



RETAIL NEWS FROM CTFA'S MARKETING CATALYSTS IN THE UNITED STATES AND CANADA

## For Period Ending August 9, 2006

### CTFA Vice President of Marketing

*Sheri Mierau*

We've passed the 50% mark on all three commodities and we're into O'Henry, the industry's biggest variety. We've also just passed the halfway mark on the Tasty Tunes promotion. As of the end of day 44 of the 80-day promotion, we've reached about 8,400 redemptions.

Enrollment closed August 11 for the 90-Day Challenge. There are 650 U.S. and Canadian consumers taking the Challenge this summer, but that's not the only measure of the program's reach. Press coverage for the Challenge, which included copious mentions of the benefits of California peaches, plums and nectarines, achieved over four million impressions nationwide. We're getting great contact with those consumers participating, and we're also gathering information on how they learned about the Challenge, in order to determine what communications methods delivered the greatest return for future promotions.

As regional fruit comes to market, your regional Marketing Managers continue to work to keep California peaches, plums and nectarines prominent in store displays. All three merchandisers note success stories in this respect this period, with a firm market, commitment from retailers and strong supply out of California all playing a part.

### Northeast U.S. / Eastern Canada

*Ken Berger*

#### Accounts:

New England	BJ's, Big Y, Hannaford, Market Basket, Shaw's, Stop & Shop, PPO
NY/NJ/Western PA	A&P Atlantic, Pathmark, Shoprite, Food Town, Price Chopper, Wegman's, Acme, Giant
Ontario	A&P Canada, Loblaw Companies East, Sobeys Canada
Québec	Métro, Sobeys Québec, Provigo
Atlantic Canada	Sobeys Atlantic, AWL

#### Market Observations:

Plenty of California tree fruit flyer ads out there, but the local peach deals and California cantaloupe and grapes are beginning to dominate the front-page across much of both the Canadian and Northeast U.S. regions.

The Jersey peach pricing is very aggressive, typified by the W/O 8-7 Food Town ad shown here, although most retailers featuring them are at \$0.99 per lb...



The 3L (approx 3#) baskets of Ontario peaches, too, are coming on strongly with W/O 7/31 front-page flyer ads at Food Basics, Loeb Canada, No Frills (ON); Provigo (QC); Real Canadian Superstore (Atlantic) and no less than 10 Canadian retailers featuring them, five of which have them on the front page of their flyer W/O 8/7 – mostly in the \$1 per lb. or equivalent range.



Great support, though, from A&P Canada, bucking the trend W/O 8/7 with California tree ripe or white flesh peaches or nectarines on the front page of its flyer at an albeit non-aggressive \$1.77 per lb.

And in Western Canada, B.C. peaches, too, have made their way onto store shelves and retail flyers. (see COOP report in account recap section below)

## **NORTHEAST U.S.**

### **Retailers featuring both California-identified and “tree-ripe” tree fruit AND “southern/eastern/local” tree fruit during this reporting period:**

- W/O 7/31: Big Y: (see account recap section below)
- W/O 7/31: Food Town: “California Tree Ripe Peaches, Plums or Nectarines - \$2.49/lb; California 56 size Nectarines - \$1.49/lb;” “Jersey Fresh, 2-1/2” peaches - \$1.29/lb
- W/O 7/31: Genuardi’s: “Tree Sweetened Nectarines – 2#/\$5;” (New Jersey) peaches – 2#/\$3
- W/O 7/31: Pathmark: (see account recap section)
- W/O 7/31: Shoprite: “California Plums - \$0.79/lb;” “California Nectarines - \$1.49/lb;” (no origin) Peaches - \$1.29/lb
- W/O 8/7: Acme: “Ripe ‘n Ready peaches, plums or nectarines. Bursting with flavour - \$1.99/lb.” Locally grown peaches - \$0.99/lb.
- W/O 8/7: Food Town: “California White Flesh Peaches or Nectarines - \$1.99/lb; California 40 size Red or Black Plums - \$1.49/lb;” “Jersey Fresh, 2-1/2” peaches - \$0.69/lb (front-page; coming of \$1.29/lb last week)
- W/O 8/7: Shoprite: “California White Peaches or Nectarines - \$1.99/lb. Juicy California Nectarines - \$1.49/lb.” Local peaches – 2-1/2” - \$0.99/lb

