Fresh-Cut/Value-added Produce Marketing Trends: Focus on the Expanding USA Market

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Maintaining Quality and Safety

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Agenda

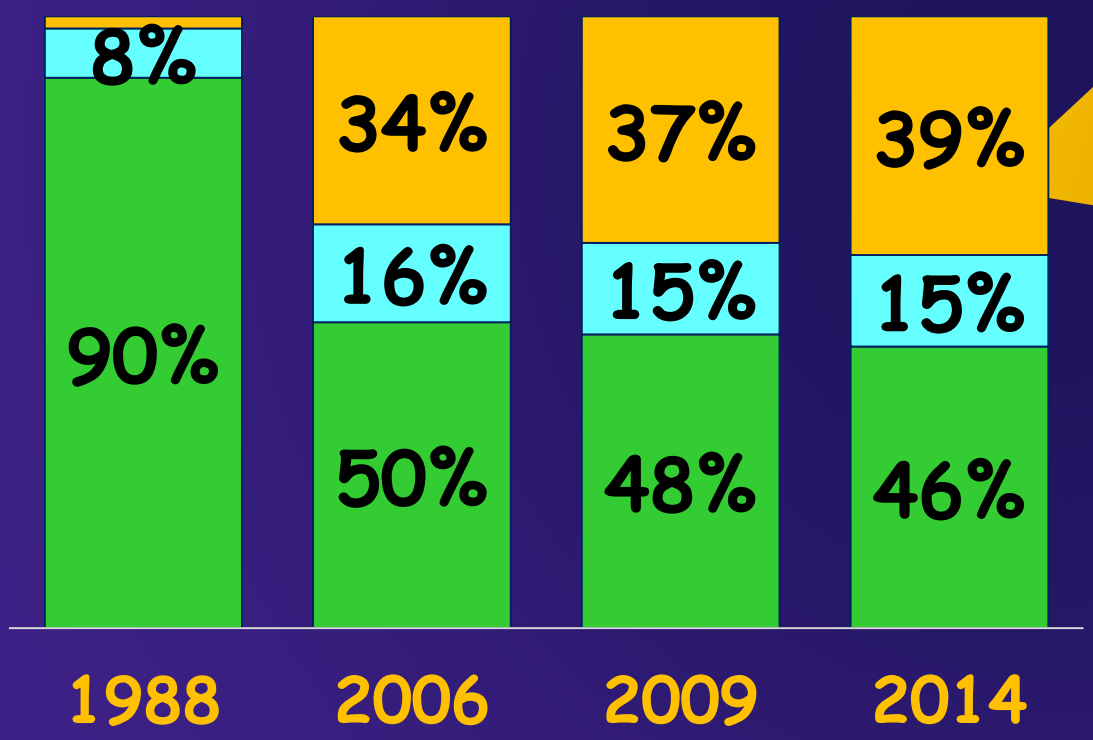
- Some important food marketing trends
- Consumer trends
- Overview of value-added/fresh-cut produce market (VAP)
- Leafy greens and bag salads
- Value-added fruit (VAF)
- Value-added vegetables (VAV)
- Organics and local
- Conclusions

The economic downturn accelerated pace of change in the food marketing system

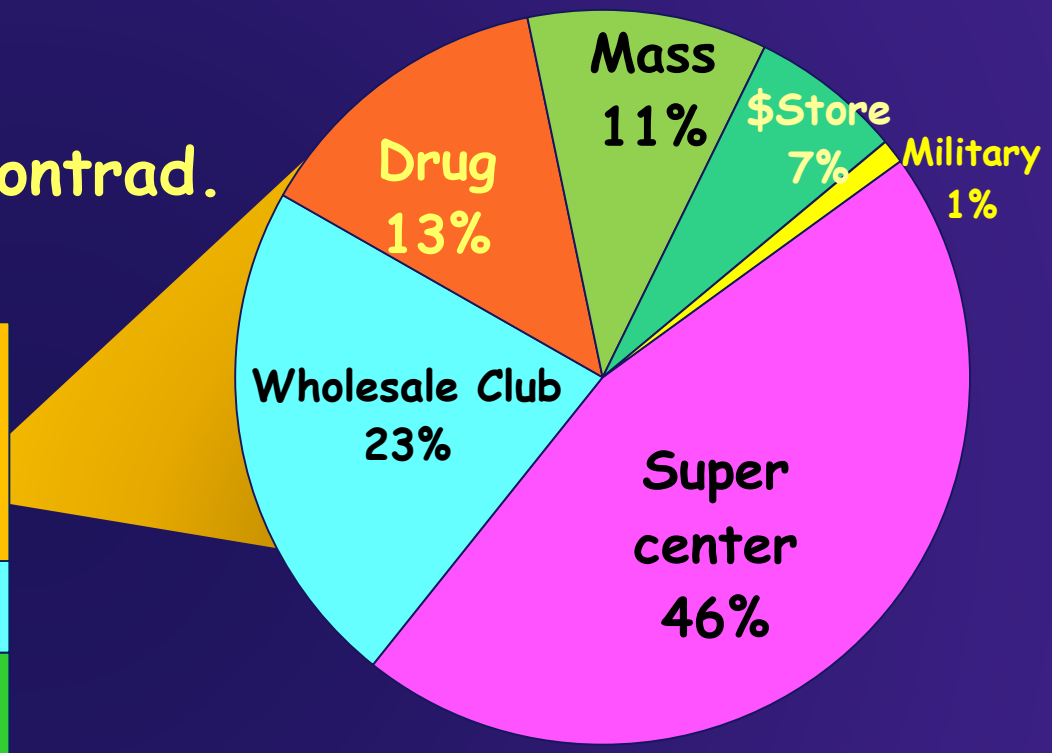
- More than originating new trends, it intensified pre-existing forces, such as channel blurring.
- Margin pressure at all levels of the food system!
- Many produce suppliers facing lower profits.
- Growing food safety, traceability and sustainability expectations all increase costs.
- Need for major investments in info tech systems.
- Foodservice took a huge hit, hurting fresh-cut.
- Mergers are up (retailers, foodservice, shippers).

Shifting Grocery Formats: Growth in nontraditional channels has transformed the US grocery industry

