to spoilage, most retailers today analyze sales trends to determine the appropriate spaceto-sales ratio for all types of potatoes. It's become common for retailers to reduce space for large-size bags as consumers tend more and more to purchase smaller bags that can be used before signs of aging and spoilage, such as sprouts, start to appear.

"The trend, especially for the special varieties, is toward small packs, 2- and 3-pound packs," according to GPOD's Bybee. "It's for convenience. You just don't use more than two or three Fingerling potatoes on a plate, so the smaller packs are designed to meet consumer demand."

Potandon's Thomas points out that potatoes have a tendency to green under supermarket lights. "This can be prevented by keeping them covered at night. A good rotation program will also help prevent shrink."

MARKETING OPPORTUNITIES

If retailers are not already working with IPC to develop strong marketing programs to drive sales of Idahos and other potatoes, Wada Farms' Stanger highly recommends they do so. "For retailers trying to drive potato sales, the No. 1 priority is to carry Idahos. Then work closely with IPC because it has a vast resource of POP, POS and all sorts of marketing/merchandising tools that retailers can take advantage of.





IPC Potato Lover's Month first prize winner in the 1-5 cash-register category: Randy Bonner, Spains Supermarket. Grenada, MS



IPC Potato Lover's Month first prize winner in the 10+ cash-register category: Sharon Brennan, Viking Village Foods, Reedsburg, WI

Wada Farms offers a variety of programs that can be customized to a retailer's specific needs, including different bag sizes so retailers can offer consumers a broad range of pricing and pantry-storage alternatives as well as value-added packs that can help the retailer differentiate itself from the competition. Wada Farms recently launched several innovative items, such as individually wrapped, microwavable Easy Bakers and Easy Steamers, a 1.5-pound bag of Idaho Russets that can be microwaved and served in eight minutes. These products have played a key role in creating a fast-growing new category of fresh potatoes.

Wada Farms also sponsors cooking contests with consumers submitting recipes using Idaho potatoes. It also created retail promotional events, including one where retailers gave away a Betty Crocker cookbook that featured recipes using Idaho potatoes to consumers who bought a 10-pound bag of Idaho Russets. The company recently created a sister company called Category Partners, which provides category management and category-review services to retailers.

Nonpareil has produced POS materials for retailers and it offers technical and research-and-development assistance. It can "help retailers with recipes, and evaluate new varieties of potatoes," reports Phillips. "We can bring retailers to our facility and



IPC Potato Lover's Month first prize winner in the 6-9 cash-register category: Jeff Stewart, Piggly Wiggly, Bonifay, FL



IPC Potato Lover's Month second prize winner in the 10+ cash-register category: Tammy Raber, Bueh;ers River Styx, Medina, OH

take them from the potato fields all the way though the operation. In research and development, retailers can look at different usages for potatoes as well as at the different technical aspects of potatoes."

For example, Nonpareil helped Tesco, headquartered in Cheshunt, Hertfordshire, England, develop different recipes for Fresh & Easy Neighborhood Market, Inc., its El Segundo, CA-based chain with 71 stores, and create other value-added programs involving Fresh & Easy and Idaho potatoes. "Nonpareil is always evaluating new varieties, new colors and different uses, looking for new ways for consumers to utilize Idaho potatoes," Phillips adds.

Still, for all the innovation in new varieties and convenience packaging, the biggest driver of potato sales is "brand recognition — the fact that consumers recognize the Idaho brand," GPOD's Bybee stresses. "So the best thing retailers can do is to make sure their signage displays the Idaho brand, and that's easy to do because there is a ton of signage available."

"When we did our Unlock the Flavor Idaho potato display last February, I sold everything I had out there," Tom's Miller reports. "I think part of the sales were for pantry, but I also think once consumers took the potatoes home, they cooked them. So we probably got them to come back more frequently to buy more as well." **pb**





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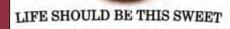
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<u>STEPPING UP</u> To The Plate



The Wisconsin potato industry started preparing years ago for today's marketplace challenges and trends.

BY MEREDITH AUERBACH

isconsin may not be the top potato-producing area in the United States, but the state industry feels it has a firm grasp on the future.

With 145 growers farming 65,000 acres, Wisconsin is the No. 3 producer of potatoes ding to Tim Feit, director of promotions and

in the country, according to Tim Feit, director of promotions and consumer education, Wisconsin Potato and Vegetable Growers Association (WPVGA), Antigo, WI. "For the past 10 years, Wisconsin has moved toward different ways of farming to grow healthful potatoes and be concerned with whole-farm health. We are involved with a program called *Healthy Grown*, a research-driven initiative for profitable, large production sustainability and have created our own brand to differentiate these potatoes. Our market areas in the Midwest and east of the Mississippi River help us capitalize on the trends for locally grown foods, and high fuel costs make our potatoes an even better value."

This year, Feit expects Wisconsin's crop to be good, if averagesized. "In general, our mix is approximately 57 percent Russets, 32 percent Whites and Yellows and 11 percent Reds. Some of the specialty potatoes complete small but important segments within these groups. We are responding to changes at retail and in consumer tastes with smaller-sized packaging, clean, ready-to-use single wraps and growth in organics."

WPVGA's promotions are focused on the versatility, nutrition and dollar value of potatoes in a time of rapidly increasing food prices. "The industry is organizing to export to Mexico and that effort will include all varieties," he reports. "We're in good shape for now and into the future."

A large number of Wisconsin's potato farms have long histories in the industry and have found vertically integrated companies to be important to success. For nearly 100 years, Bushman's, Inc., Rosholt, WI, has supplied the finest tubers — Russets, Reds, Whites and Yellows. In 1960, the current company became a year-round supplier, growing potatoes and contracting with other sources. "We are all fresh and offer a wide range of packaging," explains Mitchell Bushman, president. "About 40 percent of our product is private labeled to meet the needs of customers. We expect this will be an interesting year. In the southern portion of the state, almost 2,000

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Reader Service # 119

acres were lost in the flooding — mostly Russets and Reds — which may result in a gap in supply. The rest of the state looks good, but there will be upward pressure on pricing."

Richard Okray, secretary/treasurer, sales, Okray Family Farms, Inc., Plover, WI, agrees with Bushman's assessment about the 2008 harvest that began in August, adding "We specialize in potatoes. It's our core business from farming through packaging and distribution to retail. Private label makes up almost 70 percent of what we grow, package and sell. It's a way for retailers to better guarantee quality. We sell more than half of our fresh potatoes to the Top 10 retailers east of the Mississippi River."

Alsum Produce, Inc. (API), Friesland, WI, is another vertically integrated operation that grows eight to 10 potato varieties, including Purple Majestic, varieties of Fingerlings and other specialties. "About 80 percent of our potato business is the consumer retail channel," notes Larry Alsum, president. "For them, the days of the 50-pound bag are largely over. The 5-pound bag is now our biggest seller and we have a rapidly growing business in mixed specialty bags weighing either 24 ounces or 3 pounds."

Equally committed to and enthusiastic about the opportunities for fresh potatoes is Russ Wysocki, president, Russet Potato Exchange (RPE), Bancroft, WI. "During the past couple years, potatoes have been winners and we expect them to be this year as well. Wisconsin has its own niche: location and close access to large eastern markets, economic value and nutrition, and the ability to mix loads and do specialty packaging. We have a great story on sustainability. The Wisconsin potato industry has been ahead of the curve in this area. We give retailers something real to talk about with their consumers. Healthy Grown covers potatoes from seed to consumer. Our self-regulation also means we can help control our future and that is important to our profitability."

NEW MARKET NEEDS

Wisconsin potato farmers and suppliers are intensely focused on fast-moving changes in market and customer needs. There is close coordination and consistent communication with other potato organizations, such as the U.S. Potato Board (USPB), headquartered in Denver, CO, to help increase consumption.

Promotions include USPB's *Potato Good*ness Unearthed, an initiative to educate consumers about potato nutrition and innovation. Likewise, the Wisconsin Healthy Grown potato program addresses sustainability and environmental protection with

Sustainable Potatoes

n its 10th year, *Healthy Grown* is a program collaboratively developed by the Wisconsin Potato & Vegetable Growers Association (WPVGA), Antigo, WI, the University of Wisconsin (UW), Madison, WI, the World Wildlife Fund (WWF), Washington, D.C., and other conservation groups.

For Wisconsin potato farmers, the program is an integral part of the definition of sustainability, built on what is good for people, the planet and the necessary profitability to keep it all going in large production agriculture. The program began with increased emphasis on Integrated Pest Management (IPM) and, as a whole, falls somewhere between conventional and organic.

While dramatically lowering inputs of pesticides, changes in cover crops and rotations and more focus on soil fertility have increased yields. "We estimate 60 percent of Wisconsin potatoes practice the *Healthy Grown* methodology. As an industry, we've taken it farther than other states," says Richard Okray, secretary/treasurer, sales, Okray Family Farms, Inc., Plover, WI.

According to Mitchell Bushman, president, Bushman's Inc., Rosholt, WI, "The program has even generated new revenue sources, giving Wisconsin farmers new options. While improving the land for potato production, we can sell the product of rotation crops and improve the risk/reward axis."

Soquel, CA-based Protected Harvest, a non-profit independent oversight organization established to certify farmers' strict adherence to reduced-pesticide and sustainable agriculture standards, is key. Participating farms financially support the voluntary program. **pb**

stringent production requirements and certification by an independent third-party.

Wisconsin's central location fits new consumer trends and preferences to purchase and use locally grown products. Organic potatoes are also gaining momentum.

The nature of the producing companies and their vertical integration also enable them to be responsive to customer requests for packaging and other services, such as category management and close product tracking. "We see the three largest growth segments in the potato industry as organics, sustainability and the locally grown movement," explains Alsum. "We are experiencing growth in all these areas."

RETAILERS CATCHING UP

It can be easy for retailers to take potatoes for granted. Producers have an opportunity to convince their customers to make a bigger splash with potatoes. "We offer five SKUs of Wisconsin potatoes and base that purchase decision on consistent quality, cost and service," notes Warren Wirtanen, director of produce for Save-A-Lot, Ltd., the Earth City, MO-based chain with 1,190 stores and a subsidiary of Eden Prairie, MN-based Supervalu, Inc. "We are increasingly trying to source products that are more local to meet customer requests and control transportation costs."

Dan Dipple, produce director, Fresh Brands, Inc., a 100-store chain based in Sheboygan, WI, says, "For us, the preference for local product is coming, but I can't really say it is very strong yet. We are starting our Fresh Preferred program, which will feature items like a larger Russet potato."

"Consumers are more interested in buying local and they tell us it is important," explains Vince Mastromauro, produce manager at the Highland Park store owned by Sunset Food Mart, Inc., a Chicago, IL-based chain with four stores. "It just hasn't yet happened for potatoes."

WAVE OF THE FUTURE

The big innovation of the past several years was the single spud — a washed, clean, sized Russet potato wrapped in a special film, ready to microwave and eat. Today, "Processed fresh potatoes are the wave of the future," reports Wysocki.

Other producers agree but are not quite ready to talk about their next products. "We're moving into product development in a big way, but in a sense it is a totally new business," says Bushman of Bushman's, Inc. "We're learning fast and expect to roll out new products in about 12 to 16 months."

Okray explains, "We're watching the rise of new generations that will depend on ready-to-heat-and-eat fresh products. Few will have the time, knowledge or even perhaps the interest to cook from scratch. Processed is where the market will be."

"Consumer education on nutrition and use is so important," adds Alsum, "We're using the package to speak with consumers and making use of coordinated programs to amplify the message to consumers." **pb**

Philadelphia Stays Ahead In Unstable Economy

Despite freight costs and weak dollar, Philly's market is overcoming the odds.

BY JODEAN ROBBINS

he Philadelphia Regional Produce Terminal, Philadelphia, PA, is weathering the same storms as everyone in the industry yet business seems to be steady despite the increasing costs. "Everyone complains because of the increasing cost of doing business," explains Todd Penza, salesman with Pinto Bros., Inc., on the terminal market. "It's harder for everyone and you have to

sell harder and really push to get the prices. But, the customers still have to buy what they need."

The issue of increasing freights costs is on the mind of most merchants, suppliers and customers. "Freight rates are astronomical," states Joe Procacci, CEO, Procacci Brothers Sales Corp., on the terminal market. "They're the highest I've ever seen in my life."

"Everybody in the industry is surprised how transportation is more of an issue than buying the product right now," adds John Durante, president, Nardella, Inc., on the terminal market. "Transportation used to be an afterthought but now it's first and foremost."

The increasing costs hit everyone hard. "We're all on the same level with this," states Mike Maxwell, president of Procacci. "Everyone is feeling it. It's hard to write ads because of the variable in freight. Trucking costs have almost doubled over [the previous] year."

"Our freight costs have doubled," agrees Chip Wiechec, president, Hunter Bros., Inc., on the terminal market. "I feel sorry for the growers because they're probably eating most of the costs."

Increasing oil prices also affect other costs. Anthony Stea, CEO, Stea Bros., Inc., on the terminal market, explains, "Oil affects all ends of the business because it drives up pricing everywhere. Besides fuel, the increasing oil prices also affect other inputs, such as pesticides and fertilizer. There is pressure all the way around."

"Our expenses are up because of fuel, and our shippers' costs are up, too," reports Fred Penza, vice president, Pinto Brothers. "It's harder and harder to get the money out of the product. Additionally, fertilizer and other inputs, such as boxes and plastics, cost more."

Shippers and wholesalers alike are being pushed to the limit. "The

cost of fuel and other inputs is making it harder for all of us to be competitive," states Alan Taylor, owner, Taylor Produce, Inc., Rigby, ID, a grower/shipper that has done business on the Philly market for 20 years.

"Nobody is making any money," agrees Jack Collotti, Jr., owner of Collotti & Sons, Inc., on the terminal market.

Customer Reaction

Vendors report seeing some short-term changes with buyers. "We're not seeing any long-term changes in buying patterns," explains John Vena Jr., president, John Vena, Inc., on the terminal market. "However, since the beginning of the year, we've seen a lot of shortterm interruptions changing current buying. A general unease about the economy is filtering down."

"We see customers reacting differently," adds Martin Roth, vice president, Coosemans Philadelphia, Inc., on the terminal market. "Some are buying less volume because their customers aren't spending as much and others are seeing differences in how customers are paying. Most are complaining about the cost of goods, but they're still buying. We're trying to work with our customers to make small adjustments."

"You have to put up with the prices," says Umberto Correa, manager, International Supermarket, an independently owned single store in Ventnor City, NJ. "We must buy the same products as always because we still need to have what our consumers want. Our consumers keep buying because they need to eat."

Customers seem to be looking for less risk. "We see our customers using us more and more as a warehouse," reports Fadi Abi-Khattar, vice-president and treasurer, Klinghoffer Brothers, Inc., on the terminal market. "They pre-sell before they buy, so they don't want to take any risks. There's no bulk buying as in the past."

"Customers are more careful about spending money," explains John W. Waleski, president of John W. Waleski Produce, Inc., on the terminal market. "They do without if it comes down to it. We're seeing more and more price-oriented buyers. They still want quality, but price is a



Marty Roth of Coosemans Philadelphia

greater issue."

"Customers are buying but they are playing prices a little closer," concurs John DiFeliciantonio, partner, Ryeco, Inc., on the terminal market. "They're not taking any risks. Our sales volume overall is not down, but it's harder to do the same numbers each week."

"Some buyers may be more cautious because they're wondering where it's going to stop," reports Nardella's Durante. "If the fuel issue doesn't stop, the produce pressure won't stop."

Making Changes

Small changes may help some customers and market vendors to adapt to increasing costs. "We've noticed some customers who shopped five days have now cut their shopping days down in order to consolidate trips and



Jimmy Storey of Quaker City Produce Co.

Joe Procacci of Procacci Bros. Sales Corp.

save gas," explains Mark Levin, owner, M. Levin & Co., Inc., on the terminal market.

"There are two ways to go," suggests Hunter's Wiechec. "One is to try to sell more product. The other is to increase prices and sell less product to fewer people. We're just trying to help our customers as much as possible."

In some instances, the increasing trucking rates are benefiting the market. "We're all experiencing higher prices," explains Mark Capriotti, president of Capriotti Brothers, a one-store retailer in Philadelphia. "However, there is an increase in business on the market because customers are looking to save money, so they're shopping around more [than in years past]. They're looking for the deals we can provide them as opposed to the large chain



Ted Kean III of E.W. Kean Co.



Jack Collotti, Jr. of Collotti & Sons

stores."

The effect of the fuel issue on FOB deals may be drawing customers back to the market. "When freight increases, it gets harder to buy FOB, so more buyers come back down to the market," explains Pinto's Fred Penza.

"Our terminal market location is doing well because a lot of guys who dabble in FOB can't get covered now," says Procacci's Maxwell. "They're coming back to the market."

"The freight increase is helping us somewhat because buying FOB is getting more difficult for multiple pick-ups," states Klinghoffer's Abi-Khattar. "Getting trucks is more competitive and truckers are more demanding."

Quality And Innovation

The increased pressure in the marketplace



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Reader Service # 48

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PHILADELPHIA REGIONAL MARKET PROFILE



John Vena of John Vena



of John Vena

has meant a greater emphasis on quality. "The retail marketplace is more competitive than ever and one of the biggest ways our customers can distinguish themselves is through quality," notes Tom Kovacevich, general manager, T.M. Kovacevich (TMK), Philadelphia, Inc., on the terminal market. "Quality is the driver for our sales."

"Quality is more important now," agrees Ryeco's DiFeliciantonio. "In this economic climate, customers are even more concerned."

Breaking even on a load of produce is increasingly complex. "Because prices are high, people need to get the highest-quality produce," explains Nardella's Durante. "If the guality is not good and you can't move it, you can't back the freight out of it."

Levin of M. Levin adds, "The difference



John Waleski of John W. Waleski Produce

now is if product comes in bad, you've lost a lot

here regardless of the quality," explains Capri-

otti of Capriotti Bros. "So you have to make

sure the product is top quality and will be in

sistency may mean greater focus on labels.

"We've seen a trend towards the increasing

importance of brands because they can stand

for quality and consistency," according to Vena

sistency is the biggest reason people look for

brands, and consistency is especially important

Coosemans' Roth further explains, "Con-

The greater emphasis on quality and con-

"It costs \$8,000 to get a load of lettuce

of money in transportation."

great condition when it arrives."

of John Vena.

right now."

Mark Levin of M. Levin & Co.



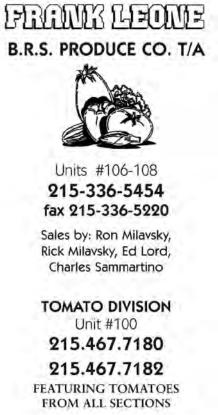
of Coosemans Philadelphia

job easier and builds rapport with customers," says Hunter's Wiechec.

Vendors on the market continue to find unique ways to help their customers stay competitive. "We look for the opportunity to introduce aggressively priced organic items," explains TMK's Kovacevich. "Organic has been around long enough now that it's possible to get some very good pricing on some items."

"Restaurants can take advantage of deals we get on certain items and start offering an economical special instead of always having a high-priced special — sort of like an upscale blue-plate special," suggests Vena. "The waiter can tell customers how their supplier gave them a great deal on X product today and the chef has come up with a wonderful dish and the cost is only \$X. This will help keep people





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going out to eat and will also show customers a creative solution the restaurant is providing for them in these more difficult economic times."

Communication and information continue as major benefits market vendors offer their customers. "The market is still all about relationships and communication," states Coosemans' Roth. "It's even more important in times like these. If you have the right relationship with your vendor or supplier, it can make a huge difference."

"Terminal markets are important for us," states Taylor of Taylor Produce. "We ship about 30 percent of our production to terminal

PARTNERS

markets. These are decades-long relationships and we continue to do business here."

"Generally, our customers talk to us to find out what's going on," adds Ryeco's DiFeliciantonio. "In times of crises, we're able to communicate accurate information to them, which is of great value."

Going Local

Supporting local farms is a growing trend in the Philadelphia foodservice and retail sectors. "In Philadelphia, we have a very sophisticated restaurant industry and our chefs are interested in local product," says Vena of John Vena.

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Reader Service # 13

PHILADELPHIA REGIONAL PRODUCE MARKET Variety • Freshness • Quality



RISING LEADER



Todd Penza, Pinto Brothers United Leadership Class 14

odd Penza, salesman with Pinto Bros., Inc., on the terminal market, is a member of Leadership Class 14 of the United Fresh Produce Association (UFPA), Washington, D.C., and one of the few Philadelphia wholesalers to take part in the program. "I'm honored to have been chosen this year," he reports. "There haven't been many other members from Philadelphia in the past."

Victoria Backer, UFPA's senior vice president of member services, confirms, "There have been only three fellows from the Philadelphia area and about 30 wholesalers during the program's history."

The UFPA program helps participants acquire a broader perspective of the industry. "I expect to gain a greater understanding of the industry from grower to final user because all these sectors are represented in the class," according to Penza. "For example, we just completed a trip to California to see growing areas and have had some seminars on food safety, post-harvest, and public speaking."

"The leadership program is designed to expose participants to the many different elements of the produce industry and help them think beyond their daily business," Backer states. "Learning about the complete supply chain often takes leadership fellows out of their comfort zone, but it also builds a better understanding and appreciation for one another throughout all segments of the business."

Networking is one of the other benefits Penza looks forward to. "There is a learning aspect to the program as well as the networking benefits," he says. "The relationships you make are a great part of going through this program."



Mark Capriotti of Capriotti Brothers and Mickey Crawford of Ryeco



Anthony Stea of Stea Bros. and Juanacho Vazquez, a buyer on the market



Joe Romonlini and Ed Barba of Storey's Fruit & Produce



Jeff Moore and Pete Gabriel of M. Levin & Co.



Bill DeFelice of M. Levin & Co.

"Interest in locally grown product is increasing," adds TMK's Kovacevich. "It's becoming more and more important because of demand as well as cost factors. We're big supporters of local producers. For example, we handle a lot of Eastern peaches, blueberries and apples."

"Interest in Pennsylvania products has grown across the board," reports JoAnna Gresham, agriculture marketing division chief for the Pennsylvania Department of Agriculture (PDA), Harrisburg, PA. "Consumers are demanding them and foodservice professionals are seeking them out, causing distributors to respond. Many of these businesses have been

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PHILADELPHIA REGIONAL PRODUCE MARKET Variety Freshness Quality using local product for years, but now, consumer interest and demand are so high, they want to publicize their commitment to Pennsylvania growers."

The closeness of the New Jersey makes its product local for the Philly market. State promotion programs in New Jersey have helped develop awareness and demand for local products. Charles M. Kuperus, secretary of the New Jersey Department of Agriculture (NJDA), Trenton, NJ, explains, "The use of *Jersey Fresh* advertising, combined with pursuing press coverage from food editors and general-assignment reporters for the beginning of

> A. Vassallo, Inc. Al Finer Co. B.R.S. Produce Corp. / Frank Leone Collotti & Sons, Inc. Cooseman's of Philadelphia E.W. Kean Co. G&G Produce Co. G.K. Produce Co. Hunter Brothers, Inc. Jesse Pitt Company John Vena, Inc. Kaleck Brothers Klayman Produce Company Klinghoffer Brothers M. Levin & Co. M&C Produce Co. Nardella, Inc. Paul Giordano & Sons Pinto Brothers, Inc. Procacci Brothers Sales Corp. Produce Interchange Quaker City Produce Co. Rycco, Inc. Seidman & Sons Produce Co. Stea Brothers Produce Storey's Fruit & Produce T.M. Kovacevich - Philadelphia Thomas Colace Co. John Waleski Produce Co. Wick & Brother

Philadelphia Regional Produce Market 3301 South Galloway Street #256 Food Distribution Center Philadelphia, PA 19148 (215)336-3003 | (215)336-5542 fax info@prpm.org | www.prpm.org

A LEAP OF FAITH: PHILLY'S NEW MARKET

fter a long, arduous road filled with disappointment, the building of the Philadelphia Regional Produce Terminal, Philadelphia, PA, is finally underway and the merchants are ready to make the leap into the future. "We're excited because the new market will allow us all to take our business into the next generation," explains George Manos, president, T.M. Kovacevich (TMK), Philadelphia, Inc., on the terminal market.

Martin Roth, vice president, Coosemans Philadelphia, Inc., on the terminal market, states, "Our new market will be especially pertinent for the future generation of suppliers, vendors and buyers."

The deal for the new market was signed and completed in August and ground was broken for construction. Sonny DiCrecchio, general manager, Philadelphia Regional Produce Terminal, explains, "We have a guarantee from the builder for the new market to be completed 23 months from the time we signed the papers, so we're talking about September or October 2010. The new building will be a 650,000square-foot fully refrigerated market with a central concourse. The new site is only about four miles from our current site, so it's equal in access to major roadways and to Center City Philadelphia, as where we are now."

The design and technology aspects of the new building are distinctive among terminal markets. "The new market will be the most efficient produce distribution center in the country," reports John Vena Jr., president of John Vena, Inc., on the terminal market. "The character of the market will change, but we're working hard to make sure the integral culture of the terminal market stays the same."

According to DiCrecchio, "The new market will be very buyer friendly and focused on safety for buyers and workers. The central concourse will have dedicated lanes for power jacks and separate lanes for those with hand trucks. A guardrail will separate pedestrians from all this traffic. The layout will allow us to host more buyer and educational groups.

"All the areas will be refrigerated and the common areas will be maintained at 50° F," adds DiCrecchio. "Individuals can choose whatever temperatures they want within their unit. From a technology standpoint, the central services are key to this market and will save our vendors money. There will be two customer shelters on each side for customers without large trucks. Customers will be protected from the weather and will be able to stage their product and load it. Customers

with large trucks will be able to back right up into a sealed loading dock."

This state-of-the-art building will provide many new benefits to merchants and customers. "The new market will be better for my business," states Anthony Stea, CEO, Stea Bros., Inc., on the terminal market. "I'll have more room to put samples out and it will all be at the right temperature. Given the foodsafety environment right now, the new market will help us better manage the new regulations and increasing requirements of the marketplace."



Artist's renderings of the new Philadelphia Regional **Produce Terminal.**

"The temperature

control in the new market is going to be a great benefit to us," adds John Durante, president, Nardella Inc., on the terminal market. "The shelf life on our product is going to increase because of the temperature control."

"We're looking forward to having more space, better refrigeration and a great facility," explains John DiFeliciantonio, partner, Ryeco, Inc., on the terminal market. "The new facility may help in getting contracts with certain organizations or facilities requiring certifications we can't currently obtain."

Vendors feel the benefits and technology of the new market will draw additional customers. "The new market will increase business for us," predicts Joe Procacci of Procacci Brothers Sales Corp., on the terminal market. "It's going to have more room [than the old building], great technology and other conveniences for our customers."

"We want to be able to deal with customers who don't shop here now because they need additional certifications and coldchain considerations," explains Mark Levin, owner of M. Levin & Co., Inc., on the terminal market. "The new market will give us the chance to get to them."

Chip Wiechec, president, Hunter Bros. Inc., on the terminal market, adds, "The business is sure to change in some ways. The new market will enhance the opportunity for chefs and other local buyers to shop. For the future business, we need this new market."