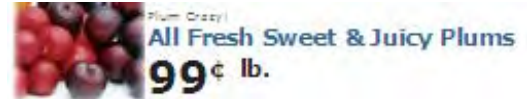
### **Retailers featuring California-identified or “tree-ripe” tree fruit during this reporting period:**

- W/O 7/31: A&P Atlantic: (see account recap section below)
- **W/O 7/31: Acme - “Ripe ‘n Ready” peaches, plums or nectarines - \$1.99/lb (7th week running); Non-identified origin peaches or nectarines - \$0.88/lb (front page)**
- W/O 7/31: The Food Emporium: “California Peaches - \$2.49/lb”
- W/O 7/31: Giant Foods: “Orchard Perfect Peaches, Nectarines or Plums - Large Size - \$1.29/lb” (Front page)
- W/O 7/31: Genuardi’s (see account recap section below)
- W/O 7/31: Shaw’s: “Ripe ‘n Ready peaches, plums or nectarines - \$1.99/lb”
- W/O 7/31: Wegman’s: “California Nectarines, Red and Black Plums - \$0.99/lb”
- W/O 8/7: A&P Atlantic and The Food Emporium: (see account recap section below)
- W/O 8/7: Big Y: “California peaches or nectarines; Extra large. Yellow or Summerwhite - \$2.28/lb”
- W/O 8/7: Giant Foods: “Orchard Perfect Peaches, Nectarines or Plums. Large Size - \$1.69/lb”

- W/O 8/7: Pathmark: *Tree Ripe peaches, plums or nectarines. Extra large. Ripe and Ready to Eat – 2#/\$3* (front page)
- W/O 8/7: Shaw's: *"Ripe 'n Ready Peaches, Nectarines or Plums - \$1.29/lb"* (front page)
- W/O 8/7: Stop & Shop: *"Fresh Orchard Perfect Peaches or Red or Black Plums - \$1.99/lb"*
- W/O 8/7: Wegman's: *"California Peaches - \$1.49/lb"*

**Retailers featuring "southern/eastern/local" tree fruit or with no origin specified during this reporting period:**

- W/O 7/31: Price Chopper: (Southern) - \$0.99/lb; Nectarines - \$1.68/lb
- W/O 7/31: Stop & Shop: (Southern) Peaches - \$0.99/lb
- W/O 8/7: Genuardi's: (no origin) Red or Black Plums – 10#/\$10 (front page)
- W/O 8/7: Price Chopper: No origin specified, but a creative ad, and probably California fruit nonetheless...



**Retailers featuring "Organic" tree fruit during this reporting period:**

- W/O 7/31: Food Town: *"Organic peaches or nectarines, 4ct pkg. - \$3.49"*
- W/O 8/7: Giant Foods: *"Organically grown peaches or nectarines – large size - \$1.99/lb"*

**CANADA**

**Retailers featuring both California-identified or "tree-ripe" tree fruit AND "southern/eastern/local" tree fruit during this reporting period: none**

- W/O 7/31: Sobeys QC: (see account recap section)
- W/O 8/7: COOP (AB): *"Ripe 'n Ready plums. Large Size. Fresh and juicy. Produce of California. New Crop - \$1.99/lb."* B.C. peaches. 3L (approx 3# basket) - \$4.99.

**Retailers featuring California-identified or "tree-ripe" tree fruit during this reporting period:**

- W/O 7/31: Loblaw's QC: *"California Red or Black Plums - \$1.79/lb"*
- W/O 7/31: Métro Québec: *"California ready-to-eat peaches or nectarines - \$2.59/lb; California Red or Black Plums - \$1.99/lb"*
- W/O 8/7: A&P Canada: *"Tree Ripe or White Flesh Peaches or Nectarines, Prod. Of U.S. - \$1.77/lb"*
- W/O 8/7: Provigo: *"California Red or Black Plums - \$1.69/lb"*
- W/O 8/7: Save-On Foods: *"California Red Plums - \$1.48/lb"*

