

# DOMESTIC Market Report



..... Retail news from CTFA's marketing managers in the United States and Canada

July 23, 2007

## CTFA National Accounts Manager

*Joanna Frith*

A big media week for California PPN this past week, as Chef Adam Perry Lang appeared on NBC's *Today Show* in a five-minute segment, showing how to prepare Honey-Brined Chicken with peaches. Chef Perry Lang managed to get a "California" mention in and succinctly answered the host's question about how to pick a good peach, noting both the variation in individual preferences and that he prefers to buy firm fruit and ripen it to his preference at home. Those were definitely helpful messages for the roughly 6.2 million viewers of *Today*. This [link to the video segment](#) was live as of time of publication.

We discovered an in-store media bonus at Albertson's ACME banner recently – they created and are running a stone fruit grilling segment on their in-store Avenu video network this summer. No payment made to that chain for that coverage.

As you'll see noted below, other origin peaches are substantially less prominent at retail than they were a year ago at this time. We'll continue to track those items with rep visits and store audits as Washington fruit is beginning to come on.

Otherwise, all activities continue in full swing, including Grill'n & Chill'n Sweepstakes, best practices study, store audits and *Freshipes* (which just released a plum issue, which you can check out on the [eatcaliforniafruit.com](http://eatcaliforniafruit.com) website if you're not subscribed).

## Southwest

*David Anderson*

**Markets Visited:** Denver CO, Austin TX, Houston TX, San Antonio TX, Nebraska

**Accounts:** Wal-Mart, Sam's Clubs, Wal-Mart Corp Marketing, **Schnuck's**, **AWG KC**, Ball's Food Stores, Hy-Vee, **King Soopers**, Minyard's, Albertson's Ft. Worth, Brookshire Grocery Company, Fiesta Mart, **Kroger SW**, FoodTown, HEB, **Central Market**, **Whole Foods SW**, Dierbergs, Dillon's, Kroger Columbus, Kroger Louisville, Super Target, Marsh, (*Boldface accounts: Visited or contacted this period*)

### **Market Observations:**

While below \$1.00 per lb. advertising activity has slowed, display activity at retail has not. See attachments to this report showing strong retail support of CA PPN.

Rocky Mountain Peach deal is now in full swing, with market observers reporting volumes are clearly off from year ago, and should be wrapped up by 2<sup>nd</sup> week of August. Variety-specific in-store and in-ad designations appear to be much higher this year vs. last.

**Account Recap:**

**Denver**

Conducted this past week, all retailers w/ 10% ACV or higher were audited.

Albertson's Rocky Mountain

This division has cleaned up their act by closing non-performing locations, and has reportedly doing better business in remaining locations. They eliminated "the card" and are using this as an advertising point of difference. Minimal variety, larger sized fruit w/ good quality at fair price displayed cautiously to minimize shrink. \$1.49 per lb. feature ads yellow flesh nectarines and peaches. NO CARD REQUIRED.



Safeway

While the much-maligned Safeway has made headlines with its lifestyle format, a cursory review of Denver locations reveals it's more bark than bite. Their uninspiring table top stone fruit displays serve to minimize shrink, maximize variety, but also show very little in the way of merchandising ambition. There was a decided effort to line-price white flesh with yellow flesh to minimize size differences. Beyond that, I saw no off-shelf displays on stone fruit in the three stores audited. All product was on the table, and retailing at \$3.49 per lb. on larger-sized yellow flesh peaches and nectarines.



King Soopers

Followed up on business review with head merchandiser this visit, clearly King's continues to excel in this market as displays looked sharp, stores were busy and seemingly everywhere you see King Soopers delivery trucks. With market share (including City Markets on west slope of Rockies) exceeding 35%, and business review confirming this number to be actually a bit conservative, it's clear they are far and away the choice of Coloradoans when it comes to grocery shopping. Excellent organic variety and support at retail on top of strong commitment to deal (when not competing w/ their now-very-successful local program) King Soopers continues to merit attention. CTFA had Grill'n & Chill'n artwork ready for their team, and they reportedly are considering implementing special Plum promotional programming utilizing Download Center off of CTFA website. Clean floor policy here precludes us from working POS programming, although they did utilize some of the Cal State PPN information in a pre-season meeting with their retail product management staff. Contact really thought the grilling program was unique, and merits attention as a possible ad inclusion later in the season. Right now with local peach deal beginning, the attention to many big time commodities slows down. Corn is another great example where their local product (Olathe) becomes a very strong focal point.