Many merchants are looking forward to a new market despite apprehension about the unknown. "We've been in this market for 50 years," says Mike Maxwell, Procacci CEO. "It's about time we get a new one. We still have some issues to work out, but we're evolving to meet the needs of the future."

"It's exciting yet we're apprehensive too," notes Fred Penza, vice president, Pinto Bros., Inc., on the terminal market. "We need a new market, but it's a major expense. The new market will be more customer friendly, affording more space and cold chain benefits as well."

Jack Collotti, Jr., owner of Collotti & Sons, Inc., on the terminal market, concurs with both the need and the hope. "We need a new market because this one is just outdated," he says. "It's hard to know what effect a new market will have on business until it opens, but we're hoping for an increase."

"The future in the new market seems uncertain because there are a lot of unknowns," states Fadi Abi-Khattar, vicepresident and treasurer, Klinghoffer Brothers, Inc., on the terminal market. "We're apprehensive but also excited. It will be great to be in a brand-new facility where everything works like it should." pb

PHILADELPHIA REGIONAL MARKET PROFILE



Mark Semerjian, Jim Baldwin, Nick Scintilla, John Durante and Richard Nardella of Nardella

Alan Taylor and Devin Taylor of Taylor Produce, Fadi Abi-Khattar of Klinghoffer Brothers, Steve Thorne of Taylor Produce and Leonard Klinghoffer of Klinghoffer Brothers

many market seasons, helps create an excitement and anticipation for those products in a diverse and very competitive marketplace."

Increasing transportation costs have further fueled the advantage of, and interest in, local produce. "Interest in local produce is always high," states Ryeco's DiFeliciantonio. "This year, there are real advantages in freight if the product quality is comparable to other production areas."

"This year, we'll see even more success [than in years past] with local produce because of the increasing cost of bringing in product from farther away," according to Capriotti of Capriotti Brothers.



Correa of International Supermarket agrees, noting, "Cost of transportation is giving local product an advantage. We're seeing a lot more local produce on the market [than in the past]."

"Transportation costs are high and the trend looks unfavorable, so people are looking to source locally," adds NJDA's Kuperus. "Producers in New Jersey are located near where people live, keeping their transportation costs down and in turn, providing reasonably priced fresh produce to consumers."

Local Benefits

Local growers may profit from increased

prices. "Local growers are benefitting because of higher prices due to the transportation costs," says Levin of M. Levin.

"Local produce is of great quality and it can be more cost-competitive as transportation costs increase," reports Waleski of John W. Waleski. "However, the local deal is also subject to supply and demand, so their prices also see ups and downs with the fluctuations in transportation."

Higher FOBs are pushing more local product. "The interest in local is increasingly related to FOB freight prices," according to Nardella's Durante. "We do a lot of Vermont and New York apples because of the more favorable



FOBs. Additionally, local growers get a better return for their product because of generally higher prices."

"Current fuel costs seem to be keeping consumers close to home but they also add to the cost of production for farmers," adds PDA's Gresham. "In times of economic challenge, consumers may be more sensitive to the impact they can have by supporting local growers and the local economy."

Market vendors handle a large variety of local items and are willing to work with customers to source more product. "Sometimes, the volume of locally grown items can be small," explains Vena of John Vena. "This can make it difficult to source local product in a commercially feasible way. However, there are plenty of items on the market produced in commercial volume and with great variety. You can buy the same blueberries here on the market as you can in the Collingswood Farmers' Market [Collingswood, NJ]."

"Philadelphia-area wholesalers and distributors are great supporters of *Jersey Fresh*-branded products," reports NJDA's Kuperus. "Wholesalers and distributors adapt to the needs of the marketplace and understand *Jersey Fresh* is highly marketable. There also is an abundant supply during the growing season. In addition, the growing season is only seven to eight months, creating anticipation for these products as each new season begins."

Local production also has environmental benefits. "Sourcing locally ties nicely into reducing the carbon footprint," according to Procacci's Maxwell. "Of course, we very much value all of our suppliers and production areas and each of them has a place in our business during the year."

"The more local you can buy, the less of a carbon footprint there is," notes Pinto's Todd Penza. "The new focus is on sustainability, which goes beyond organic or conservation."

"Interest in locally grown products is here to stay and all indications show demand is growing steadily," reports Gresham. "The *Pennsylvania Preferred* program was introduced in January 2004 and research conducted then indicated 93 percent of Pennsylvanians wanted to buy and consume locally sourced products. We have seen and continue to see exponential growth in membership, which is directly related to consumer interest."

One-Stop Shopping

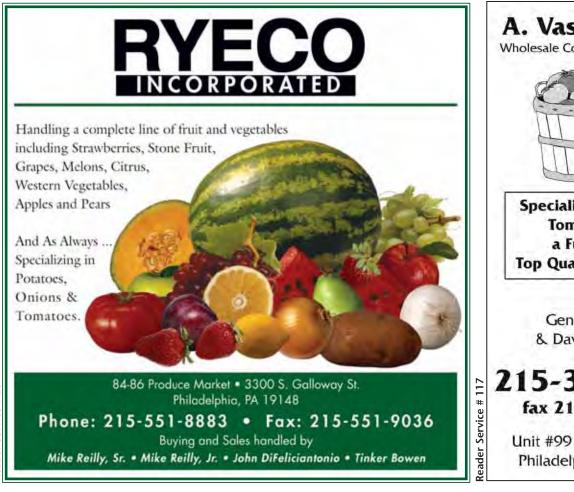
The market continues to offer buyers convenience. "Comparison of quality and variety are easy here," notes Stea of Stea Bros. "This is just as true for the local product. Here, buyers can see 10 different farms of Jersey strawberries at different price and quality points. They have the ability to compare."

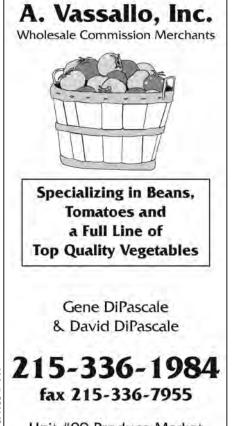
"At a farmers market, buyers may not be able to see 150 different locally grown items, but here at the Philly market, they can," adds Hunter's Wiechec. "There is a great selection of products from more than 30 different growers. Buyers can compare and pick out exactly what they perceive as the best value."

"The market offers the greatest variety of local produce at a competitive price," concurs Todd Penza. "Additionally, the merchants here have knowledge of what's going on in all growing areas. They know what's coming, which is very valuable information to have."

One trip to the market has additional costsavings implications as well. "Shopping the terminal market for local produce saves the customer the cost of gas spent driving to the various farmers markets or farms in the area," Nardella's Durante points out. "Here, they can see a lot more sources all in one trip and be able to compare quality and prices."

Local growers find the market convenient and competitive. "For growers, we offer an easy outlet for their product," says Stea of Anthony Stea. "Top quality gets top dollar, but





Unit #99 Produce Market Philadelphia, PA 19148



John Birch of T.M. Kovacevich, Jimmy Iovine, a buyer on the market, and Charlie Gangloff of T.M. Kovacevich



Martha Vazquez, a buyer on the market, with her daughters Mireya and April



Richard Nardella of Nardella, Inc.., Michael Frazone, a buyer on the market, and Frank Stea of Stea Bros.



Chip Wiechec, Max Wiechec and Steven Wiechec of Hunter Bros.



John DiFeliciantonio, Mike Reilly, Jr., and Mike Reilly, Sr., of Ryeco

other quality points will still have customers because of the volume we move and the variety of customers we serve."

"The Philadelphia market is a conveniently located place for growers to sell their produce," states NJDA's Kuperus. "The major growing areas of New Jersey are within an hour of the terminal. At a time when fuel prices are high, growers are able to transport their product easily to the Philadelphia Terminal Market. The market meets the high demand by food retailers for Jersey Fresh produce."

"For farmers to optimize profits, they try to sell as much as they can and as close to home as they can," says Klinghoffer's Abi-Khattar. "The Philly market offers them a viable commercial outlet with a lot of exposure and decreased transportation costs since they have to make only one trip here to sell all their product."

Local farmers can find an ally in the merchants on the market and increase their product's exposure. "If growers have a product which is coming, they can let us know and we can prepare to help them move whatever volume they have," states Vena of John Vena. "It's all about communication, so we can match the customers with the right products."

"If growers produce a quality product, they'll have more chance to have people buy it through the Philly market," notes Hunter's Wiechec. "There's a lot more activity here and a diverse group of buyers. There's a greater chance to move variety and greater exposure for the product."



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Farm-Country Retailer Focuses On Produce

Family-owned Stauffers of Kissel Hill delights shoppers with vast produce offerings.

BY JODEAN ROBBINS

eep in the heart of Lancaster farm country, Stauffers of Kissel Hill (SKH), based in Lititz, PA, provides everything one would expect of a store with consumers accustomed to fresh, homemade products. With 76 years in business, SKH is a growing and innovative group of supermarket and garden centers that offer high-quality foods, garden, floral and nursery products in Southern Pennsylvania. The company is family owned and holds fast to its motto, "We delight shoppers."

Walking into the SKH in Lititz is certainly a delight. High ceilings and wide aisles create a spacious feel to the 5,600-square-foot produce department, which is strategically located in the very center of the store — an indication of the important role produce plays. Immaculate, perfectly organized displays with attractive signage entice consumers to add items to their carts.

SKH has three supermarkets/garden centers in Lancaster County and five garden centers in the York and Harrisburg markets. All SKH stores focus on perishables but vary in size from a small store format of 18,000 square feet to their largest at 78,800 square feet. SKH prides itself on meeting the needs of, and enriching, its shopping community. "We strive to delight shoppers by providing a clean and safe environment along with quality and freshness at reasonable prices," explains Eric R. Stauffer, foods chief operating officer. "Our passion for offering impeccable service and a strong product-guarantee form the foundation of our business."

The high standards set by SKH are evident in the sincere and friendly greeting of the man collecting carts in the parking lot, the cleanliness, the pride of floor employees and the smiling cashier. Energizing employees to help them reach full potential and enhancing the quality of life in the communities surrounding its business are two of the company's important core commitments. "Our mission statement notes our desire is to conduct a profitable business in a way that will bring glory to God," states Stauffer. "We are committed to being a good neighbor through community involvement and sound business practices."

Produce is a high point of the SKH experience. "We started our business as a roadside produce stand 76 years ago and have continued prominent focus on produce even as we expanded into other products," reports Stauffer. "Our consumers know we have — and they have come to expect — the best produce in the area. Produce is one of our signature departments."

Produce accounts for around 23 percent of SKH's profits. "In our large-store format, it can contribute around 16 percent of total supermarket sales," according to Stauffer. "In our small-store format, it's close to 30 percent."

SKH is committed not only to offering the best produce to its consumers but also to empowering consumers with greater knowledge of the products and even the sources. "We like to share the story of our produce with our consumers," explains Stauffer. "A lot of our POP efforts are directed at helping our consumers better understand the products and where they come from."

SKH's *Home Grown* program is one example of how it is sharing its story with consumers. Attractive and informative signs with a photo of the grower give consumers a direct visual on where products come from and a connection with the local grower.

The department is laid out with large island displays throughout as well as several linear displays showcasing product such as stone fruit in its own boxes. It is bordered by a refrigerated case on one side. Color-



ful, high-quality graphic banners to indicate different sections of the department hang from above. Clear, attractive signage clearly marks all items with price, variety and country of origin. SKH resets weekly to promote advertised items and does a major seasonal reset three to five times a year.

SKH does not take produce lightly. Every detail of its impeccably clean, top-quality and well-organized department has a strategy and is consistent. "The growers work very hard to produce these products and they appreciate the hard work we put into selling it," according to Stauffer.

Adding Value

SKH heavily emphasizes value-added products in the produce department and has a wide variety of its own fresh-cut items. "We make our own salsa and guacamole, which have been very popular items for us," reports Stauffer. "Our products are all natural with no preservatives. Our consumers come looking for fresh-cut done by the store."

The first eight to 10 linear feet of the refrigerated case are dedicated to the prepared, fresh-cut items, such as the salsas and guacamole. The store has four employees putting in about 100 to 120 hours per week on the fresh-cut and prepared produce items. "We're capable of moving a good amount of freshcut," notes Stauffer. "In the 2-day period over Christmas, we do around 380 fruit and vegetable trays."

The store looks to add value for consumers in many diverse ways. "We differentiate ourselves by doing above and beyond what other stores do,"he reports.

One example is its corn display. SKH offers cleaned, washed and wrapped corn with signage indicating it as such for shoppers in addition to the bulk display. At the bulk display, it has two large, clean garbage cans so consumers can husk their corn right there. "We realized this would be a service for our consumers, so we did what was necessary to have these cans available," says Stauffer. "This store alone can sell a half a load of corn in a weekend, which shows our efforts are paying off."

Another example of SKH adding value for consumers is the addition of fruit bowls. "We started offering fresh-cut fruit in bowls and it's really taken off," reports Stauffer. "We retail them at \$20 and can't keep them in the store. They're great for lunches, parties, the office, the kids' school, picnics and so many other events. We still offer trays as well, but the bowls are the most popular."

Organics is a growing area for SKH. "This category gives the store an opportunity to take products and see what we can do to build it," explains David Julian, SKH produce buyer.

SKH takes a unique approach, merchandising organics in related groups. It displays related organic items such as tomatoes, avocados and garlic together near similar conventional items. "We're still experimenting with the best approach," reports Julian. "For now, we feel this gives our consumers an easy way to find what they need while still allowing organics to be visible to conventional shoppers as well."

The Heart Of The Source

SKH's largest supplier is the Philadelphia Regional Produce Terminal, Philadelphia, PA, where it pulls two to three loads a week and average around \$2 million annually in purchases. "The market gives us a good source very close to our marketplace," says Stauffer. "Additionally, we can look at the product before we buy it. We have strong relationships with people there, and there are flexible hours to buy and load."

"One time, we couldn't find any beans meeting our specs on the market, but one of our vendors there told us he had some great Tennessee beans coming the next morning," relates Julian. "We were able to have those beans in our display the next afternoon."

SKH has sourced from the market for more than 50 years and it buys between 30 to 70 percent of its produce there depending on the season. "We have a very long history and great relationships there," says Julian. "It's always a valuable trip to see what we can find and to be able to hand-pick our products."

"One recent example of how our relationships translate into business is the grape promotion we did," explains Julian. "We worked with TMK [T.M. Kovacevich Philadelphia, Inc., on the terminal market] to do a real hot price for an ad on grapes and were able to move close to half a load. Produce is all about relationships and we really value ours."

SKH also has direct relationships with some shippers and brokers, some local grower partnerships and with Four Seasons Produce, Inc., Ephrata, PA, which supplies organics and bananas. "The percentage we source from our different suppliers varies during the year," says Julian. "For example, during the summer, when local production is peaking, we can source more directly from our local grower relationships."

"Our widespread consumer base means we offer something for everyone," explains Julian. "In turn, it means we have a lot of opportunity for sourcing from many different places. Between the Philly market and our direct relationships, we have a great pool of products to fill our demands."

Reaching Out

SKH reaches out to the community through promotion and charity and focuses on adequately training and motivating its employees. Promotion is accomplished through a variety of outlets, including weekly circulars and billboard/signage outside the store. It does both passive and staffed sampling in the department and has an everyday-low-price commitment. "We call our concept Stauffers Advantage Saving Price," according to Stauffer.

Store events are another way SKH turns promotion into fun for consumers. "We do a kid's day where we provide crafts, kid's tattoos, free hot dogs and such," he explains. "The kids have a great time."

Additionally, SKH strives to be a good neighbor by donating cash and product to many non-profit organizations, such as the Children's Miracle Network and the United Way. SKH has an internal marketing department that produces all the promotional materials and signs used by the store. High-quality graphics and consistent POS materials are a result of this control.

Employees are a highly valued asset at SKH, which invests in both formal and informal training. "The well-being of Stauffers employees is vital to our success," states Stauffer. "Our desire is to positively impact the health, happiness and personal development of our employees."

The success of this goal is evidenced in pleasant employee attitudes and a low rate of turnover — one of the supermarket industry's greatest thorns. "We have a much lower turnover with our employees than the industry," reports Stauffer. "This really gives us the advantage of having a seasoned employee base as well as having those experienced employees train our new hires."

Produce employees must complete several hours of customer-service training as well as attend weekly 10-minute meetings with the department manager. The training strives to create 2-way communication between employees and consumers. "Our shoppers will be served by friendly and knowledgeable employees," according to Stauffer. "We listen to our shoppers and use their feedback to create a truly unique shopping experience."

"With food safety and other issues, we have an opportunity to educate our consumers so they can understand and feel good about what they're eating," explains Julian. "With the summer tomato incident, we took immediate action and educated our employees so they could in turn educate our consumers. The stores received a daily memo and we had other communication with employees throughout the day. We didn't see any adverse reaction on the part of our consumers buying tomatoes. We work hard to instill their confidence in us and our products."

Stauffers of Kissel Hill

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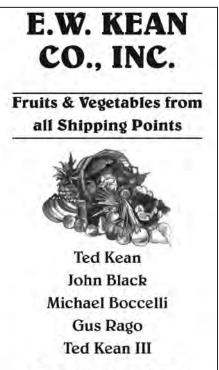
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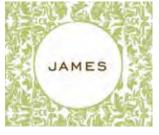


Photos courtesy of Jason Varney

Acclaimed Chef Earns His Reputation

The menu changes with the seasons at James, known for its focus on local produce.

BY JODEAN ROBBINS



n an obscure block not far from Philadelphia's Italian market, sits James, a surprisingly chic, inventive and

acclaimed restaurant. Its crisp, modern, yet comfortable feel and unique décor parallel the restaurant's philosophy toward food. "Our mission at

James is to serve the highest-quality food paired with thoughtfully chosen wines," explains Kristina Burke, co-owner and general manager. "Our kitchen is devoted to finding the finest ingredients and treating them with the utmost respect. The menu focuses on local seasonal produce, humanely raised meats, wild seafood and artisan cheeses."

Kristina and her husband Jim Burke, co-owner and executive chef, own the 50-seat restaurant , which grosses about \$100,000 per month. Chef Burke is gaining fame almost daily; he was recently chosen as one of *Food & Wine* magazine's Best New Chefs in its July 2008 issue.

The entire restaurant, down to the design and décor, showcases Chef Burke's food. "We wanted the interior to have the same philosophy as our kitchen so there is one cohesive feel throughout the restaurant," reports Kristina Burke. "There are no tablecloths because we wanted the stemware to stand out. We wanted the weight of the silverware to be noticed. We wanted a different plate for each dish to show the artistry of each dish."

Jim Burke's sophisticated, clean northern-Italian cuisine emphasizes creative combinations, bringing out the natural flavors of ingredients. "We opened the restaurant because we wanted to have our own vision of our craft," he says. "We wanted to be able to be creative on a daily basis. We wanted to show some new techniques as well." Produce is a key element in Burke's cuisine and close to 60 percent of the James menu is produce with the remainder either protein or pasta. The restaurateurs are serious about communicating to their customers through flavor. Specialty cocktails using fresh produce as a base ingredient hint at what lies ahead.

Scallop with Asparagus comes with asparagus served three ways on the plate. "Because it's at the height of the season, we felt customers should experience the flavor in different ways," according to Kristina Burke. "So we did a purée, a sauté with lemon and a raw salad."

Chilled Cucumber and Avocado Soup with Salt-Roasted Shrimp and Chili Oil boasts beautiful, fragrant avocado chunks and the cucumber broth is served tableside, adding flair to the dish. Salt-Roasted Local Beets are served with goat-cheese foam and shaved black walnuts.

The Burkes' commitment to produce does not wane as their menu moves to the pasta course. Risi e Bisi takes a traditional Italian rice and peas dish, enhances the fresh pea flavor and adds a modern twist bacon ice cream. Cavatelli is served with wilted greens and lemon froth and Sweet Herb Agnolotti combines pasta with porcini, blueberries and lemon thyme. Yet another example of Burke's flair for the unique comes in the Tagliatelle served with duck ragu and orange and topped tableside with fresh-shaved chocolate.

The entrées also showcase produce. Halibut is stuffed with Swiss chard and edible flowers. John Dory is served over fresh fava beans. Local lamb is partnered with crushed English peas and morels, and Poularde is accompanied by buttered Swiss chard, chanterelle mushrooms and apricot-infused pan sauce.

Pastry chef Kristin Wood ups the ante at dessert with unusual combinations, such as Chocolate Marquise served over a house-made rosemary brioche and pine-nut praline. Poached Local Rhubarb is served with an almond cream cake and honey ice cream, and Goat Cheese

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Semifreddo with Lemon-Thyme Shortbread features Riesling-poached apricots. Housemade ice creams are available in fresh-fruit flavors, including wild black raspberry, sour cherry and lemon, as well as little-known yet unbelievably tasty flavors, such as bacon, beer and honey.

Local Focus

In tune with a growing trend in major restaurant markets, James takes local procurement to a whole new level. The couple derives their motivation in great part from local production. "The local farms really drive us," states Kristina Burke. "We strongly support Pennsylvania associations for sustainable agriculture, local farmers and wine educators because these suppliers maintain a standard of excellence in keeping with our own." The restaurant highlights some local vendors on the menu, principally protein suppliers.

The couple spends around \$800 weekly on produce and notes the quality of the ingredients is vital. "When you're cooking on the level we hope people recognize us for, we must have pristine ingredients," states Kristina Burke. "We're trying to enhance the true flavor not change it."

"Getting the most pristine ingredients is important to us and we try not to alter them too much," says Jim Burke. "We want our customers to remember what an asparagus tastes like in season. Purity and flavor are key."

Produce is sourced from various farms and vendors depending on seasonality. "We get a lot from Green Meadow Farm in Gap, PA, where we also get eggs, milk and yogurt," she shares. "We also source from Farmart in Wavne, PA, and Lancaster Farm Fresh Co-op in Leola, PA."

Because James uses only fresh, locally grown ingredients, the menu changes with the seasons, which is about every four to six weeks. "The growing season in Pennsylvania is shorter than most and we're really committed to buying local, so there are no tomatoes or asparagus on our menu unless we can get them locally," reports Kristina Burke.

The winter James menu includes cabbage, parsnips and rutabagas. "We use a lot of vegetables people shy away from," says Kristina Burke. "We also use chestnuts, leeks, cauliflower, mustard greens and spinach, which can winter over in a dark shed."

A Passion For Flavor

The Burkes exude a passion for their food and their business. "It's important to us that the producers of our ingredients love what they do because we love what we do and we want it to shine through," she explains.

Jim Burke's passion for cooking began over a decade ago while working with Master Chef Vince Alberici at The Marker restaurant in the Adam's Mark Hotel in Philadelphia. Burke's infatuation with cooking only intensified when he began working at one of Philadelphia's most highly awarded restaurants, Vetri. During the two years he worked under nationally renowned chef Mark Vetri, he was afforded much freedom in the kitchen and cultivated an interest in the flavors of authentic Italian cuisine. From there, he left to pursue his dream of cooking in Italy, where he had the honor of working with Chef Paolo Frosio in Ristorante Frosio, a Michelin-star restaurant located in Alme, a small town outside of Bergamo, Italy. There he learned the difficult task of exalting the flavors of a few pristine ingredients in a dish rather than losing the integrity of those ingredients in an overpowering jumble. Upon returning to the United States, he became a chef at Vivo Enoteca in Wayne, PA, and later the executive chef at Steven Starr's Angelina in downtown Philadelphia.

Kristina Burke has held various positions at a number of the city's finest restaurants, including Pasion!, Vetri, Striped Bass and Miel Patisserie. Her love for the culinary world also led her to Italy where she enthusiastically explored the land, culture and people for two years. In January 2006, she became the director of sales and business development for Charles Roman Catering. The Burkes opened James in late 2006 to continue growing their shared passion for the food industry.

James draws from a broad customer demographic. "We see a very nice mix of customers, including young people who are sophisticated and interested in food and who make it a priority to budget and come to the restaurant, as well as affluent customers who appreciate the stemware and wine list," explains Kristina Burke. "We also have a menu at the bar as an everyday menu and a happy hour attracting the young local crowd. We get a lot of people who drive here from New York as well as some from [Washington] D.C. or even San Francisco." **pb**

James

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PBH Campaign Aids Juices

Logo helps retailers promote a healthful juice message to consumers.

BY KIMBERLY RINKER

When the Produce For Better Health Foundation (PBH), Wilmington, DE, created the *Fruits & Veggies* — *More Matters* campaign last year, more than fresh produce suppliers stood to benefit.

Today, many fresh juices sold in the produce department are carrying the *Fruits & Veggies* – *More Matters* logo as a way to let consumers know they fit into a healthful diet.

To carry the *Fruits & Veggies – More Matters* logo, products must meet strict nutritional guidelines for total fat, saturated fat, trans-fat, added sugar, fiber and sodium content. "All forms of fruits and vegetables, including fresh, frozen, canned, dried and 100 percent juices, are included under the *Fruits & Veggies – More Matters* produce and recipe criteria," explains Kristen Stevens, PBH senior vice-president. "All fruit- and vegetable-juice products must be 100 percent juice. The sodium content must be less than or equal to 70 milligrams of sodium per 4-ounce serving and [they can] contain no added fat or sugar."

"When you see the *Fruits & Veggies – More Matters* logo, it makes purchasing decisions easier," according to Elizabeth Pivonka, PhD, RD, PBH president. "We evaluate each product's ingredients and nutrition panel to ensure that it meets CDC's [Centers for Disease Control and Prevention (CDC),



Atlanta, GA] stringent guidelines before we allow the logo to appear on its packaging."

[EDITOR'S NOTE: PBH and CDC partnered with many other organizations to launch the initiative. The CDC Web site promotes *Fruits & Veggies – More Matters.*]

Mike O'Brien, vice president of produce and floral for Schnucks, a St. Louis, MO-based chain with more than 100 stores, says the company is a strong advocate of the program. "I tell all of our suppliers that they need to put the *Fruits & Veggies — More Matters* logos on their products. Using the logo is a great way for suppliers and retailers to lend credibility to a juice or any product. It's a great tool to use in promoting a healthful message to the consumer," he explains.

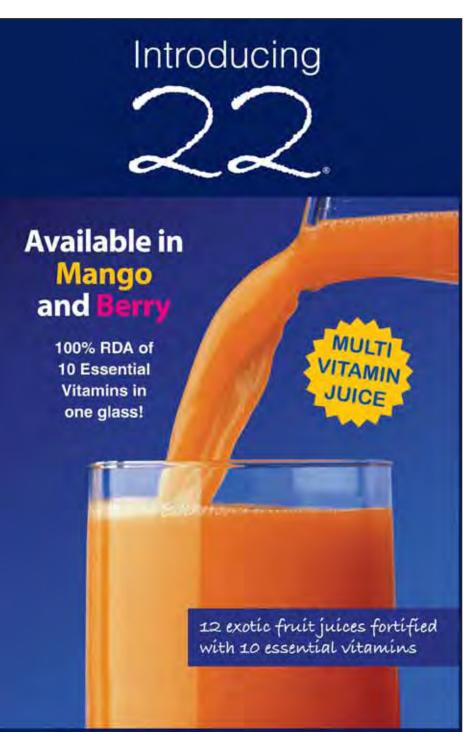
"Of course, we all want to sell more product as we're all in business, but we're also concerned with obesity issues in this country as well. *Fruits & Veggies* — *More Matters* is a good, all-around campaign," O'Brien stresses.