Dollar Share by Channel



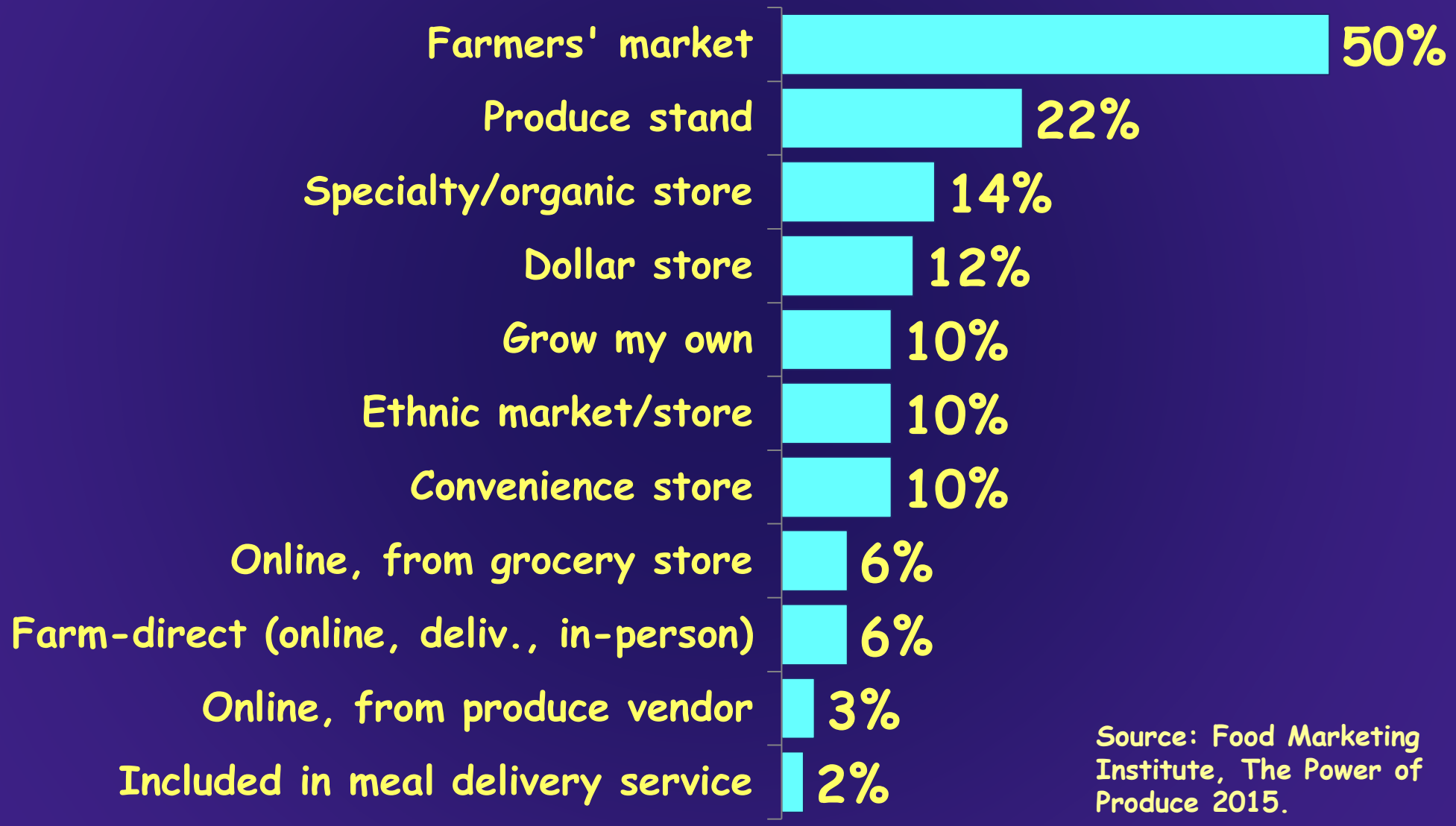
Traditional=conventional supermarket, fresh format, ltd assortment, super warehouse, other



Dollar Share of Food Sales in Nontraditional Formats

Sources: Willard Bishop, various The Future of Food Retailing reports

Alternative Outlets Shopped in the Past Three Months for Fresh Produce by US Consumers, 2015



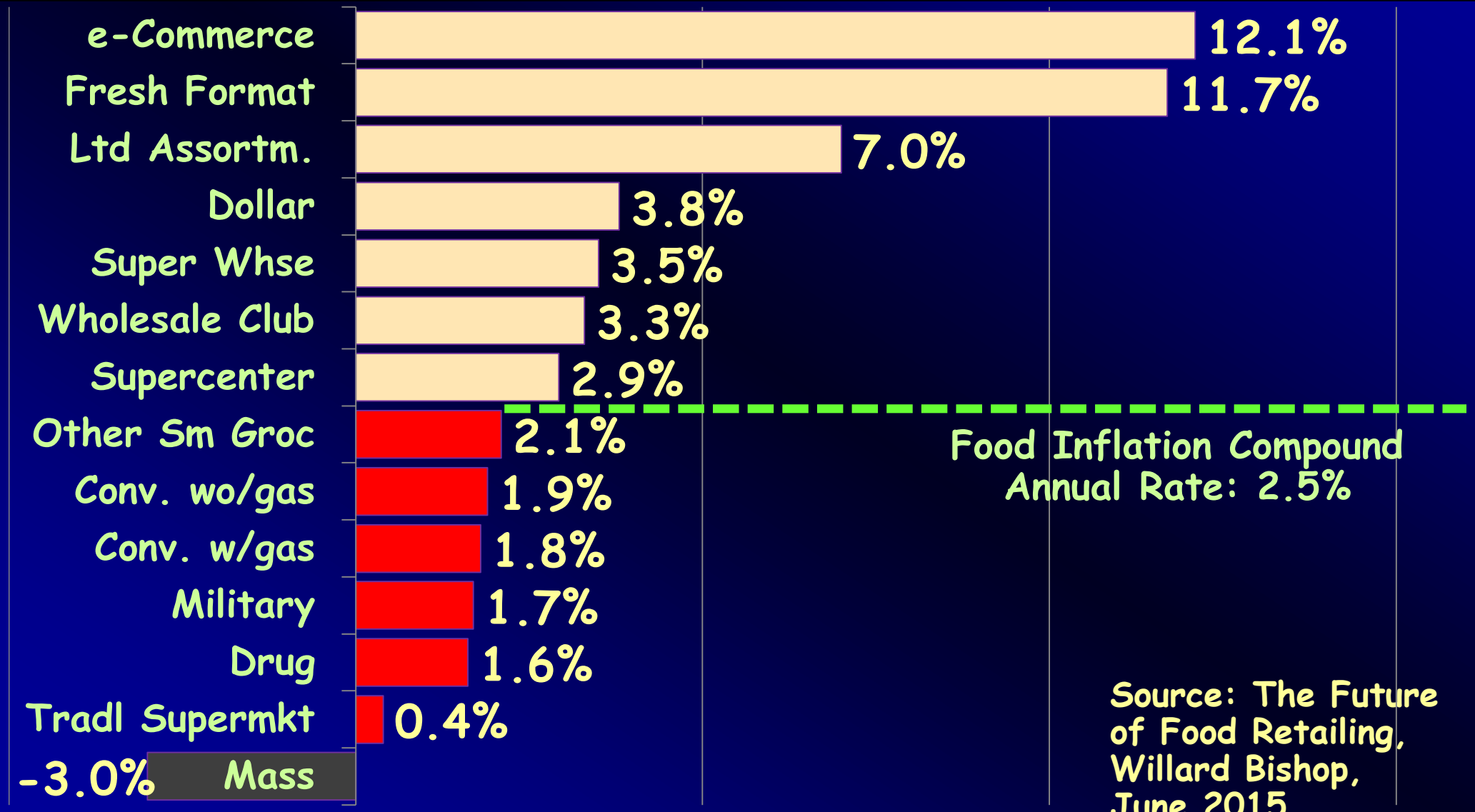
Source: Food Marketing Institute, The Power of Produce 2015.

US Consumer Behavior in "Traditional" Retailing Channels, 2014, excludes supercenters/clubs

Grocery Buyers, % Shopping each outlet type	CONVENTIONAL GROCERY	PREMIERE FRESH GROCERY	VALUE GROCERY
99%, *Conventional* 36% *Value* 20% *Premier*			
Produce dept. $ Growth v YAGO	3.8%	13.1%	6.0%
Produce dept. purchase frequency – trips/household	27	9	11
Spend per trip	$7.24	$8.77	$6.31

Source: Nielsen Homescan Total Shopper View, 52 weeks ending 6/28/14 vs 6/29/13.