Wild Oats

In this their largest market, Wild Oats showed they still have some life, at least in the produce arena. While volumes are clearly small in the overall market scheme of things, their attention to local deal is very much alive, as witnessed by pictures below. Strong everyday retail showed pricing of \$1.49 per lb. on yellow flesh nectarines and peaches.



Wal-Mart Supercenters

While making a relatively small splash in Denver, W-M has reportedly achieved (or is soon to achieve) number-two market share designation in Colorado. As per what seems to be weekly reports, they are aggressively pushing PPN with multiple off shelf displays. In this particular location no less than three off shelf displays.



Whole Foods Market Rocky Mountain Region

Stores were not as deep into PPN deal as one would hope, although stores audited are on the smaller side and probably just not capable of handling the kind of variety one sees in larger locations. Volumes are significant however; some observers have declared WFM as having the highest sales per sq. ft. in Rocky Mountain marketing area.



Kroger Southwest Update

Grill'n & Chill'n installation is complete, and this coincided with strong Nectarine Melba Salad feature advertisement with 1/2 top block of ad devoted to product and recipe. Here's a look at retail in Houston / DFW market locations.



Other Retailers of Note

Super Target has announced additional sites in markets they consider as ideal for their upper scale yet value shopping base. Here's a look at a typical stone fruit set at Super Target, this particular location was in Denver. Note Target will go to self-distribution by this time next season (away from SuperValu).



**Austin Market – Upscale Only**

Whole Foods

A quick look at far right at what jumped out at Whole Foods Landmark store - space – incredible 32 foot run of CA PPN. At near right, varietal signage at HEB's Central Market.



**Northeast U.S. / Eastern Canada**

*Ken Berger*

**Markets Visited:** Toronto, Montreal, Boston, NY/NJ/PA

**Accounts:**

- New England:** BJ's, Big Y, Hannaford, Market Basket, Shaws, Stop & Shop, PPO
  - NY/NJ/Western PA:** A&P Atlantic, Pathmark, Shoprite, Food Town, Price Chopper, Wegmans, Acme, Giant, Weis
  - Ontario:** A&P Canada, Loblaw Companies East, Sobeys Canada, Costco Canada
  - Québec:** Métro, Sobeys Québec, Provigo
  - Atlantic Canada:** Sobeys Atlantic, AWL, Colemans
- (Boldface accounts: Visited or contacted this period)*

**Market Observations**

Northeast U.S.

It's New Jersey blueberry time! The harvest of the Garden State's most popular bounty kicked off right after the 4<sup>th</sup> and retailers from New England to Pittsburgh to, of course, Newark, are featuring them front-page and center stage during this reporting period, and as in the example (**Shoprite**) below, California fruit takes a back seat...



Further to the "local" season, **Pathmark's** advertising department deserves kudos for trying to convince its northeastern U.S. shoppers that *Tree Ripe Peaches, Plums, Nectarines* (as well as Northwest Cherries, I guess) may be part of the *Farm Stand Festival – Go Fresh, Go Local...*



Likewise, **Shoprite** is delivering that *local* feel to shoppers in stores at the California tree fruit displays with baskets, at right...

**Stop & Shop** is showing full support for the California tree fruit deal with a combination of its *Orchard Perfect* tree ripe and conventional tree fruit merchandised side-by-side in most stores. Tree-ripe items at \$1.99; others at \$1.49. Additionally handling the *Sponge Bob* kid's pack...