**Retailers featuring "southern/eastern/local" tree fruit or with no origin specified:**

- W/O 7/31: Coleman's: (U.S.A.): White Peaches & Nectarines - \$1.69/lb
- W/O 7/31: Food Basics: (U.S.A.) Red or Black Plums - \$0.97/lb; (Ontario) Peaches, 3L basket or Golden plums, 1.5L basket - \$2.95 (front page)
- W/O 7/31: Loblaw's ON, Fortino's, Zehrs: (U.S.A.) White Flesh Peaches or Nectarines - \$1.99/lb
- W/O 7/31: Loeb Canada: (Ontario) Peaches, 3L basket or Golden plums, 1.5L basket - \$2.99 (front page)
- W/O 7/31: No Frills: (U.S.A.) Red or Black Plums - \$0.99/lb
- W/O 7/31: Provigo: (Ontario) Peaches, 3L basket or Golden plums, 1.5L basket - \$2.99 (front page)
- W/O 7/31: Real Canadian Superstore: (Ontario) Peaches, 3L basket - \$2.99 (front page)
- W/O 7/31: Sobeys Atlantic: (Ontario) Golden plums, 1.5L basket - \$3.97

- W/O 7/24: Sobeys QC: (Ontario) Peaches, 3L basket or Golden plums, 1.5L basket - \$3.99
- W/O 8/7: Coleman's: (Ontario) peaches. 3L basket - \$5.99
- W/O 8/7: Food Basics: (Ontario) peaches. 3L basket - \$2.95
- W/O 8/7: Loblaw's QC: (Ontario) peaches, 3L basket or Golden plums, 1.5L basket - \$2.99 (front page)
- W/O 8/7: Loeb Canada: (Ontario) peaches - \$1.29/lb
- W/O 8/7: Métro: (Ontario) Peaches, 3L basket or Golden plums, 1.5L basket - \$2.99 (front page)
- W/O 8/7: Real Atlantic Superstore: (Ontario) peaches. 3L basket - \$2.97 (front page)
- W/O 8/7: Real Canadian Superstore: (Ontario) peaches. 3L basket - \$2.99
- W/O 8/7: Save-On Foods (Overwaitea) (see account recap section below)
- W/O 8/7: Sobeys ON: (Ontario) peaches. 3L basket - \$2.47 (front page)
- W/O 8/7: Sobeys QC: (Ontario) Peaches, 3L basket or Golden plums, 1.5L basket - \$3.99
- W/O 8/7: Sobeys Atlantic: (Ontario) Peaches, 3L basket - \$2.88 (front page)

**Retailers featuring "Organic" tree fruit during this reporting period:**

- W/O 7/31: Loblaw's ON: Organic Red Plums from the U.S. - \$1.49/lb

**ACCOUNT RECAP:**

**NORTHEAST U.S.**

A&P ATLANTIC W/O 7/31 and 8/7 - Continuing with its branded tree-ripe advertising strategy - "Prima Tree Ripe, California peaches, plums and nectarines. A more mature flavour - \$2.99/lb" (3<sup>rd</sup> and 4<sup>th</sup> weeks in a row) I'm not exactly sure if an advertorial saying that the fruit has a more mature flavour is necessarily a strong selling feature but who am I to say...? Also featuring a California white flesh peach or nectarine at 2#/\$5 W/O 8/7...



THE FOOD EMPORIUM: W/O 8/7: Continuing with great ad activity, A&P's sister banner presents the following... ("Wait until you bite into our White Flesh Peaches. They're Extra-large and typically sweeter and juicier than most. And remember, our quality is always extra large (Jumbo), extra-fancy, and sweet and juicy.")



**BIG Y W/O 7/31 - Running a couple of tree fruits ads by the piece: "Sweet California Jumbo Red or Black Plums - \$0.25ea" and Jersey Peaches - \$0.25ea...**

Fresh Jersey Peaches  
25¢ ea  
Extra Large  
Fat Free, Cholesterol Free, High in Vitamin A, Good Source of Vitamin C



Sweet California Jumbo Red Plums  
25¢ ea  
or Black Plums  
Low in Calories, Low in Fat



**GENUARDI'S W/O 7/31 – Running a front-page flyer ad at 10#/\$10, and using the Buy California logo...**



**PATHMARK W/O 7/31 – Sharp photography on its front-page Plum-a-rama flyer feature...**



...and again in the primary block on the produce page same week...



Also featuring 2-1/2" and larger Jersey White Peaches at 2#/\$3.

CANADA

SOBEYS QC: W/O 7/31: Plenty of great reading material in this week's flyer for fans of both California and locally grown (Ontario) tree fruit. (Most of the page is bilingual, except the top left: "Discover Stone Fruit...")

COOP (AB): W/O 8/7: Featuring California plums as well as B.C. grown peaches prominently in its flyer...

SAVE-ON FOODS (OVERWAITEA): W/O 8/7: Featuring the local crop peaches in a 10# case, a canning format pack tradition in the west...



