

Shippers expect fewer Labor Day watermelons

By Doug Ohlmeier
Eastern Editor

Watermelon buyers should expect high prices to continue through Labor Day because summer heat brought on early East Coast and Midwestern volumes that might not sustain until the end-of-summer holiday.

Randy Smith, vice president and salesman for Midwest Marketing Co. Inc., Vincennes, Ind., said watermelon demand exceeds supply.

He said he expects Indiana to harvest heavy volume through Aug. 10, when supplies should drop considerably, a week earlier than normal.

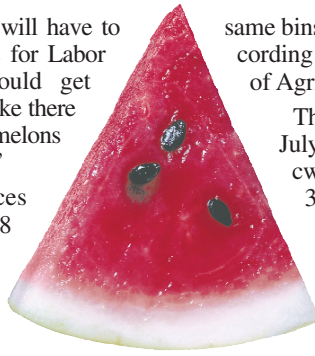
That would cut Labor Day shipments.

"If anyone goes on ad for Labor Day, this thing could get a little toasty," Smith

said July 28. "Buyers will have to buy out of other areas for Labor Day. The market could get stronger, and it looks like there will be very few watermelons around for Labor Day."

Smith said prices could increase to \$18 per for 24-inch bins per cwt. or 18 cents a pound, by late August.

Recovering from a glut that crashed prices and shortened Georgia's deal — some growers left fruit in the field — prices for watermelon grown in North Carolina increased from \$15-16 for 24-inch bins per cwt. red-flesh seedless 36s, 45s and 60s on July 20 to \$16-18 for the



same bins and sizes on July 27, according to the U.S. Department of Agriculture.

That's more than in mid-July, when 24-inch bins per cwt. of red-flesh seedless 36s from Georgia sold for \$10 and 45s sold for \$12, and higher than last season in early August when the USDA reported 24-inch bins per cwt. red-flesh seedless North Carolina 36s, 45s and 60s selling for \$12-13.

Shippers say Georgia ended early when prices fell to as low as 8-10 cents a pound or \$8-10 per cwt. after late Florida volume sent too many watermelons to the market simultaneously

with Georgia and South Carolina.

North Carolina, Indiana, Missouri and the Delmarva region were shipping heavy volumes to Northeastern and north-central retailers in late July, said Matt Solana, vice president of operations and supply chain management for Jackson Farming Co., Autryville, N.C., which began harvesting July 4.

Solana said heat after July 4 also burned Georgia and South Carolina watermelons and caused a temporary shortage.

He characterized this year as an all-or-nothing deal where everyone either had some volume or no one had any until a more normal season returned in late July.

Solana agrees that Labor Day supplies could be tight.

"It's not unusual for it to run short going into Labor Day, but because of the amount of heat we have had in all of these growing areas, it could shorten and come up a week shorter this year," he said in late July. "The seven to eight days building up to Labor Day will probably go short again because fields are finishing early."

Solana said 700-pound equivalent bins that sold for \$56 after July 4 in late July were selling for \$112-120.

He said prices could go as high as \$126 a bin.

Solana said quality is good, and the heat hasn't damaged watermelon vines but has kept sizing to the smaller 60-count sizes vs. the 45-counts.

Jackson's Farming plans to harvest through Sept. 5.

Idaho-eastern Oregon onions



Andy Nelson

A cold spring will likely mean a late start to the Treasure Valley onion deal, but quality in late July was excellent, says Grant Kitamura, president of Ontario, Ore.-based Murakami Produce Co. He expects harvest to begin about Aug. 23.

Healthy, fresh take over restaurant menus

By Ashley Bentley
Staff Writer

Restaurants are responding to the cue for more healthful menu items, with the number of dishes labeled as "healthy" on restaurant menus jumping 65% over the last year, according to an industry analysis.

Chicago-based Mintel tracks trends in the restaurant industry through its Mintel Menu Insights and reported the significant change from the second quarter of 2009 to the second quarter of 2010.