Forecast of Compound Annual Sales Growth Rate vs. Inflation 2014-2019

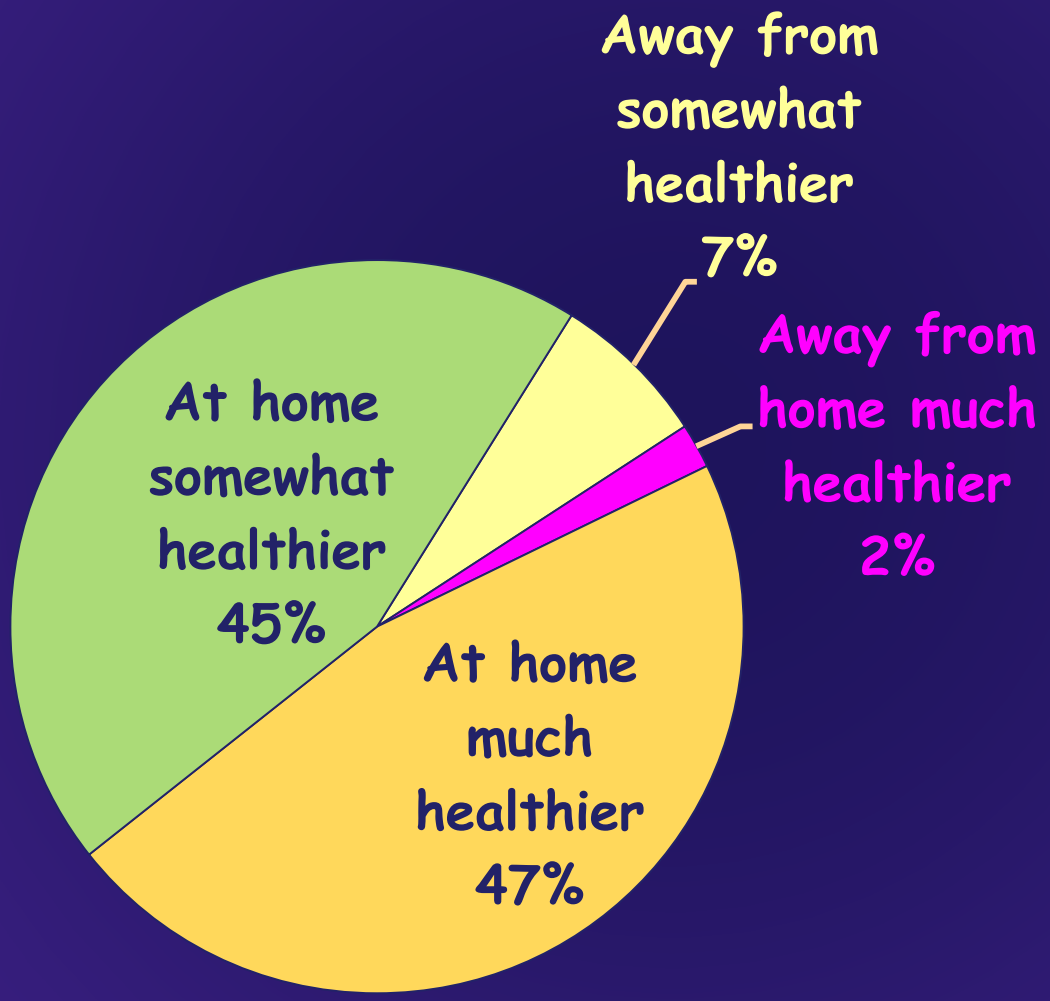


Source: The Future of Food Retailing, Willard Bishop, June 2015

Emerging marketing channels for fresh produce

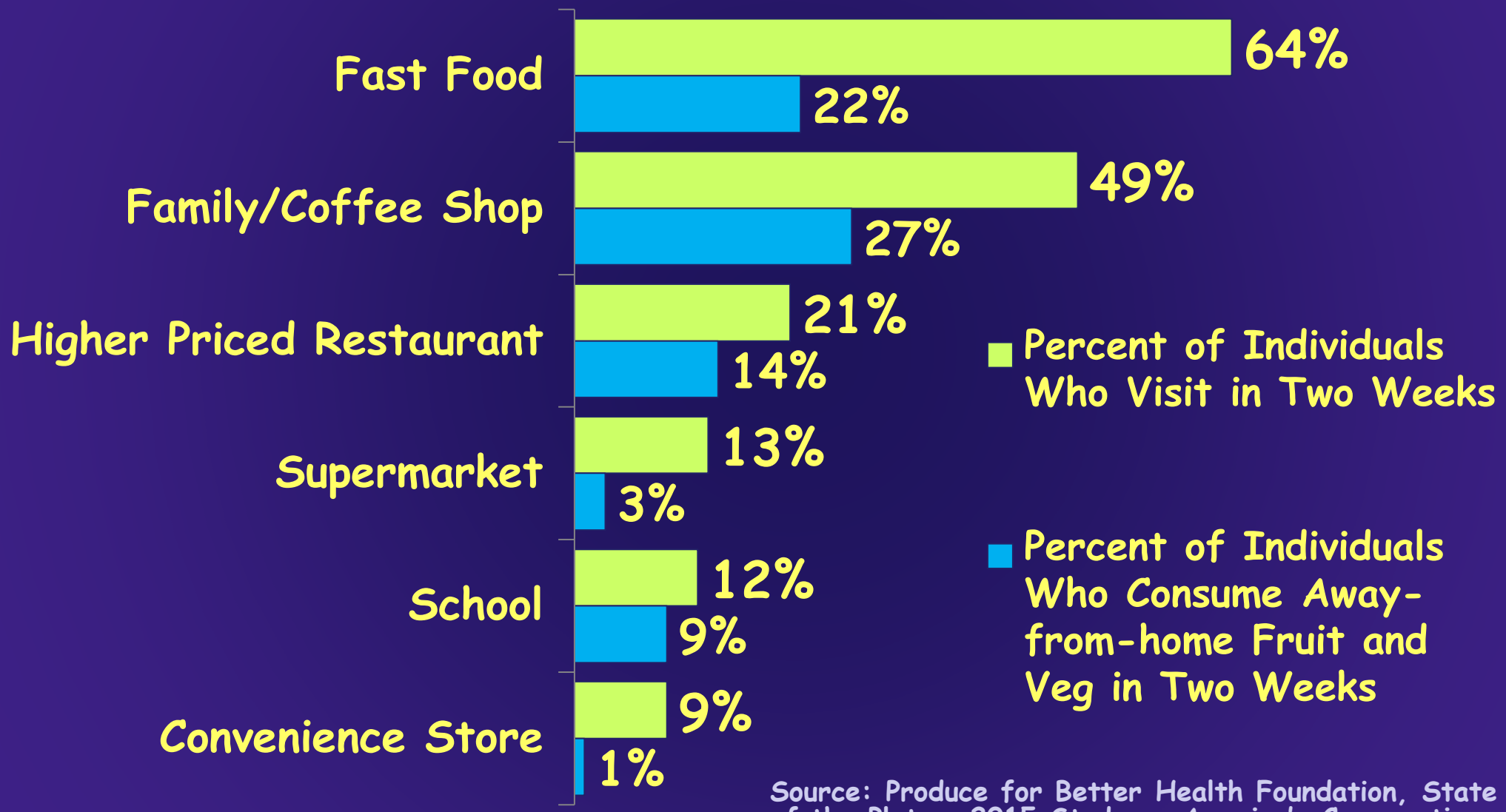
- Convenience store potential, drug stores, dollar stores.
- E-commerce. Click 'n collect, delivery, in-store pickup, various models emerging, Amazon Fresh.
- Major initiative to increase fresh produce on foodservice menus despite the barriers.
- Growing international trade provides more redundancy in supply which may help large foodservice users to add produce items to the menu.
- $27B fast casual segment (about 12% of limited service sales) very focused on fresh and creative ingredients; great potential for freshcut.