In April 2008, Schnucks became the first retailer to garner PBH's Supermarket Retail Role Model honors for its support of the *Fruits & Veggies – More Matters* health initiative.

"We're focusing on transitioning from the 5-A-Day program to a 9- or 11-a-day initiative within our stores," O'Brien explains. "We've got signage within our stores, links on our Web site and internal promotions that incorporate the *Fruits & Veggies* — *More Matters* mentality. This is a corporate campaign that started at the top."

Other retailers have jumped on the bandwagon and are incorporating the *Fruits & Veggies – More Matters* logo on their private-label products, including the Great Atlantic & Pacific Tea Co. (A&P), based in Montvale, NJ; The Kroger Co., based in Cincinnati, OH; Meijer, based in Walker, MI; Publix Super Markets, Inc., based in Lakeland, FL; Safeway, Inc., based in Pleasanton, CA; SuperValu, based in Eden Prairie, MN; and Wal-Mart Stores, Inc., based in Bentonville, AR. Brand name products from Welch's and Sunkist also prominently display the logo on their products.

The Orchid Island Juice Company, Ft. Pierce, FL, recently began sporting the logo on its product line that includes orange, grapefruit, lime, tangerine and lemon juices. "We feel the *Fruits & Veggies* –



"A better way to start your day"

22. offers a full day's supply of highly absorbable essential vitamins in each glass.

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Dan Petry • VP Sales • (843) 235-2081



The PBH logo is available for use on juice packaging.

More Matters logo is a great educational tool," explains Sarah Hogan-Lamm, marketing executive. "It's the perfect way to encourage children to drink more healthfully."

A significant glitch in introducing the *Fruits & Veggies* – *More Matters* campaign to juice consumers is its as yet rather limited exposure. A number of suppliers contacted for this article had never heard of the campaign or the logo, and others felt their current packaging would not have the space to incorporate another logo.

Allison Lee, director of marketing, Blue Lake Citrus Products, Inc., Winter Haven, FL, was one such supplier. "This is news to me and something we definitely need to investigate further. Our products would definitely fit into the *Fruits & Veggies — More Matters* criteria, as they're USDA-organic and kosher certified, but we haven't integrated it into our packaging yet because we didn't know about it. We already have a number of logos on our products, including the *Fresh From Florida* and Florida Department of Agriculture [based in Tallahassee, FL] logos."

Although he hadn't heard about the Fruits & Veggies — More Matters campaign, Dan Petry, vice president of sales, Lambeth Groves Juice Company, based in Vero Beach, FL, would like to learn more about it. "I would certainly consider [using the logo]. Anything that would help alert consumers to our products makes sense." Lambeth Groves is owned and managed by United Juice Companies of America, Inc., Vero Beach, FL.

PBH sends out a monthly e-mail newsletter that includes information on *Fruits & Veggies* — *More Matters* program. "We've also created a tool kit around the brand geared toward growers, shippers and processors with information about the program that helps them easily incorporate it into their business," explains Stevens.

SPACE AND COST LIMITATIONS

Matt McLean, CEO, Uncle Matt's Fresh, Inc., Clermont, FL, says space limitations and cost to incorporate another logo onto his product labels make him hesitant to consider *Fruits & Veggies* — *More Matters*. "Our products certainly qualify, but we just don't have any extra room for another label at this time," McLean says. "Right now, we're like everyone else — we're trying to cut costs whenever we can. The *Fruits & Veggies* — *More Matters* logo is a great seal to incorporate onto a product, but for us right now, it's just an added cost.

"We already have a USDA organic-certification label, a kosher label and a please recycle label," he continues. "Our front and back labels are rather small, and there's not a lot of excess room there. If PBH would pay for the plate changes for us to redo the labels, I'd consider adding the *Fruits & Veg*gies — More Matters logo. Space, however, is still a major concern as our 59-ounce containers just don't leave a lot of room."

PBH's Stevens understands suppliers' concerns with space and stresses the value behind the program. "It's the only national public and private sole message about fruits and vegetables. If consumers see the logo, they may be more likely to buy the product with the logo versus a competitor's product that doesn't have the logo."

Preston, CT-based Maple Lane Farms, one of the top producers of black currant juices

Multi-Vitamin Juice Line Launched

ambeth Groves Juice Company, Vero Beach, FL, recently launched 22, a new line of fresh juices containing 12 exotic juices and 10 essential vitamins. Currently available in two flavors, mango and berry, 22 will be showcased at the Produce Marketing Association (PMA) Fresh Summit, Oct. 24-27, in Orlando, FL. "We will be introducing a third flavor, citrus, very soon," notes Dan Petry, vice president of sales. Lambeth Groves is owned and managed by United Juice Companies of America, Inc., a Vero Beach, FL-based team of senior-level executives with unique expertise in the citrus products and beverage industy.

Lambeth saw a void in the juice market for a multi-vitamin product containing more than just one or two vitamins. "We were in Europe and the No. 1 selling juice in Europe was orange juice, No. 2 was grape and No. 3 was multi-vitamin juice. We looked for something similar to it [in the United States] and never found something this encompassing."

in the United States, can't incorporate the *Fruits & Veggies — More Matters* logo, because its products don't meet the criteria created by PBH and CDC. "Our products are very popular in the North Atlantic and mid-Atlantic states, but we can't use the logo because we use a fructose sweetener in our products," explains Allyn Brown III, president. "But I agree that the logo does present a positive image to the public."

Even if specific products don't meet

PBH's criteria, Stevens says suppliers and retailers can request signage that let's consumers know they support the *Fruits & Veggies — More Matters* message. "We want to help everyone in the industry get the message out," she explains.

As Americans strive for more healthful options in a society plagued with obesity issues, having the *Fruits & Veggies – More Matters* logo on juices provides consumers with an assured standard of excellence. **pb**



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Fuel And Sustainability Impact Transportation Industry

Companies throughout the supply chain are looking for cleaner and greener means to move fruits and vegetables.

BY DUANE CRAIG

Rising fuel costs and sustainability pressures indicate the days of cheap, abundant produce in every corner of the world and in every month of the year may be numbered.

Tony Horzen, president of High Street Logistics, Inc., San Luis Obispo, CA, is surprised at how shippers are managing with load transportation costs running \$8,000 to \$9,000. "It makes you wonder how high that can go before it gets to the point where people just say we can't ship that. That is a little worrisome."

"We're at 44.5 percent fuel surcharge this week [July 6]," reports Stephen Armellini, vice president of sales, Armellini Industries, Inc., Palm City, FL. "I clearly would have to close my doors if we weren't able to get that fuel surcharge. It's our lifeblood at the moment."

Fuel costs are causing the modes of transport for perishables imports and exports to shift. Ana M. Ramos, a licensed customs broker with The Perishable Specialist, Inc., Doral, FL-based nationwide customs brokers, says fuel costs have been an ongoing issue for importers and exporters for several years. Air space from the largest exporting countries has been a challenge and she thinks the shift toward more ocean transportation will continue. "We already see that commodities, such as snow



peas from Guatemala, are now shipped 99 percent of the time via ocean when at one time they were exclusively moved by air. The biggest trend we have seen this shift in is with Peruvian asparagus, which was also once strictly air arrivals and is now moving towards ocean containers."

There is also some shift to other forms of transportation for fresh fruits and vegetables on the continent. Railex, Riverhead, NY, offers fuel savings of 5 million gallons and a greenhouse gas emissions reduction of 85,000 metric tons when compared to moving the same amount of produce across the country via truck, according to Paul Esposito, vice president of the Northeastern region and corporate logistics. Railex is currently building a new facility in Delano, CA, and adding a train that will run from there to Rotterdam, NY. It is also adding five railcar spots to its facilities in New York.

Kenny Lund, vice president of support operations for Allen Lund Company, La Cañada, CA, admits his company is looking at hybrids but questions the potential gains on the highway. "Once you get on the highway, you're still using the same amount of energy to push freight from one point to another, but if you're in the city, it's great."

That's exactly what those in urban centers predict as one trend in transport. "To me, the next thing that you will see coming into trucking, at least for the wholesale produce businesses in New York City, is going to be an increasing use of hybrid trucks," reports Matthew D'Arrigo, vice president, D'Arrigo Brothers Co. of New York, Inc., Bronx, NY. "Somewhere between now and five years from now, it will no longer be a new story."

Trucks are not the only application for this technology, Esposito says Railex is looking to switch to hybrid locomotives in the next few years.

Other issues relative to sustainability and the environment don't always feel like a net win. Armellini, whose company specializes in perishable flowers transport, is not sure about the tradeoffs. "We just changed our trucks to the new afterburner, which is much better for the pollution

SmartWay Transport Program

he Green Supply Chain Study, recently conducted by Computer Sciences Corp. (CSC), Falls Church, VA; Manhattan Associates, Inc., Atlanta, GA; International Business Machines Corp. (IBM), Armonk, NY; and Supply Chain Management Review Magazine (SCMRM), Waltham, MA, showed that most supply chain and logistics executives are involved in at least one sustainability-related group. More than a third are involved with the U.S. Environmental Protection Agency (EPA)'s SmartWay Transport Program.

The program aims to reduce carbon dioxide emissions to between 33 and 66 million metric tons per year and nitrogen oxide by up to 200,000 tons annually. Companies partner with EPA and commit to measure and improve their freight operations. They use EPA-developed tools that quantify the benefits of certain fuel-saving strategies.

"We're in the process of becoming a partner and look forward to working with EPA to increase the number of our loads moved with SmartWay carriers and also to spread awareness to our non-SmartWay providers on the benefits of joining the alliance," explains Ralph Massey, certified transport broker and vice president of the produce division, Trinity Transport, Inc., Seaford, DE.

Railex, Riverhead, NY, has been a Smart-Way partner since March 2007, reports Paul Esposito, vice president of the Northeastern region and corporate logistics. "Many retailers are looking for that SmartWay designation as preferred carriers into their stores. Foodservice outlets are looking for the same. It's what a lot of logistics departments are pushing toward. We also prefer to use SmartWay Transport truck partners to do our inbound and outbound hauls." **pb**

going into the sky. Unfortunately, I'm not sure it's a total win since we went from almost 6.5 miles a gallon down to 5.1 miles a gallon." Stringent California requirements reduce his trucks' miles per gallon to 4.8.

High Street's Horzen agrees. "You've got all the new smog controls on the trucks, which I think are good for the environment but not so good for freight rates. They have increased the costs of the trucks by \$20,000 and there are additional maintenance costs to keep those things maintained every year."

For those in the transport industry who rely wholly or partially on other people who have trucks, all the recent factors are reducing the available pool of haulers. "It's pushed some of the independent owner-operators out of business because they haven't been able to get their prices up in the non-peak season," he adds. "That's creating a shortage of good drivers and good carriers to move produce."

"We've seen some of the carriers we've worked with for years go by the wayside," notes Lund of Allen Lund. "Fuel prices went up so fast that many of the fuel surcharges that had been negotiated couldn't keep up. We did everything we could to help. We accelerated our payments, and advanced a lot to the carriers to help them get through those tough times. Well, they continue to be tough times. The market will always adjust — it just couldn't adjust that fast."

Many shippers and logistic firms are seeing a decline in available motor carrier capacity, explains Ralph Massey, certified transport broker and vice president of the produce division, Trinity Transport, Inc., Seaford, DE. "The rising costs of operating a trucking company have forced many owneroperators to seek other careers — parking or selling their rigs. This creates a driver shortage, and even the larger fleets are cutting back on the lanes they service or number of loads they can accept. To combat this trend, Trinity is continually working to develop



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relationships with our contracted carriers. By helping our providers earn a good profit, providing fast payments and awarding incentives, such as fuel cards for top carriers, Trinity can rely on the strength of our carrier base to overcome this hurdle."

High Street's Horzen notes trucking companies getting into warehousing and consolidating as a means to pick up additional revenue streams.

INCREASING EFFICIENCIES

While rail offers increased efficiency, it has a way to go before it can offer relief on a large scale. "We haven't seen a significant shift to rail," notes Allen Lund's Lund. "Ninety-nine percent of produce goes on trucks. Even if you double what goes on rail, you're still only handling 2 percent of the total."

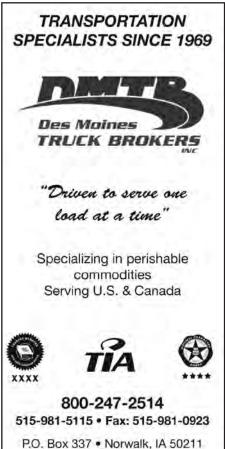
"Fuel prices hurt the entire industry," reports Railex's Esposito. "People are going to be looking for better ways to get products across the country and I believe Railex fits that model. I also think you're going to have some pushes into consuming locally grown or regionally grown produce. We'll see if consumers will accept that."

Much of the sustainable operations focus is on increased efficiencies in operations. "We're going to be adding solar in our warehouses, and we're also keeping our trucks loaded and having as few deadhead miles as possible," reports Horzen. "We've cut the engines back a bit so they get better mileage."

"We look at ourselves as purveyors of the information of where the loads are," states Lund, "so that helps keep the deadhead miles down and that, in and of itself, is a green practice. Our larger consumers want to be partners and help with the efficiency. We're seeing more shippers responding to phrases like carrier-friendly freight and making it easier for the carriers by making areas with auxiliary power units available so that they don't have to idle in the yards. We're really working harder with the shippers to be efficient with their loads."

In late 2007, Trinity opened Trinity Port Services near the Port of Wilmington, DE, says Massey. "Moving more than 2.5 million pounds of bananas per week, the facility provides crossdock, shagging, storage and other services to our produce clients. In an effort to reduce our imprint on the environment, we're beginning the process of converting to electric power instead of diesel fuel to run the reefer units on the containers and trailers in our yard. By investing in plug-in units, we're able to reduce our dependence on diesel, the emissions into the atmosphere and the noise pollution for the surrounding community." pb





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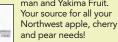
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Booth #1390 AURORA PRODUCTS INC. Stratford, CT

Aurora Products manufactures all-natural and organic dried fruits, nuts, trail mixes, granolas and grail mixes. We can supply all your healthful snack needs with over 300 items in a wide variety of packaging and an entire bulk line

Booth #1113 PANDOL BROTHERS, INC.

1

Delano, CA In the produce industry, we think of "fresh" as not stored or preserved. At Pandol, as we near our seventh decade in the produce business, we are stressing an additional meaning - full of or renewed in vigor or readiness for action. Pandol has a fresh, new vitality and energy and a new, fresh look.

Review

Booth #1168 CATALYTIC **GENERATORS, LLC**

Norfolk, VA We manufacture ethylene application systems to initiate the natural ripening process of many fruits. Introduc-ing the all new Smart-Ripe[®] Generator and Ethylene Control Panel, which controls, monitors and records ethyl-

ene levels in commercial CATALYTIC CENERATORS, LLC ripening rooms.

Booth #1187 **BARE FRUIT, LLC** Omak, WA Bare Fruit is a

delicious, healthful snack that is 100 percent organic bake-dried fruit, high in fiber and naturally sweet with no added sugar or preservatives. And it's even aluten free!

Booth #1301 **GRIMMWAY FARMS** Bakersfield, CA



ĩ Grimmway Farms is a grower/shipper AISL of fresh and processed conventional and organic carrots and carrot juice concentrate. We also grow a full line of organic vegetables under the Cal-Organic label. In addition, Grimmway ships year-round supplies of potatoes and citrus.

Booth #1369 **CALIFORNIA SUN DRY FOODS** Danville, CA



California Sun Dry dries California tomatoes in the summer sun for seven to 10 days. The slow process allows partial rehydration at night, producing a bright red, sweet, fullbodied dried tomato. The tomatoes retain a sweet plumpness.

Booth #1401 COOSEMANS E 1400 WORLDWIDE Miami, Fl. AISI

The Coosemans family of companies, with major retail packing operations

in Miami and Maryland and growing programs in Los Angeles, Denver and Houston, will focus on its retail products and programs at PMA this year.



Booth #1409 NATURIPE FARMS LLC Naples. FL

Naturipe Farms announces production of organic blueberries for the 2008-2009 Chilean growing season has substantially increased. Our focus is on quality products and services and on a balanced grower production

and product portfolio to meet the needs of consumers and buyers.

C.H. ROBINSON COMPANY Booth #1613 **C.H. ROBINSON** WORLDWIDE, INC. Minneapolis, MN

C.H. Robinson Worldwide started in 1905 as a produce and general merchandise broker, and this tradition is still going strong. From produce sourcing to transportation to distribu-tion services, C.H. Robinson has the resources you need to effectively manage your produce supply chain.

Booth #1731 **RED ZOO MARKETING** Kingsville, ON, Canada

Red Zoo innovates with style and class! GrapeRoma, Amorosa, BaBee, Party Pack and the colorful new



5-ounce Lunch Paks add value to greenhouse vegetable lines!

Booth #1769 **CALIFORNIA GIANT**

BERRY FARMS Watsonville, CA

California Giant has developed berry recipes with nutritionist and chef Julia Myall. Recipes featuring strawberries, blueberries, raspberries and blackberries are delicious and very easy to prepare. Recipes are available for distribution at retail to enhance berry displays.

Booth #1871 **ONEONTA STARR RANCH GROWERS**

Wenatchee, WA Oneonta Starr Ranch Growers and Diamond

Fruit have designed a unique brand through the new merger. The Diamond Starr Growers label is sure to create an excellent pear category for all!

Booth #1919 **SUN WORLD** INTERNATIONAL, LLC

Coachella, CA The Sun World proprietary

red grape Scarlotta Seedless® and the tri-color grape clamshell, Rainbow of Flavors, will be on display. The Rainbow of Flavors bi- and tri-color clamshell is available in 2-, 3- and 4pound clamshells.

AISLE & AISLE Booth Revien

1607

AISLE

Booth #1501 **DEL MONTE FOODS** San Francisco, CA

Del Monte SuperFruit™ is for healthconscious consumers looking for a convenient and delicious way to increase their family's consumption of fruit and antioxidants. SuperFruit 8ounce cups contain fruit

chunks in an exciting blend Del Monte of 100 percent fruit juice.

Booth #1701 **CURRY & COMPANY, INC.**

Brooks, OR Curry & Company markets and SUNHY& distributes proven quality OMPANY onions, potatoes and blueberries year-round across North America from our multiple shipping locations. Since 1961, discriminating buyers have come to depend on our quality products and our high service level.

Booth #1753 WADA FARMS MARKETING GROUP, LLC The Real Idaho Falls, ID

Wada Farms Potatoes has been a leader in the potato industry for over 60 years and handles all varieties of potatoes and onions from all areas of the country. We also offer the nationally recognized Dole label. At Wada Farms, our goal is to deliver the high-

est quality with the best service.

Booth #1831 WASHINGTON **STATE PRODUCE** PAVILION

Moses Lake, WA Washington produce

will be at its most attractive to both the eye and palate this year, as a coalition of businesses and commodity groups are exhibiting Washington's finest produce.

Booth #1900 FOX PACKAGING

McAllen, TX

Fox Packaging leads the produce packaging industry with the Fox Fresh Mesh line of consumer bags and the service you would expect from a company that has serviced the

produce business for 40 years. Hackaging

Booth #1969 MANN PACKING CO., INC.

Salinas, CA Mann's Light Bites™ are a new packaged, portable, healthful snack item. The packages contain a variety of washed and ready-to-eat fruits, vegetables and dips packaged in a hard-pack snack tray with micro-perforation film.

Booth #1607 CALIFORNIA STRAWBERRY COMMISSION Watsonville, CA

California supplies 88 percent of U.S. strawberries. In 2008, retail strawberry sales



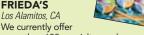
topped \$1.6 billion, a 9.7 percent increase over 2007. Named America's favorite fruit, strawberries are available year-round from California.

Booth #1717 THE MARCO COMPANY Ft. Worth. TX

The Marco Company is a vertically integrated manufacturer of custom fixtures and décor for retail and service providers. Founded in 1984 by the Cooper family, Marco, which remains family-owned, has grown into an industry leader

and quality retail solutions provider.

Booth #1759 **FRIEDA'S** Los Alamitos, CA



more than 600 specialty produce and complementary items to retailers and foodservice operators. Come taste our latest innovation in fresh garlic — Frieda's Garlic Delight, a versatile, flavorful garlic spread, dip and marinade. Cholesterol-free, dairy-free, with no preservatives or additives.

Booth #1847 **CIRULI BROTHERS, LLC** Nogales, AZ

For three generations, Ciruli Brothers has brought you a wide variety of the finest quality fruits and vegetables, including the premium Champagne® mango. Please stop by and visit us at booth 1847. For more information. you may also visit



Booth #1913 **FRONTERA** PRODUCE, LTD.



our website.

Edinburg, TX Frontera Produce is a grower, packer,

shipper and importer — and the premier source for domestic, Mexican and Central and South American fruits and vegetables.

Booth #1979 MAXCO SUPPLY, INC. Parlier, CA

Maxco's LTS Green System clamshell is the sustainable alternative to waxed, EPS or hard plastic. 100 percent recyclable and



engineered to safely deliver fresh produce in good condition. No non-recyclable materials.

since 1932. We pack a wow factor in every carton of our sweet, juicy fruit and assist our customers with programs to stimulate interest and sales.

Booth #1939 PERO VEGETABLE COMPANY, LLC

Delray Beach, FL Stop by the Pero Vegetable booth 1939 at the PMA; see how 100 years of experience can help you. Quality fresh produce 365 days a year.

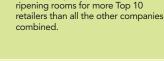


(210)

ASSOCIATION Edinburg, TX The Edinburg Citrus Association has been growing and packing quality Texas red grapefruit and oranges

EDINBURG CITRUS

Booth #1900



Booth #1419

Salinas, CA

ANIMURA

AISLE 1700

NTI

Booth #1700

Surrey, BC, Canada

commitment

in everything we grow.

Sheridan, OR

istis

BERRY FARM

Booth #1819

Cincinnati, OH

AISL

THERMAL TECH

ENGINEERING

Stop by to discuss

TANIMURA & ANTLE, INC.

The Tanimura & Antle families have

life work. With unrelenting focus on

quality, service and innovation, our

must buy!

BC HOT HOUSE FOODS INC.

The BC Hot House growers believe in

HOT HOUSI

Ripe with Flavor

specialty berries! From

and raspberries to

blueberries, blackberries

specialty berries such as

currants, gooseberries

consistently providing the freshest, most flavorful greenhouse produce.

You can see and taste this

Booth #1747 HURST'S BERRY FARM

Hurst's Berry Farm has the finest

and our popular kiwi berries, Hurst's

solutions to your ripening needs with

the company that has installed more

offers high-quality produce

year-round. Drop by and see us!

made growing the best produce their

Artisan™ product line is a



AISLE & AISLE Booth Review

Booth #2001 **TEXAS SWEET**



POTATO DISTRIBUTING, INC. AISLE : Edgewood, TX

Texas Sweet Potato Distributing is a regional distributor of fresh sweet potatoes to retailers, wholesalers and processors on a year-round basis. We take pride in our quality product and in providing outstanding customer service everyday. We market primarily under our Little Joe label.

Booth #2023

2000

BASKET EASE Lakeville, MN

Our containers come in plastic, wicker and bamboo, all with the patented design that makes our program the easiest and fastest to do. We have a complete line of supplies.

Booth #2031 **B&W QUALITY GROWERS**

Fellsmere, FL B&W Quality Growers is the world's largest grower of watercress and now wild roquette baby arugula. B&W packs only products we grow on our seasonal farms in six states. We are HACCP certified, Primus audited and certified organic for

USDA and E.U. standards.



Tallahassee, FL

Come meet executive chef and culinary ambassador Justin Timineri of FDACS. His responsibilities include promoting Florida's freshest commodities, creating new recipes, participating in trade events and educating children about food and nutrition.

Booth #2069 JMB INTERNATIONAL San Francisco, CA

Fresh pomegranate arils are now available from JMB! Packed in convenient plastic punnets, these juicy treats are full of flavor and nutrition. No rind to remove, they're ready to use in salads, recipes, or enjoy straight out of the pack! Drop by our booth to learn more

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Booth #2031 SOMERSET ORGANIC FARMS

Naples, FL We feed people. We're organic. We believe in sustainable farming,

in the health of our children, in the health of our workers and in the health of our earth. We are a group of people who work hard to do it right, for now, for tomorrow and for the generations to come.

and have

Booth #2069 WELL-PICT, INC. Watsonville, CA

We've expanded organic availability for proprietary strawberries, raspberries, and blackberries; new packaging includes the 12-ounce raspberry/blackberry clamshell and redesigned 4-pound strawberry pack; and our newest late-summer strawberry variety provides longer shelf life

Booth #2047 CONWED Minneapolis, MN

vexar

Conwed introduces Vexar® compostable netting, the first commercially available netting

certified to the ASTM D6400 standard. Netting delivers a high product-to-package ratio that supports increasingly popular sustainability efforts.

Booth #2081 A.J. TRUCCO, INC.

Bronx, NY

Importers of fine produce from around the world. Specializing in fresh Italian chestnuts, kiwifruit, grapes, citrus, fresh and dried figs, roasted hazelnuts, garlic, dried fruits and nuts.

Also available Trucco Organic, a full line of USDA-certified organic produce.

Booth #2059 EARTHBOUND FARM

San Juan Bautista, CA The No. 1-selling brand of organic produce is showing an expanded line, with new salad mixes in convenient



clamshells, exotic dried fruits, ready-to-use aromatics in shelf-stable jars, fresh aromatic vegetables in mesh bags and new fruit and commodity offerings.

SUMMERIPE

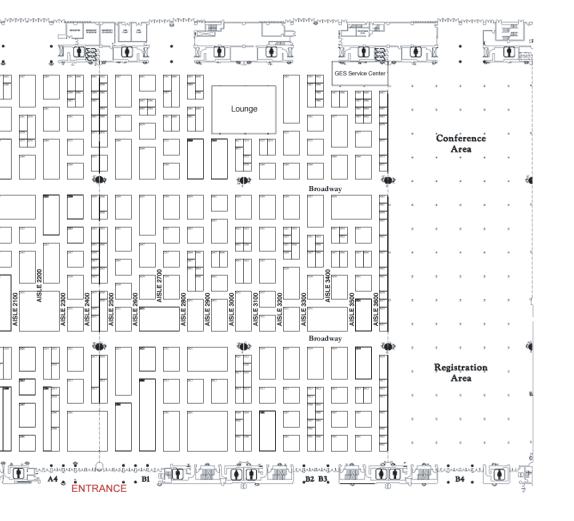
Booth #2089 **SUMMERIPE** WORLDWIDE, INC. Dinuba, CA

Summeripe ready-to-eat peaches, plums, and nectarines. We have mastered the all-natural process to condition our tree fruit. Our complete and comprehensive program is centered on dedicated teams and great tasting fruit. Summeripe fruit — the brand you can count on from tree to table.





AISLE & AISLE Booth Review



Booth #2187 SALYER AMERICAN FRESH FOODS, INC.

Salinas, CA Salyer American Fresh Foods is a leading grower/packer/shipper of fresh vegetables with an increased

emphasis on quality, service and food safety all packed under the American Classic brand.



Booth #2269 MONTEREY MUSHROOMS, INC.

Watsonville, CA Monterey's new Sun Bella™ mushrooms use natural sun-ripening process that delivers 100 percent of the daily value of vitamin D. which is essen-

tial to bone health and a strong antioxidant.