## STORE CHECKS

RETAIL STORE NAME	DATE	SPECIES	PLU #	PRICE	LABEL
Sobeys, Toronto	8/8	CA yellow peaches TR – lg CA yellow nectarines TR – lg ON/Eastern peaches – lg CA nectarine – lg CA red plums – sm/lg CA black plums – lg ONTARIO peaches – 3L bskt	4044 4378 4403 4036 40441/4042 4040 -	\$2.49 \$2.49 \$1.49/lb \$1.49/lb \$1.99/lb \$1.99/lb \$1.99ea ADV	Ripe 'n Ready Ripe 'n Ready Vineland's Best/Cotton Hope Summertime Fresh Kingsburg
Dominion (AP), Toronto	8/8	CA yellow peaches TR – lg CA yellow nectarines TR - lg CA white peaches – lg CA white nectarines – lg CA red plums – lg CA black plums – lg ONTARIO peaches – 3L bskt	4044 4378 4401 3035 4042 4040	\$1.77/lb ADV \$1.77/lb ADV \$1.77/lb ADV \$1.77/lb ADV \$1.99/lb \$1.99/lb \$3.99	
Loblaws, Toronto	8/8	CA yellow peaches TR – lg CA yellow peaches – lg CA white peaches – lg CA yellow nectarines TR - lg CA yellow nectarines - lg CA white nectarines - lg CA red plums - lg CA black plums - lg ONTARIO peaches – 3L bskt ONTARIO nect – 3L bskt	4044 4038 4401 4378 4036 3035 4042 4040	\$2.49/lb \$1.49/lb \$1.99/lb \$2.49/lb \$1.49/lb \$1.99/lb \$1.99/lb \$1.99/lb \$3.99ea ADV \$3.99ea ADV	Kingsburg Prima  Kingsburg Kingsburg
Métro, Montreal	8/1	CA yellow peaches TR – lg CA white peaches - lg CA yellow nectarines TR - lg CA white nectarines TR - lg CA red plums – lg CA black plums – lg	4044 4401 4378 3035 4042 4040	\$2.59/lb ADV \$2.99/lb \$2.59/lb ADV \$2.99/lb \$1.99/lb ADV \$1.99/lb ADV	Ripe 'n Ready Kingsburg Ripe 'n Ready/Ripeway
Loblaws, Montreal	8/1	CA yellow peaches - lg CA white peaches – lg CA yellow nectarines – lg CA white nectarines – lg CA red plums – lg CA black plums – lg	4038 4401 4036 3035 4042 4040	\$1.99/lb \$2.99/lb \$1.99/lb \$2.49/lb \$1.79/lb ADV \$1.79/lb ADV	Summertime Fresh Kingsburg  Kingsburg
Provigo (Loblaws), Montreal	8/1	CA yellow peaches – lg CA white peaches - lg CA yellow nectarines – lg CA white nectarines – lg CA red plums – lg CA black plums - lg	  4036  4042 4040	- - \$1.99/lb - \$2.49/lb \$2.49/lb	Top Shelf   Summertime Fresh
IGA (Sobeys), Montreal	8/1	CA yellow peaches – lg CA white peaches – lg CA yellow nectarines TR - lg CA white nectarines – lg CA red plums – lg CA black plums – lg	4044 4401 4378 3035 4042 4040	\$2.49/lb ADV \$1.99/lb ADV \$2.49/lb ADV \$2.49/lb ADV \$1.49/lb ADV \$1.49/lbADV	Summeripe

## Western U.S. / Western Canada

*Matt Ellison*

**MARKETS VISITED:** Portland, Seattle, N California, S California, Phoenix, Cincinnati.

**ACCOUNTS:** \*Fred Meyer, \*Winco, \*Kroger Corporate, Albertson's Corporate, \*Costco, \*Safeway Corporate, Food-4-Less, \*Savemart, \*Ralph's, \*Stater Brothers, \*Fry's, \*Basha's, \*Safeway Buying Office, Raley's

\*Visited this period

### **MARKET OBSERVATIONS:**

- Continued hot weather in Washington State has kept production down on nectarines and retailers are still carrying both California and Washington fruit. Washington white flesh varieties are available in limited quantities.
- California retailer Ralph's has generated 516 Tasty Tune redemption codes to date. Ralph's Tasty Tune promotion ends August 13<sup>th</sup>. Safeway, excluding Portland and Seattle divisions, will run their Tasty Tune promotion August 14<sup>th</sup> until September 17<sup>th</sup>.
- Results for Costco's end-cap promotion are in. This end-cap promotion was a preliminary study measuring the effect of premium floor space on sales in a club store. The promotion ran from July 3<sup>rd</sup> to July 17<sup>th</sup> in 5 Northern California stores. Measuring from the prior two-week period, sales increased 5.87% and unit sales increased 21.79%. As a company, Costco's unit sales were down 16% for the first week of the promotion and up 2% for the second.
- Jerry Callahan, Produce Director for Albertson's Arizona division, is reporting good sales. Jerry noted the taste and quality have been great.