Adults believe eating at home is healthier than eating out, posing a challenge to foodservice



Source: FMI U.S. Grocery Shopper Trends 2015

Away-From-Home Sources of Fruit and Vegetables of US Consumers, 2014

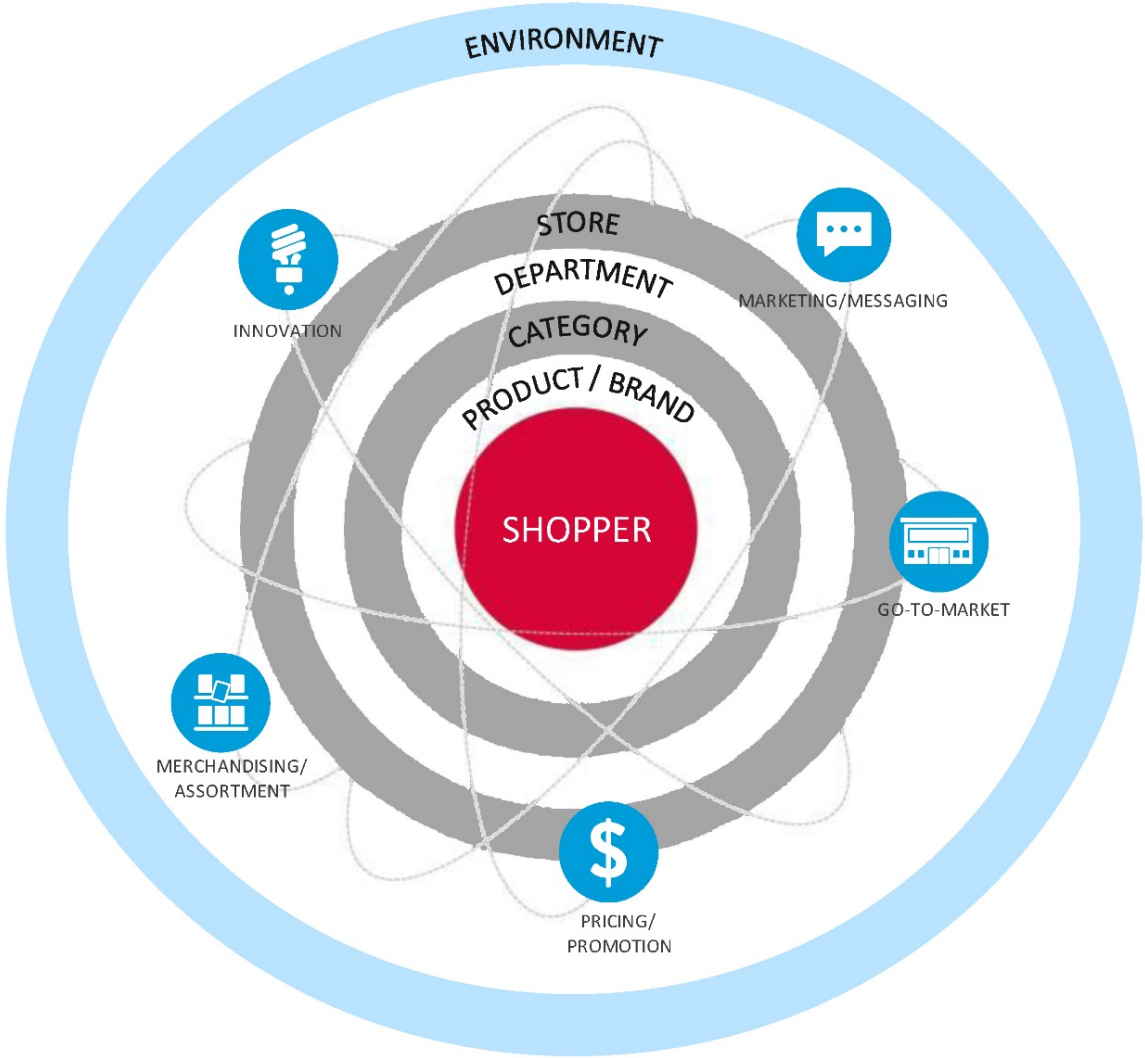


Source: Produce for Better Health Foundation, State of the Plate – 2015 Study on America's Consumption of Fruits and Vegetables.

Consumer Trends

Industry Needs to Continue Evolving to Focus on the Shopper

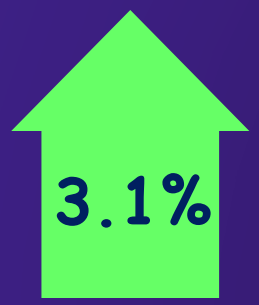
PAST



FUTURE

Source: "The Impact of Consumer Trends on the Produce Industry," Nielsen Perishables Group Presentation for United Fresh Produce Association Annual Convention, June 2015.

Fresh Department Average Sales: Percent Change 2014 vs. 2013

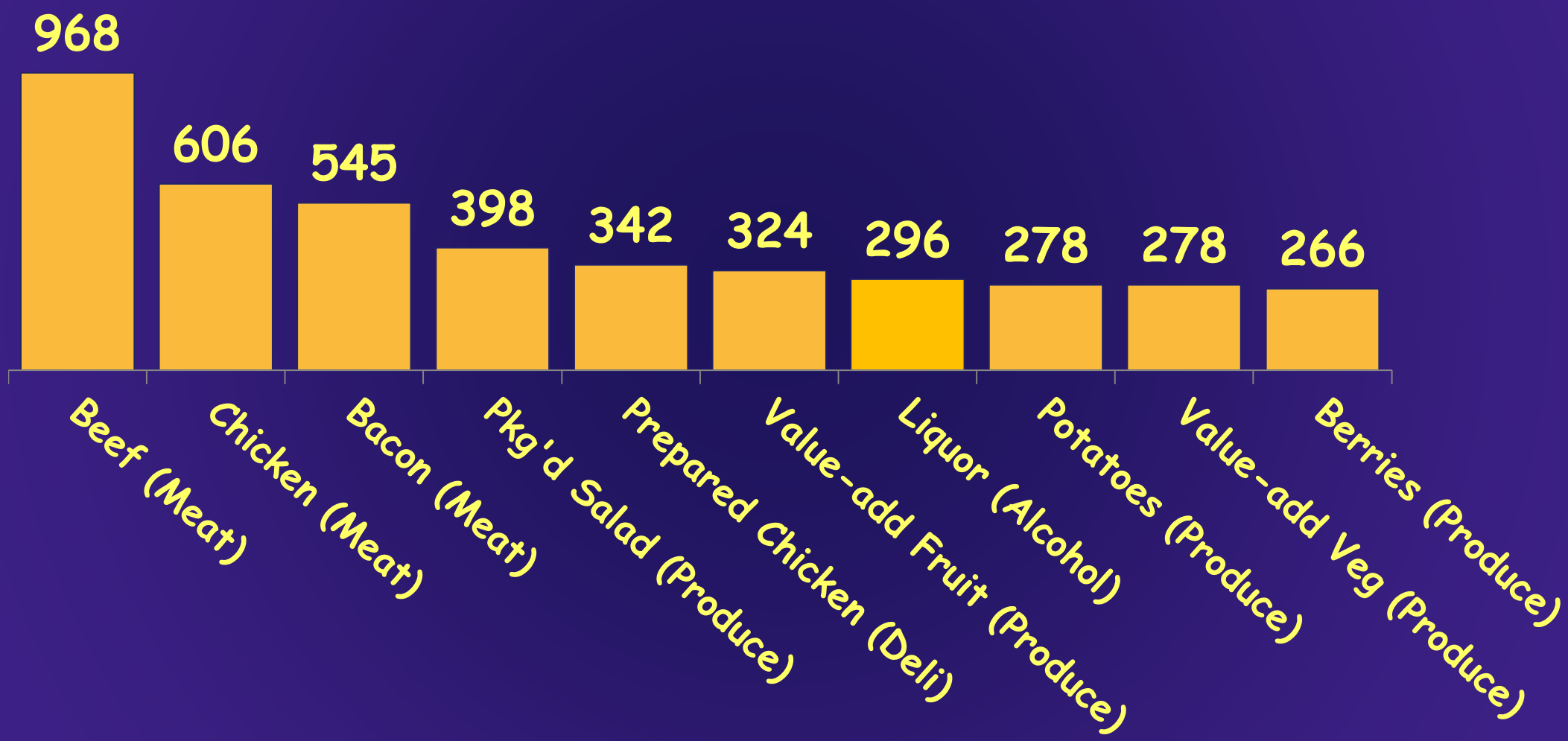


Dollar increase in household spending since last year in fresh

Average household spending was flat (-0.2%) in center store (nonfresh departments) compared with last year