2200

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AISIA



FOUR CORNERS FARMS

Booth #2201

Four Corners Farms are

growers and shippers of

Register, GA





shipper, offering mini and seedless watermelons, cantaloupe, honeydew and seasonal organics. With advanced packing and QA systems and growers spanning five countries including the United States.

Booth #2201 VAN SOLKEMA PRODUCE, INC.

Byron Center, MI A family-owned busi-

ness for over 80 years, we specialize in mixed vegetables year-round, shipping from Michigan, Georgia and North Carolina. We also ship sweet onions all year long! Vidalias in spring, followed by onions out of Peru and Chile

Booth #2387 DELTATRAK® INC.



DeltaTrak® will be spotlighting the new ColdTrak[®] Cold Chain Management software that will allow shippers and receivers to visualize temperature data of perishable commodities. In conjunction with ColdTrak, DeltaTrak has released the new CT Flashlink® Data Logger. Web-hosted solution or desktop application.

CHATRAK

Booth #2100 **VIDALIA ONION** COMMITTEE

2100

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AISI

Vidalia, GA The Vidalia[®] Onion Committee oversees national promotional and research activities on behalf of all

Vidalia growers and handlers. You can try your hand at "Original Sweet Onion" trivia and you could win a \$1,000 gas card!

Booth #2118 SAMBRAILO PACKAGING Watsonville, CA



VIDALIA

We are a third-generation familyowned company serving the produce and floral industries since 1923. With locations in California and Mexico, we have built our reputation on service, quality and innovation. See our new line of RunRit blueberry clamshells.

Booth #2169 PEAR BUREAU NORTHWEST Milwaukie, OR

U5/

USA Pears, grown in Washington and Oregon, represent 84 percent of the U.S. fresh pear crop. With several varieties and nearly year-round availability, USA Pears are a fresh and profitable choice from fall to summer. Learn more about varieties and preconditioning programs.

Booth #2219 **KPG SOLUTIONS, INC.** Longwood, FL

Formerly known as Kirkey, KPG Solutions is a professional services company focused on helping our customers achieve cost savings and increased revenue through software and consulting



Booth #2445 **NOW PLASTICS**

- East Longmeadow, MA Now Plastics offers a wide variety of
- specialty films and bags made specifi-7 cally to meet the demands of the produce markets. Our flexible plastic
- packaging solutions will help extend shelf life, improve point of sale and maintain the quality and

freshness of your fruits, vegetables and herbs.





FRESKA PRODUCE

Oxnard, CA

RESK

year-round basis.

INTERNATIONAL, LLC

Freska Produce International

major exporting countries on a

specializes in mangos from all of the

MISSION PRODUCE, INC. Oxnard, CA

Mission's asparagus program is year-round with sourcing from Peru, Mexico and California.



AISLE by AISLE Booth

THE OPPENHEIMER GROUP Vancouver, BC, Canada

27

AISLE

Come help us celebrate 150 years of innovation at The Oppenheimer Group. Through forging direct relationships between the world's leading growers and North American retailers, we have cultivated sophisticated delivery networks, pio-

neered new fresh produce varieties and set standards for food safety and quality.

Booth #2485 WEST PAK AVOCADO, INC.

- -

West Pak specializes in packing, shipping and marketing avocados. We source from all three major growing regions, California, Mexico and Chile, with state-of-the-art packing facilities in California and Mexico plus distribu-

Review



Booth #2515 SUNSWEET GROWERS

SUNSWEET Sunsweet offers a wide variety of 100 percent fruit snacks that are highly nutritious and convenient. Products include dried plums, mangos, cranberries, cherries and apricots. Come try Sunsweet Ones[®] individually wrapped dried plums — convenient, healthy and indulgent.

Booth #2560 WAYNE E. BAILEY **PRODUCE COMPANY**

Wayne E. Bailey Produce has been exceeding customers' expectations

Our company prides itself on its ability to



NEW YORK STATE DEPARTMENT OF AGRICULTURE AND

Come visit the New York State Pavilion to see and sample outstanding fresh produce from the state of New York. You will have the opportunity to meet with some of the finest growers and marketers in the country and discuss your fresh produce needs. Produce grown in New York, The Pride of



Booth #2721 SEALD SWEET

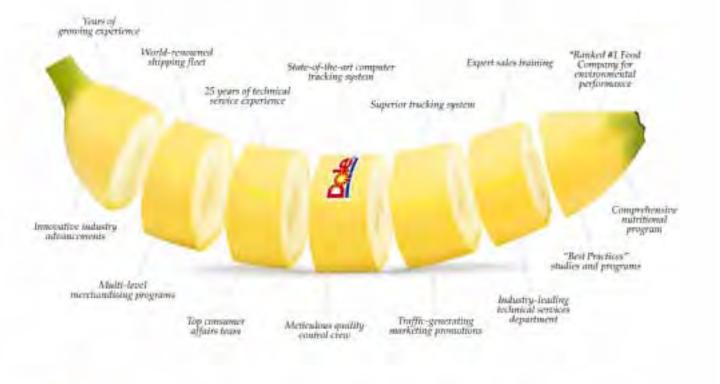
INTERNATIONAL Vero Beach, FL Seald Sweet proudly celebrates 100 years of service to the produce industry and honors all who have made it possible. A century of fresh, premium citrus from

the finest groves around the world.



116 PRODUCE BUSINESS · SEPTEMBER 2008

It takes a lot to be number one.



Take advantage of all that America's #1 Banana has to offer.

Call your local DOLE® Sales Representative today.



Banana

America's

www.dole.com

Barana

© 2006 Dole Food Company, Inc. * by the Council on Economic Priorities, published in Shopping For A Better World, December 2000.

AISLE & AISLE Booth

Booth 2747 LGS SPECIALTY SALES Bronx, NY

2700

AISLE 2

Nationally renowned for our

deliciously sweet, easy-peeling Darling Clementines, LGS has enhanced our product mix with exceptional quality avoca-dos, grapes, limes, lemons, navels, Minneolas and sensational new late-season citrus from around the world. With LGS, you have a consistent, year-round supplier and first access to pioneering new varieties.

Booth #2821 **OCEAN MIST FARMS**

Castroville, CA Ocean Mist will introduce the

first PLU sticker for bulk artichokes at Fresh Summit. Created to proactively comply with country-of-origin labeling laws that go into effect this year, the sticker will be applied in the field as each artichoke is hand-packed during harvest. The sticker adheres to the choke in moist-wet conditions.

Booth #2853 **PWP INDUSTRIES** Vernon, CA

PWP introduces AgroResin sustainable packaging. AgroResin® is 100 percent biodegradable and



compostable and uses readily available renewable agricultural biomass fiber composites that would otherwise be discarded. FDA-approved for direct food contact.

Booth #2961 **NEW YORK APPLE** ASSOCIATION AISLE Fishers, NY

New York's 2008-2009 apple crop will have slightly above average volume but will exceed recent crops for flavor and condition. Leading New York favorites are McIntosh, Empire, Gala, Honeycrisp, Cortland, Crispin and Macoun.

Booth #3053 **SHENANDOAH GROWERS, INC.** Harrisburg, VA

A year-round solution for locally

grown, certified-organic fresh herbs. A longer shelf life ensures freshness and reduces shrink. Consistent quality, flavor and appearance. Grown in an eco-friendly, closed system with clean technology.

Booth #3119 **IDAHO POTATO COMMISSION (IPC)** Fagle, ID

IPC brought you the cast of Gilligan's Island, the star of I Dream of Jeannie

and a wild Texas rodeo. At this year's PMA show, IPC promises to deliver another booth experience not soon forgotten after the show's end. Come by and check out the action.



Booth #2831 and 2931 MELISSA'S/WORLD VARIETY PRODUCE

Los Angeles, CA The country's leading distributor of variety specialty produce and foods. New products — fresh mangosteen, peeled cipolline onions, peeled shallots and pomegranate arils. Exclusive items — Dutch Yellow Potatoes, Ruby Gold Potatoes, Muscato grapes, organic Plum Bites.

Booth #2859 SUNNYRIDGE FARM INC. Winter Haven FL

SunnyRidge is a family-owned and operated grower, packer and shipper of blueberries, raspberries and blackberries. SunnyRidge represents the finest growers from regions through-out North, Central and South America, delivering reliable year-round produce and import/export services.

Booth #3021 ALLIANCE RUBBER COMPANY

Alliance Rubber rubber bands are made fresh daily in the United States to meet your packaging needs. Custom imprinted bands designed to brand and promote your products. Stock PLU bands to comply with COOL requirements.



MUSHROOM CO. Avondale, PA

Dedicated to the art of growing mushrooms since 1925, Country Fresh offers one of the most complete lines of mushrooms in the industry. Fresh white, exotic, and wild mushrooms along with a full array of dried and processed mushrooms.

Booth #3131 **CONCORD FOODS, INC.** Brockton, MA

For a limited time, each box of Cranberry Bread Mix and Sweet Potato Casserole Mix will have a \$10ff in-store redeemable coupon for a 12ounce bag of Ocean Spray Cranberries. Mixes are available in cases or floor shippers. The floor shippers have a tear-off recipe pad.

Booth #2759 DUDA FARM FRESH FOODS, INC. Oviedo, FL

Committed to delivering quality, innovation and service to its customers. Duda Farm Fresh Foods is a major grower, shipper and marketer of fresh citrus and fresh and

fresh-cut vegetables with primary locations in Florida, Texas, California, Arizona, Georgia and Michigan.

Booth #2849 **PRODUCE MAGIC** SOFTWARE

Escondido, CA Inventory/accounting

software for growers, farm management, packers/repackers, processors, shippers, all brokers, import/export, floral, organics, fresh cut, consignment, distribution centers, "iTrade", etc. User-defined menus: interfaces to Excel, QuickBooks and more.

Booth #2869 **COLORADO POTATO** ADMINISTRATIVE COMMITTEE

Monte Vista, CO Visit Colorado Potatoes and see why our unique varieties are favorites at home and in restaurants. Only our

potatoes are grown in a healthy alpine environment.

Booth #3043 **BLUE BOOK SERVICES** Carol Stream, IL

Blue Book Online Services (BBOS) is What's New for 2008. Members can conveniently access real-time information, reports, ratings, analytics, and tools. Stop by to learn more about

this latest innovation from the leading credit & marketing information provider.

Booth #3100 BABÉ FARMS, INC.

Santa Maria, CA A premier grower/shipper located on the central coast of California, Babé Farms will exhibit select items from its year-round harvest of over 30 varieties of baby lettuces and specialty greens, col orful root veggies and baby cauliflower.

Booth #3142 **BEDFORD INDUSTRIES, INC.** Worthington, MN

We now have biodegradable options available at a very competitive price. This biodegradable polypropylene material is FDA approved for food

packaging and is fully recyclable. It can be incorporated into our ElastiTag[®], Snap-A-Tag[®] or Bib Tie[®] products.

Booth #2801, 3001 **DOLE FOOD COMPANY** Westlake Village, CA

- -

Dole Food Company is one of the world's largest producers and marketers of high-quality fresh fruit, fresh vegetables and fresh flowers. In addition, Dole markets a growing line of packaged foods and frozen fruit and is a produce industry leader in nutrition education and research.

Review



Booth #2881 WAVERLY PLASTICS Waverly, IA

Tug & Tote produce bags, manufactured by Waverly Plastics, dispense one-at-a-time from a box that integrates beautifully into your produce



department. Also available in biodegradable plastic formulation.

Booth #3051 AIRDEX INTERNATIONAL INC.



Henderson, NV Airdex AlRpallets™ ultra-light design and composition thermal insu-

lates produce in transit without costly bottom wrap and prevents bruising and product damage in transit. Totally green and fully recyclable.

Booth #3104 **RIVERIDGE PRODUCE** MARKETING, INC. Sparta, MI

New crispy apple variety! Be part of the excitement as we announce our new prince of an apple!



Booth #3152 **SILVER CREEK** SOFTWARE Boise, ID

AISLE



Visual Produce, an accounting program targeted to the fresh produce industry, offers unique capabilities for produce wholesalers, distributors, packers, brokers and grower settlements, including customer menus, contract pricing, lot control, route accounting, visual Internet and much more.

ROMAL

IDAHO





Lance

SUNNYRIDGE

Booth #3159

SENSITECH INC. **BOSKOVICH FARMS, INC.** 3200 Oxnard, CA Beverly, MA Homestead, FL Cebollitas are now available! Also AISLE Sensitech, the lead-Brooklyn Park, MN known as barbeque onions, they are ing global provider of cold-chain visi-We offer an extensive line of the perfect accompaniment to bility solutions, combines electronic merchandising racks, energy-efficient grilled favorites. A good source of vitamins A and C, iron and calmonitoring with data management case shelving and auxiliary merchandising products. Our focus is on offerand statistical analysis to help you effectively and efficiently manage ing the best comprehencium. Sold in bunches on the wet your cold chain. Good temperature sive assistance and fresh rack, 2 dozen per box (90 cartons AMED per pallet) and in 12 4-count bags management throughout the supply solutions for a measurable in the value-added section yearchain is critical to ensure the quality return on your investment. our specialties. round. and shelf life your customers require. Booth #3269 Booth #3275 Booth #3283 **BEACHSIDE PRODUCE, LLC** DOMEX FRESHERIZED FOODS 3300 SUPERFRESH GROWERS Oxnard, CA Guadalupe, CA Ft. Worth. TX AISLE Yakima, WA Beachside Produce is a Fresherized Foods, makers of top-- Baro Domex is a tree-fruit leader for congrower-owned sales and ranked Wholly Guacamole, proudly ventional and organic apples, pears marketing company. introduces Wholly Salsa — the and cherries. Located in central Wash-Along with being one of newest addition to our ever-expandthe leading producers and ing family of all-natural products. Stop by the booth to marketers of commodity packed ALS broccoli in the United States, we

SENSITECH

ington state, Domex offers you merchandising support, regional reps, year-round category planning and more. You'll love our high-quality fruit and customer service.

Booth #3352 **GOURMET TRADING** COMPANY

Los Angeles, CA Gourmet Trading offers green and white asparagus and blueberries year-round. In addition, purple aspara-gus is available during the upcoming holidays. Please stop by to see these as well as our new valueadded products.

Booth #3477 **ENZA ZADEN**

Enkhizen, Netherlands The world's first sweet green pepper, the SweetGreen, is making its American debut at PMA. Its very high natural sugar level makes it the sweetest pepper currently on the market. Greenhouse-grown using the best agricultural practices to develop a superior blocky shape, deep green color and naturally sweet taste.

Booth #3619 MAMAMIA PRODUCE LLC. East Rutherford, NJ

We are greenhouse growers and shippers from the Dominican Republic and Mexico. Our

lead item is mini seedless cucumbers that we supply ear-round.

Booth #3647 JBJ DISTRIBUTING VEG-LAND Fullerton, CA

Veg-Land (JBJ Distributing) is a USDA certified organic supplier. Fresh-cut organic programs for foodservice and retail can be customized to specific needs. We provide value-added services such as consolidation, cross docking, repack and over-wrap.



search firm in produce. We provide exceptional executive recruitment and leadership consulting to the "who's who" of the industry. The duce industry is currently pany. Why not yours?

Booth #3547 **DIMENSIONAL INSIGHT** Burlington, MA

Dimensional Insight offers business intelligence solutions that turn data into insight. The Diver Solution™ allows decision-makers across your organization to access data quickly and intuitively.



Booth #3631 **PRIMA BELLA** PRODUCE, INC.

Tracv. CA We ship fresh, super sweet

corn year-round under the GloriAnn and Disney Garden Pixie Sweet brands. GloriAnn white, yellow and bi-color corn with/without husks, in a variety of cob sizes and packs. Pixie Sweet bi-color cobbettes available in six-pack trays.

Booth #3679 NATRATEC INTERNATIONAL, LTD. Katzrin, Israel

Natratec develops natural solutions to increase fresh produce shelf life reducing spoilage, increasing profits and ensuring freshly picked fruits and vegetables retain freshness, taste and visual appeal.



Booth #3219

CARLSON AIRFLO MERCHANDISING SYSTEMS

AISLE & AISLE Booth

see our GuacMobile recently featured on Food Network's Unwrapped

3410 **ATLAS PRODUCE &** DISTRIBUTION, INC.

Bakersfield, CA Atlas Produce, grower and shipper of the popular Caramel Naturel™ Medjool dates and date coconut rolls, are excited to introduce three new additions to their product line — Caramel Naturel™ date almond rolls, jumbo red dried grapes and jumbo golden dried grapes.

Booth #3569

CHURCH BROTHERS, LLC Salinas, CA

In addition to offering a year-round supply of conventional and organic commodity and value added vegeta-

bles, Church Brothers offers premium fresh chopped salads and Pride of San Juan Herbs. Exclusive supplier of Disney Garden vegetables.

Booth #3637 TOKITA SEED CO., LTD.

Saitama, Japan

HURB

BROTHERS

Tomatoberry has a heart shape and shiny deep-red color that come from its high lycopene content. It tastes very sweet and doesn't carry the tomato's greenishsmell that can be off-putting. The cute, tasty and healthful Tomatoberry makes everyone happy!

Booth 3684 TRACE PRODUCE Nyssa, OR

An innovative online account-based container traceback system incorporates maps, photos, videos and documentation to the place of origin. Complements traceability standards and works to reduce the effects of product recalls.



Booth #3231 **BROOKS TROPICALS, LLC**

- 3

Brooks Tropicals grows, packs and ships quality tropical produce from sunny South Florida and the Caribbean. Caribbean Red and Caribbean Sunrise papayas, SlimCado avocados, star fruit and limes are



Review

Booth #3348 **GILLS ONIONS, LLC**

Visit our booth to celebrate our silver anniversary as the industry's premier fresh-cut onion



grower-shipper! We will feature our full line of retail and deli packs, including organic offerings.



Booth #3439 **BONIPAK PRODUCE** COMPANY Santa Maria, CA

Bonipak offers the highest quality and freshness with year-round availability. Primary products include broccoli, cauliflower, lettuce, celery, spinach, mixed leaf vegetables and cilantro. Our Cut-To-Cool Program ensures fresh harvested products are cooled and ready to ship within 24 hours.

Booth #3617 NORDSON Duluth, GA

AISLE



CORPORATION

Nordson Mesa™ Adhesive Melters provide reliable performance for such applications as case sealing, pallet stabilization and tray forming. Nordson Classic™ IX and XV Adhesive Systems use field-proven technology to pro-

Booth 3641 MIATECH Clackamas, OR

vide reliable performance.



Miatech manufactures a range of perishable control equipment including produce misting systems and humidification equipment. Through controlled humidity or reduced ethylene, our equipment prevents waste, improves product appearance and quality - resulting in increased sales





3500

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Booth #3201



AISLE by AISLE Booth 🎇 Review

Floral Aisle-by-Aisle Booth Review



Booth #236 **MEI SPECIALTY** REFRIGERATION & FIXTURES LaGrange Park, IL

200

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Retailers will find a wide choice of portable floral display units. Our newest "Bouquet Spider" expands to display from one to five buckets. MEI portable display fixtures are not only easily transportable but also flexible, sturdy and easy to assemble and store Several units can be customized in finish to match decor.

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WILLOW SPECIALTIES Batavia, NY We import and distribute baskets, glass, ceramic and pottery items as

Booth #509

well as tin and iron products. Our products are used in the floral, supermarket, packaging, home décor and garden industries. Distribution programs, including UPC markings, are custom created for the perfect fit. Celebrating 80 years in the container business, we are family owned and operated.

曲 Booth #885 TOTALFLORAL LLC

Homestead Fl TotalFloral is an award-winning, professional service firm devoted to the advancement of mass-market floral programs. TotalFloral's unique business model provides clients with a resource-efficient way to build a dynamic floral program and rapidly grow their businesses. Discover how TotalFloral's leadership, innovation and execution can accelerate the

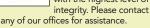
performance of your program!

Booth #278 DECOWRAPS Miami, FL

Since 1999, DecoWraps has become a leading supplier of distinctive packaging options for all levels of fresh flowers and potted plants. We offer prompt service, simplified logistics

and competitive pricing. Our custom-made orders are attended to DecoWraps" with the highest level of

Micky's Minis





EXPRESS Millstadt, IL

AISLE 700

Micky's Mini will show our year-round line of miniature potted plants, including our popular mini-poinset-tias, new "All Dressed Up" minis and the rest of our dazzling miniature plants. Plus, you will see several new mini-plants and new accessories that you will not want to miss!

Booth #1051 CHANTLER PACKAGING

Mississauga ON Canada For better arrival of cut flowers

shipped long distances, use PrimePro MAP film for extended freshness.

Available as bags, carton liner sheets and pallet covers. Economical, easy-to-use and also available in

biodegradable formula. Boost your profits with better arrivals using PrimePro film products.

Booth #112

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Your customers expect you to be the expert when it comes to Christmas



trees. Let Silver Mountain Christmas Trees make you look good by supplying you with fresh, elegant and sculptured trees your customers will love!

Booth #150 & 859 ALDERSHOT OF NEW MEXICO, INC.

Mesilla Park, NM With more than 22 acres in production near Las Cruces, NM, we are a quality grower of potted blooming and foliage plants. Our specialties include mums, kalanchoes, mini roses,

begonias, cyclamen, ALDERSHOT poinsettias OF NEW MEXICO. INC

and Easter lilies. Eco-friendly flowers

FLORIST TRANSWORLD **DELIVERY (FTD)**

Florist Transworld Delivery will highlight "Flowers that Get Results." See FTD Loyalty Bouquets, FTD Color Your Life Bouquets, eco-friendly and sustainable bouquets and consumer bunches, FTD Tropical Bouquets and FTD Codified Arrangements. Also see merchandising solutions and demon-strations of the FTD education and training programs.

Booth #758 POTTER, INC. Bryan, OH

Potter Inc. specializes in products to enhance supermarket floral department sales. Our hand-tied bows, which are U.S.-made, potted upgrade options and corsage elements provide gift-ready items, quickly and efficiently, in traditional and upscale designs. Potter Inc. your complete, year-round floral upgrade source. Visit us at booth #758

Booth #1101 TEMKIN INTERNATIONAL, INC.

Payson, UT

1100

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AISL

Made from renewable resources. Temkin's NatureFlex produce bags land floral sleeves are exciting, new biodegradable solutions certified for home and industrial composting. In addition to flat bags and gusseted bags, Temkin's NatureFlex line includes the new EcoNOSU floral sleeves that provide for drip-free transport of fresh-cut floral arrangements.

Booth #116 **SUNSHINE**



Passionately in business since August 1986, Sunshine Growers is a wholesale contract grower of unique, high-quality blooming potted plants, foliage and outdoor landscape material. See us for bedding plants, dish gardens, hanging baskets, herbs and vegetables, perennials and poinsettias. We have

Booth #184

THE ELITE BOUQUET Miami, FL

great products and a great story!

Located in the heart of Miami, Elite also has four other U.S. locations covering the surrounding regions of New Jersey, Chicago, Denver and Los Angeles. Elite's primary imports are roses, spray roses, gerberas and



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alstromeria. See Elite for bouquets, consumer bunches, cut greens, fresh arrangements, grower bunches, fresh cut and specialty cut flowers.

Booth #401 GALLERIA FARMS Miami, FL



AISLE Galleria Farms is a solution and service provider of premium floral products to mass retailers and supermarkets nationwide. Our team of employees has a combined experience of over 90 years in the floral industry. We are one of the largest growers of chrysanthemums and specialty flowers in the world, with over 100 hectares in production.

Booth #761 THE SUN VALLEY GROUP Arcata, CA

Maximize sales and create excellent floral experiences for your customers by offering our premium cut flowers grown in California. In addition to consumer bunches, specialty cut flow-ers and California-style bou-



quets, we offer organically grown cut flowers. Sun Valley's farms and crops are all VeriFlora Certified. Ask about our year-round tulip program!

Booth #1275 FLORAL **CONSULTING GROUP**

Spokane, WA

- today.

SL Floral Consulting Group is an ultimate resource for your floral business. As seasoned sales, marketing and floral professionals, we turn experience into profits. We are responsive, targeted and results-oriented. We deliver comprehensive and clear plans to produce more for your business

Floral Consulting Group

AISLE 800

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AISLE / AISLE Booth Revien

Booth #1286

ARMELLINI INDUSTRIES Palm City, FL

Since 1945, Armellini subsidiaries have offered total floral logistics. Our company-owned equipment transports floral products from California and Florida across the United States. All trailers are decked and temperature controlled

at 38° F to maintain the cold chain. We offer customs



clearing, over-the-road, air reservation and freight brokerage services.

Booth #2031

SOMERSET ORGANIC FARMS Nanles Fl

See our new certified organic herb 6pack - great for floral departments. Green-thumb types like the novelty and convenience. Cooks enjoy growing and using the herbs and other consumers like receiving the grow kits

as gifts. The handled gopacks feature tomato plants or basil, parsley, oregano, dill, cilantro, rosemary and chives.

AiroLide PPT

Booth #2453 KES SCIENCE & TECHNOLOGY

Kennesaw, GA

NASA-developed AiroCide® PPT Air Purifying Technology removes ethylene and kills mold, fungi and bacteria without using chemicals or ozone. Vase-life extension begins in the cold chain with purified air from seed propagation to the retailer.

Booth #3169 AISLE

A-ROO COMPANY LLC Strongsville, OH

Solutions. For more than 40 years, A-Roo has created marketing, merchan-



dising and packaging solutions for the floral industry. We have containers, vases, decorative packaging, dis-play fixtures and accessories, films, sleeves, wraps, pot covers, ribbons, bows and picks. Offices

in Ohio, Florida, Texas and California provide service to North, Central and South America.

Booth #3671 **POLYMER LOGISTICS** Riverside, CA

Polymer Logistics provides merchandising units including RPCs, bins, pal-lets, dollies, crates, field totes, plant racks, floral retail display units, etc. Display-ready from factory to retail means significant reductions in replenishment and transportation costs while increasing in-store availability. Our units stack safely when full, and nest and fold when empty to maximize truck space.

Booth #1291 **ENCORE FLORAL** MARKETING

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Fresh. The heart of our business is the freshness your customers expect. We will showcase a

selection of colorcoordinated bouquets, and we have bulk flowers.

floral accessory items, arrangements, floral hard goods and fresh-cut flowers. We are importers and our Miami and Dallas facilities enhance our distribution opportunities nationwide.

Booth #2118

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2100 SAMBRAILO PACKAGING Watsonville CA щ

- Sambrailo Packaging is a third-generation, family-owned company that has
- served the produce and floral industries since 1923. With eight locations in California and Mexi-

co, we have built our reputation on service, quality and innovation. Visit Fresh Summit Booth 2118 to see our full line of pro-



duce and floral packaging.

Booth #2530 IR Ingersoll Rand INGERSOLL-RAND COMPANY Hamilton, Bermuda

AISL

Ingersoll-Rand introduces new environment management system (EMS) surface and air sanitation technology that improves product quality and extends the shelf life of perishable floricultural products. EMS reduces ethylene and botrytis and slows the maturation process, resulting in better overall health indicated by more vibrant colors.