The increase is less dramatic, however, when the number of items labeled "healthy" is put into perspective.

"It probably went from in the 120s to 200-something," said Eric Giandelone, director of foodservice research at Mintel, referring to the total number of healthy-labeled items across the 600 menus his company tracks. "It's still a relatively small sample size when considering the landscape of all menu items, but it is growing."

Of the menus Mintel tracks, more than 350 are from chains

are the rest are smaller outfits and independent restaurants, Giandelone said.

The popularity of promoting healthy items comes in cycles.

"In the 1990s, it was the day of heart healthy, but many know that little heart on the menu was the kiss of death. It was not at all the celebration of great food," said Pam Smith, culinary consultant for Orlando, Fla.-based Darden's Seasons 52 restaurants, at the National Restaurant Association's annual convention this spring.

Giandelone said restaurants should change the approach to healthy labels.

"Back then, most restaurants focused on what wasn't in the food, like low calorie and low fat," Giandelone said. "Now, we're seeing healthy equated with fresh. It's not only good for you, but it tastes better because of the freshness."

Sue Hensley, senior vice

president of public affairs and communications for the Washington, D.C.-based National Restaurant Association, said the demand for healthful menu items is definitely on the rise.

"The restaurant industry is so closely tied to what consumers want and consumer sentiment, that there has to be consumer demand for these items for restaurants to offer them," Hensley said.

The association's top 20 trends in 2010 included locally grown produce, nutritionally balanced children's dishes, general nutrition and health interest and fruit and vegetable children's side items in its list of top 20 trends for 2010.

Mintel's research shows that more than half of diners who say they're eating more healthfully at restaurants are eating more fruits and vegetables in meals.

Mintel saw a 10% increase in menu items overall that contain fruits of vegetables over the last three years, while fruit and veggie additions on the kids' menu saw 6% growth.

"It could be that a lot of these restaurants already had them on their menus, and at a lot of restaurants kids order off the main menu, as well," Giandelone said. "McDonald's has made a lot of strides there, and Burger King as well."

The two quick-service chains brought fresh sliced apples into the spotlight as popular kids' menu sides. The week of July 20 Burger King retooled its breakfast menu, designing a new kids' breakfast sandwich and suggesting its BK Apple Fries, primarily a lunch option, as a breakfast side.

Earlier in July, McDonald's shared plans for its new fruit-topped oatmeal, expected to be added to menus nationwide by early 2011.



BK Apple Fries — not just for lunch anymore. Breakfast too.

What's inside

August may see the onion market gear down.
Crops & Markets B1

Growers prefer industry advice over FDA input.
Handling & Distributing B6

Capital business insulates produce sales.
Baltimore/Washington, D.C., Know Your Market C1

Variety spices up sales growth.
Garlic & Herbs C4

Beyond a fad, beyond a trend.
Locally Grown Produce C6

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California emission rules may change

The state's air board eyes increased responsibility and stricter enforcement.

By Ashley Bentley
Staff Writer

New emission regulations for transport refrigeration units on trucks that operate in California are causing headaches for owner-operators and others involved in transporting fresh produce.

Although the California Air Resources Board — which developed and enforces the regulations — is looking to amend the rules again to make things easier, and is also looking at stricter enforcement, possibly holding brokers, wholesalers and anyone who makes transportation arrangements responsible for trucks that do not comply.

In the first six months of enforcement, the board inspected more than 4,000 units, wrote more than 700 citations for failure to comply with the in-use performance standard and more than 170 for California-based trucks that were not registered.

That amounts to more than \$800,000 in penalties, as of early July.

After two delays, January marked the first month trucks more than 7 years old were required to be retrofitted with diesel particulate filters or have TRU engines replaced to meet low-emission in-use performance standards.

Despite the efforts of the American Trucking Association, which appealed the Envi-



File photo

Shippers inside and outside of California report problems with emission regulations that went into effect in January.

