

Fruit choices increasing in value-added category

By Don Schrack
Staff Writer

When it comes to the number of commodities available to shoppers, fruits have lagged behind their vegetable relatives in the value-added category. But the fruits are trying harder, getting help from technological breakthroughs and guidance from consumers.

"When we introduced the sliced apples, we thought we'd do well with 1-pound bags, but that there would be a huge market for smaller bags for lunches," said Roger Pepperl, marketing director for Stemilt Growers Inc., Wenatchee, Wash.

Market forces had a different take on the value-added item. Parents discovered it took just seconds to transfer a handful of apple slices from a larger bag to a lunchbox, which turned out to be more cost efficient for shoppers and for Stemilt.

"With the small bags, you're in the plastics business more than you're in the apple business," Pepperl said. "There's so much more value in larger bags."

Stemilt got the message and has launched 2-pound, resealable bags of sliced apples, which, Pepperl said, have ended up being one of the company's better packages.

"Retailers are getting a higher price ring at a lower price per ounce," he said. "In some cases, we're seeing retailers sell sliced apples at a cheaper price per pound than whole apples."

The change has helped Stemilt drive down packaging costs and increase production on the packing lines, Pepperl said.

Technology's role

Speed is irrelevant for the True Fruit line of items packaged by Oakland, Calif.-based Sundia Corp. Technology is the vital ingredient.

An oxygen-blocking film imbedded in the fruit cups results in shelf life of nine months to a year, said Dan Hoskins, chief operating officer and general manager.

The True Fruit line, launched in July 2007, has been so warmly received that Sundia added organic True Fruit cups Jan. 3.

"If given the option, many consumers will buy organic," Hoskins said. "We've put two trends together — organic and convenience."

Fresh-cut fruit products cannot achieve the long shelf life of the True Fruit cups, he said. And there's the issue of food safety.

"I always hear that element with clamshells," Hoskins said. "The cups are pasteurized, eliminating food safety concerns."

Stemilt has added technology to its sliced apple packing lines, technology that improves quality and reduces food safety issues, Pepperl said.

"Our near-infrared detection equipment actually pulls out low pressure apples and as a result enhances the crispness experience," he said. "We really feel that when shoppers buy sliced apples, their expectations are high."

"The detection system, which also is used on the company's whole apple lines, helps bring us closer to those expectations," Pepperl said.

Economy does not halt plans

Ladera Heights, Calif.-based **Dulcinea Farms LLC** continues to concentrate on its growing inventory of Tuscan Style cantaloupes and PureHeart miniature watermelons, said John McGuigan, vice president of sales and marketing.

While neither melon fits by definition into the fresh-cut category, the fruits are convenient and quickly become fresh-cut in the kitchen with the help of a knife and a fork, he said.

"We just like to think our miniature personal watermelon is just a little more portable than a 16-pounder," McGuigan said.

Dulcinea is a year-round melon supplier with the winter crops coming to the U.S. from Mexico via both Nogales, Ariz., and McAllen, Texas, he said. The harvest will transition to Florida in April followed by Yuma, Ariz., in late April or early May, McGuigan said. Dulcinea does not source melons from offshore, he said.

The company's largest domestic growing area is in California's irrigation water-challenged San Joaquin Valley.

"We're casting a wary eye toward water situation," McGuigan said. "We have no plans to reduce any acreage in the valley, and we're pretty optimistic about where our water is coming from. We're pretty buttoned up on access."

Expanding the company's melon and berry deals is integral to the strategic planning at Salinas, Calif.-based Colorful Harvest LLC, said Doug Ranno, chief operating officer.

The desert harvest of cantaloupes and honeydews will start in May, two months earlier than in the past, Ranno said. The deal will move to the San Joaquin Valley for the summer.

"We will have a substantial melon program this year," Ranno said. "We'll probably triple our melon packing count over last year."

Plans for the immediate future at Colorful Harvest include a year-round berry program with acreage in Florida, Mexico and California.

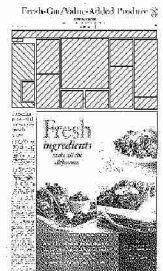
Frieda's Inc., Los Alamitos, Calif., reached south of the border for a new value-added fruit item. It is a Mexican import, a peeled and packed fresh coconut complete with a straw, said Jackie Kaplan Wiggins, the company's vice president and business development manager.

"We worked for three years to make sure we had the right kind of shelf stability," she said. "It's like nature's Gatorade because of the fruit's nutrients."

Also new at Frieda's: pomegran-



Pepperl



ate seeds. Sold in clamshells, the arils eliminate the muss and fuss of getting the aril from the pomegranates. Kaplan Wiggins said.

Sundia's True Fruit cups debuted

Fruit C2 ▶

in five varieties: peach, orange, grapefruit, pineapple and a tropical medley. But Sundia is exploring all other possible fruit commodities and is actively looking at new products and product ideas all the time, Hoskins said.

The fruit cups, both conventionally grown and organic, are available in two sizes: an 8-ounce personal serving cup and a 20-ounce multiserve package, which Hoskins said is less bulky and easier to stock in warehouses and on produce shelves.

Economic impact

The troubled economy seems not to be a concern for the value-added fruit grower-shipper-packers and marketers.

"We have to be careful we don't make the economy the excuse for everything," Pepperl said.

Stemilt sees big growth potential for its sliced apple line in schools, he said. While the cafeteria staff can cut and treat apple slices, the process is labor intensive and "a pain in the neck," he said. Stemilt's apple slices are treated with NatureSeal, which prevents discoloring.

Stemilt has just released a new sliced flavor, Mom's Apple Pie, and plans to go deeper into the season with the Pink Lady variety, Pepperl said. In addition, the company is offering the smaller kids' packs as part of the Sesame Street program.

"Value-added doesn't mean cost-added, it means there's value added," Pepperl said.

A trend to more healthful products is in the crystal ball at Frieda's.

"Health is uppermost in the consumer's mind," said Kaplan Wiggins. "With the poor economy, the produce department has a real chance to market these products to consumers."

The value-added fresh-cut category may not necessarily focus on more items, but growth will be based on what's healthier, she said.

The economy has not limited expansion plans at Dulcinea.

"Historically, we've been a West Coast company because most of our products were grown on the West Coast," McGuigan said. "We believe there's a huge opportunity for us back on the East Coast, and the majority of our growth in 2009 is going to be in the East."

Expansion at Sundia includes the release of new products —

conventionally grown and organic — during the second half

of 2009, Hoskins said. Broadening the company's organic line is another focus, he said.

Sundia also is looking beyond the traditional customer base of grocery markets and foodservice. It has tabbed a salesman to concentrate exclusively on gas station and convenience store sales.



Courtesy Dulcinea Farms LLC

Value-added cartons of cut Tuscan Style cantaloupe and PureHeart watermelon are core products for Ladera Heights, Calif.-based Dulcinea Farms LLC.

"We're a 52-week-a-year melon supplier with the winter crops coming to the U.S. from Mexico and domestic production in Florida, Arizona and California," says John McGuigan, vice president of sales and marketing for Dulcinea.