Plastic Suppliers, Inc. Booth #3347

3300 PLASTIC SUPPLIERS, INC. Columbus, OH ISLE

Plastic Suppliers EarthFirst brand films will showcase EarthFirst PLA films at this year's show. EarthFirst films have excellent properties allowing them to be used in flexible packaging, label-ing, shrink-sleeve labeling, tamperevident bands, floral sleeve and windowing applications. EarthFirst is an environmentally friendly and compostable (ASTM D6400) alternative to petrochemical-based films

Booth #1717

THE MARCO COMPANY Fort Worth, TX

Marco specializes in designing and manufacturing innovative and effective fixtures at a competitive cost. Manufacturing capabilities include wood, laminate, metal, wire and plastic, allowing Marco to manufacture nearly any product in-house. These comprehensive production capabilities allow quicker turnaround from design to project

completion, higher quality and lower costs to our clients.

NURSERYMEN'S

is one of the largest wholesalers of indoor plants, tropical foliage and decorative accessories, servicing retailers nationwide. Our horticultural excellence and inspired design is evidenced in every one of our products. For over 67 years, retailers have come to expect exceptional quality and value under our BloomRite brand.

Booth #2944



internationally recognized certification

standards and programs. VeriFlora certification recognizes outstanding efforts in the cut-flower and pottedplant industries to grow and deliver flowers that meet the highest standards for the environment, sustainability, social responsibility and quality.

Booth #3601 VAN HOEKELEN **GREENHOUSES, INC.**

ISLE McAdoo, PA

Yes, we're known for being the largest bulb grower in the Northeast and we're known for service and quality. We grow and distribute many types of plants including tulips, hyacinths, mums and poinsettias. Let Van Hoekelen wow you with beautiful plants that will boost HOEKELIN M floral department profits!

Booth #2031

KERRY'S NURSERY, INC. Homestead, FL

- We create profit opportunities with the most fashion-forward
- AISLE products featuring the highest-quality orchids,

bromeliads and indoor tropical foliage. Visit our booth and discover how our compelling, valueminded living arrangements can be the solution you have been looking

for to grow your floral department.



kerry's

AISLE 2400 NOW PLASTICS

2445

East Longmeadow, MA

Now Plastics provides a wide variety of standard and customized designer sleeves, sheets and roll film to

enhance the appearance of your bouquets. Choose from an assortment of sleeve sizes and styles including clear, straight-edged, scallop-edged, sealed bottom or a hybrid. Sleeves can also be micro-punched or UPC coded.

Booth #3142 BEDFORD **INDUSTRIES**

3100

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For years, Bedford has strived to find tagging



solutions for our customers. We now have biodegradable options available at a very competitive price. This biodegradable polypropylene material is FDA

approved for food packaging and is fully recyclable. It can be incorporated into our ElastiTag, Snap-A-Tag or Bib Tie products.

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Clackamas, OR Miatech is the world leader in the manufacturing of equipment for better management and control of perishables. We offer cold-room humidification, greenhouse cooling equip-

ment and ethylene and pathogen scrubbers for floral. Our Eris filters were selected as one of the 10 most innovative products at Fruit Logistica 2008 in Germany.



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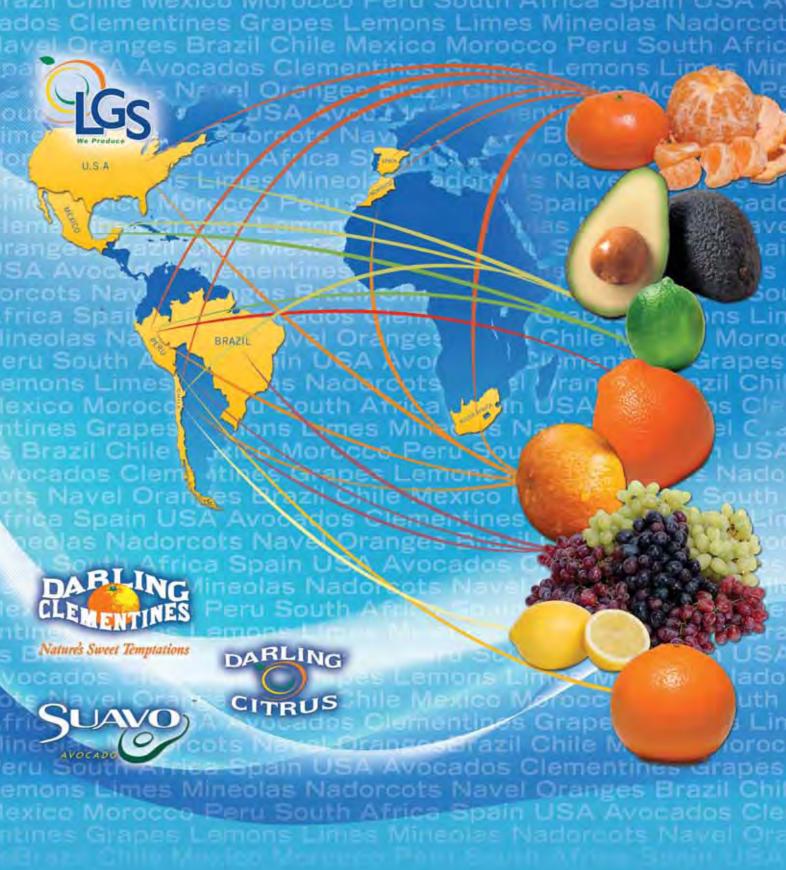
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Booth #2300

2300 EXCHANGE ISLE Half Moon Bay, CA Nurserymen's Exchange







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Reader Service # 99

Five Ways To Better Merchandise Potatoes

Increase spud sales by stocking the right mix, creating knock-out displays and promoting frequently.

BY CAROL M. BAREUTHER, RD

one are the days when the lowcarb craze led to plummeting potato sales. In today's recessionary economy, the potato is a relative value compared to other items in the produce department and it has regained its wholesome, healthful, comfort-food appeal.

According to Marvin Lyons, produce director at Bigg's, an 11-store chain based in Milford, OH, and a subsidiary of Eden Prairie, MN-based Supervalu, Inc. "In a weak economy, more people are opting to cook at home rather than eat out. This could mean

greater sales of staples such as potatoes at retail, but we're not seeing that vet."

In 2007, the potato category contributed 5.7 percent to total produce department sales, down from 5.9 percent in 2006, according to data supplied by the Perishables Group, West Dundee, IL.

To nudge this percentage up and take advantage of a strong fall potato market, retailers should practice

smart merchandising techniques, such as offering consumers a several sizes and a good mix of varieties. Tim O'Connor, president and CEO, U.S. Potato Board (USPB), Denver, CO, recommends retailers stop merchandising potatoes with a commodity men-





tality. "Stacking them high and offering deep discounts aren't the ways to maximize margins and profits."

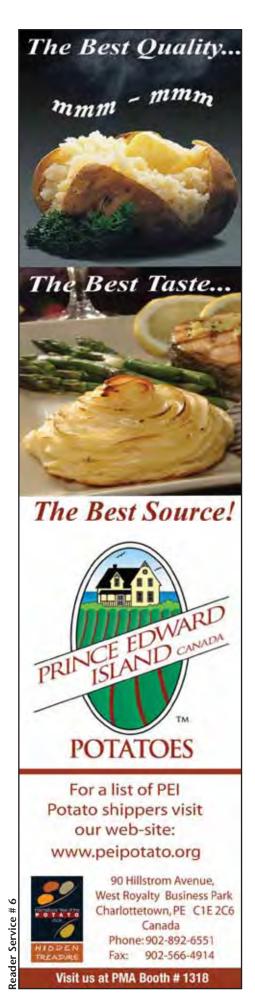
1. STOCK THE RIGHT MIX

Consumers want to see more choice,

Attract consumers with neat and wellstocked displays.

according to Mac Johnson, president and CEO, Category Partners, LLC, a Denver CObased joint-venture marketing organization formed in April by Wada Farms Marketing Group, LLC, Idaho Farms, ID, and Farm Fresh Direct, LLC, Monte Vista, CO. "They've been exposed to different varieties of potatoes in the restaurant arena and now want to try these at home. Retailers, such as Whole Foods [Market, based in Austin, TX], Wegmans [Food Markets, Inc., based in Rochester, NY] and Central Market [owned by H.E. Butt Grocery Company, based in San Antonio, TX] are offering this variety and leading the way."

Nationwide, Russets still rule the category, notes Seth Pemsler, vice president of retail, Idaho Potato Commission (IPC), Eagle, ID. "However, they have been declining in sales as a percent of the category



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since the mid-'70s and '80s. The real opportunity lies in not moving away from Russets but in adding more specialty potatoes to the mix."

Randy Bohaty, produce director, B&R Stores, Inc., a 15-store chain based in Lincoln, NE, and operating under the Super Saver and Russ's Market banners, says, "Russets are No. 1 for us, but Reds, Whites, Yukon Golds, Purples and Fingerlings are all gaining and adding incremental sales. Consumers will buy with different purposes in mind and buy more than one type."

What type of potatoes consumers buy in a particular market "depends on demographics and region of the country," explains Ken Gray, vice president of sales and marketing, Bushwick Commission Co., Inc., Farmingdale, NY. "For example, Round Whites have a great niche market on the East Coast."

Ted Kreis, marketing director, Northern Plains Potato Growers Association (NPPGA), East Grand Forks, MN, adds, "Red potatoes are slowly but steadily increasing in market share, especially the B-size or smaller due to their creamy texture and tender skin. Even the skin on the A-size is palatable. Redskinned potatoes are 95 percent of freshmarket potato sales in our region."

Yellow-fleshed and red-skinned varieties "continue to experience growth within the potato category as do specialty potatoes," reports Brad Brownsey, trade representative, Prince Edward Island Potato Board, Charlottetown, PEI, Canada.

Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., Los Angeles, CA, notes Dutch Yellow potatoes and Fingerlings "are our two best-selling specialty potatoes. In the Fingerlings, Russian Banana is the most popular. French, Purple Peruvian and Ruby Crescent are also in demand and available year-around in conventional and organic."

Bigg's Lyons has observed considerable growth in sales of Fingerlings and other specialty produce "especially in our high-end stores. I'd have to say this success is spurred by things like the TV Food Network, where customers are exposed to different varieties and learn what they can do with them."

In general, "Organic potatoes are available, but they're not a driving force in sales," according to IPC's Pemsler. "The challenge is that they don't last as long as conventional and, therefore, are subject to greater shrink at retail."

Varietal development is ongoing. "In the future, potato varieties will have unique nutritional attributes, such as higher levels of antioxidants," predicts Jim Ehrlich, executive director, Colorado Potato Administrative Committee (CPAC), Monte Vista, CO. "We have a very promising variety, the Purple Majesty, which has great potential."

Flavor, texture, color, greater shelf life, reduced risk of sprouting and greening and faster cooking time "are other attributes growers are breeding for in potato varieties of the future," adds Pemsler.

> "The first quarter of 2008 saw a 6 percent increase in dollar sales for 10-pound bags. I think the effects of a sluggish economy and rising food prices are at play here."

> > — Tim O'Connor U.S. Potato Board

2. OFFER MORE BAGS

Bag sales of potatoes exceed bulk sales, according to Nielsen Scantrack and the Perishables Group's FreshFacts data supplied by USPB in its report, *Supermarket Sales 2000-2007*. In 2007, bagged potatoes represented 73.4 percent of total fresh dollar sales of potatoes and 82.6 percent fresh pounds, compared to 26.6 percent for bulk dollars and 17.4 percent bulk pounds.

"There are definitely those consumers who like to pick out their own potatoes or only want one or two at a time," notes Pemsler. "Retailers typically merchandise larger potatoes in bulk and then charge a premium. By contrast, bagged potatoes are more of a value and they represent the majority of sales because they are a better deal."

According to the USPB report, the average price per pound for bagged potatoes in 2007 was 45° compared to 77° for bulk.

"We've seen a greater preference for 5pound bags in recent years, driven by the fact that there are more 1- and 2-person households," states USPB's O'Connor. At the same time, "The first quarter of 2008 saw a 6 percent increase in dollar sales for 10-pound bags. I think the effects of a sluggish economy and rising food prices are at play here."

Russets are by far the most popular bagged potato, representing 60.4 percent of dollar sales and 69.8 percent of pounds in 2007, according to the USPB report. However, other varieties are also sold in significant bagged quantity. In 2007, 19.1 percent of bag sales were Red, 10.4 percent White and 6.8 percent Yukon Gold. Organic potatoes represent only 0.8 percent of bagged dollars.

A trend toward more combination polymesh bags for potatoes is growing. "There's a perceived added value in this style pack that allows for more information on packaging on the poly side and breathability from the mesh," notes Category's Johnson. "Kroger [Co., Cincinnati, OH], for example, has just switched all of its private-label bagged potatoes to a poly-mesh combination."

Cost can be a factor. "Mesh is three to

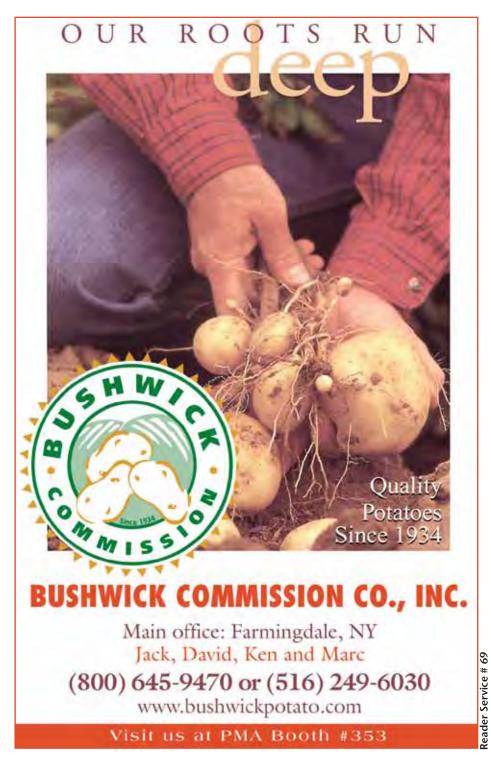
three to six SKUs."

At B&R Stores, all potatoes are displayed together in one destination. "It makes it easier to trade consumers up to other varieties in the category, especially higher-margin specialty potatoes," notes Bohaty.

One of the biggest challenges for retailers "is working within the space allotted instore for potatoes and yet increasing the number of items offered," explains Clifford Corwin, marketing and sales manager, Skagit Valley's Best Produce, Inc., Mt. Vernon, WA. "One way to do this is to offer smaller amounts of a greater number of items. It's important to sign a display of this kind well so consumers know what's available and how much it costs."

Go one step beyond "by signing a display with suggested uses," suggests John Pope, vice president of sales and marketing, MountainKing Potatoes, Houston, TX. "For example, red-skinned potatoes with fish, goldfleshed potatoes with poultry and Russets with beef. Eighty-five percent of potato purchases are planned — the rest are impulse."

Ryan Bybee, sales manager, GPOD of Idaho, Shelley, ID, agrees, adding, "Use signage that tells what each variety is good for.



"Keep potatoes fresh and inventory turning. Handle with care. Potatoes are not a hardware item."

- Brad Brownsey Prince Edward Island Potato Board

four times higher in cost than poly," states Paul Dolan, general manager, Associated Potato Growers, Inc., Grand Forks, ND.

Pemsler has observed an assortment of innovations in packaging. "For example, some shippers now offer fresh potatoes that are washed and bagged in a microwave-safe bag for easy steaming."

"Some shippers are experimenting with adding seasonings to these value-added steam-cooked potatoes," notes Category's Johnson. "This adds even more convenience, just as we've seen the bagged-salad category move beyond just lettuces to include other items, such as dressings and croutons."

3. CREATE DESTINATION DISPLAYS

Women making dinner decisions for their household are purchasing more than 80 percent of fresh potatoes, explains CPAC's Ehrlich. "They're concerned with taste, quality, nutrition benefits and value. Ideally, a potato display should be categorized by segment so value decisions are easily made. The display should offer numerous varieties and colors."

Offer consumers a robust category of selections, advises USPB's O'Connor. "Some retailers carry up to 20 SKUS, others only



For example, Great For Baking next to Russets or Great For Potato Salad above the Reds. I think this would make a huge difference in sales."

"Keep potatoes fresh and inventory turning. Handle with care. Potatoes are not a hardware item."

> - Brad Brownsey Prince Edward Island Potato Board

In the future, "I believe information consumers will desire seeing is locally grown choices and information about sustainable practices and energy cost," states Ehrlich.

Be sure to maintain potato displays well, recommends PEI's Brownsey. "Keep potatoes fresh and inventory turning. Handle with care. Potatoes are not a hardware item. Maintain top quality by immediately removing any substandard loose and/or packaged potato from the display. If your store is not open for business 24 hours, cover potatoes at the close of business to reduce greening."

4. CROSS-MERCHANDISE

There's a world of opportunity for cross-

merchandising potatoes "either with signage or with actual product," notes Johnson.

If store policy permits, "Convenient and healthful recipes should be a prominent feature of the potato display," adds Ehrlich. "Placing bins of potatoes in the meat department has proven to be very successful. Tiein promotions with meat marketers and displaying potatoes with logical meal partners generate creative ideas with shoppers."

Perfect toppings to cross-merchandise with potatoes include "sour cream, yogurt, butter, chives, bacon bits, various seasonings and fresh herb toppings," according to Scott Phillips, director of sales, Nonpareil Corp., Blackfoot, ID.

IPC has undertaken cross-merchandising in a big way during the past few years. "There's always the problem of going interdepartment and the produce guy or meat guy, for example, getting credit," explains Pemsler. "For this reason, and to be most effective, cross-merchandising across departments has to be a corporate objective. The rewards are increasing total store sales, not just sales in one department."

This past fall, IPC teamed up with St. Pauli Girl Beer, based in Bremen, Germany, and offered a \$2 instant redeemable coupon (IRC) for the combined purchase of 5 pounds of Idaho-potato products and beer. The promotion was tied in with an Oktoberfest recipe for twice-baked Idaho potatoes with sausage and cheese.

Similarly, Albertsons, the Boise, ID-based chain with 529 stores and a wholly owned subsidiary of Supervalu, teamed up with IPC to offer a free 5-pound bag of Idaho Russet potatoes with the purchase of a Hormel natural-crusted pork fillet to consumers who used its Preferred Saving Card.

An IPC cross-merchandising promotion

Looking Ahead

verall acreage of new crop product is estimated down anywhere from 7 to 20 percent this year. "Farmers are able to grow more potatoes per acre and yields are up, but anything can happen in agriculture when it comes to weather," notes Mac Johnson, president and CEO, Category Partners, LLC, Denver CO. "So, that's always an uncertainty."

Higher prices for wheat and corn may make it more attractive for potato farmers to grow them instead, suggests Tim O'Connor, president and CEO, U.S. Potato Board (USPB), Denver, CO. "Wheat and corn are lower-cost crops and farmers can lock in a price on contract, whereas they take all the risk up front on potatoes."

According to Paul Dolan, general manager, Associated Potato Growers, Inc., (APG) Grand Forks, ND, "One of the biggest current challenges is increased transportation costs to ship potatoes to market." Coming off a summer of record-high pricing, "It's important for retailers not to price gouge."

With supply pipelines filling with new-crop product, "It's also crucial to keep prices at a level where producers make a profit," he adds. "That means retailers aren't going to be able to get the same prices they got for potatoes in the past." **pb**

held in March and April provided a 55¢ IRC for Fresh Gourmet toppings and Idaho potatoes. The promotion featured a freestanding 6-case shipper display of toppings, a colorful header card that read *Give Your Potatoes Extra Crunch* and an on-pack booklet featuring four recipes that incorporated both toppings and potatoes.

IPC's Potato Lover's Month display contest in February also features many ways for retailers to cross-merchandise potatoes and related ingredients.

5. PROMOTE OFTEN, BUT NOT DEEPLY

Potato sales appear equally strong yearround thanks to 12-month availability and versatility. According to USPB's Supermarket Sales 2000-2007 report, average bagged sales accounted for 25.5 percent, 24.3 percent, 23.3 percent and 26.9 percent in each of the

Record High Prices, Low Supplies

Several years ago, there was a potato glut, the low-carb craze kept consumers from buying, and prices fell as low as 69¢ for a 10-pound bag. Farmers went out of business and acreage reductions ensued.

This year, the perfect storm has occurred, explains Seth Pemsler, vice president of retail, Idaho Potato Commission (IPC), Eagle, ID. "Weather issues and less product in storage in major growing states, such as Idaho, Colorado and Wisconsin, have led to a historic dip in supply."

Some areas were virtually sold out, especially of the larger-sized potatoes, or shipping half of what they normally do by early summer, causing potato prices at retail to rise to record highs.

The new-crop potato harvest has gotten off to a promising start, albeit a week or two late due to a cold wet spring, and supplies are filling in to meet growing consumer demand. "After years of declining potato sales at retail, the economy and high gas prices are causing consumers to eat at home more rather than dining out. This, and the fact that potatoes are still a relatively good value – even priced at \$3.49 for a 5-pound bag – has led to an increase in fresh potato sales at retail this year." **pb**

four quarters. Pound sales show similar equality in percentages.

This, however, doesn't mean potatoes shouldn't be regularly promoted. "We place some type of potato in our ad nearly every week," reports B&R's Bohaty.

At Bigg's, "We do a lot of bag promotions in the fall when the weather gets cooler and people are cooking more," explains Lyons. "Russets, Reds, Yukons and Fingerlings are all on ad around Thanksgiving, Christmas and New Year's. This is when consumers are looking for their regular mashed-potato fixings as well as something new and different. Come summer, we'll put Reds on ad around the Fourth of July for potato salad."

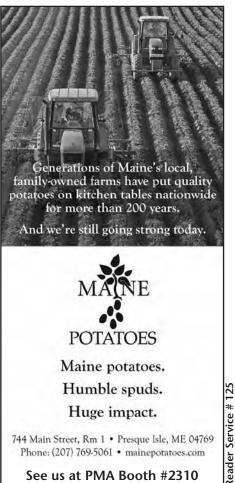
Potato ad sales create anywhere from 20 to 40 percent of the total potato sales in most stores, notes NPPGA's Kreis, "so it is important to optimize the ads for increased sales and profits that can benefit both the retailer and supplier."

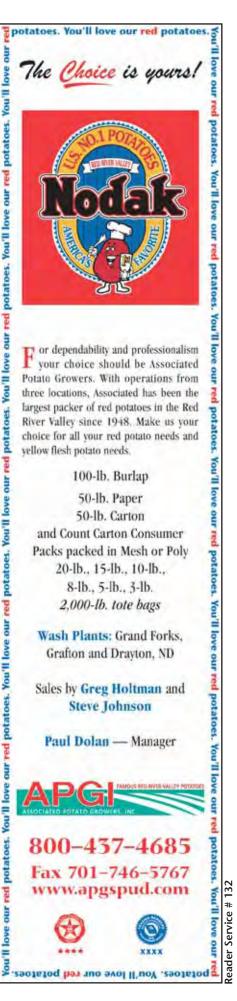
USPB's O'Connor says it's ideal to promote potatoes an average of nine times each quarter. Offering more than one potato SKU that hits two different meal uses or occasions at the same time is most effective. "For example, Russets and Reds or a Red and Yellow or bulk and bag. Pricing should be good, but not drastically deep."

Deep discounts are definitely not necessary around the winter holidays. According to the Perishables Group data, the top week for national potato dollar sales is the run-up to Thanksgiving. Conversely, the lowest sales week of the year for potatoes is the week after Thanksgiving.

"A modest price reduction at this time of year has the benefit of maintaining a margin as well as keeping potatoes out there and in the consumer's mind," according to Category's Johnson.

Consumer education in ads is also effective. "A well-planned, ad-promotional effort featuring convenient potato recipes combined with the new convenient packaging available today should really get attention," concludes CPAC's Ehrlich. **pb**





Build Profits With Pears

Merchandising opportunities call for pear-ripening education.

BY BARBARA ROBISON

significant number of U.S. food shoppers are not purchasing fresh pears, despite the fact that pears are familiar to most Americans. "This is unlike Canada, where a much larger share of the population buys and enjoys fresh pears," reports Dennis James, director of marketing, Pear Bureau Northwest (PBN), Milwaukie, OR. "Pears are now being merchandised vear-round and are no longer a sea-

sonal fruit. More varieties are also available, so merchandising opportunities are there. It's primarily a matter of education."

Howard Nager, vice president of marketing, Domex Superfresh Growers, Yakima, WA, says "Many consumers have had a poor peareating experience because they don't know how to handle them. Retailers that understand how to store, ripen and merchandise pears can provide the consumer with a terrific eating experience."

Studies indicate most consumers are looking for pears they can take home and eat within a day or two. "Markets have shown

sales volume increases of 10 to 20 percent when they are on a pear ripening program," reports Roger Pepperl, marketing director, Stemilt Growers, Inc., Wenatchee, WA.

"The pear has been carefully handled from the time the tree flowers until the fruit is harvested," notes Chris Zanobini, executive director, California Pear Advisory Board (CPAB), Sacramento, CA. "Once it reaches the market, the retailer needs to continue the care, with training and expertise in handling and merchandising, to assure a wonderful eating experience."

RIPENING PROGRAMS

Pears do not ripen on the tree, which "makes a difference in how the fruit should be handled and brought to the right stage of



ripeness for consumers," reports Dennis E. Kihlstadius, consultant, Produce Technical Services, Bemidji, MN. Kihlstadius consults for PBN and CPAB. "When a pear is not ready to eat and consumers don't know how to ripen it at home, repeat sales are unlikely. If the juice and taste profile of the pear are right, consumers will purchase more."

Fresh pear conditioning programs have increased dramatically in the past few years. Suppliers conduct some and retailers conduct others. All are aimed at providing consumers with a piece of fruit that exemplifies the fresh pear's flavor and texture and builds repeat sales.

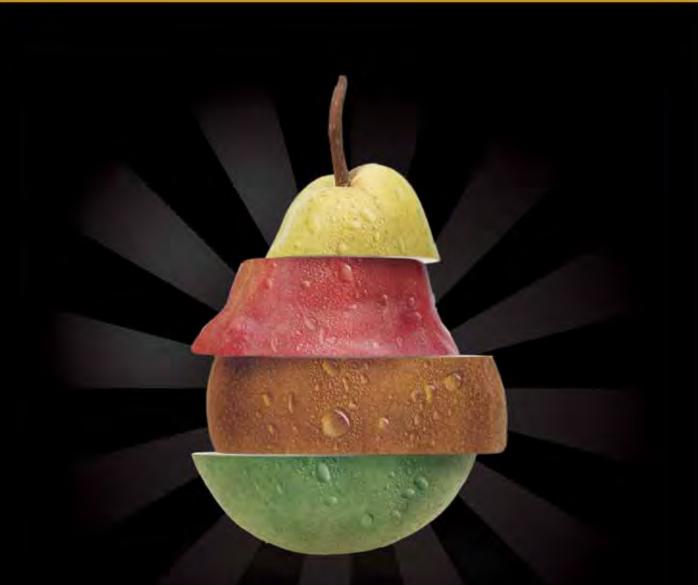
Wal-Mart Stores, Inc., Bentonville, AR, has had a pear conditioning program for at least five years. It now has pear ripening

pears, they need to be educated about the fruit's handling and ripeness.

rooms in 41 grocery distribution centers. "All of our pears are conditioned so customers can have better-tasting fruit when they get home," explains Gary Campisi, director of quality control. "Pear sales have continued to increase with our conditioning program. Consistency is the reason we brought the conditioning program in-house. Consumers know when the new pears arrive from California, and if they get a juicy, good-tasting piece of fruit at the beginning of the season, they will come back to buy more."

