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Wal-Mart charts course to double locally grown produce sales in U.S.

By Bruce Blythe
Business Editor

Wal-Mart Stores Inc. said it plans to double its sales of locally grown fresh fruits and vegetables in the U.S. over the next five years as part of a broader effort to support sustainable agriculture worldwide. Through its Heritage Agriculture program, Wal-Mart plans to scale up purchases of locally grown food in U.S. states and regions "with long histories of agriculture production," the Bentonville, Ark.-based company said in a statement Oct. 14.

Three of the largest Heritage Agriculture programs are in the Northeast, Midwest and Mississippi Delta region, the company said.

Examples of products Wal-Mart plans to purchase through the program include tomatoes, blueberries and broccoli in the Interstate 95 corridor of the Northeast; potatoes, onions and apples in the Midwest; and peaches, cucumbers and strawberries in the Mississippi Delta, the company said.

Wal-Mart, the world's largest retailer, also said it planned to sell \$1 billion worth of food

'Our efforts will help increase farmer incomes, lead to more efficient use of pesticides, fertilizer and water, and provide fresher produce for our customers.'

Mike Duke
Wal-Mart Stores Inc.



from 1 million small and medium-sized growers in emerging markets by the end of 2015, aiming to boost their incomes by up to 15%.

The company will also provide training to growers in crop selection and sustainable farm-

ing practices that produce more food with fewer resources and less waste.

"Through sustainable agriculture, Wal-Mart is uniquely positioned to make a positive difference in food production — for farmers, communities and cus-

tomers," Wal-Mart chief executive officer Mike Duke said in the Oct. 14 statement. "Our efforts will help increase farmer incomes, lead to more efficient use of pesticides, fertilizer and water, and provide fresher produce for our customers."

Large corporations have stepped up sustainability efforts in recent years amid pressure from lawmakers, regulators and the public to curb pollution and reduce energy use.

Early this year, Wal-Mart said it was collaborating with the Environmental Defense Fund to work with the retailer's

vendors toward a goal to cut 20 million metric tons of greenhouse gas emissions from Wal-Mart's global supply chain over the next five years.

The 20 million metric ton reduction target would be the equivalent of taking 3.8 million cars off the road for a year, Wal-Mart said in February.

Wal-Mart, the largest U.S. food retailer with more than 20% of the market, doesn't provide sales figures for fresh produce. In Wal-Mart's fiscal 2010, the company had nearly \$132 billion in revenue from groceries, excluding Sam's Club stores, according

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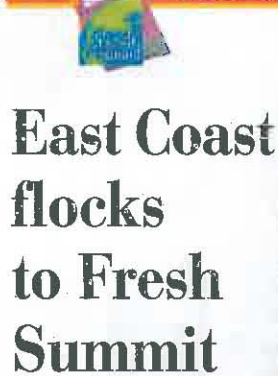
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East Coast flocks to Fresh Summit



By Doug Ohlmeier
Eastern Editor

ORLANDO, Fla. — A difficult economy didn't discourage people from packing the industry's biggest annual show. A record 3,938 retail and foodservice buyers walked the floors of the Orange County Convention Center in the Produce Marketing Association's Fresh Summit 2010, up from 3,633 in 2009 and the 3,842 that visited the Orlando show in 2008.

Fresh Summit drew 18,284 participants, beating the previous East Coast record attendance of 17,503 in 2008, the last time the convention was held in the Sunshine State, said Julia Stewart, PMA's public relations director.

"There is a lot of energy and excitement on the floor," said Garry Bergstrom, business development director of produce and floral for Publix Super Markets Inc., Lakeland. "People seem to be more upbeat. They're not talking about the economy as much as they did two years ago. There's more optimism."

Last year's confab in Anaheim, Calif., set the convention's attendance record of 19,060.

Plenty of interest

John Oxford, chief executive officer of L&M Cos., Raleigh, N.C., and vice chairman of the Fresh Summit 2010 committee, said many exhibitors who have been attending for years as well as new ones told him again and again that buyer visits were high. "All I got was positive feedback on this," he said. "People said it was great and they were glad they were there. I've always believe customers vote with their dollars. Just as we do in our business, people have a limited budget and made it a priority to come to Fresh Summit. That speaks volumes right there."

From one end of the convention hall to the other, buyers from major retail chains and foodservice and wholesale operations visited produce suppliers and others in the show's 950 exhibitors, up from last year's more than 800 exhibitors.

Exhibitors said they met with more buyers than they had planned.

"Our product requests have been unbelievable," said Louis Hymel III, director of purchasing and marketing for Spice World Inc. "We didn't bring enough product"

Plantation Sweets, Cobbtown, Ga., sig-



Brian Royfield (left), vice president of sales and marketing for J&J Produce, Loxahatchee, Fla., talks about bell pepper production with Joy Bennett, produce procurement manager of the Plant City, Fla., distribution center for Albertson's U.C. Boise, Idaho, and Mike Veneziano, Albertson's Plant City office sales manager, at the Produce Marketing Association's Fresh Summit 2010 in Orlando, Fla.

nificantly expanded its booth and had a larger presence on the floor.

