

THE PRODUCE NEWS

Vol. 112, No. 40

COVERING FRESH PRODUCE AROUND THE GLOBE SINCE 1897

Week of October 5, 2009

Juice squeeze this year not affecting new launches

BY CHRISTINA DiMARTINO

A 2.8 percent drop in refrigerated juice sales is not dissuading existing juice companies from expanding their product lines, nor is it slowing the introduction of new launches.



Sales of Dream Foods International's one-liter lemon juice have increased 80 percent this year over last year, which Adriana Kahane, founder and chief executive officer of the company, attributed in part to the value of the product. The bottle contains the equivalent of 40 Sicilian organic lemons. Given the retail price of fresh lemons, this means that consumers trying to replicate this at home would have to spend a lot more money and do all the work themselves.'

According to a sales review provided by the Perishables Group Inc., an independent consulting firm in West Dundee, IL, sales of refrigerated juices declined 2.8 percent for the 52-week period that ended May 30. Total U.S. dollar sales averaged \$282 per store per week. Total produce department sales were 0.7 percent during the timeframe. In the first five months of 2009, refrigerated juices posted a decline in dollar sales per store per week for all 22 weeks.

"Busy, time-starved, health conscious consumers continue to show their willingness to pay for healthy, convenient, high quality foods and beverages," said Scott Stevens, vice president of marketing for WhiteWave Foods, a leading producer of dairy and juice products in Broomfield, CO. "Consumers often adjust their spending habits in tough economic times by eating out less and therefore spending more in grocery stores. It has been proven in consumer testing in the United States that consumers are willing to pay a premium for healthy and convenient food options."

Mr. Stevens announced that Hero/WhiteWave is a new joint venture between Switzerland based Hero Co. and WhiteWave Foods. At the Produce Marketing Association's Fresh Summit in Anaheim, CA, Oct. 2-5, the partners will be promoting and sampling "Fruit2day," a drinkable fruit snack that is all natural and has two servings of fruit in each bottle, at booth No. 843. "Fruit2day" is the first product launched by the two companies, both of which have a history of innovative food products.

"The flavors are cherry-grape, strawberry-orange, pineapple banana and mango-peach," said Mr. Stevens. "This premium juice includes real bits of fruit, which makes it unlike anything you've tried before. Consumers get two bottles, therefore two separate consumption opportunities, for a price comparable to the competition's single bottle."

Adriana Kahane, founder and chief executive officer of Dream Foods International, a specialized importer of Sicilian organic citrus juices in Santa Monica, CA, said that sales of the company's one-liter lemon juice bottle have increased 80 percent this year over last year. The company also distributes premium, shelf-stable, not-from-concentrate organic, kosher, glass-bottled juices under the "Italian Volcano" brand.

"We believe our sales increase is due to the value size of the product," said Ms. Kahane. "The bottle contains the equivalent of 40 Sicilian organic lemons. Given the retail price of fresh lemons, this means that consumers trying to replicate this at home would have to spend a lot more money and do all the work themselves."

Ms. Kahane said that the company will unveil its new football shipper at PMA's Fresh Summit. Convention attendees can view the display and sample the company's products at booth No. 2197.

"The shipper can hold four to six cases of the Volcano Lemon Burst and Volcano Lime Burst," said

Ms. Kahane. "PMA is the perfect venue for us to debut this attractive floor display to help support increased sales at retailers nationwide."

Ms. Kahane added that attendees who sample Dream Foods International's organic juices will appreciate the emphasis on the freshness of its single-origin citrus, and that organic essential oils are added to give some zest to the flavor.

Silver Springs Citrus Inc., in Howey In The Hills, FL, is using the Fresh Summit, as a launching pad for its two new juice lines. The company, at booth No. 852, is no newcomer to the juice category. Founded in 1920, it claims it is the largest private-label supplier of refrigerated juices in North America, with a customer bank that includes Trader Joe's, Safeway and Whole Foods.

Vince Petrucci, senior vice president, said "Healthy Squeeze" and "Healthy Squeeze Benefit" were developed to fill a void in the juice category.

"Our philosophy is to use ingredient juices that consumers understand—plain and simple healthy fruit, and in unique blends," said Mr. Petrucci. "'Healthy Squeeze' is our organic line. It's being launched in three flavors: orange-peach mango, pineapple-orange-banana and strawberry-kiwi, all in 16- and 32-ounce bottles. The flavors emit the romance of the tropics, but are clear and understandable to consumers."

The "Healthy Squeeze" line also includes not-from-concentrate organic orange juice in original, calcium and vitamin D, and added-pulp options.

The "Healthy Squeeze Benefit" line offers two flavors: pomegranate and blueberry-pomegranate blend. The item is available in 16-, 32- and 59- ounce bottles—giving retailers plenty of options to retail the line effectively.

"The produce department juice category grew from a few items to what today is a substantial juice display with dozens of options," said Mr. Petrucci. "Based on the reception we've had to the line, it can only be assumed that the category will continue to grow despite the economic downturn. We've been working on this product line theme for a number of years, and we're doing it first class."

The Perishables Group sales review stated that while the impact of the economic downturn on refrigerated juices was similar to that of other categories, there were some bright spots. Premium items, specifically those including so-called super fruits, became more prevalent over the past year. Of the 220 items introduced in the tracked period, 23.6 percent included pomegranates, blueberries, acai, cranberries or some combination.