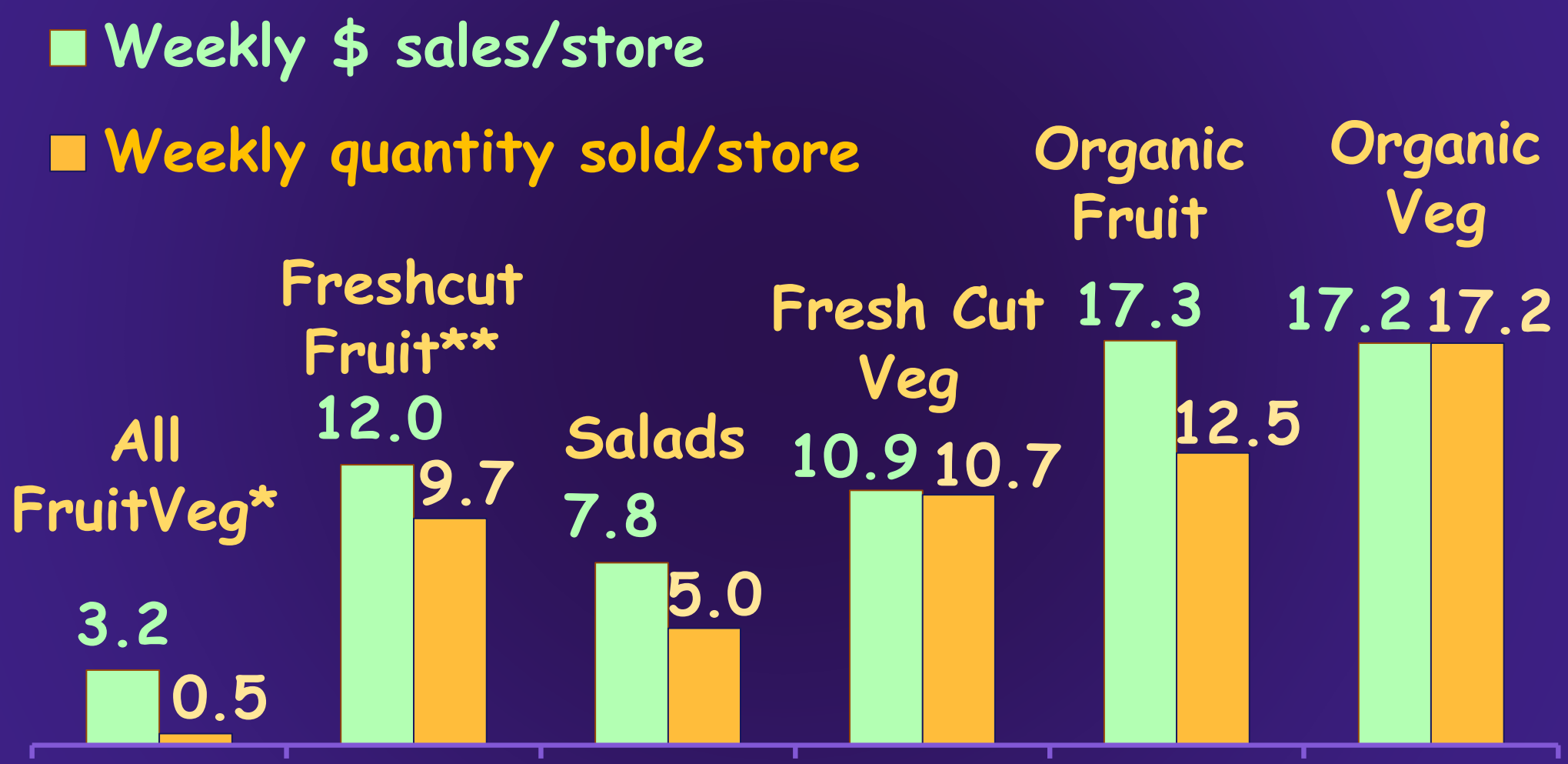
Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

Produce items are 5 of the Top 10 Fastest Dollar Velocity ($ per MM ACV) Growth Categories across the Store, USA, 2014



Source: Combined Nielsen Perishables Group FreshFacts® and Nielsen ScanTrack point-of-sale data sets – ranked by dollars per MM ACV for 52 weeks ending August 2014.

Fresh-cut, Organic and Total Fresh Fruit and Vegetable Sales in Key US Food Retailers, % Change 2014 vs 2013



*Excludes other produce (such as salad dressings, toppings, etc.), which is 10% of produce dept sales dollars and 5% of quantity.

** Excludes overwrap.

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015. Fresh Coverage Area (FCA) including key retailers from food, mass/supercenter and club chains, or more than 18,000 stores. It includes UPC, random weight and retailer assigned codes.

Consumer Behavior

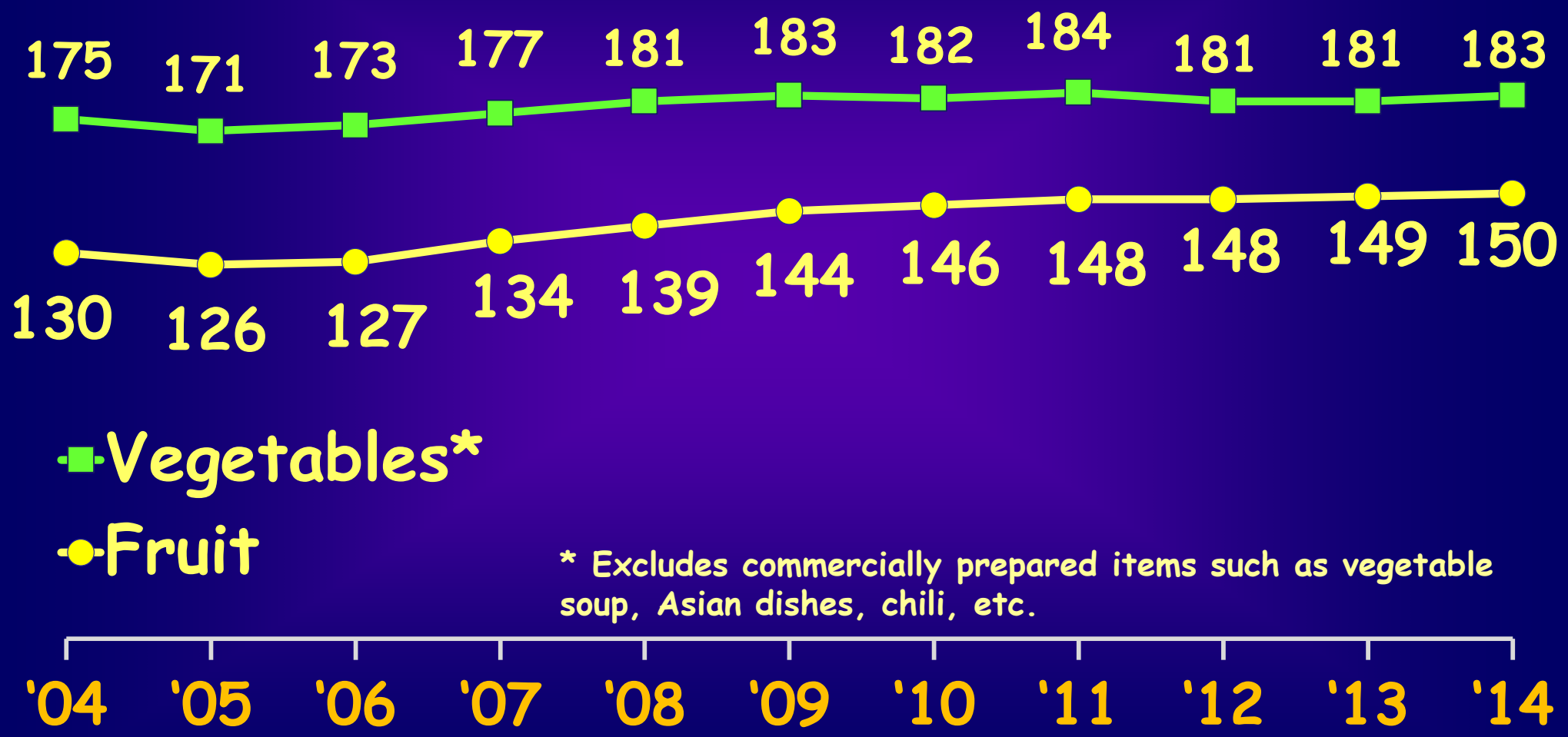
- Higher income and socially conscious foodies are driving demand; their preferences lean to organic, convenience (fresh-cut), flavor, local. Local increasingly trumps organic.
- For most consumers, positive attitudes about wellness benefits of fresh produce not translating into purchases. Improved flavor might help.
- Perception that produce costs more and may be wasted. Better shelf-life might help.
- 46.5 million people on food stamps (SNAP) in FY2014 (vs 17.3 in 2000) for cost of $73.9B.
- Economic growth will stimulate demand.
- Produce consumption is positively correlated with income.

