

Organic Produce: Gateway to Organic Foods



Growth in organic food sales continues to outpace total food sales growth. Organic produce is leading the way, as it is the primary point of entry into organic food for most consumers. It's an essential part of a comprehensive department assortment, a key point of differentiation when well-executed, and a tremendous opportunity for retailers of all sizes.

The growth in organic produce reflects increasing consumer demand for transparency, plant-centered meals, and personalized diets, supported by increasing availability and stability of supply across a growing number of produce categories. Nielsen notes that successful retailers are using

organic produce as a point of differentiation and manage the price differential between an organic item and its conventional counterpart to reflect its relative value without negatively impacting sales. Done right, organic varieties have generated more than 16% of total produce revenue.

Organic produce is also the gateway into a more organic lifestyle for consumers...and has opened entire stores to organic products. With produce, it's easy for consumers to understand the difference between organic and conventional...there are no complex ingredient lists to try and decipher. As organic demand has moved more mainstream, access and supply are increasingly available through organic sections within traditional supermarkets as well as through specialty natural/organic food stores. Organic options are also available across a broader variety of produce categories. Growers who started the soil conversion necessary for organic certification three years ago are starting to come on-line and are continuing to invest in future farm conversions in anticipation of continued growth in demand.



Millennial parents are the driving force behind the growth of organic produce. Millennials, those born between 1980-2000, are now young adults. They are the largest segment of the workforce, have significant purchasing power, are establishing their own purchase and consumption habits, and starting families. Today, 25% of Millennials are parents, and they represent more than half of all organic buyers in the US. Over the next 10-15 years, 80% of Millennials are expected to become parents, which will accelerate growth even further. Millennials are also more likely to have grown up with organic food in the house; even 33% of those without children often include organic food as part of their lifestyle.

Why does this generation choose organic? They believe it's part of being a better parent because they are making a healthy and nutritious choice for themselves and for their children. They express concern over the effects of pesticides, hormones, and antibiotics in their children's diets and try to avoid processed foods and artificial ingredients. Organic produce is a key component of vegan, vegetarian and plant-based diets which are on the rise. The increasing awareness of the role food plays in preventing and/or managing diabetes, blood pressure, and heart disease has also spurred growth. Millennials insist on transparency and want to know the story behind their food. For them, organic and the USDA organic seal represent integrity and trust.

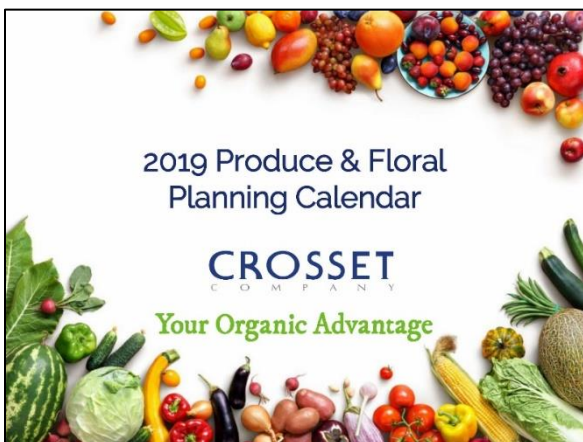


The quality of a produce department is one of the top three things consumers evaluate when selecting their primary grocery store. Getting organic produce right within the overall department is key to a growing number of shoppers. Having a best-in-class organic program can help draw shoppers to your stores and keep them coming back. Need help optimizing your organic produce offering? [Contact us](#). We'll work with you to customize a total program from field to store.

Sources: Organic Trade Association, 2017 US Organic Industry Survey & U.S. Families' Organic Attitudes and Beliefs Survey; FMI Power of Produce 2017; PowerReviews 2017 Beyond the Supermarket Shelves; The Organic Produce Network; Organic is Mainstream but Misunderstood; Produce Leads the Way in Organic Acceptance

Did You Know?

Crosset Company is one of the largest distributors of organic produce east of the Mississippi River. With over 400 organic produce items from leading national, regional and local organic growers, our centralized procurement team and extensive grower and customer network allow us to maintain a reliable, always-fresh inventory of regionally and seasonally best certified organic fruits and vegetables. Our volume and velocity mean you can delight your shoppers with the freshest organic produce available every day. Plus, our team of talented, knowledgeable, and highly experienced merchandisers bring proven organic and conventional produce merchandising strategies and tactics to each store. Working directly with your in-store personnel, we'll help you create the produce "wow" experience in your stores.