Public workshop

- For proposed changes to the transport refrigeration unit Airborne Toxic Control Measure
- 10 a.m. to noon PST on Aug. 18 at the Cal/EPA Headquarters, 1001 I St., Sacramento, Calif.
- Visit www.arb.ca.gov/diesel/tru.htm for updated information

McD's highlights local apples in Washington

By Ashley Bentley
Staff Writer

International quick-service giant McDonald's is trying to cash in on the local movement.

The chain's western Washington region launched the From Here campaign in late July, which is meant to inform Washingtonians of the in-state origin of the apples, potatoes, fish and milk that McDonald's sources.

The campaign includes TV ads and billboards throughout the western part of the state, as well as a new microsite with facts about the chain's use of Washington ingredients.

Selah, Wash.-based Tree Top Inc. is the primary supplier of the chain's apples nationwide, ac-

ording to a campaign fact sheet, but the chain has four other suppliers: Irwindale, Calif.-based Ready Pac; Shelby, Mich.-based Peterson Farms; and Salinas, Calif.-based Fresh Express and Taylor Farms.

"When an apple is dipped at one of our restaurants, you can bet it hasn't traveled far from a Washington tree," the fact sheet reads.

McDonald's purchased 13 million pounds of apples in 2009. At the chain's 191 western Washington restaurants, 88% of the apples served were grown in Washington.

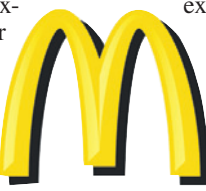
"(The campaign) is really a great benefit to Tree Top," said Ned Rawn, national accounts

manager for foodservice at Tree Top.

Billboards promoting the local apples read "Picked in Yakima, Dipped in Kirkland," for example, Rawn said.

The campaign has met with some opposition, as some bloggers and pundits have called it "local washing."

"We take food quality seriously and want our customers to know that we purchase from the country's top farmers, bakers and producers — many of the same trusted brands that supply your neighborhood supermarket," Lydia Wardle, Northwest supply chain manager for McDonald's, said in a news release.



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Retail strategies abound for selling local produce

By Jim Offner
Special to The Packer

What's the best way for retailers to showcase locally grown produce?

"There's not just one answer," said Robert Verloop, executive vice president of marketing for Naturipe Farms LLC, Naples, Fla. "A lot depends on how retailers themselves address the issue and we try to accommodate that part of it."

The strategy could include store demonstrations, signage, point-of-sale materials and special pricing, Verloop said.

"It's a combination of many things," he said. "We work with retailers and foodservice operators who see this as an opportunity to communicate a good message to their customer base. It's more a strategy that if a retailer wants to focus on a local program, we have a strategy that will work for them."

More and more chains are popping up and offering broad local programs, which is a wise strategy, Verloop noted.

"It connotes freshness and support for local growers," he said. "On a very limited basis, in national chains, you have to have a lot of customized programs. But they don't want to give the impression their product isn't fresh the rest of the year. It's about supporting good stewards of the land."

Local produce can play a similar role that organics play, Verloop said.

"The local grown is a way of people saying we care about the food we eat and we want to eat more produce, and quality matters," he said.

Truly "localizing" a local produce lineup often means

personalizing the product, said Ray Gilmer, vice president of communications for the Washington, D.C.-based United Fresh Produce Association.

"I've seen examples of stores where they use the name of the farmer who's providing them product," he said. "Putting a face and a name with that product is probably a great strategy."

A good local program starts with knowledgeable buyers, said Dick Spezzano, president of Monrovia, Calif.-based Spezzano Consulting Services.

"That means you have to get out there and talk to the growers, find out what their season is and you have to make some

kind of commitment to those growers," he said. "They want to know they have a customer."

They're also eager to work with a buyer who offers that

commitment, Spezzano said.

"A buyer says, 'If you grow tomatoes and harvest, we will buy from you if you have quality, size and at what we're willing to pay,'" Spezzano said.

