

Making The Case for Nuts And Dried Fruit In Produce



Variety and health benefits are earning these popular snack items a place alongside fresh fruits and vegetables.

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Things are getting nuttier in produce departments. Nuts and dried fruits are becoming more mutually exclusive with the produce department alongside fresh vegetables and fruit.

“The total dried fruit category is most profitable when positioned/sold in the produce department,” says Joe Tamble, vice president of retail sales execution-North America for Kingsburg, CA-based Sun-Maid Growers. “Syndicated data shows that dollar velocity for dried fruit is up to 30 percent higher in the produce section compared to center store.”

Tamble says the produce department is an ideal location for the dried fruit category, and “Sun-Maid Growers of California supports this in-store position.”

While these products might not seem like traditional produce, marketers agree they make

for a good fit in produce departments, because items like dried cranberries, raisins, peanuts and various trail mix combinations are popular among shoppers looking for a convenient and healthy snack.

“More consumers are looking for healthy snacks; what better place to find them than in the produce section,” says Mark McHale, national sales director for Crispy Green, headquartered in Fairfield, NJ, which sells freeze-dried fruit under the brand Crispy Fruit. “Crispy Fruit is an excellent complement to natural fruit when snacking on a fresh mango or apple is not readily available or the most convenient.” He adds that Crispy Fruit’s line of freeze-dried products should be in the produce section because they are pure fruit. “It’s just in a different form.”

Consumers are increasingly interested in non-GMO foods with no artificial ingredients, says Howard Brandeisky, senior vice president of global marketing and customer solutions for John B. Sanfilippo & Son in Elgin, IL. The company’s brand, Orchard Valley Harvest, appeals to the produce shopper who is “fundamentally different than the core center store shopper. By meeting their needs, Orchard Valley Harvest helps drive incremental sales for both the produce department and the entire store,” he says.

VARIETY IN FRUIT

While raisins, prunes and figs have been around for centuries, today there are plenty of other varieties. As McHale notes, Crispy Fruit offers seven flavors: apple, Asian pear, mango, banana, pineapple, cantaloupe and tangerine. “Apple and mango are quite popular, but all our flavors are loved by consumers across the nation,” he says. One reason he says those fruits are a good fit for produce departments is “nothing is added,” says McHale. It’s almost as if it were picked right off the tree, but tastes like a crunchy snack.”

This year, Carlsbad, CA-based Mamma Chia released two new products — Organic Chia Granola Clusters and Organic Chia Vitality Bars — that are perfect for the produce department, says Janie Hoffman, company founder and chief executive. The company, which infuses its snacks with chia seeds, is executing a merchandising program that creates a kind of ‘chia destination center,’ where one rack displays all of the brand’s products.

While location within a store is dependent on each retailer, “our primary focus on placement is in the produce department where the Mamma Chia beverages and the Chia Squeeze product lines launched in most conventional retailers,” says Hoffman. “Most retailers consider our new products a brand extension

and want to leverage our brand's strength by cross-merchandising all of the Mamma Chia product lines in the produce department to maximize sales opportunities."

BY THE NUMBERS

Chicago-based Information Resources Inc. (IRI) found one of the biggest trends happening across all demographic groups is an increased frequency in all kinds of snacking. In its 2013 *State of the Snack Industry* report, it found "snacking behavior has clearly escalated in recent years, catapulting the blurring of eating occasions to a whole new level."

That's a welcome trend for Sun-Maid Growers. Tamble cited an IRI study when explaining dried fruit's appeal.

"About 40 to 50 percent of U.S. retailers have dried fruit as a category in produce, and this percent has been stable during the past few years. Produce managers recognize it as a fruit that is dried, and dried fruit can also serve as an alternative to salty and sugary snacking," says Tamble. "They know the trend toward healthier snacking continues to grow. Parents looking for healthier options for their kids and themselves know dried fruit can meet those needs."

According to Chicago, IL-based Nielsen Perishables Group FreshFacts 2014, there are some big sellers for the overall dried fruit and nut category, with the Top 3 being dried cranberries (\$130.2 million in revenue), snack mixes (\$96.2 million) and raisins (\$32.9 million).

Maria Brous, director of media and community relations of Lakeland, FL-based Publix Super Markets, says these healthy snacks are growing in popularity.

"Nuts and dried fruits are popular with our customers and are seeing double digit increases each year," says Brous. "We began offering a selection of Publix [private label] nuts, dried fruits and dried vegetables more than eight years ago. Today, that selection is comprised of more than 60 options. Raw nuts, such as almonds and nut mixes are strong sellers."

HEALTH FOODS FOR A HEALTHY LIFESTYLE

Jane Asmar, senior vice president of marketing and sales for the Fowler, CA-based National Raisin Company, says there are "numerous health and wellness themes that can be applied across dried fruit promotions. It's a great category to get behind; it's moderately priced, requires no special handling or refrigeration, it has significant household penetration and it appeals to most consumers."

According to the National Raisin Company



website, dried fruits (such as raisins, figs and prunes) are the perfect way to eat the right amount of fruit. Most Americans eat far less fruit than recommended by the U.S. Dietary Guidelines, according to the website. "A good way to add fruit to your diet is with something portable, convenient and readily available like raisins," suggests the National Raisin Company. "Not only do raisins fit into today's busy lifestyles, they provide a wide range of health benefits. They're packed with powerful phytochemicals and antioxidants, contain no fat or cholesterol, they're naturally low in sodium and a good source of iron, fiber and potassium. And as every mom knows, raisins are an excellent source of all-natural energy."

The National Raisin Company, which packages dried fruits for Newman's Own, other brands and its private label, considers two tablespoons of raisins to be one serving of fruit, with 15 grams of carbohydrate and 60 calories, according to the website. It also states raisins are gluten-free and fit diets that avoid added sugar. Raisins might be dusted with sugar for cereals and other items, but packaged raisins contain no sugar.

FITTING IN THE PRODUCE SECTION

Health is just one reason dried fruits and nuts are making their way in the produce section. Versatility is another. Dried fruit can be eaten on its own as a healthy snack or included in recipes such as salads.

"People like seeing dried fruit next to fresh fruit," says Asmar of the National Raisin Company. "In Produce, where products are constantly being handled and rotated, dried fruit is comparatively easy to stock and merchandise with minimal shrink levels."

According to Paul Bellacero, director of sales development for Aurora Products Inc., based in Orange, CT, dried fruits have had a place in the produce department for a long time. Aurora produces packaged dried fruit, as well as granola, trail mix and nuts.

"Aurora Products has been selling into the

produce department from the start," he says. "We are an all-natural and organic company and people connect that with fresh product."

The preferred choice is to be marketed in produce, says Sun-Maid's Tamble. "Dried fruit enjoys better exposure as shoppers today are more likely to shop the perimeter of the store. Retailer profit margins — which can vary from retailer to retailer — are up to 30 percent higher. Tamble says Sun-Maid's products sell at a higher rate when shelved in produce and the produce departments usually do a better job of marketing dried fruits."

McHale of Crispy Green says health and convenience are the biggest selling points when it comes to marketing dried fruits and nuts.

"Crispy Fruit is promoted as the perfect grab-n-go snack, because it is 100 percent pure fruit — nothing added," he says. "Consumers know they are purchasing pure fruit, in a very snackable, take-along form."

Health factors are a key point in Aurora's marketing strategy. "More people are concerned with their health and are eating more fresh produce and organic foods," says Bellacero. "With more people shopping the produce section, and spending time and money there, it translates into more sales for any item in the department."

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