Merchandising Themes & Tips

It's January, and that means a renewed focused on establishing healthy eating and lifestyle habits. Shoppers are also looking for quick and easy meal prep ideas. Here are some merchandising themes to build displays and ads around to help get 2019 off to a good start!

- New Year Resolutions
- Get a Balanced Life Month
- National Fat-Free Living Month
- National Slow-Cooking Month
- National Soup Month

Now available! [The Crosset Annual Produce & Floral Guide](#). [Download it here](#).

Crosset Company. **Your Organic Advantage.**

10295 Toebben Drive ~ Independence, KY 41051 ~ (800) 347-4902 ~ www.crosset.com

Market Update

Organic Produce

- **Lettuces:** We are primarily getting product from Florida (Lady Moon brand). Quality is amazing and supply is great! Supply out west has been greatly affected by freezing temperatures and we are seeing heavy prorates and cuts.
- **Celery:** The Celery Market is very tight to non-existent. We are seeing 100% cuts from all suppliers as Mexican crop has been slow to start to due residual damage from the hurricanes. We will see this continue for the next couple of weeks.
- **Broccoli:** Supply is very up and down right now. We are continuing to carry product from our western suppliers, but we will start pulling product from Florida to fill in gaps. We will see some cost increases over the next couple of weeks.
- **Cauliflower:** Supply is very tight right now. Colder temps out west have limited supply and we are getting up to 100% cuts on all orders coming in. We will try and stay ahead but we will experience some heavy prorates/cuts for the next couple weeks.
- **Cabbage:** Supply is coming on out of Florida from Lady Moon and the quality has been perfect! Cost this year has remained high as the Mexican organic crop we normally see this time of year is almost non-existent.
- **Kale:** Kale is currently in amply supply, with plenty of regional product coming from across the Midwest. We are currently sourcing from Georgia, Florida and North Carolina.
- **Beets:** Beets will continue to see insect pressure to the tops as well as yellowing to the tops.
- **Radishes:** Supply is impacted by weather out west due to heat. Product out of Florida is very clean and looks great!
- **Bunch Carrots:** Good supply and quality available.
- **Green Peppers:** Supply has been greatly affected by freezing temperatures in Mexico. We are still seeing some product available in Florida that we will use to fill any supply gaps.
- **Cucumbers:** Regional supply has ended, and we are seeing limited supply out of Mexico. We do not expect prorates on orders as we are staying ahead on volume.
- **Zucchini & Yellow Squash:** Supply is tightening up as colder temperatures in Mexico have really limited what we can pick up. Regional supply out of Florida is spotty at best, but we are trying to stay ahead to prevent prorates/cuts.
- **Limes:** With colder temps freezing the blooms in all growing regions out of Mexico, we will see the cost of limes jump significantly over the next several weeks. Supply will be on the smaller side, but we will try and stay ahead to ensure orders are filled.