Pear conditioning strategies on the supplier's side vary. Different technologies and conditioning of different pear varieties are available to the retailer.

Rainier Fruit Company, Selah, WA, sees tremendous opportunities for the ripe-initiated pear program, especially for the D'Anjou variety. Rainier uses ripening rooms from Blythewood, SC-based Thermal Technologies, Inc. in its program. "The challenge in marketing D'Anjou pears is it is visually difficult to see a color change as the fruit ripens, unlike the Bartlett pear," explains



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Suzanne Wolter, director of marketing. "With Bartletts, the ripening program works best early in the season. The D'Anjou season is much longer, extending from September to June. A ripe-initiated D'Anjou is sweeter, juicier and less grainy than a D'Anjou allowed to ripen on its own."

Stemilt plans to add two new pear-packing lines this summer and has had a pearconditioning program for five years. "Our retail customers want consistency," reports Pepperl. "With our ripening program, we can provide our customers pears with the same pressure week in and week out."

Experience

Exceptional

About 80 to 90 percent of consumers at Haggen, Inc., a Bellingham, WA-based chain with 33 stores, want ripe pears but don't know how to ripen them, according to Lee Reynolds, director of produce. "Bartletts are still the favorite, but consumers aren't even sure about the yellow color or how red a red pear variety should be. Ripeness of the Bosc is the hardest to tell, although it is perhaps one of the best varieties."

To help consumers tell when a pear is ripe, Diamond Fruit Growers, Inc., Hood River, OR, offers its customers the unique ripeSense packaging technology. "By placing

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967-9307 859-992-0003 Visit us at PMA Booth #269 Orlando, Florida Bill Olvey bolvey@sagefruit.com 321-277-6255 a ripeSense sensor inside the clamshell package, consumers can tell exactly how ripe a pear is and when it is ready to eat," explains Neil Galone, vice president of sales. "This is especially helpful with more subtle color-changing varieties, such as the D'Anjou. Many of our pears are still sold in bags and bulk, but the ripeSense clamshell is gaining in popularity."

Domex also uses ripeSense sensors in its packaging "to provide product knowledge that speaks to consumers," reports Nager.

Another approach to help assure consumer satisfaction is the CMI Pocket Pro card from Columbia Marketing International (CMI), Wenatchee, WA. "The 3-by-5-inch card, containing information about pear ripeness, is waterproof and fits into a retail clerk's pocket, notes Bob Mast, vice president of marketing. "One side has pear information and the other apple information."

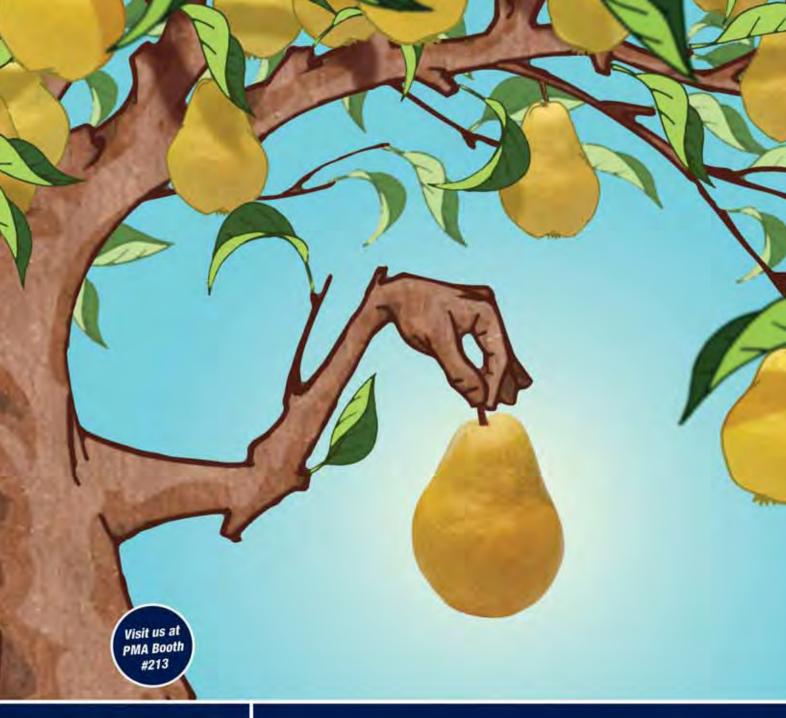
> "Packaging and merchandising pears is up to the retailers. We...customize supplies to fit their particular needs."

> > — Rob Peterson Duckwall Fruit

Rob Peterson, vice president, marketing and export, Duckwall Fruit, Hood River, OR, believes ripening programs are instrumental in moving more fruit. "Packaging and merchandising pears is up to the retailers. We work with our customers on handling and merchandising ideas and then customize supplies to fit their particular needs."

Some suppliers precondition Bartletts only. "We precondition the early Bartletts and have seen better movement and more repeat purchase orders for the pears," according to Larelle Miller, sales representative, All State Packers, Inc., Lodi, CA.

Bengard Marketing, Inc., a Kelseyville, CA-based fresh pear sales agent, uses CPAB to provide its retailer customers with pear ripening information. "Preconditioning pears at the packing house is done at customers' requests, which have been increasing," states Ron Gill, operations manager in the company's Dominguez Hills, CA, sales office. Bengard also handles Chilean and Argentinean





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pears, which are not preconditioned.

MERCHANDISE ORGANIC PEARS

Organic pear production has increased. Organic pears are more difficult to grow because fertilizer is needed to keep the tree healthy and conventional nitrates can't be used. After the three years it takes to gain certification, the size of organic pears tends to be smaller than the conventional pears. "There are dramatic changes in cultural techniques when producing organic pears," notes CPAB's Zanobini. "With the long growing season, pears are involved in three to four life cycles of pests, which complicates the growing of organic varieties."

"It's true we have encountered some problems in the production of organic pears, but due to sustainability and environmental movements, retailers have shown an increased interest in offering their consumers organics," states Gene Loudon, director of marketing, Dovex Fruit Company, Wenatchee, WA. "Currently, our company is marketing 60 percent of the pear crop as organic, with an additional 10 percent plus in transition. To continue building sales, it is a matter of educating consumers about purchasing organic pears. It's not just how to

Pears To Take Center Stage At Epcot

BY AMY SHANNON

SA Pears will be featured Sept. 26 to Nov. 9 at the 13th annual Epcot International Food & Wine Festival at the Walt Disney World Resort in Orlando, FL. The festival, which showcases cuisine from around the globe, will feature a fully interactive pear-themed country fair in the theme park's American Adventure pavilion.

Growers from Oregon and Washington

will serve as guides, teaching visitors

about USA Pears, which are favorites in

the United States and a key Northwest

Pacific export, according to Kevin Moffitt,

president and CEO, Pear Bureau North-

west (PBN), Milwaukie, OR. "The variety,

flavor, diversity and nutritional impor-

tance of pears will be presented in a way

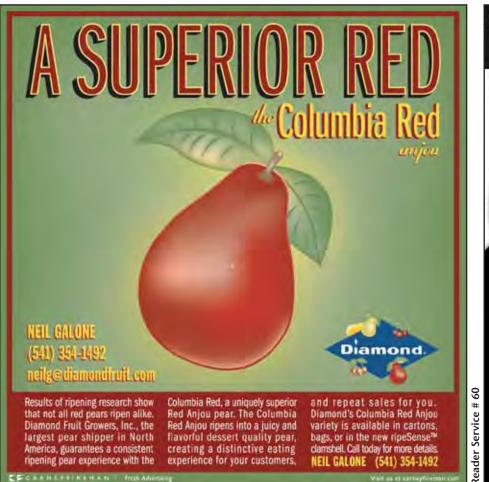
that is designed to engage and enlighten

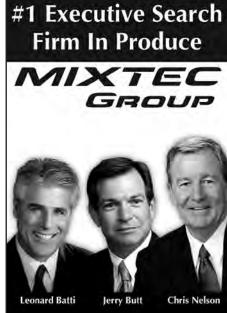


Photo courtesy of Pear Bureau Northwest

guests of all ages," he notes. "The Epcot International Food and Wine Festival is world renowned, and the famous Disney Imagineers certainly pulled out all the stops when they created Pearville."

The fair will also feature carnival-like games for the whole family, culinary demonstrations and educational activities. A kiosk will make fresh USA pears pb available for purchase.





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select and handle but why the organic fruit is important."

CF Fresh, Sedro-Woolley, WA, markets organic pears, with year-around supplies provided from California, Washington and Argentina. Matt Roberts, sales and marketing coordinator, sees potential for organics

Many pear varieties are available, offering retailers opportunities to vary displays throughout the year. Red Bartletts, Starkrimson, Red Anjou, Seckel, Forelle, Taylor's Gold, Packham and Asian pears can add to the appeal of displays.

with demand exceeding supplies. "From Argentina, during the spring, we market an Italian pear variety, the Abate Fetel. It has potential, especially in markets such a Whole Foods [Market, based in Austin, TX]."

OFFER MIX OF VARIETIES

The Bartlett is still the No. 1 pear preference of all consumers, according to Zanobini. "It is an excellent piece of fruit, but the industry continues to develop other pear varieties to tempt the consumer."

The Comice pear is one variety that has gained interest. "Taste testing is an excellent way to introduce a new variety," advises Luci Eisenhaure, commercial sales manager, Bear Creek Orchards, Inc., a Medford, ORbased division of Harry & David Operations, Inc., and wholly owned subsidiary of Shaklee Corp., Pleasanton, CA. "Whole Foods has conducted effective sampling programs and created a video for our Comice pears."

Another variety gaining popularity is the Bosc. "In-store demonstrations are a great way to increase pear awareness, and the Bosc pear seems to be a favorite choice for demos we've seen, with the demand continuing to grow," reports Denny Annen, president of sales and marketing, Borton & Sons, Inc., Yakima, WA.

"This fall, we will introduce a new pro-

Build Sales With Pear Promotions

BY BARBARA ROBINSON

Pear marketers have found certain types of promotions help build the category's sales. Running one retail ad a month from September through December and holding a "Pearorama" with four or five pear varieties on ad in the fall can be particularly effective, suggests Roger Pepperl, marketing director, Stemilt Growers, Inc., Wenatchee, WA.

"Our research shows merchandising Bartletts along with some of the tree fruits during the summer months can build pear sales without cannibalizing tree fruit sales," offers Carolyn Becker, marketing and national accounts manager, California Pear Advisory Board (CPAB), Sacramento. CA. "In September, merchandising Bartletts and one new-crop pear along with the traditional apple displays builds total sales."

Rainier Fruit Company, Selah, WA, provides retailers with customized POS materials and red PLU stickers for its preconditioned fruit. It also offers other informational materials, training seminars and tours of its ripening rooms.

Dennis E. Kihlstadius, consultant, Produce Technical Services, Bemidji, MN, recommends retailers send representatives to the 15th Annual Fruit Ripening & Ethylene Management Workshop, scheduled for April 28-28, 2009 at the University of California at Davis, Davis, CA. He also suggests holding supplier-provided seminars on pear ripening for produce and qualitycontrol personnel.

Promoting the nutritional benefits of pears and how to include them in an everyday diet can have a positive sales impact. "A challenge to the pear category is having adequate display space allocated on a consistent basis," explains Denny Annen, president of sales and marketing, Borton & Sons, Inc., Yakima, WA. "To help achieve this as an industry, we need to do a better job educating consumers on the health and nutritional benefits of consuming pears."

Columbia Marketing International (CMI), Wenatchee, WA, offers a multipurpose tote bag with nutritional information on pears and apples. It also includes an explanation of how to check the neck of pears for ripeness.

Whatever merchandising approach a retailer prefers, it is important to work closely with pear suppliers on pear ripening education. **pb**

motion with an eye-catching bag tied into the characters in the popular *Cars* movie," explains Mac Riggan, vice president marketing, Chelan Fresh Marketing, Chelan, WA. "Among the pears, the Bosc will be represented by Rusty Mater. We also have an attractive non-varietal tote bag that can be displayed anywhere in the store."

According to Diamond's Galone, the company recently planted the Concorde pear, a juicy and sweet variety. "It is a russeted pear that looks somewhat like a Bosc but has a smoother texture. Its volume is limited now, but as its popularity grows, so will the availability."

Many other pear varieties are available, offering retailers opportunities to vary displays throughout the year. Red Bartletts, Starkrimson, Red Anjou, Seckel, Forelle, Taylor's Gold, Packham and Asian pears can add to the appeal of displays.

Virginia Gold Orchard, Natural Bridge,

VA, produces certified organic Asian pears and finds interest not only in Asian communities but also among the general population, according to Paul Estabrook, an owner. Imports of the Korean pear, a larger version of the Asian pear, have been building steadily since its 1986 U.S. introduction.

"The Asian pear is in the market from September to April," reports HakSoo Kim, president, Korea Agro-Trade Center, Los Angeles, CA. "It is sweet, juicy and thinskinned with good color. While the primary markets are Asian, interest is growing steadily in Caucasian and Latino markets."

Melissa's/World Variety Produce, Inc., Los Angeles, CA, handles the promotion of the Korean pears in the United States. "They come in a nice box, with each pear protected with a sock, which provides an attractive display," notes Robert Schueller, director of public relations. "We offer merchandising materials for promotional help." **pb**

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Leafy Greens Holding Strong And Growing

Smart and innovative merchandising techniques help boost sales of this nutritious category.

BY LISA LIEBERMAN

hippers and growers are constantly revisiting the world of leafy greens to meet the growing and changing needs of consumers. In the past few years, shippers have come up with mini cabbages, different lines of Asianstyle salads, packaged collard, mustard and turnip greens, and new styles of convenience-oriented packaging. Even so, the category still has its fair share of challenges. The good news, though, is that overall consumption of leafy greens is on the rise.

"The most important thing that's happening now in leafy greens is romaine leaf lettuce," explains Ray Clark, president, Leafy Greens Council, St. Paul, MN. "In 2008, the per capita consumption of romaine lettuce is 15.3 pounds." It was 15.1 pounds in 2007, 15 pounds in 2006, and 8.4 pounds per person in 2000, he adds.

The growth in romaine could have something to do with the surge in the popularity of Caesar salads in the late 1990s as well as the prevalence of salad bars and packaged greens, which often have romaine lettuce as their main ingredient, Clark says.

Spinach is a different story. Before the September 2006 *E. coli* scare, per capita consumption was 2.5 pounds in 2005. In 2007 and 2008, consumption dropped to 2.0 pounds per person. "But if you look at 2000 by comparison, consumption was 1.4 pounds and in 1990 it was only 0.8 pounds," Clark points out. "If you look at the whole picture, we're doing pretty well since consumption just about doubled in the past five years."

Cabbage and head lettuce consumption has remained relatively stable, he notes. "The leafy greens category as a whole has not declined and has, in fact, had some good growth," reports Clark, who works with the council to promote leafy greens nationally



Consumption of lettuces and cooking greens continues to increase.

at elementary schools. This outreach appears to be having a positive effect on consumer buying habits.

Bruce Knobeloch, vice president of marketing, River Ranch Fresh Foods, LLC, Salinas, CA, also has seen increases in demand. "The general trend is that we're continuing to see growth in romaine and flat to slightly lower sales in iceberg," he explains.

Victor Wong, produce manager, Howie's Ranch Market, a single-store operation in San Gabriel, CA, says leafy greens are selling well. "The overall demand for leafy greens due to [food-contamination scares] hasn't changed. What's changed is that there seems to be more demand for packaged product rather than bulk product."

Although River Ranch offers bulk leafy greens, the majority of its product is in value-added packaging, Knobeloch notes. "We still do bulk products because there's still a percentage of consumers who have time to create their own salads. In the category of packaged salads, you're seeing a lot of different blends that have come into the marketplace, such as variations of romaine, baby lettuces and spring mixes. We're giving consumers a significant amount of choices."

According to Mitch Ardantz, vice president of sales and marketing, BoniPak Produce Co., Santa Maria, CA, aside from packaged items that go to foodservice customers, bulk items make up most of the company's business. "I think bulk items and packaged items go hand in hand. They each have their place in the market, so bulk items aren't going away."

It's possible some of the specialty lettuces that have been introduced into packaged salads over the past few years might find their ways into the bulk sections at retail.

BoniPak produces Lollo Biondo, a spe-

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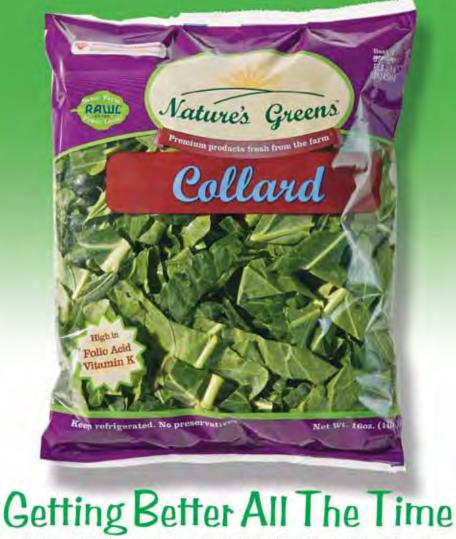
cialty green that normally goes into packaged salads for foodservice, Ardantz reports. "These specialty leafy greens have great textures, and hopefully we're going to be able to get some of our clientele to try them out in bulk."

SMART DISPLAYS

Creating attractive leafy-green displays is important whether they are bulk, packaged or both. "As an ongoing effort, we conduct research with our retail teams to better understand and maintain their leafy greens displays," explains Mishalin Modena, marketing manager, Growers Express, LLC, Salinas, CA. "It has helped maximize their quality and freshness of products to shoppers."

Jan Berk, vice president, sales and marketing, San Miguel Produce, Inc., Oxnard, CA, says bulk leafy, cooking greens make nice looking displays "given the large leaves and the many shades of green and colorful stalks when including chards.

"Simple signage that promotes the excellent health values of these dark leafy greens and simple preparation/cooking tips help to make greens more consumer friendly," Berk adds. "In a new market, it's ideal to position



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the packaged cooking greens near the bulk items to create the association with the bulk items or among the cooking vegetables in the display case to differentiate them from the salads."

Donna Bundrick Griffin, coordinator of marketing and promotions, Walter P. Rawl & Sons, Inc., Pelion, SC, suggests building an attractive display that incorporates an array of colorful packaged and bulk greens. "It can be eye-catching and draws consumers to your department. Just make sure both [packaged and bulk] are neat and organized."

Modena recommends merchandising bulk and packaged greens with other salad items so consumers can easily find them. "Departments can merchandise salad dressings, croutons and additional salad condiments near the lettuce to offer shoppers a convenient spot to grab everything they need to make a salad. Some produce departments have been very successful in using a promotional area dedicated to pulling together complete salad kits. One example was taco night, where [the department] displayed all the condiments in one spot to help promote usage ideas for consumers."

VALUE-ADDED AND SPECIALTY PRODUCT

New types of salads are appearing at retail and foodservice. Recently, River Ranch introduced some new salad kit bowls, that include combinations of lettuce and cabbage in plastic bowls, Asian citrus dressing and other salad-making ingredients. The bowls come in single-serving and family sizes. "Consumers can just take the bowls out of the refrigerator, mix up the salads, eat them and throw everything away without having anything to clean up," notes Knobeloch.

Right now, the salad bowl mixes are being marketed under private labels in retail stores in the Northeast and Southwest, he adds. "These products aren't nationally marketed yet, but if all goes well, we'll be branching out. Every so often, the category goes through waves of new items and it seems we've been going through a lot of new items in a relatively short period of time."

Rawl recently introduced Nature's Greens value-added leafy green products. "They're packaged, washed, cut and ready for consumers," explains Griffin. "All they have to do is cut and open the package." In 2007, the Dallas, TX-based American Heart Association (AHA) certified Nature's Greens collards with its heart check mark as a heart-healthful food low in saturated fat and cholesterol.

Fast-food restaurants are also trying to offer more healthful items. According to Janet Erickson, executive vice president of purchasing and quality assurance, Del Taco Restau-

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rants, Inc., Lake Forest, CA, the chain has been offering salads with a combination of iceberg and romaine lettuces for the past two years. When Del Taco promotes the salads with POP materials, the salads sell especially well. "When we don't promote the salads, though, sales aren't as good," she says. "We're starting to explore the possibility of adding two or three different salads to our menu to draw more attention to the category."

People in other areas of foodservice are seeking more choices. Ande Manos, sales and marketing, Babé Farms, Inc., Santa Maria, CA, notes more demand for specialty leafy greens from chefs at white-tablecloth restaurants. "Chefs like to create their own salads fresh and try new and different things. They want to serve something other than the spring mixes people see at retail stores every day. That's why baby head lettuces are so popular."

Babé Farms has seen an especially large increase in demand of baby head lettuces during the past five years, Manos says. They are popular because of their size and tender, sweet, mild flavors that appeal to consumers and chefs looking for something different.

Recently they're showing up at specialty stores, such as Trader Joe's, a Monrovia, CAbased chain with 301 stores, Manos says. "The general public is always looking for something different to try out. I always say that's because the food networks on TV and high-end specialty retail stores, such as Whole Foods [Market, based in Austin, TX] give people different ideas about food."

NEW NICHE

Glory Foods, Inc., Columbus OH, which has long been identified with canned foods, has also tapped into the public's demand for new types of leafy greens. "We thought we'd have a good opportunity moving into the fresh greens category," explains Dino Allen, director of produce and sales.

Glory currently sells greens under its own label in states east of Texas. It's goal is to continue expanding west. Although packaged greens are a relatively new arrival to the category, Allen sees a big future for them. "There have been all these trends in healthful eating and people changing their eating habits. Greens are becoming popular because they're high in vitamins."

The convenience factor is also a draw, he adds. "My mother and grandmother used to get bunched greens and fix them from scratch. It would be an hour-and-a-half process for them to pick, clean, soak and wash them. These days, people can cook them with a lot less trouble."

The Val Verde Vegetable Co., Inc., McAllen, TX, has also been doing well with

Mini Cabbages

ini cabbages could be hitting the marketplace soon. John B. Martin & Sons Farms, Inc., Brockport, NY, has planted about 20 acres of a new 1- to 2-pound cabbage that should be available at some retail stores later this fall, according to David Martin, president. "The market for standard-sized cabbage is pretty much flooded now. This is something we haven't seen being done except for certain areas of the West Coast."

Martin expects to sell limited supplies of pre-packaged mini cabbages to select East Coast retail stores in September. "For households with three to four people, it's easy to use whole heads of cabbage, but there are a lot of 2-person households out there. It's a lot easier if they can just take home a small head of cabbage, use it up and then buy more when they need it."

Mini cabbages could boost the whole cabbage category, Martin says. "It's a lot more convenient for consumers if they choose from different sized packages."

With the economy slowing down, more consumers will be cooking more at home rather than eating out, Martin says. Mini cabbages will make it much easier to put together meals at home without having a lot of leftovers to deal with.

Another advantage of mini cabbages is the taste. "We're hearing that these mini cabbages tend to taste a little sweeter than full heads of cabbage," he adds.

This is his first year growing the mini cabbages, so he's not sure what the cultural challenges will be. "These are special varieties of cabbage and they're bred to be small, so there are going to be certain challenges with them, like closer spacing and tremendously more plants per acre than you would normally have with a conventional type of cabbage," he adds.

The mini cabbages will also be more labor intensive, so input costs will be higher than with standard sizes. Retail prices will probably be higher and mini cabbages will probably be sold by the head rather than by the pound. "We won't know until September how well the market will receive the product," Martin notes. "We'll just have to wait and see." pb

packaged greens, reports Israel Canache, sales representative.

CABBAGE PRODUCTS

Glory recently added cut cabbage cut in the same dimensions as the greens to its product mix. "We've been doing this for only the past year-and-a-half and we have limited distribution in the Northeast and in the South," Allen says. "It's very convenient for people who just want to make a quick meal with some cabbage and sausage or cabbage and corn bread."

Glory has found a niche to add value to the product. This could be important in the future since many shippers say a flat consumer demand could make it harder for cabbage shippers to make a profit at retail.

According to Dave Miedema, president of Elmer Miedema & Sons, Inc., Byron, MI, mainstream consumer demand for whole head cabbages has decreased since packaged shredded cabbage has been available. Fortunately, the growing Asian population has kept demand for cabbage relatively stable.

Consumers are demanding more for their money, however, even in bulk products. "People want more value-added packaging such as overwrapping, but they don't always want to pay for it," Miedema notes. "Our costs have been escalating and everyone's trying to keep costs down, but the fact is retail prices are going up."

He says the company "used to move a lot of volume" with 2-for-\$1 cabbage promotions. "In the last three or four years. though, people have begun buying cabbages by the pound. This can be hard for people when they get to the checkout stand and find they're paying \$5 for a cabbage."

Tim Greene, president, Hollar & Green Produce, Co., Inc., Boone, NC, agrees selling cabbage is a challenge. "Other leafy greens seem to be on a faster growth rate than cabbage, but red, organic and wrapped cabbage are some of our fastest growing products in that category."

Less than 5 percent of the company's product is packaged, Greene says. "And by packaged, I mean shrink wrapped." Shrinkwrapped product gives the company the opportunity to print recipes on the packaging, giving consumers more ideas about what to do with the product. Hollar & Greene isn't currently doing any value-added product that requires processing, he adds, "but in the future, if trends [continue] the way they are now, we may start doing some microwavable packaging for conventional and organic cabbage, although we're unsure of how the microwave and the green movement will work together." pb

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Foodservice Distribution Faces New Challenges And Opportunities

Foodservice companies must find solutions to overcoming cost issues and other distribution obstacles.

BY JACQUELINE ROSS LIEBERMAN

ore companies are handling every aspect of foodservice distribution from contracting growers to hiring drivers who deliver produce to a restaurant's door. "We manage the entire supply chain — we've got the food, we've got the transportation," explains Jim Lemke, vice president, C.H. Robinson Worldwide, Inc., headquartered in Eden Prairie, MN, one of the world's largest transportation and logistics companies.

With foodservice distributors in New York and New Jersey, Performance Food Group-AFI Foodservice (PFG-AFI), Elizabeth, NJ, is one of the country's leading foodservice distribution companies. "We actually buy directly from the farms and fields," reports Ed Carpenito, produce manager. "They grow for us."

Whether a company holds several links in the food-supply chain or just one, each link is increasingly important to everyone. "We're looking for more partnership from everyone in the industry," states Rich Dachman, vice president of produce, Sysco Corp., headquartered in Houston, TX, who also manages produce procurement for all of Sysco and its wholly owned subsidiary, FreshPoint, which specializes in the distribution of fresh produce. "In order to survive, we all have to help each other."

The price inflation the industry is experiencing puts margin pressure on everyone in the distribution chain. No one wants to accept a price increase but the reality is that



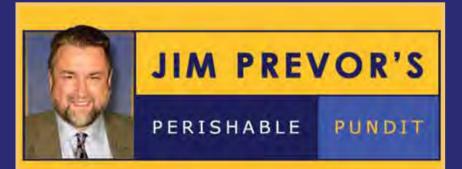
Foodservice distribution facilities are designed for efficiency.

it has to be shared since the entire increase cannot be passed on to our customer, explains Dachman. Meanwhile, "We're getting a lot of cost-increase requests coming from our suppliers."