## Southwest

*David Anderson*

**Markets Visited:** Merchandiser on vacation last 10 days, abbreviated report this period.

**Accounts:** Wal-Mart\*, Sam's Clubs, Schnuck's\*, Save A lot, AWG KC, Ball's Food Stores\*, Hy-Vee\*, King Soopers\*, Minyard's, Albertson's Ft. Worth\*, Brookshire Grocery Company\*, Fiesta Mart, First Quality\*, Kroger SW\*, FoodTown, HEB, Central Market, Whole Foods SW, Dierbergs\*, Dillon's\*, United Supermarkets, Kroger Cincinnati, Kroger Indianapolis\*, Kroger Louisville\*, Kroger Great Lakes\*, Marsh, Meijer, W. Newell Company (Super Valu), Super Target,

\*contacted

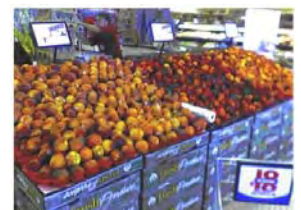
### **Observations:**

Firm market keeping limited number of retailers (Midwest primarily) into other origin peach deals. Almost universal acceptance this season that CA quality is beyond good, and approaching great.

### **Account Recap:**

Albertson's FW:

New company – period. Hard to believe but the Ft. Worth division (now part of LLC group) clearly and unequivocally has new life. Aggressive pricing, (1000's of items now competitive with WM and HEB) much better quality in produce, and a concerted marketing program communicating all of these changes is now in effect. Both merchandiser and head buyer are pitching for a renewed support program, as they



believe they are now back in business – See image for nice front of store lobby display in audit conducted this past weekend.

**Organic Promotion:**

King Soopers, Kroger SW, Central Market (HEB), Kroger Columbus/Detroit:

All have been promoting Organic Tree Fruit (plums primarily) in their merchandising programs. Quality reportedly “good” and all report sales are much higher this year than previous seasons (on organic). These ads from Kroger and Dierberg’s.



**Alternative Packaging – Variety Promotions:**

Key retailers like Kroger Great Lakes, Dillon’s, HEB, Kroger Cincinnati, Kroger Detroit, Super Target, King Soopers, Dominick’s have all merchandised bags or club pack trays this season. Some are even advertising the offering – see Kroger’s club pack nectarine and Dillon’s Plum-o-Rama.

Other retailers advertising their variety difference, primarily in Plums, but have seen single variety specialty tree fruit as well. Dillon’s ad shown this past week (plum – o – rama) Brookshire’s Tyler, and aforementioned King Soopers have also advertised red/black/green all together.



KROGER OHIO

DILLON’S

**Getting after it:**

While markets are firm, key retailers continue to emphasize price in their ads. See below for key market players and the hot ads being run.



JEWEL



MEIJER



H.E.B.

• **Other Origin / Seasonal Transitions:**

- Kroger Indy is 100 percent California – intends to stay so.
- Jewel reports this week that Albertson’s corporate has decided to stay in CA and delay what was originally intended to be move to Washington on key commodities.
- KC, St. Louis, Wichita, Minneapolis, Milwaukee markets all reporting other origin peach activity.

• **Which Peach / Cruncher Leaner In-Between / 90-Day Challenge:**

- Kroger Columbus / Detroit
- Kroger Indianapolis
- Kroger Cincinnati
- Kroger Louisville
- Dillon’s
- Schnuck’s
- Albertson’s Ft. Worth
- Hy-Vee
- Jewel
- King Soopers
- Kroger Southwest

Above retailers have all received and distributed materials – iron man signs, and / or cards / channel inserts. Universal “kudos” regarding messaging and design this year from those participating. Have been asked by a couple of competing retailers if they could do same next season. (even though they had opportunity early on)

Merchandiser is back from vacation – and will have full report week of 8/21/06.