A shrewd buyer counts on a certain amount of high-quality product each week, and the grower has a steady customer, which works out for everybody, Spezzano said.

"You know who your growers are going to be," he said.

For some retailers, Spezzano said, that means posting photos, names, even addresses of growers in the produce department.

"People can relate that

I've seen examples of stores where they use the name of the farmer who's providing them product. Putting a face and a name with that product is probably a great strategy.



Ray Gilmer
United Fresh
Produce Association

farmer to what they buy in the store," Spezzano said.

In some cases, growers visit stores to answer questions and talk about their wares, Spezzano said.

"They can answer questions about what they do as stewards of the land," he said. "He may live 50 miles away, but he's still a neighbor."

Signage works wonders for sales of local produce at retail, said Ed Odron, owner of Odron Produce Marketing & Consulting, Stockton, Calif.

Rockville, Md.-based retailer Magruder Inc., which has seven stores around the Washington, D.C., area, sources its local product at the Maryland Wholesale Produce Market in Jessup, Md., said Mike Patterson, the chain's produce director.

"They've really put together a good package this year of all local growers, letting us know who they are and who they're buying for," Patterson said. "We know who the grower is, and we can put that information in our ads."

Marketers say 'local' showing steady growth

By Jim Offner
Special to The Packer

Produce marketing agents are raving about the momentum of the locally grown category.

Local is even outpacing organics now, according to some.

"I work with a couple of companies on the sell and buy sides, and local is becoming more and more important," said Dick Spezzano, president of Monrovia, Calif.-based Spezzano Consulting Services.

He said he was "stunned" when he heard Don Harris, former vice president of produce and floral with Wild Oats Markets, say locally grown had become a "much stronger trend" than organic.

Spezzano said he agreed with that assessment, even though local does have its own built-in barriers.

"There are still limitations on local because of seasonality," Spezzano said. "It's not going to change that we'll have to source product globally. But the local trend is growing and retailers are supporting it."

Stan Steppa, president of Rockville, Md.-based retailer Magruder Inc., agreed that the momentum of the local movement had surpassed that of organics, which, he noted, was still doing well itself.

"No question, it's getting bigger and bigger, where you would think it would be getting smaller and smaller, with all the land development," Steppa said.

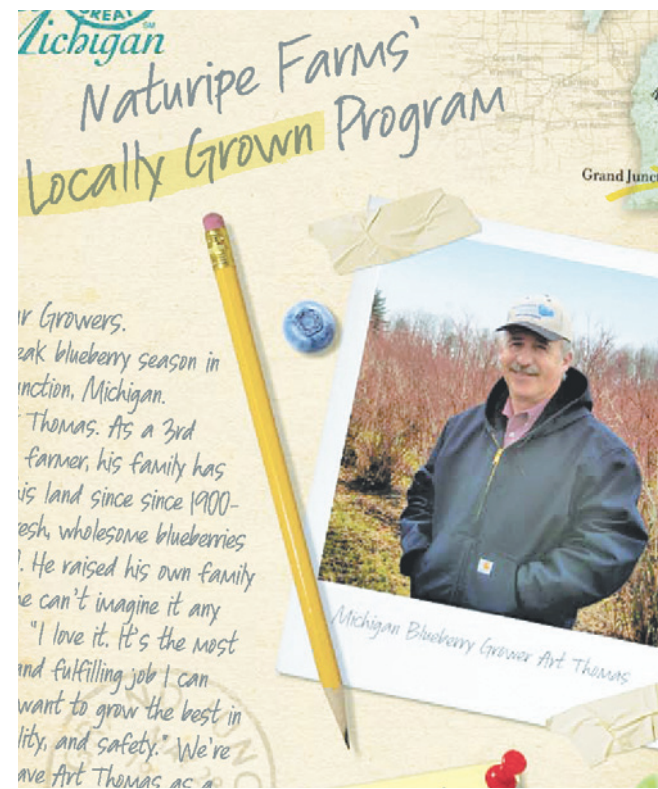
That growth can be traced to a host of reasons, said Ray Gilmer, vice president of communications with the Washington, D.C.-based United Fresh Produce Association.