"Fuel's the biggest driver. As fuel goes up, the cost of everything goes up," Lemke adds.

Mary Wright-Raina, marketing manager, Pro*Act, LLC, Monterey, CA, agrees, adding, "The majority of challenges right now involves the costs associated with procuring and distributing, including labor, fuel and increasing commodity prices. All of those add up and somebody has to absorb it." For Baldor Specialty Foods, Inc., a Bronx, NY-based company that offers foodservice delivery in the Northeast, one of the biggest expenses can be "getting product from the West Coast to the East Coast," according to Michael Muzyk, president. "[After that comes] the ever-increasing costs for my trucks to deliver." He sees the challenge as continuing to offer great service and great prices to Baldor customers.

Restaurants win out when distribution companies "duke it out" to stay on top in this competitive market, explains Carpenito. "Everybody has the same costs. Everybody



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In order to help reduce costs in the distribution chain, "We all need to find ways to be more efficient," states Sysco's Dachman. FreshPoint has implemented several initiatives to reduce fuel consumption, including governors on its fleet to hold maximum speeds below 60 miles per hour and limits on idle time. "We're asking customers to take fewer deliveries and shift delivery schedules to accept night and key drops," he adds. "We're also asking our suppliers to process orders electronically to eliminate manual processes wherever possible."

For the past several years, the desire for the freshest product possible has had restaurants asking for several produce deliveries each week. "They want product delivered more often with fewer cases per order, which means an increase in costs," notes C.H. Robinson's Lemke. But, during the past six months, the trend has moved back toward requests for fewer deliveries in order to save money.

Large companies, such as C.H. Robinson, provide the trucking companies they hire with bulk discounts at some gas stations along their routes, saving them a few pen-

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nies per gallon.

All these steps are making trucking a little more cost effective than it has been in the past. However, rail is a cheaper option than transporting by truck. Baldor's new facility in New York recently began utilizing a rail line that has sat unused by the nearby Hunts Point Terminal Produce Market, Bronx, NY, for years.

In the future, PFG-AFI will begin receiving some of its produce by rail. Carpenito says this could save him and his customers money, but rail is not ideal for every product. It may be more cost effective, but rail has a reputation for being both inconsistent and unreliable.

"We're trying to convert or transition, when it makes sense, from transportation on the roads to rail," says Lemke. "For hardy items, it works well." In the future, trains may become an option for more time-sensitive perishables. "We're working on that," he adds. "There are a few companies out there working on some fast trains."

Carpenito is wary of pinning too much hope on rail. "You're going to see rail pricing going up - just like everything else. You also have to pay someone to go and unload the trailer." If a company does not have rail service to its door - PFG-AFI does not the product must still be trucked from the rail yard to the warehouse. And, he notes, "Boats are the same way."

EFFICIENCY AT ALL ENDS

FreshPoint works with customers to cut their costs. "It's a new day," explains Sysco's Dachman. "We're all in this together. We all have to share in these cost increases. We do everything we can to help our customers," including recommending less expensive food items for their kitchens. "There are different grades that are available. We may recommend using choice pepper instead of a large pepper, that sort of thing."

FreshPoint also educates restaurant operators about how to get the most out of their produce. "Are they cutting the product properly?" Dachman asks. "Are they using 100 percent of it? Are they putting product away right away to avoid spoilage?"

At PFG-AFI, "It's all done with pre-cut and contracting the product," reports Carpenito. This works for independent restaurants as well as chains when they buy from PFG-AFI because it buys direct from the grower for all of its customers. By buying direct instead of from a wholesaler, "You're not always going to get the cheapest, but you will win in the long run."

And although pre-cut produce has been processed, it can be a better buy. "Pre-cut doesn't have to be perfect in appearance,"

Local Produce Gains Popularity

ocally grown produce has received plenty of attention from the media, consumers and the entire produce industry. "Today they're really beating the drum of local food," claims Michael Muzyk, president, Baldor Specialty Foods, Inc., Bronx, NY.

Some restaurants offer produce from the farm down the road. "We have a huge *Jersey Fresh* program here," reports Ed Carpenito, produce manager, Performance Food Group-AFI Foodservice (PFG-AFI), Elizabeth, NJ, which has a contract with a local farmer.

"Consumers are focused toward helping the farmer down the street," points out Jim Lemke, vice president, C.H. Robinson Worldwide, Inc., based in Eden Prairie, MN. "It's this emotional sense. They have confidence in that person. That local product just feels better to them."

While serving local produce gives consumers the warm, fuzzy feeling associated with supporting local agriculture and reducing their carbon footprint, restaurants have other incentives for using local product. "It certainly reduces the cost of freight," accord-

ocally grown produce has received ing to Muzyk. And, depending on the region, plenty of attention from the media, local produce can be several days fresher consumers and the entire produce than produce shipped from afar.

But local produce has its downside, too. "The window of opportunity to harvest is much smaller here [in New York]," explains Muzyk. Still, Many growers with farms elsewhere are beginning to grow in the Northeast. Muzyk is proud that Baldor is selling some of the first Foxy Lettuce to be grown in New York. Foxy is the brand name of The Nunes Co., based in Salinas, CA. He hopes that by working with local growers, Baldor and other companies like it can help strengthen the local infrastructure.

During the winter months when some areas of the country are unable to continue growing outside of hothouses, companies such as Sysco, based in Houston, TX, are looking at the next closest region. "We're hearing more and more about finding product closer to where we're delivering," states Rich Dachman, vice president of produce. "Mexico is growing products now that they traditionally did not," such as lettuces, to be delivered to the West Coast. "We are trying to look at our product mix and ship, where we can, regional product rather than ship from across the country," notes Lemke. "That is a fast-growing section of our business. The growing areas and the seasons are a tricky part of it and weather is a factor."

For chain-restaurant operations, buying from several regions can present new challenges, as well. Despite the need for consistent product from market to market, Carpenito finds chain restaurants are able to use locally grown produce. "They understand the growing regions, just like us, and they know in advance where the product is coming from." Oftentimes, restaurants will lock in delivery from a specific region for a 3month growing period.

The other challenge is simply promoting the local produce a restaurant is using. While many independent restaurants are known for their "farm stand" fruits and vegetables, chain restaurants often under-advertise this asset. Some experts say this is a mistake. With a little promotion, local produce could turn into a big draw. **pb**

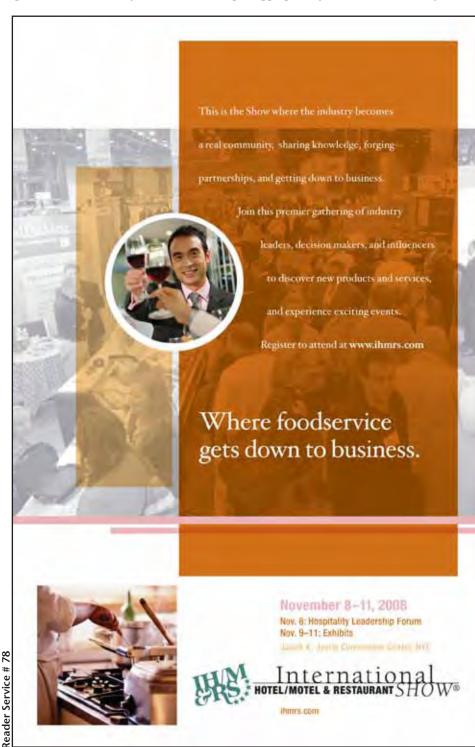


PFG-AFI's Carpenito maintains. "Therefore you get a better price." Pre-cut produce is also often shipped in reusable bins that take up less space on trucks than boxes of unprocessed produce.

"We're seeing things such as better recording technology" that helps C.H. Robinson and its customers run more efficiently, states Lemke. But while its customers used to rely on the company to look at all of the little costs and give them one big price tag — "bundled," Lemke calls it — today many are asking to see every detail. To simplify the process, "We're offering online tools to help them do that. It's going away from a manual and paper scenario. Now they can do a good deal of that online and it's all automated."

FOOD-SAFETY CONCERNS RUN HIGH

"Customers are very aware of food safety," explains Sysco's Dachman. "Our customers obviously expect us to do everything we can to keep them safe." Sysco uses the services of Primus Labs, a Santa Maria, CAbased food-safety service provider, to help ensure food safety and insists that all of its appropriate growers follow Good Agricultur-



al Practices [GAP].

"We work with Primus as a gathering site for us," notes Dachman. "Our vendors selling us what are defined as ready-to-eat foods have to register on our Web site and have to download [Primus'] third-party audits."

According to Wright-Raina, Pro*Act has a food-safety scientist and director on staff. "Food safety is very important to us. If you don't have safe food, it doesn't matter what your costs are. This is why direct and open communication with our customers is such a critical factor in this business."

Lemke also stresses the importance of good food-safety procedures during transportation. "We strive to have the safest and most secure supply chain," he says.

"Everything has changed so much since pre-cut came out," according to Carpenito. "Even the trucks have changed. Now they have 3-compartment trucks — each compartment with a different temperature." The temperatures in the trucks are recorded during the trip so PFG-AFI can inspect them upon arrival.

For Carpenito, buying direct from growers has food-safety advantages. "We can tell [customers] when [an item] was grown and when it was packed," he explains. PFG-AFI also has more control over how product is packed and can pack it under its private label, West Creek. "They have to be able to trace back everything to where it's grown before we can buy from them. They have to have all of their paperwork in order all the way up and down."

Traceability is a priority for all reputable foodservice distribution companies. "Customers all want more visibility in their supply chain," adds Lemke. In addition to thirdparty audits, "We're working on new trackand-trace methods."

However, more food-safety procedures necessitate more expense. "All of these costs have increased as food-safety concerns have increased," says Lemke.

"Everything you do adds in to the cost of product," agrees Carpenito.

Lemke believes the industry's best bet is to work together to create and maintain standards that will allow everyone to avoid and, when necessary, contain outbreaks.

More than at any time in the past, everyone is aware that any food scare affects everyone from the restaurants themselves all the way to growers, even when they may have had nothing to do with the affected produce. In the wake of this past summer's tomato advisory, "No one was at fault, but everyone was affected," states Dachman. "I was really very proud of the industry. Everyone realized that we all need to work together on this." **pb**

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The most important tip – Try it out!

Selling More Pistachios

Healthful snack offers retailers promising opportunities to build profits.

BY FRITZ ESKER

istachios are becoming more popular as consumers discover their health benefits. Retailers are looking for ways to further boost sales by educating consumers and capitalizing on the positive press that pistachios are garnering.

In July 2003, the U.S. Food and Drug Administration (FDA) released a study stating most nuts, including pistachios, may reduce the risk of heart disease when consumed as part of a low-fat, low-cholesterol diet. The study's findings provided a tremendous boost to the pistachio industry. "Consumers now have a very positive view of the nutrition pistachios contain," reports Richard Matoian, executive director of the

Western Pistachio Association, Fresno, CA.

This helped change the public's perception of the nut's health value, which was previously somewhat unfavorable. "People used to think [pistachios] were fattening," explains Mia Cohen, chief operating officer, Setton Pistachio of Terra Bella, Inc., based in Commack, NY.

While there is fat in pistachios, nearly 90 percent of it is considered good fat. A moderate

intake of monosaturated fat — the type found in pistachios — is more effective in preventing heart disease than is reducing overall fat intake. Aside from its hearthealthful attributes, pistachios also provide a number of other health benefits. A 1ounce serving of pistachios contains more dietary fiber than a half cup of broccoli or spinach. A single, 1-ounce serving of pistachios has as much potassium as half a large banana. Pistachios are also high in phytosterols, which lower cholesterol levels.

Dominic Engels, vice president of marketing, Paramount Farms, Inc., Bakersfield, CA, says the pistachio is the only nut that contains significant amounts of lutein and zeaxanthin, two antioxidants associated with reducing the risk for macular degeneration, the leading cause of blindness in Americans over the age of 65.





Promoting pistachios during sporting events increases impulse purchases.

pistachios were shipped domestically, according to Matoian. In October, the number climbed to 13 million, then dipped back to 11 million in November. The December total reached almost 15 million before slightly dropping to 13 million for January.

Along with Thanksgiving and Christmas, Super Bowl Sunday also presents a good opportunity to increase sales. Keenan Farms, Inc., Avenal, CA, sells the greatest number of pistachios before Super Bowl Sunday.

YEAR-ROUND POPULARITY

While pistachio sales increase during the winter holiday season, the nut sells well throughout the year. "We see an increase during the fourth quarter of the year, but we have found our retailers are now promoting pistachios year-round," notes Milt Castro, sales manager, Nichols Farms, Hanford, CA.

In September 2007, 9 million pounds of

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"This event is the biggest snacking/eating and social gathering sports event of the year," states Robert Keenan, president.

PACKAGED VERSUS BULK

Experts offer differing schools of thought on the best way to sell pistachios. Some believe packaging pistachios helps keep the nuts fresh. Jeff Prusak, director of purchasing, Aurora Products, based in Stratford, CT, prefers packaging over bulk. About 99 percent of the nuts Aurora sells are packaged.

"I like to see pistachios in packages due to the fact that they are hygroscopic - moisture from the air will absorb into the pistachios, causing them to become stale-tasting rather quickly, especially in a high moisture area of the produce department," according to Teresa Keenan, marketing manager of Keenan Farms.

However, it doesn't have to be one or the other. "Consumers require different ways of buying pistachios," notes Cohen. "While packaging aids freshness, bulk gives the straight-from-the farm look and feel."

"Bulk is a traditional display mechanism for nuts," reports Matoian, although he does concede that some people have food-safety concerns about bulk because it is easier for someone to tamper with them than with

packaged foods.

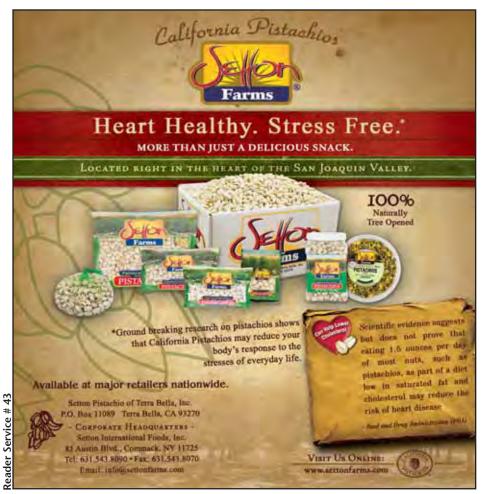
INCREASING SALES

Although sales of pistachios are on the rise, consumers don't typically go to the supermarket looking to purchase them. "Pistachios remain an impulse purchase yearround," explains Paramount's Engels.

Retailers can increase sales by capitalizing on the pistachio's popularity as an impulse product. "You don't want to let it sit by itself," notes Aurora's Prusak. "You want to put it with other items such as cranberries, almonds or trail mix." By doing this, a consumer looking for cranberries might see pistachios and decide to buy them as well. "You walk in for one [item] and you walk out with three."

Pistachios benefit from attractive graphics on the packaging along with strategic positioning and placement within the department. It's also important to promote different uses for pistachios, Setton's Cohen explains. While stressing pistachio's hearthealthful attributes, retailers and merchandisers should remind customers they are "more than just a garnish on a salad" and can be used in savory dishes and for baking, she recommends.

The pistachio industry is rapidly expand-



Success In E.U. Market

merican pistachio farmers are seeing an upswing in exports. According to Richard Matoian, executive director of the Western Pistachio Association, Fresno, CA, exports typically account for 40 percent of pistachio production, but this year, exports will account for approximately 70 percent of production.

"Inevitably, the price of pistachios will go up in order to maintain a balanced, vear-round supply for the good of our customers and consumers," explains Dominic Engels, vice president of marketing, Paramount Farms, Inc., Bakersfield, CA.

Matoian gives two major reasons for the shift. First, "The weak dollar makes pricing of American-grown pistachios in the world marketplace attractive."

The second reason involves Iran, America's main competitor in the E.U. pistachio markets. Iranian pistachios have had problems with aflatoxins, a mycotoxin produced by many species of the aspergillus fungus. Aflatoxins are highly carcinogenic. "The European Union rejects Iranian pistachios because of this," explains Matoian. "And it's not a concern with American product. Our product is viewed as a cleaner, safer product in the European Union."

Additionally, "Forty to 60 percent of the Iranian crop was affected by a recent frost, further limiting the country's pistachio export capabilities," says Engels. pb

ing. Nichols' Castro, expects the number of new plantings to double in size in the next 10 years.

Western Pistachio's Matoian notes there are currently 115,000 pistachio-bearing acres in California. In the next five to seven years, that number will substantially increase to approximately 177,000 acres. There are currently 177,000 acres in the ground, but it takes five years to reach bearing capacity. "The challenge is how to market an even larger crop and find opportunities to increase sales," he adds.

As evidence of pistachios' increasing popularity, Engels points to Bravo's TV show Top Chef. The winning recipe from this year's season finale featured braised pistachios. "We believe the industry is poised for continued strong growth." pb

FLORAL WATCH

Sustainability Success Stories

ESMERALDA FARMS RECEIVES VERIFLORA CERTIFICATION

Esmeralda Farms, one of the largest importers of cut flowers to the United States, received Oakland, CA-based VeriFlora certification for its 620-acre, 8-farm Hilsea group in Ecuador. Scientific Certification Systems (SCS), Emeryville, CA, evaluated the importer's environmental, social and quality management practices in order to be certified and determined that the importer met exceptional standards of excellence. *Reader Service No. 330*

METROLINA GREENHOUSES RECEIVES VERIFLORA CERTIFICATION

Metrolina Greenhouses Inc., Huntersville, NC, creator of the largest single-sited greenhouse in the United States, received certification under the VeriFlora Certified Sustainably Grown eco-label. Spanning nearly 130 acres, the temperature-controlled facility prevents wasteful consumption and operates under careful water and energy controls. Social responsibility efforts include tying salaries to a living wage well above minimum federal levels. *Reader Service No. 331*

BIOWORKS RECEIVES VERIFLORA CERTIFICATION

BioWorks, Inc., Victor, NY, became the first company to achieve approval of products and input materials that support sustainable production practices under the VeriFlora certification program. The first approved product, RootShield Granules, is a beneficial fungus that provides season-long control of root diseases. Scientific Certification Systems (SCS), Emeryville, CA, expanded the VeriFlora program to include Approved Material Manufacturers. *Reader Service No. 332*

SUSTAINABLE AGRICULTURE STANDARDS COMMITTEE FORMED

Society of American Florists, Alexandria, VA, announces the formation of the committee that will set the country's first national standards for sustainable agriculture. Six of the committee's 58 members are from the floral industry. Representing the ornamental horticulture industry are Hans Brand of B & H Flowers, Carpinteria, CA; Jim Barrett of the Environmental Horticulture Department at the University of Florida, Gainesville, FL; Will Healy of Ball Horticultural Company, West Chicago, IL; Stan Pohmer of Pohmer Consulting Group, Minnetonka, MN; Tom Leckman of Sierra Flower Trading, Montreal, QC, Canada; and Juan Carlos Isaza of Asocolflores, Bogota, Colombia. The Standards Committee will have the final say on the Draft National Standard for Sustainable Agriculture Production, which, once accepted by the American National Standards Institute (ANSI), would certify a company's products as sustainable. The national standard is set to be released in 2010.

WIND-POWERED CARDS

Landscapes Within, Inc., Boulder, CO, offers a greeting and enclosure card line printed in the United States on glossy recycled paper. The New Leaf paper is 50 percent post-consumer, chlorine-free and manufactured with wind energy. The offices are 100 percent powered by wind-generated electricity. Donations from card purchases go toward Alzheimer' s research. For the past two years, the company has supported an Alzheimer' s research team at the New York-Presbyterian Hospital/Weill Cornell Medical Center in New York, NY. Reader Service No. 334

Organic And Biodegradable Materials

DOT Pots, Inc., Arcadia, FL, introduces the world' s only organic biodegradable grow pot listed by Eugene, OR-based Organic Materials Review Institute (OMRI). The self-starting pots are ideal for growing flowers, herbs and vegetables from seed and are made from 80 percent wood fiber and 20 percent peat moss. No glues are used in binding.

Reader Service No. 335









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@phoenixmdeianet.com

producebusiness Q & A

Questions For Gerald Prolman

erald Prolman is an eco-entrepreneur, an industry pioneer with vast experience in natural and organic products trade. For the past 30 years, he has taken risks and thrived on discovering and promoting solutions. Largely credited for having established the U.S. market for sustainably grown flowers, Prolman was the inspiration behind the establishment of VeriFlora, America's first sustainable floral certification program. He also has been instrumental in creating global awareness for the need for sustainably grown flowers.

Prolman was president and co-founder of Made In Nature, the first company to successfully introduce a line of branded organic produce to U.S. supermarkets. In 1994, Prolman sold Made In Nature to Dole Food Company, Inc., Westlake Village, CA.

Today, Prolman is CEO of San Rafael, CA-based Organic Bouquet, Inc., the world's first online organic florist, founded in 2001 and of Eco Flowers Farm Direct, its wholesale business unit.

Q. Why should we consider organic flowers?

A. People initially gravitated to organic products for personal health concerns over pesticide residues in their foods. Organic is an environmental-farming method. Food is just the by-product of the method. Organic is about protection of the earth, so it doesn't matter whether it's food, cotton or flowers.

Q. Why are flowers an environmental issue?

A. Flowers are typically grown with an artillery of synthetic fertilizers, insecticides, fungicides, nematocides and plant-growth regulators. The use of strong chemicals can negatively effect the environment, the farm workers who handle the flowers, the wildlife and the ecology.

Q. What's driving the demand? How is it reshaping attitudes and corporate behavior?

A. Awareness of the environment is at an all-time high. Increasing numbers of people today are making values-based purchasing decisions. They want to know how farm workers are treated and they want assurance the earth was not contaminated in the process.

It's clear to many that the earth and its inhabitants are in serious jeopardy. Basic survival instincts are driving a massive shift in corporate behavior. Consumers are responding by making purchasing choices to support businesses that practice responsible commerce.

Young people especially are no longer willing to tolerate old-school marketing spin, senseless consumption and reckless production of goods. Businesses that offer responsibly produced goods and are transparent about their sourcing will win support from this new breed of consumers.

Q. What's the current trend for organic and certified sustainably grown flowers?

A. Organic flowers are following the same trend organic produce did in the early 1990s. We're moving toward an inevitable tipping point and will soon see a complete transformation of our industry, where buyers will source flowers only from farms using sustainable practices.

Q. What's the reaction from growers?

A. Growers have been receptive to initiating organic production since agrichemicals are continuously being banned, energy and labor costs are increasing and global competition is fierce. There's an oversupply market situation. Organic production means new growth for the floral industry, especially as consumer awareness of social and environmental issues relating to floral production rises.

More growers will respond once they see a green light from visionary retail buyers who are environmentally committed. The inherent demand in step with increasing supplies will drive a complete shift in how flowers are bought and sold.

Q. How difficult is it to grow beautiful flowers without using pesticides?

A. It's not easy to grow flowers organically, but there are viable and available alternatives. It boils down to economics, experience and support from the marketplace. It's market driven — growers are the most resourceful people I know. To the extent the market demands sustainable practices, growers will respond. Consumers would prefer to buy eco-certified flowers if they are made available.

Q. What are some of the obstacles to addressing social and environmental concerns while simultaneously achieving favorable bottom-line results?

A. Social and environmental commitment doesn't always lend itself to being competitive on costs. Price-driven companies are motivated to cut costs, which sometimes, unintentionally, down the supply chain, contributes to exploitation of the earth and the people who produce the products. The natural tendency is to save

money where you can, but the challenge is to refuse to buy cheaper when cheaper means people or the environment are compromised.

Surprisingly, there are not always laws or adequate checks and balances to assure products are ethically produced. Consumers reasonably expect retailers are doing this and become highly disappointed when they learn otherwise. In the past decade, billions of retail dollars have migrated to progressive retailers who are in tune with this concept. More than ever, businesses have to stand up for what's right, not what's cheaper.

Q. What's your goal for the fresh-cut flower trade?

A. Mission accomplished is the day when there is no tolerance for any agricultural product that isn't responsibly grown and harvested. We quickly want to see organic supplies increase and the market support its growth. This will benefit farm workers, farm owners, retailers and consumers. **pb**

Certified Programs Gaining Floral Fans

Retailers attract socially responsible consumers with certified cut flowers.

BY JON VANZILE

rowers and retailers are embracing certification programs designed to ensure consumers that their flowers are grown responsibly.

Certification programs usually focus on environmental issues, such as sustainability, or social issues, such as working conditions on the farms in developing countries. "We wanted to offer more sustainable or environmentally friendly product," explains Debbie Zoellick, floral buyer for Sam's Club, a 713store membership chain owned by Wal-Mart Stores, Inc., based in Bentonville, AR. She says this is why Sam's, which both wholesales and retails flowers, began to demand certification from its suppliers.

Several competing certification programs exist today. The most recognizable is Fair Trade Certification, granted in this country by TransFair USA, Oakland, CA. Fair Trade made its name promoting socially responsible coffee. Its products include chocolate and fresh-cut flowers. October is Fair Trade month, so many retailers establish integrated displays featuring Fair Trade products from throughout the store.

One of the interesting things about the push for certified flowers is its source: domestic retailers and overseas buyers. It's fair to say that most domestic consumers know very little or nothing about sustainability in cut flowers — even though studies have shown a consumer preference for environmentally responsible products.

Retailers in the United States are walking in the shadow of the European marketplace or benefiting from existing programs in Latin America. It's not uncommon for a floral buyer to begin researching certified flowers, only to find out that most suppliers already hold at least one certification.

European buyers regularly demand cut

flowers hold Fair Trade Certification, so any supplier who sells into the European market probably already holds at least Fair Trade. World Flowers, LLC, Englewood, NJ, is a perfect example, says Joseph Farrell, president. World Flowers serves as the U.S. arm of Oserian Flowers, a Naivasha, Kenya-based farm that sells millions of stems every week in Europe and supplies African roses to the U.S. market. World Flowers recently moved from its office in the United Kingdom to the United States, after the market opened up for Fair Trade roses.

Some vendors in Latin America began demanding certification from the New York, NY-based Rainforest Alliance, reports Carolina Gonzalez, marketing coordinator, Floral Sense, LLC, Miami, FL. "It was becoming critical for many of our vendors and it extrapolated to the United States," she explains. Floral Sense is the marketing arm for farms in Costa Rica that grow flowers and tropical-cut foliage for arrangements.

Another certification, VeriFlora, Oakland, CA, encourages growers to use organic practices and sets targets for greenhouse gases and fair labor practices.

"Before we started looking into farms and their certifications, we discovered most of our farms already had one or more of these," Zoellick explains. "Good farms want to take care of their people and the earth."

Debbie Loche, floral buyer, Roche Bros. Supermarkets, Inc., a Wellesley, MA-based chain with 18 stores, spent more than a year researching certification programs before settling on Fair Trade flowers. "We wanted to develop a program that went along with our company philosophy to buy consciously and locally. The Fair Trade program is a natural for our supermarket because there are so many other products in the store that are already Fair Trade. Consumers recognize the



Educating consumers about certified cut flowers is key to their success.

label," she explains.

Certified flowers currently represent less than 1 percent of overall floral sales at Roche Bros., Loche points out. "It wasn't an overwhelming response at first, but in some towns, I've gotten write-ups in local papers and there's a grassroots movement forming. I'm definitely looking to build on it."