Canada

**MAJOR NEWS ITEM:**

**Sobeys Acquires Thrifty Foods for \$260 Million**

Sobeys Inc. has announced it is buying British Columbia's Thrifty Foods. "We are delighted to have entered into this agreement with Alex Campbell and Thrifty Foods," said Bill McEwan, president and chief executive officer of Stellarton, N.S.-based Sobeys Inc. "Thrifty's is a very well respected and well run food-focused retailer with great management and a reputation for exceptional customer service." Thrifty's business is comprised of 20 full-service supermarkets, a main distribution centre and wholesale division on Vancouver



Island and the Lower Mainland of B.C. Alex A. Campbell, chairman, Thrifty Foods said: "More recently, we have come to the realization that if we want to continue as the market leader, then we must commit to a new era of growth. I am very pleased to find, in Sobeys, a company that is committed to the long-term growth and success of Thrifty Foods." The deal is expected to close during Sobeys' and Empire's second quarter.

**Loblaws, Ontario** conventional banners again this season lead the way in Canada with the greatest variety of offerings of tree fruit from California. W/o 7/16 on front-and-centre display in a Toronto store, we found tree-ripe items at \$1.99, conventional at \$1.49, white flesh at \$2.99 and plums on ad at \$1.49.

**Account Recap**

**NORTHEAST**

**A&P Atlantic:** At near right, average-looking display Most effective (although mostly out of frame to left) is a shopper self-serve Sample Dome featuring Nectarines...



**Acme:** At far right, I received the following photo from my colleague in Philly who caught a grilling tree fruit segment on the Albertson's corporate-driven Avenu overhead video system at an Acme last week. This advertisement was free air time for California PPN. Outstanding support from this chain, as always...



**Hannaford:** Not pretty but practical and informative, the recipe below was posted next to the display of California nectarines in the stores audited, and according to Category Manager, "This looks to be something that this particular store did on their own. We will suggest something like this on occasion, but I don't believe it was us for the below recipe. Great initiative on the store's part!"



**Pathmark:** W/o 7/9, California – branded Black Diamond plums are a Produce Pete's Pick-of-the-Week. California Tree Fruit logo also used, both in the flyer ad and on T-stands in stores...

**Shaws:** Plenty of vendor-provided POS around many of Shaws' stores display...and an early July Pick of the Pros feature on white flesh peaches and nectarines...

**Shoprite:** Below, Shoprite ad "Pick the Perfect Peach" ad and display. Where eastern peaches proliferated here at this time last year, this NJ-based retailer continues to yell about California peaches all the way into the third week in July, although you can see from this photo taken in-store that California and NJ peaches are being merchandised together but quite distinctly differently from one another, with the local peaches in totes and signage that says: "Delivered Fresh From Nearby Farms..."



**Stop & Shop:** Continuing with huge awareness campaign educating shoppers on the Orchard Perfect brand. Mentioned in



Supermarket News on July 6. First, this online message from Stop & Shop's nutritionist...

**Orchard Perfect**

Nothing beats a juicy peach or a crunchy apple on a hot summer day! Fruits and veggies are the foundation of a healthy diet. And now is the perfect time to add more by trying Orchard Perfect.

Our Orchard Perfect fruit is picked at the peak of perfection and transported as quickly as possible to our stores so that it is at its best when you purchase it and ready to eat when you take it home. All you have to do is wash it!

Look for Orchard Perfect apples, avocados, peaches, plums and nectarines the next time you shop and enjoy "perfectly" ripe, juicy, sweet produce.

Then, a full wrap-around page in the w/o 7/9 flyer that shows a Stop & Shop produce inspector checking the fruit along with the following bullets:

- o Orchard Perfect fruit is picked at the peak of perfection
- o We use the fastest transportation available, to get it to our warehouses and into our stores as quickly as possible to ensure freshness
- o Our store displays are checked and restocked at regular intervals throughout the day to ensure our fruit is at its best when you purchase it
- o Our Orchard Perfect fruit is ready to eat when you take it home

This is then followed by a produce page feature on peaches and nectarines where the bullet points are repeated.