"It's hard to put a finger on any one or two motivators that constitute locally grown," Gilmer said.

"For instance, if you take a retail supermarket, how does it package the concept of locally grown? Are they showcasing local growers that are regular suppliers for their season? Are they showcasing, maybe, a processor or somebody that's offering a unique pack that's become a local asset?"

Any of those strategies can work, because local is adaptable to them, Gilmer said.

"It's what's important to the consumer about locally grown produce," he said. "A good marketer in the retail industry will create desire by educating their customers about the benefits of locally grown products. And it's up to the retailer to



Naturipe Farms advertises locally grown produce with materials that include information about growers and their farms.

paint that picture and drive interest and traffic about locally grown produce."

Local product, like organics, has numerous positive marketing connotations, said Ed Odron, owner of Odron Produce Marketing & Consulting, Stockton, Calif.

"I think the big thing about locally grown is how fresh it is," he said. "They pick it today and it's

in store today or tomorrow. That's the same thing that sells the farmers market."

Whatever the cause, the category's growth is measurable, said Mike Passafiume, a salesman with Horton Fruit Co., a Louisville, Ky.-based wholesaler with an affiliate, Grow Farms, that grows a full-line of summer vegetables.

"When I first started, we had a handful of guys growing. Now we have guys who were growing tobacco and decided to diversify," he said.

Grow Farms has 25 growers, he said.

Restaurants can market local produce effectively, as well, said Gwen Gulliksen, sales and marketing director for Harvest Sensations in Los Angeles, a

specialty arm of foodservice distributor Pro*Act.

"Diners like to 'know' their farmer and local produce tastes better so it is becoming popular by default," Gulliksen said. "Those who have always made the effort can tell you that it always has been popular. It is now just becoming 'known' with the growth of the 'greening' of America."

The best way to get involved with local programs is to start using it, even little by little, Gulliksen said.

"Even if you just use one or two items in one or two menu selections and/or specials, do what you can to get it into your menu," she said. "The best chefs have it all over their menus and identify it on their menus by farm or farmer."

Naturipe Farms, based in Naples, Fla., has a nationwide network of berry growers, giving the company "local" reach across the U.S.

"We have growers in something like 26 states, including the 14 major producing states," said Robert Verloop, executive vice president of marketing.

"We work with retailers on a local basis to promote local production. We also see it as a larger, year-round opportunity for bringing in the wider scope of what consumers want. They want local when it's available, but year-round availability is important, too."

Business updates

Grow Farms expands into sweet corn deal

Grow Farms, a 25-grower cooperative that supplies an array of locally grown produce to Louisville, Ky.-based wholesaler Horton Fruit Co., has expanded its production into sweet corn this year, said Brian Knott, Grow Farms' president.

"It's a big expansion — about 200 acres and five growers," Knott said.

Harvest Sensations offers list of local specialties

Los Angeles-based Harvest Sensations, a specialty arm of foodservice distributor Pro*Act, now features a "Farmers Market" list of locally grown spe-

cialty products, said Gwen Gulliksen, sales and marketing director for Harvest Sensations.

"In the summer, we see lots of fabulous heirloom melons, stone fruit, berries and heirloom tomatoes," Gulliksen said.

Ted & Honey uses local procurement firm

Ted & Honey, a Brooklyn, N.Y., restaurant that emphasizes locally grown ingredients on its menu, is now working with New York-based Basis Foods, whose focus is the procurement of homegrown fruits, vegetables, meat and dairy products.

"They go out and help the farmers with orders and bring the product into restaurants," said Christopher Jackson, execu-



Courtesy Ted & Honey

Locally grown ingredients at Ted & Honey, Brooklyn, N.Y.

utive chef and owner at Ted & Honey.

"Now, I'm able to grow that local program. That was an amazing addition."

By Jim Offner, special to The Packer



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