Shopping Habits of Most and Least Affluent US Grocery Shoppers

	Annual Trip Frequency	Annual Household Spending on Fresh Produce
Average Shopper	47	$338
Most Affluent	51	$454
Least Affluent	40	$221

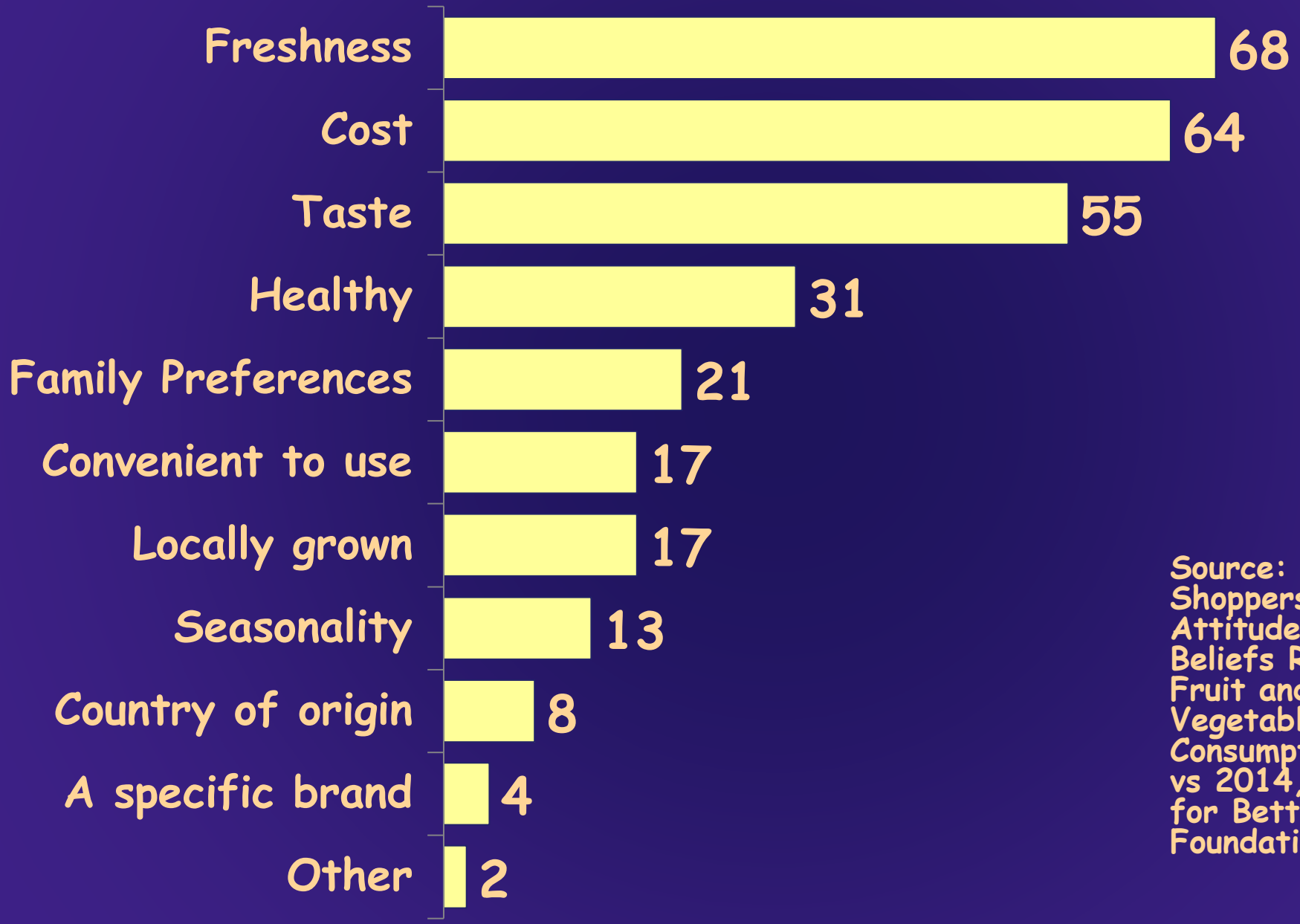
Source: "The Impact of Consumer Trends on the Produce Industry," Nielsen Perishables Group Presentation at United Fresh Produce Association, June 2015.

In-Home Consumption of Fresh Fruits and Vegetables Purchased in Stores, Annual Eatings per Capita, 2004-2014



Source: Produce for Better Health Foundation, State of the Plate – 2015 Study on America's Consumption of Fruits and Vegetables.