At Sam's Club, buyers demand certification, "So at this point, all farms are either certified or are in the process of being certified," Zoellick reports.

CONSUMER EDUCATION

Consumers are the missing piece of the puzzle when it comes to certified flowers. They aren't demanding certified flowers — not because they don't support them, but because very few consumers know they exist. "I've had literally no demand from consumers, but they don't know what's available," Loche of Roche Bros. notes.

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The lack of demand is problematic because consumers haven't shown a willingness to pay a premium for certified flowers. This matters because, in the case of Fair Trade, for example, there is a 12 percent surcharge attached to the product. Rainforest Alliance products are also marked up — usually about 10 percent.

This presents a challenge to retailers. "We don't want our consumers to have to choose between an environmentally friendly product and one they can afford, so it's important we manage costs," Sam's Zoellick notes.

Roche Bros. carefully stocks its shelves so certified products do not compete directly with non-certified and less expensive products. Loche buys only Fair Trade intermediate roses and stocks them separately from non-Fair Trade large roses.

Most retailers and growers view this as an education challenge. A 2007 study by Information Resources, Inc. (IRI), Chicago, IL, found 89 percent of consumers were interested in eco-friendly products and 30 percent actively sought them out. The trick is converting this sentiment into bottom-line sales.

The various certification programs have approached this education challenge in different ways. The most successful appears to be Fair Trade. "They promote heavily," Loche explains. "They have great POS materials and supply everything. They provide posters, cards and stickers on packages. [Our Fair Trade grower] came up twice to meet with my management and give handouts."

This aggressive effort is possible because Fair Trade sets aside a certain percentage of its revenue for marketing and education.

Other certification programs, including VeriFlora, Rainforest Alliance and Bogotá, Columbia-based Florverde, are engaged in their own marketing and education efforts, including labeling, public relations programs and in-store education programs.

VeriFlora has created the VeriFlora Sustainability Council, an Oakland, CA-based nonprofit agency dedicated to spreading the word about VeriFlora.

"The tricky part is that all this takes money and our industry is not awash in cash," relates Bruce Brady, director of business development and marketing, The Sun Valley Group, Inc., an Arcata, CA-based producer of domestic cut flowers with Veri-Flora-certified farms. "It would be great to have a Charlton Heston of sustainability. The right type of person to speak to the flower issue and sustainability would be a great asset for us."

ONE-WORLD FLOWER

Even with plenty of differentiation between certification programs, there is still

Certification Programs

FAIR TRADE

Fair Trade Certification, Oakland, CA, guarantees small farms a certain minimum price for their products. Fair Trade products include coffee, chocolate, tea, sugar and flowers. Farm workers have protections and rights, including better than average working conditions and medical care. Fair Trade also has stringent rules regarding environmental sustainability. Fair Trade has a transparent and rigorous auditing system so retailers can see exactly where their money is being spent.

FLORVERDE

Florverde, Bogotá, Columbia, was launched by a group of farms in Colombia, the single largest supplier of cut flowers to the United States. Florverde certification guarantees its flowers were grown with safe, sustainable farming practices and the farm is a safe work environment for its workers, with minimum age requirements and on-site medical and family resources. Florverde growers are regularly audited by an external agency.

RAINFOREST ALLIANCE

The Rainforest Alliance (RA), New York, NY, guarantees products carrying its label were produced in ways that protect and conserve natural resources, as well as benefit workers. RA products include coffee, produce and fruit, herbs, and foliage and flowers. RA farms are audited by independent auditors and must meet standards developed by the Sustainable Agricultural Network.

VERIFLORA

VeriFlora, Oakland, CA, guarantees that labeled products were produced in ways that conserve resources and energy and promote sustainable agriculture. The company encourages growers to migrate toward organic practices and sets targets for greenhouse gases and fair labor practices. VeriFlora standards are compliant with the federal Draft American National Standard for Sustainable Agriculture. VeriFlora farms are audited by the independent Scientific Certification Systems (SCS), based in Emeryville, CA.

room for confusion. In addition to the four major certifications, some stores have their own private eco-label programs assuring consumers their flowers were supplied by responsible growers. The result is a rainbow of labels and programs. The obvious danger is that, presented with overwhelming data, consumers will simply tune it all out.

"The problem is there's not any one marketing brand the industry has embraced," reports Scott Hill, vice president of sales and marketing, The USA Bouquet Company, Miami, FL. "It's very confusing to consumers." USA Bouquet works with Fair Trade, VeriFlora and Florverde growers. To cut down on labeling issues, the company has developed a USA label that "tells consumers if you buy from us, it's responsible."

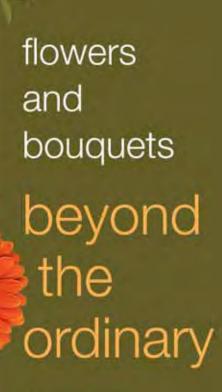
One solution would be a single, instantly recognizable global standard. "It would be wonderful if there were just one certification that encompassed all of these things," notes Sandra Merlau, product development, Hosa International, Miami, FL. Hosa's farms are Florverde-certified in Colombia and VeriFlora-certified in Colombia and Ecuador.

Unfortunately, such a standard seems

unlikely, in part because of the historical roots of each program and in part because of the nature of the business.

While certification programs generally ensure the same thing – the product is good for the environment and the workers who produce it - they each have very different roots. The Florverde program originated in Colombia as a way to support flower farm workers. By contrast, the VeriFlora certification, developed by a U.S company called Scientific Certification Systems (SCS), based in Emeryville, CA, is actively working on developing national standards to help define sustainability in domestic agriculture. Rainforest Alliance was founded to protect rainforest resources throughout the tropical world, and Fair Trade was created to protect small growers throughout the Third World from fluctuations in the global market.

"We in the industry know these labels, but it doesn't always translate to consumers," according to Loche. "The industry is always going to be splintered. It's the nature of the beast, but I think there's room for multiple certifications, and each one will probably mean something to some market."



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Reader Service # 54

RETAIL PERSPECTIVE



Pricing In Today's Economy

recently visited the supermarket where I spend the greatest amount of grocery dollars because of its quality, pricing and value. Once inside, I approached the produce department in the opposite direction from normal traffic flow. My traffic pattern was accidental as I was making a quick visit for something else in the store so my direction became reversed. The first item I observed was an end-cap display of bulk potatoes and onions with a price card marked \$1.49/pound for bulk Russets displayed near 5pound bags of mixed potato varieties for \$3.99. I'm aware supply was limited and the cost to the retailer had increased, but continuing the usual percentage markup structure offers consumers con-

fronting today's economy the message that the time has come to look for an alternative mealtime carbohydrate.

My brain quickly began calculating alternatives. My first thought was to head for the pasta section, which yearly achieves an increasing share of the dinner plate. Then I thought about cooking a vegetable such as broccoli or sweet corn. Next, I considered buying a package of processed potatoes on display in another department's refrigerated sections. In the weeks since that visit, new high potato prices have put all of the alternatives in play.

While supply conditions have resulted in practically no advertising of fresh potatoes, the fresh-processed product has been frequently promoted. Exploring a section I rarely visit, I suddenly became aware of the increasing number of companies offering a refrigerated potato alternative — often an extension product of an original product line that complemented their meal-solutions program. Will a percentage of fresh-potato consumers convert to a more convenient product and become permanently lost

if and when prices return to a more reasonable level?

This is only one produce item effected by higher retails brought on by a combination of supply disruptions and, more importantly, added transportation costs. At the same time, the consumer, buffeted by an inflationary economy, suddenly has less discretionary income for non-basic food purchases. Based on the most recent *IRS Statistics of Income* for the 2006 tax year, approximately 55 percent of tax filers had adjusted gross income of less than \$50,000 with an average of about \$12,000 after-tax income. As energy costs – up nearly a third – compete for limited dollars, is it any wonder the retail food sales mix is changing?

In a letter to the *Perishable Pundit*, Steve Malanga of the rightwing free-market think tank, Manhattan Institute, states that because food has been a relative bargain for years, the current foodprice increases should have little impact on consumers in this economic environment. Likewise, he is far from accurate when he contends, "the most successful food retailers operate with net margins less than 1 percent." Perhaps he should remain with his more interesting interpretations of the political arena and leave food-related analysis to those more familiar with the marketplace.

Wal-Mart leadership deserves credit for recognizing the winds of economic change more than a year ago. It takes real courage to drop the successful 19-year slogan *Always Low Prices*, which is no longer compatible with today's economy, and replace it with *Save Money*, *Live Better*. Savings is what the company has always been about and

> if that allows some improvement of lifestyle in an inflationary economy, all the more reason to connect the dots. With more consumers trading down and more meals being eaten at home, this message coupled with more food-item promotion has brought not only improved sales but also higher corporate profits.

> As the economic environment deteriorated in 2008, other food retailers have also altered their promotional programs to give consumers new savings messages. Multiple pricing, emphasis on private label with display comparisons showing accumulated savings of over one-third, buy-one-get-one-free items taking up a full flyer page and tie-ins of loyalty cards to the recent tax rebates are part of an effort to attract consumers who need food savings to cope with overall inflation. On the plus side, most retail executives have found their marketing skills provide them with more profitable opportunities in a moderately inflationary environment than when cost increases remain relatively unchanged.

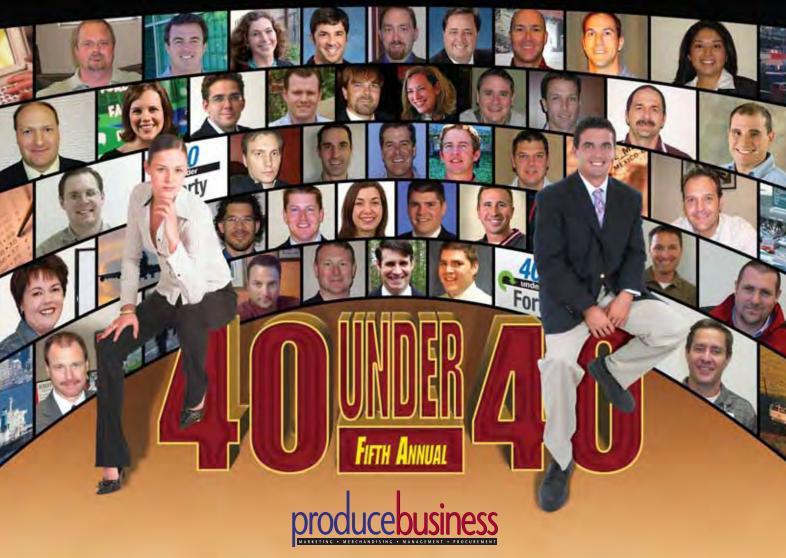
> At the other end of the spectrum, where spe-

cialty retailers, such as Whole Foods and Fresh Market, emphasize higher priced products — both organic and upscale — the challenges to maintaining sales levels is much greater. One sales indicator appears to be the increased amount of culling observed in their produce departments.

Increased produce sales often mask tonnage decreases, which affect turnover and ultimately translate back to the growing community. Producers of some crops may have to adjust production levels to cope with new evolving economic conditions. Good merchants will need to develop a mix, emphasizing lower priced seasonal values to attract consumers. Otherwise, consumers may find filling the stomach with cheaper calories loaded with fat, sugar and salt replacing the Produce For Better Health Foundation's *Fruits & Vegetables – More Matters* message.

environment deteriorated in 2008, food retailers altered their promotional programs to give consumers new savings messages.

As the economic



PRODUCE BUSINESS is accepting nominations for its Fifth Annual 40 Under Forty Project, which recognizes the produce industry's top young leaders.

Honorees will be selected based on their professional accomplishments, demonstrated leadership and industry/community contributions. To be eligible, nominees must be under the age of 40 as of January 1 (People born after January 1, 1969).

To nominate someone, please fill out this form by March 1, 2009, and fax back to 561-994-1610.

Once nominated, the candidate will receive forms from us to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

ABOUT THE NOMINEE:

+ NI-----

Nominee	's Profes	ssional Acl	hievements:
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Approximate Age							
Company							
Position		Nominee's Industry/Commu	unity/Charitable Activities:				
City	StatePostal Code						
Country							
Phone			TOR:				
E-mail			Last Name				
In 100 words or less, describe why this person should be nominated: (You can use a separate sheet for this)							
		PositionAddress					
		Phone					
		E-mail					

Nominator information is for our use only and will not be shared with candidate or have a bearing on selection.

For more information email: info@producebusiness.com

VOICE OF THE INDUSTRY



Searching For Sustainability Answers

verything I know about sustainability I learned in huntersafety class. Actually that's not true. I learned about sustainability in many places.

Aesop's fable about the ant and the grasshopper taught us about making sure we had enough resources to get through the winter. My faith tradition taught me about stewardship. College economics taught me how rational people replace scarcer resources with more plentiful ones.

So if I want to light my house at night and whale oil is too scarce, I instead fill my lamps with the more plentiful kerosene. A still better use of resources is not transporting the dangerous kerosene to be burnt in thousands of lamps, it's burning a hydrocarbon at a central

location and moving the energy by wire to heat thousands of tungsten filaments in vacuum bulbs. As the hydrocarbons get scarcer and more expensive, at some point the capital-intensive solar panel becomes worthwhile.

When I sat through hunter safety with my kids, I discovered the course had a huge environmental component but, fundamentally, the course distinguished the wise use of resources – conservation – from the non-use of resources – preservation.

In summary, we must be good stewards who wisely use resources, changing from scarcer to more plentiful resources before the resources run out. Generations of farmers who never took college economics or hunter safety knew the requirement to maintain and improve the productive capacity of their land and animals or production would fall, meaning hunger or economic ruin. This is not new.

So why, all of a sudden, are people asking me what I'm doing to be sustainable?

The question is a bit odd. What am I doing to be sustainable? Everything I do to the land maintains and improves its productive capability. Land is my biggest asset and to destroy the land is to destroy the balance sheet. The assumption is that the land will be productive in the future.

Perhaps it would be useful to approach the sustainability question backwards. What farming practices do I engage in that will, over time, deplete the productive capacity of the land? How do I promote excessive soil erosion or compaction, water runoff, disease infestation or soil chemical imbalances?

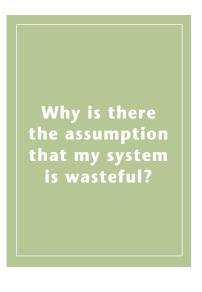
File it under firm command of the obvious. Farmers are a sus-

tainable group in everything we do.

So what am I supposed to say my sustainability program is? We're doing the same things we've been doing for years doesn't seem to be the correct answer. Any practice that doesn't decrease or destroy the productive capacity of land and livestock would therefore be considered a sustainable practice. That doesn't seem to be the answer either.

I just don't get it. Maybe what I need is a consultant to tell me the answer.

Welcome to the world of the sustainability consultancy. We owners, operators and residents of the land for generations (*prima facie* evidence of sustainability) cannot know what measures we should



take to care for the land. This new breed of outsiders must come in to educate us. They come from the world of environmental advocacy. They've read the right books, from Rachael Carson to Al Gore. They tell us things such as biologically derived materials are a better choice than geologically derived ones? Fine, so we all tried cornstarch-based PLA packaging and found many applications for which it is not suited. They tell us to reduce our packaging. Fine, so we reduce the amount of paper, and the paper we do use has a greater recycled content. It looks grand on my Sustainability Fact Sheet but does not take into account the added shrink. The shrink is from damaged product because we cut the amount of paper in the box.

Why is there the assumption that my system is wasteful? I get pressure from the retailers who, for some reason, think there are

wasteful practices in my operation. I put down stuff I'm doing anyway and call it sustainable. But who is yanking the retailer's chain? Why are retailers making Earth Day announcements? Where's it all coming from?

Driving through central California a few weeks ago, I tuned in to Radio Pacifica. Radio Pacifica, founded in 1946 by pacifist conscientious objectors Lewis Hill and John Lewis, is alive and well and has a relay station in Fresno. The programming was all environmentally oriented. Does the pressure that trickles down to me start with people at places such as Radio Pacifica?

In case you can't tell, I have a deep distrust of these people. "Every great cause begins as a movement, becomes a business, and eventually degenerates into a racket." Eric Hoffer had it right. Consultants' certifying a farmer as sustainable is a racket. **pb**

By Marc De Naeyer De Naeyer wrote on Green Creativity for the 2007 Green Issue.



EUROPEAN

Green Creativity, Chapter 2

n 2007, it was "cool to be green." One company rolled out "Plan A, because there was no Plan B", others tried to lure us into buying trees in what looked to be the latest pyramid — or to be politically correct — the latest CO_2 offsetting scheme. Yet others tried to convince us that oil had run out and we needed to cut our addiction, soon, real soon.

Barely a year later, we have seen the beginnings of a financial meltdown. We are in a recession — or at the very least talking ourselves into one. In Europe we are dealing with gasoline at \$9 a gallon (!!). We are apparently running out of food faster than oil and, if we believe all the doom and gloom, the world is a mess.

First of all, my American friends, life does go on, even at \$9 a gallon for gas. You just have to drive smaller, more fuel-efficient

cars. Second, bicycles are a great alternative for short distances. Even England's Waitrose is considering using bike couriers to deliver online shopping orders.

So is the hype of green over? Was it hype in the first place? Is green the beginning of a new era? Will we have to be green long term in order to to be cool? And how does all of this relate to fresh produce?

In 2050, this planet will house 9 billion people - 50 percent more than today - who need to be fed! The available acreage for farming will at best remain the same, but it is more likely to shrink. The volatile, unpredictable factor of cli-

mate change will mean more extreme weather patterns resulting in more crop failures more often. Can Europeans persist in their opposition to genetically modified crops? As a speaker at the recent FRESH 2008 Congress in Antwerp asked, who are we to judge countries where the line between nourishment and starvation is very thin?

For fresh produce, the impact of the rising cost of energy is tremendous and potentially devastating. The energy bill to grow, pack and ship fresh produce has doubled in recent years. Have the prices risen? No. The cost of matériel — cartons, pesticides etc. — has gone up. Have the prices risen? No. Some growers have to decide whether to change to a different crop or walk away. In cash crops, the change over is easy — e.g., if lettuce does not cut it, then switch to bio-fuels.

But on long-term crops (a grape orchard has a minimum investment of 20 years), we initially look at improving yields to drive out costs and if that does not work, we change to higher-yielding cultivars. We "believe" we cannot pass on the higher costs of, say, a Thompson Seedless grape and look for an alternative such as a better-producing Sugraone to deliver "more or less" what the consumer wants at the "desired" price. On the one hand, we become more efficient and more cost effective. On the other, we produce something we do not know the consumer really wants.

We face a similar conundrum with packaging; re-usable bins would minimize packaging costs, yet we are offering more punnets, wraps and other containers at retail than we should. So we look for alternatives. We try biodegradable plastic, develop cartons that require less energy during pre-cooling and so on. Again, we tool for improved efficiencies in the existing scheme of things.

Then there is the cost of bringing a product to market. The idealists have invented the "food-miles scheme." Fantastic, you think, since we buy and consume locally. But now we find those snow peas from Kenya produce less CO_2 than it takes to drive your SUV to the local organic store to pick them up!

Let's view \$9 a gallon gas as a challenge to do better. The cost of petrol will rise long term, and the question then will be whether it continues to make sense to source fresh produce from "down under." Do we really need those strawberries or peaches for Christmas? What produce can we ship if sails rather than engines once again propel container vessels? Will category management have to be re-designed for a smaller variety of products? Or will seasons once again define the size and display of fresh produce departments?

How will logistics develop? Will one truck need to deliver all goods to the depot/store? Can we afford to continue with just-in-time

delivery, or will we revert to depots holding stock for several days? How about reducing dependence on trucks and bringing back river barges and trains?

And we haven't even considered intangibles such as politics or the volatility of currencies — so who cares about "cool to be green?" We have much more serious issues to deal with, and we need to find long-term solutions for our fresh produce industry around the world.

We need to help our growers become energy self-sufficient by enabling them, facilitating them and/or investing with them in renewable energies. "All" we need in sunny climates is solar panels on packinghouses. "All" we need to do is plant second-generation bio-fuels such as jatropha — a perfect border/divider because if uses hardly any water and does not take away space from other crops.

Even simpler yet, all we need to do is invest in a more efficient energy grid/system than the outdated ones we have. And let's earnestly communicate to retailers and consumers that if they want a fruit that tastes good, they need to pay for it.

Let's view \$9 a gallon gas as a challenge to do better. Let's forget about "cool to be green" but let's be green so in five years, our kids will think we are cool. **pb**

INFORMATION SHOWCASE

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SEPTEMBER 2008

COMPANY	PAGE #	RS#	PHONE	FAX	COMPANY	PAGE #		PHONE	FAX
A&A Organic Marketing, Inc				831-685-0302	Lambeth Groves				843-235-208
Agrexco USA, Ltd				718-481-8710	Lange Logistics				770-980-144
Albert's Organics				610-444-0316	LGS Specialty Sales, Ltd.				
Alpine Fresh				305-594-8506	Maine Potato Board				
Associated Potato Growers, Inc				760-357-8265	J. Marchini & Son / LeGrand				831-422-517
lyco Farms, Inc					Martin Produce, Inc.				
R.S Produce Co./Frank Leone					Melissa's/World Variety Produce, Inc.				
Vayne E. Bailey Produce Co					Miatech				
ard Valley Medjool Date Growers					Michigan Apple Committee				
lelleHarvest Sales. Inc				616-794-3961	Misionero Vegetables.				
Bland Farms					Mission Produce, Inc.				805-981-366
Blue Book Services				630-668-0303	MIXTEC Group				
lack Brown Produce. Inc				616-887-9765	Nardella, Inc.				
ushwick Commission Co., Inc	125	69	800-645-9470	516-249-6047	New York Apple Association, Inc.	67	10		
alifornia Leafy Greens Marketing	139		916-441-1240		New York State Dept of Agriculture	111		800-554-4501	
apital City Fruit Co., Inc.	48	1		515-981-4564	Niagara Fresh Fruit Co.			716-778-7631	716-778-876
Carb-Americas, Inc	102	12	954-786-0000	954-786-0775	North Bay Produce	103	14		231-946-190
F Fresh		62		360-855-2430	Ozonator, LLC	42		877-678-FRESH	760-862-267
hep USA Inc	7	127	800.CHEP. USA	407-422-4614	P.E.I. Potato Board	124	6	902-892-6551	902-566-491
Chestnut Hill Farms	102	8		305-436-8969	Pandol Brothers, Inc.	53	55	661-725-3145	661-725-474
hilean Avocado Importers Association	63	42	202-626-0560		Pear Bureau Northwest	133	103	503-652-9720	503-652-972
Classic Salads, LLC			831-763-4520	831-763-1542	Peri & Sons Farms.	43	52	775-463-4444	775-463-402
Collotti & Sons, Inc	84	18	215-389-3335	215-755-9616	The Perishable Specialist, Inc	103	5		305-477-997
Columbia Marketing International	131	75	509-663-1955	509-663-2231	Philadelphia Regional Produce Market	89	79	215-536-3003	215-336-554
Crystal Valley Foods				305-592-9803	Pinto Brothers, Inc.	91	17	800-523-4047	215-336-542
Curry & Company	79	84	800-929-1073	503-393-6085	Pride of New York	111	104	800-554-4501	
Customized Brokers	102	85	305-471-8989	305-471-8988	Primavera Marketing, Inc	73	105	209-931-9420	209-931-942
Date Pac LLC/Bard					Produce Exchange Co. of Atlanta, Inc	48	63	800-480-4463	404-608-040
Valley Medjool Date Growers				928-726-9413	Produce for Better Health Foundation				302-235-555
Des Moines Truck Brokers, Inc				515-981-0923	The Produce Marketing Association				302-731-240
Diamond Fruit Growers				541-354-2123	The Produce Marketing Association				302-731-240
Oole Fresh Fruit Company				818-879-6628	Produce Plus				
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Produce Man Software				650-712-9973	Progressive Marketing Group				
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ast Coast Brokers & Packers, Inc				863-869-9850	Riveridge Produce Marketing, Inc.				616-887-687
li & Ali, LLC					Riveridge Produce Marketing, Inc.				616-887-687
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agerberg Produce, Inc				970-834-1434	Ryeco, Incorporated.				
our Corners Farm				912-852-5097	Sage Fruit Company				
Four Seasons Produce, Inc					Setton International Foods, Inc.				
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Fresh Produce Association of The Americas Genpro Transportation Services, Inc				520-287-2948 973-589-1877	Southern Specialties			954-784-6500 800-433-4979	954-784-580
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The Giumarra Companies					Stemilt Growers, Inc.				
Global Organic Specialty Source, Inc					Sun Valley Group				
Nobal Pest Management, Inc					Sun World International				
POD of Idaho					Sunlight Int'l. Sales				
labelman Bros					Sunrise Growers				
larvest Sensations					Sweet Onion Trading Company				
lerb Thyme Farms					Symms Fruit Ranch, Inc.				
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lolthouse Farms of Ohio					Target Interstate Systems, Inc.				
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lunter Brothers Inc.				215-336-4340	Thermal Technologies, Incorporated				
daho Potato Commission				208-334-2274	Trinity Fruit Sales				
nternational Hotel Motel & Rest					Turbana Banana Corp				
acobs, Malcolm & Burtt, Inc				415-824-4844	United Fresh Produce Association				202-303-343
.W. Kean Co., Inc.					A. Vassallo, Inc.				
fern Ridge Growers, LLC					John Vena, Inc.				
eystone Fruit Marketing, Inc					Vidalia Onion Committee				
leystone Fruit Marketing, Inc					VIP Marketing, Inc.				
eystone Fruit Marketing, Inc					Well-Pict Berries				
.M. Kovacevich - Philadelphia, Inc					Wisconsin Potato & Vegetable Growers				
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Blast from the Past

Il the cards were in Albert Lusk's favor when he founded Albert's Organics, Inc., the Bridgeport, NJ-based distributor of organically grown produce and fresh perishable foods. He opened shop in Los Angeles, CA, in 1982, just as organics were starting to make inroads in the produce industry. This 1982 photo taken at a warehouse in Los Angeles shows the original members of the Albert's Organics team. Lusk is in the upper right corner.

"It was exquisite timing," states Simcha Weinstein, director of marketing. "In the late 1970s and early 1980s, [Lusk] saw a gap between the slew of organic growers in California and the natural-food stores that were doing really well. He said 'I can be their intermediary partner' — and he did it."

Back then, organics were steadily growing, but they were confined to natural-food stores, Weinstein explains. "As the baby boomers came of age and started having babies, they bought more organic foods. As large chains saw the popularity, they came on board with [the organic movement], too."

In 1989, Albert's, now a subsidiary of Dayville, CTbased United Natural Foods (UNF), Inc., opened its first East Coast office in Bridgeport. Since the 1980s, its product line of more than 350 SKUs has grown from "all the staples" to just about every organic item "from cactus leaves to broccoli," notes Weinstein. "While produce is still our largest seller, of course, our fresh perishable items are rapidly growing, too."

Today, it's hard to find a city or college town where organics aren't sold. As organics continue to become more mainstream, Weinstein believes the category will continue to grow and, eventually, will no longer be perceived as just a category. "If history is any indication, we can expect more of it," he adds.

The Blast from the Past is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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