"This has been the best show we have ever had," said Ronny Collins, president and chief executive officer. "I'm not sure if it's been the location or the booth size, but we have had a tremendous amount of buyers visit us."

North Bay Produce Inc., Traverse City, Mich., added space, including a table and conference center to its booth.

"We have had excellent days," said Jan. VanDriessche, national marketing representative. "We're very busy seeing a lot of contacts and meeting a lot of retailers."

Global draw

The extent of the presence of international buyers was welcomed, said Tom Riggan, general sales manager for Chelan Fresh Marketing, Chelan, Wash.

"There are a lot of Russians here, a lot of folks from the Middle East, South America," he said.

International visitors comprised nearly half of Chelan's booth business, Riggan said.

Mark Hanks, vice president of North American sales and marketing for DNE World Fruit Sales, Fort Pierce, said he noticed many produce exporters from Argentina, Chile, Australia and South Africa.

"It's amazing how many of them from throughout the world are here," Hanks said. "This show is becoming very international. Orlando pulls in a lot of people."

Oxford said the expanded food safety solutions center provided valuable information and conference goers received much take away information from the show's many sessions

Inside

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► Notes from the expo floor. **A7-21**

► Duda Farm Fresh Foods creates some buzz with red celery. **A13**

► The number of products in the Solid CutUps line of Pero Family Forms has tripled. **A15**

► Fresh Express won top honors in the PMA Impact Award competition for its plastic bags that use less plastic than other bags. **B7**



Markon Cooper's Tim York (left) accepts Marketer of the Year honors from Shannon Shuman, publisher of THE PACKER and Produce Retailer magazine. **B3**

Chilean avocado estimate plummets

Though volume won't match predictions, it should compare to 2008-09's levels.

By Andy Nelson
Markets Editor

An estimated 100 million to 120 million pounds of avocados will be shipped from Chile to the U.S. in the 2010-11 season, down from about 300 million pounds last season and U.S. markets will likely feel the effects throughout the season.

The estimate from the Washington, D.C.-based Chilean Avocado Importers Association is 40% lower than original forecasts, said Maggie Bezar, marketing director.

While severely down from last season, volumes are expected to be similar to those shipped in the 2008-09 season, Bezar said. She cited an alternate bearing cycle and cold growing weather as reasons for this season's decline.

Another reason is a stronger-than-expected euro, which has made Europe a more attractive destination for Chilean fruit, said Rob Wedin, vice president of sales and marketing for Calavo Growers Inc., Santa Paula, Calif.

Overall volumes shipped in the U.S. — including California and Mexico fruit — in 2010-11 will be about 12% to 15% lower than last season, Wedin said.

He also said prices will, on average, be higher than they were last season, and there will be periods of imbalance in the avocado market over the next 12 months.

That said, Wedin pointed out that total volumes will be similar to the 2008-09 season. "The bottom's not going to drop out. It's a small step backwards. We still think we'll have a good season."

Rob Wedin
Calavo Growers Inc.

"The bottom's not going to drop out," he said.

"It's a small step backwards. We still think we'll have a good season."

The short Chilean crop will affect the association's marketing activities this season, Bezar said.

"Promotions will be scaled back significantly," she said. "We'll still sponsor the college

Texas celery plant linked to listeria deaths ordered to close

By Mike Hornick
Staff Writer

Texas health officials have shut down San Antonio-based Sangar Fresh-Cut Produce after they traced listeria deaths and illnesses earlier this year to fresh-cut celery from the plant.

The Texas Department of State Health Services investigated 10 listeria cases, including five deaths, reported in Bexar, Travis and Hidalgo counties over eight months. Six of the 10 cases are linked to chopped celery from Sangar's plant, according to a department

were traced to Sangar products, or when the last case was reported. State health officials did not respond to requests for comment Oct. 21.

Lab results questioned

Sangar officials also did not respond to requests, but company president Kenneth Sanquist Jr. told The Associated Press he blames state inspectors' lax sampling techniques for linking Sangar to the outbreak.

The sample at the plant, Sanquist said, "appears" to have been taken by someone not wearing proper lab attire and

the state's lab results," Sanquist said in the statement to the AP.

The recalled products, mostly fresh-cut produce in sealed packages, were distributed through foodservice channels to restaurants, hospitals and schools. They are not believed to have been sold at retail, according to the DSHS, which ordered a recall of all the company's products shipped since January.

The Oct. 20 order was issued after samples of chopped celery from the plant tested positive for listeria monocytogenes. All of the illnesses affected

Texas inspectors also found sanitation issues at the plant and believe the listeria found in the chopped celery may have contaminated other food produced there, according to the DSHS. Findings included a condensation leak above a food production area, soil on a preparation table, and hand-washing issues.

Seems localized

Bob Whitaker, chief science and technology officer at the Produce Marketing Association, said that while it's too soon to rule out additional sources of contamination, the focus of the

for more information to see where this goes," Whitaker said. "This has been going on for a while and there are serious consequences. But it seems localized."

Complete tracing can be painstaking and time-consuming, Whitaker said.

"People have a hard time remembering what they ate, and so it can be difficult to make those connections after a while," he said.

DSHS food safety personnel are contacting distributors, restaurants and institutions believed to have received the recalled products.