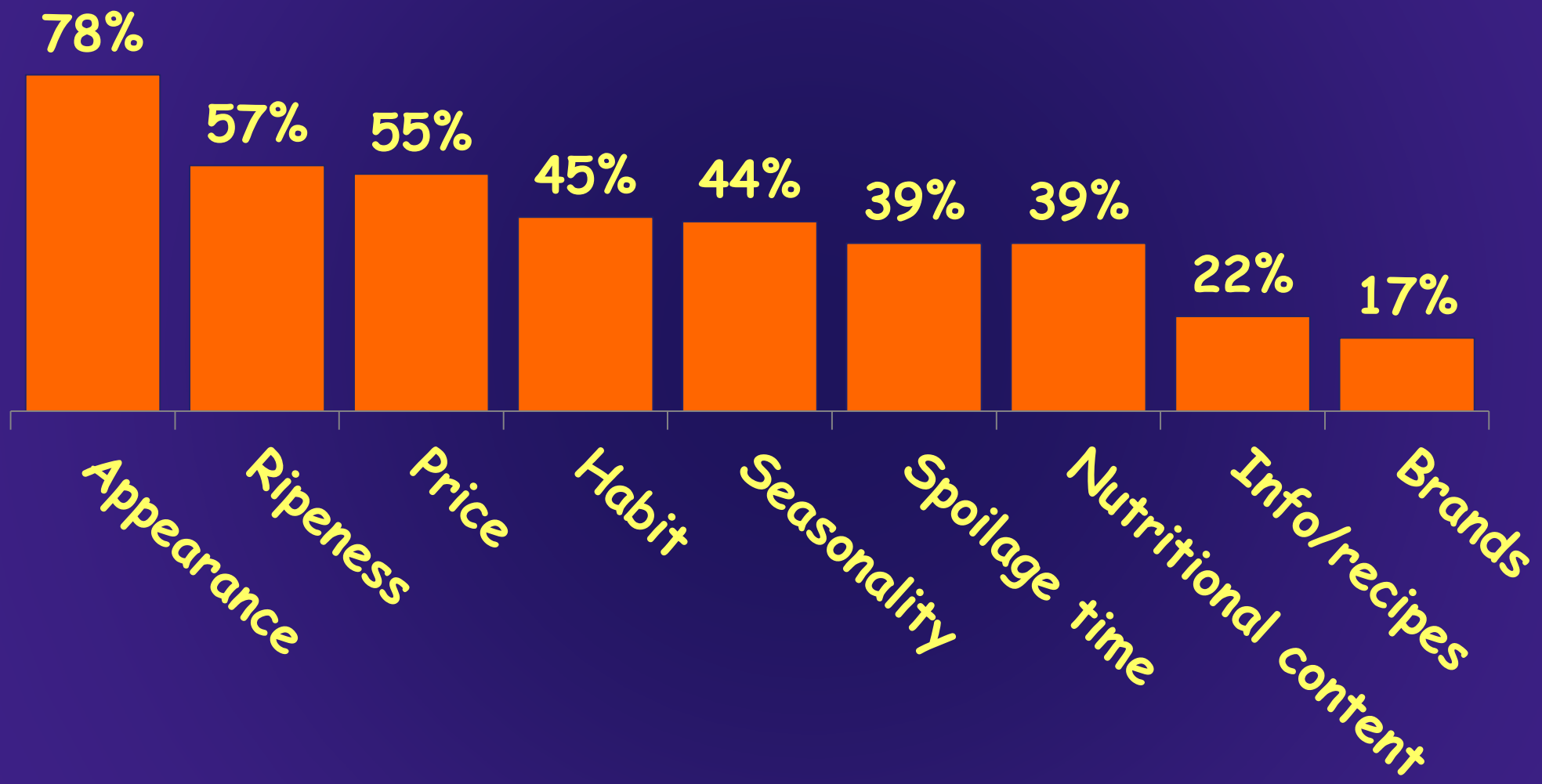
Important factors when shopping for fruit/veg, 2014



Percent of primary shoppers

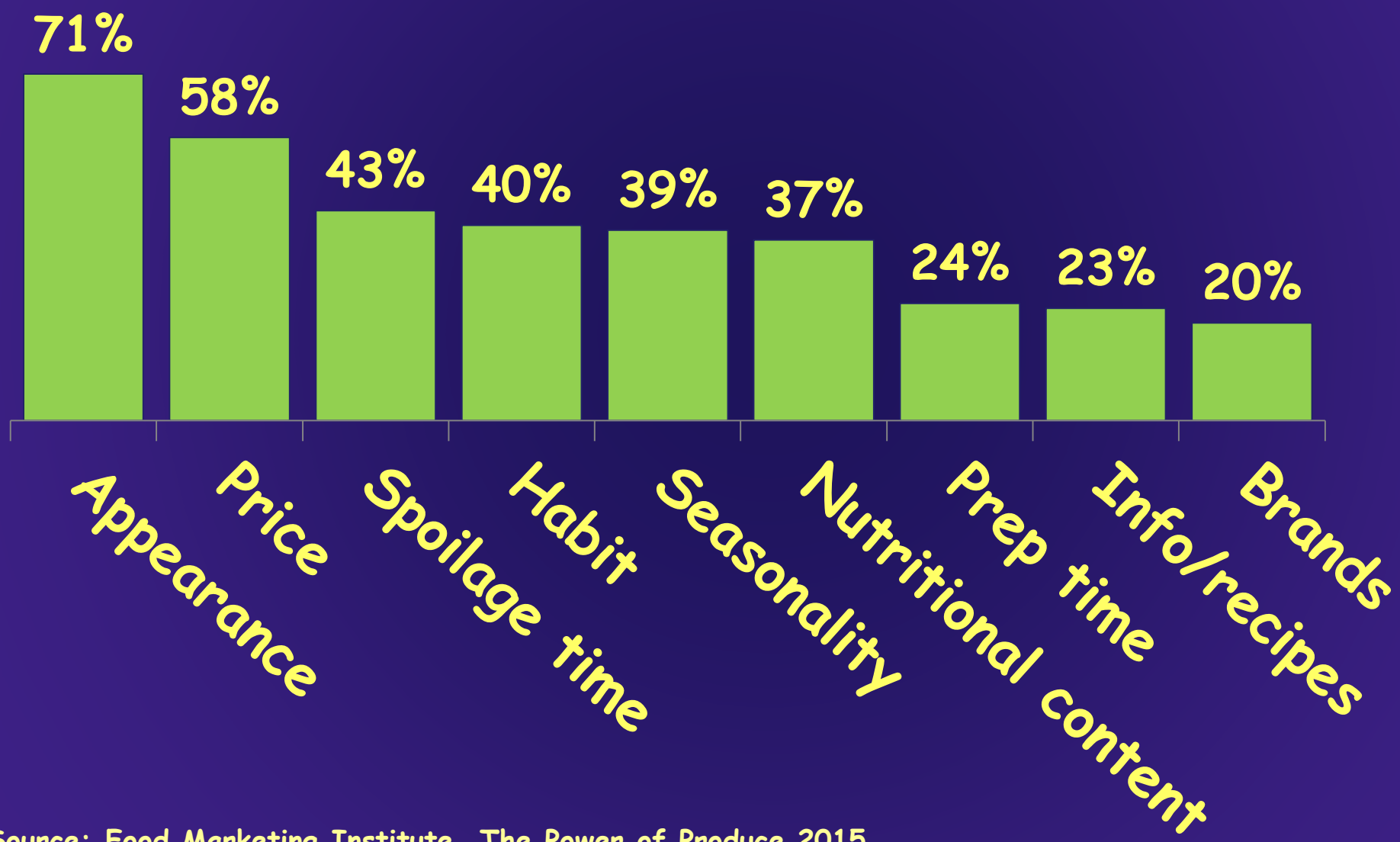
Source: Primary Shoppers' Attitudes and Beliefs Related to Fruit and Vegetable Consumption, 2012 vs 2014, Produce for Better Health Foundation (PBH).

Factors That Influence US Consumers' Selection and Purchase of Fresh Fruit, 2015



Source: Food Marketing Institute, The Power of Produce 2015.