**Wegmans:** Front-page flyer feature for w/o 7/16. Sometimes, less is more...

**Weis:** Aggressive, albeit lonely-looking in-store display of a 4# bag of California nectarines...Also, several weeks of store audits have failed to locate use of the CTFA POS

that was ordered...

**CANADA**

**A&P Canada – Food Basics banner:** At far right, EDLP banner accounts for better than 50% of overall A&P Canada volume, and this w/o July 16<sup>th</sup> front-page flyer ad is one of the reasons why...

**The Best of Summer Grillin' n Chillin'**

Finally, Summer's here and everyone's looking for ideas to make the summer the best ever! Our little summer will be cooking to some really juicy summer produce all month long! So make sure you have your favorite fruit for cooking. We'll have you covered for cooking. We'll have you covered for cooking.

Date	Store	Time
July 16-22	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm
July 23-29	Centex	12pm-7pm
July 30-31	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm
July 16-22	Millers	12pm-7pm



**Longo's, ON:** At near right, the *California Grown* promotion began first week in July with grilled peaches, plums and nectarines featured in a salad. Demos are taking place throughout the month, outdoors in the parking lots of the participating stores. As a sponsor of the *Buy California* program, this is great exposure for CTFA. The announcement appeared in Longo's online and hard copy flyers and in-store signage...



In-store activity included grilled peaches with chocolate whipped cream... shopper response was good...three images at right

And, oh yes, just below far right, this little Tribute Ad with the green border, which follows the farm trip to California in early June attended by all Longo's produce managers and corporate personnel...California branded with both CA Grown & CA PPN logo.

**Sobeys ON:** At near right, Priced and merchandised to sell at this well-set EDLP **Price Chopper** banner in Toronto. Yes, that's an incredible \$0.49/lb on California peaches, \$0.77/lb on nectarines and \$1.29/lb on plums. Photo taken on July 2<sup>nd</sup>...



**Super C:** Métro's EDLP banner is doing a great job at featuring the 2# bag of peaches, plums and nectarine. Below right is the w/o 7/9 blast...

**Wal-Mart:** Below, two images of typical tree fruit merchandising set in one of our recently-opened Supercenters in the Greater Toronto area. This photo was taken on July 2<sup>nd</sup>...with a most unappealing yet effective front-of-store placement of peaches and nectarines in watermelon bins:



### National Accounts

*Joanna Frith & Carly Rodgers*

**Markets Visited:** Bay Area (Livermore, Pleasanton Ca.)

**Accounts:** Hy-Vee, Kroger Cincinnati, Kroger Indianapolis, Kroger Great Lakes, Marsh, Meijer, Roundy's, Super Target, W. Newell Company (Super Valu), Jewel, Kroger Corporate, SaveMart, BiLo, Foodlion, Harris Teeter, Ingles, Kash N Karry, Kroger Alanta, Kroger Memphis, Kroger Roanoke, Lowes, Publix, **Albertson's LLC**, **Safeway**, **Raley's** (Boldface accounts: Visited or contacted this period)

### Account Recap

**Raley's:** Store display of PPN was in the front center of the produce department, with a separate plum display, as seen in the four images at right. A banner was hung above the right side of the produce department with peaches displayed in the top middle of the banner reading "Let's Celebrate Juiciness, Sweetness and Its Counterpart Tartness.".



**Safeway:** PPN takes the front display in Safeway stores as well, as seen at near right. Safeway is pushing their "Selected with Excellence" theme with 11x7 display cards placed above the PPN display



and the “Selected with Excellence” phrase appearing in all ads for PPN. Peaches at Safeway’s Club Price were on ad for 2 lbs. for \$ 3.00, with “tree-sweetened” Red Lion nectarines on ad 10 lbs. for \$10 as seen in ad to the right.

**Albertsons:** Below, week of July 9, California red and black plums, pick’d ripe peaches or nectarines and white flesh peaches or nectarines were on ad for \$1.99 lb.



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