Market Update

Conventional Fruit

- **Apples**
 - West: Supply and quality of apples out of Washington and California remain good.
 - Midwest: Supply and quality of apples coming from Michigan remain good.
 - East: New York and Pennsylvania supply and quality of apples remain good.
- **Blackberries:** Volume is on an uptick after a small period of decreased supply, Markets are loosening up with some spot promotions available with lead time. **Organic** blackberries appear to be more stable due to lower demand keeping the market level and some spot deals available.
- **Blueberries:** Heavy volume is arriving, making blueberries a prime ad item now through February. A variety of pack sizes are available; pints are the prime mover.
- **Raspberries:** With the transition to Mexico, supply for conventional and organic raspberries has tightened, much more quickly than Blackberries, The market has been strong and will continue to be so for the next few week.
- **Strawberries:** Strawberries continue to be very limited; however, improving Mexican supplies have kept the supply chain going. All areas have struggled with cool temperatures and/or rain. Florida remains a very limited option; expect Florida strawberry supply to remain depressed until the end of January
- **Cantaloupe & Honeydew:** Cantaloupe continues to be in short supply; Guatemala is the only region currently in production and demand is out stripping supply. Overall quality is fair. Honduras production will help ease the supply problem as we near the end of January. Honeydew is in very short supply, although quality and sizing are very good, leaning toward larger size melons.
- **Grapes:** Demand far exceeds supply of imported grapes, due to a multitude of issues, including delayed containers, labor shortages, and USDA inspection delays. New container ships out of Chile will help ease the situation, but it will be a few weeks before this volume arrives and is able to be distributed in the market. Quality on all flavors has been extremely good with great flavor.
- **Cherries:** Good volume continues from Argentina, which will wrap up as we move toward February. Quality continues to look very solid. Cherries are a high impulse purchase item; front and center displays are a great way to capture incremental sales.
- **Pineapple:** Steady supply; market remains down with deals available. Quality is excellent.
- **Kiwi:** Steady supplies; best quality remains out of New Zealand. Italian kiwi offers the best value.
- **Mangoes:** Conventional mango volume out of Ecuador is dropping off as we approach the end of the season and transition to Peru; market pricing is firming up.
- **Papaya:** Maridol and Gold papaya volume remains high.
- **Citrus:** Navel quality is excellent, with high color and brix in the 12-13 range, Mineola Tangelos, Cara Cara Navels, Sumo Citrus, and Blood Oranges are available with very good eating quality

Market Update

Conventional Vegetables

- **Western**
 - **Iceberg Lettuce:** Due to cold snap, yields have been slow to harvest. Quality has been an issue.
 - **Romaine/Romaine Hearts/Mixed Leaf:** Due to cold snap, yields have been slow to harvest. Quality has been an issue.
 - **Celery:** Forecast numbers are steady. Rains have slowed down the harvest.
 - **Broccoli:** Seeing discoloration among the heads due to weather. Tight markets with daily prorates.
 - **Cauliflower:** Seeing discoloration among the heads due to weather. Tight markets with daily prorates.
- **Southern**
 - **Cabbage:** Markets remain elevated with less overall volume; available quality is good
 - **Cucumbers:** Supply has tightened up as a result of heavy rain in northern Mexico; the market is very active and should continue to be for the next week
 - **Summer Squash:** Supply is tight, and quality is a concern, with heavy scarring, mechanical damage and pitting. Markets are very active.
- **Asparagus:** Pero continues to decrease in volume with the close of the primary season and the start of the Mexican winter push. However, cold fronts have delayed the harvest and sent the spot market skyrocketing. Expect the market to remain very firm throughout the rest of January and volume not to reach significant levels until the middle February.
- **Baby French Beans:** Market is on the rise,
- **Sugar Snap Peas/Snow Peas:** The Snow Pea market has stabilized. Sugar Snaps are down significantly

CROSSET Produce Talk

C O M P A N Y

Crosset New Item & Deletion Sheet

W/B: 01/18/19

Item #	New Items	Size
38370	OG Concorde Pears	22#
33761	OG Autumn Glory	27#
25865	Organic Trunip Greens	24ct
18010	Organic Mini Sweet Peppers	12/1#
96310	Organic Mustard Greens	24ct
41595	Citrus Sumo	5#/7ct
69204	OG Imported White Seedless Grapes	18#
97452	Blueberry /POM Juice	6/16oz
1315	Honeydew	6ct
97915	Passion Fruit	32ct
Item #	Deleted Items	Size
10507	Wrapped Broccoli	14ct
34840	McIntosh Apple Totes 8/5#	8/5#
66480	Pumpkin Cider	9/64oz
13555	Beet Noodles	1/5#
18790	Pepper Enjoya	11#
101105	Pumpkin Pie	30#
75565	Tomato Yellow Lorabella	12/10oz
101410	Buddha Hand	5ct
35050	Apple Lady	12#
500133	Melon Asaki	12ct
500144	Melon Korean	14ct
106312	BH Sweet Onion	6/14oz
2118	OG Personal Watermelon	6ct
55072	OG Mandarin Satuma	25#
84082	OG White Onion	40#
1310	Honeydew	4ct
60205	Ugli Fruit	18ct
16530	OG Asparagus	11#
69225	OG Clam White Sdls Grapes	11/1#
73330	FM Black Plums	16#

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