Factors That Influence US Consumers' Selection and Purchase of Fresh Vegetables, 2015

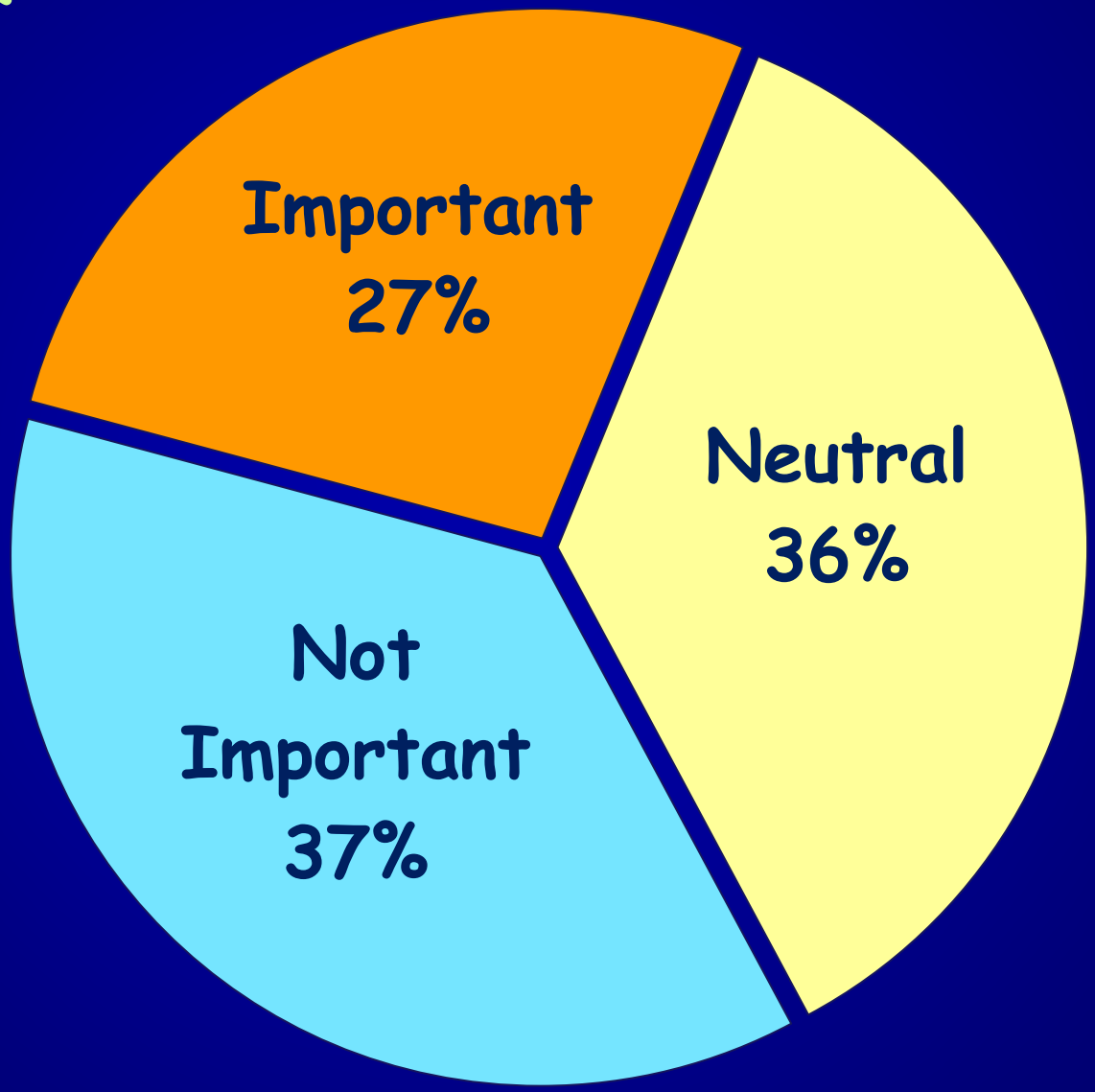


Source: Food Marketing Institute, The Power of Produce 2015.

Fresh Produce Branding Trends

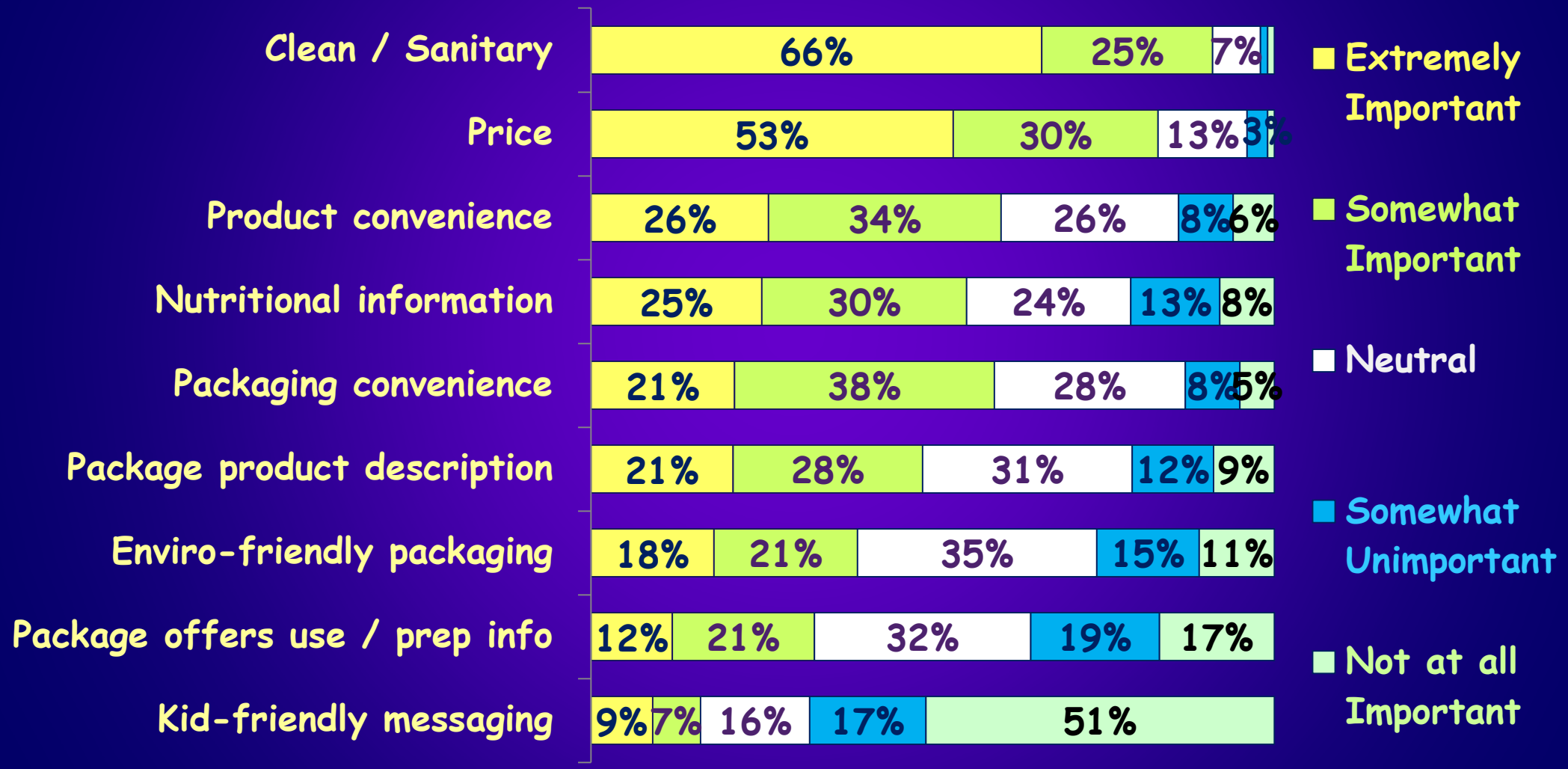
- Branded share of total produce (not just freshcut) up 8 points between 2009-2013 according to Nielsen to reach 40% of produce dept sales.
- Branded share of bag salad sales has been declining, although recently stabilizing.
- Private label has always dominated in VAV and VAF, but brands are growing.
- Private label has lower margins for processors and higher for retailers. However, processor marketing expenses are also lower.

Importance of Produce Brands to US Consumers, (both value-added and bulk produce)



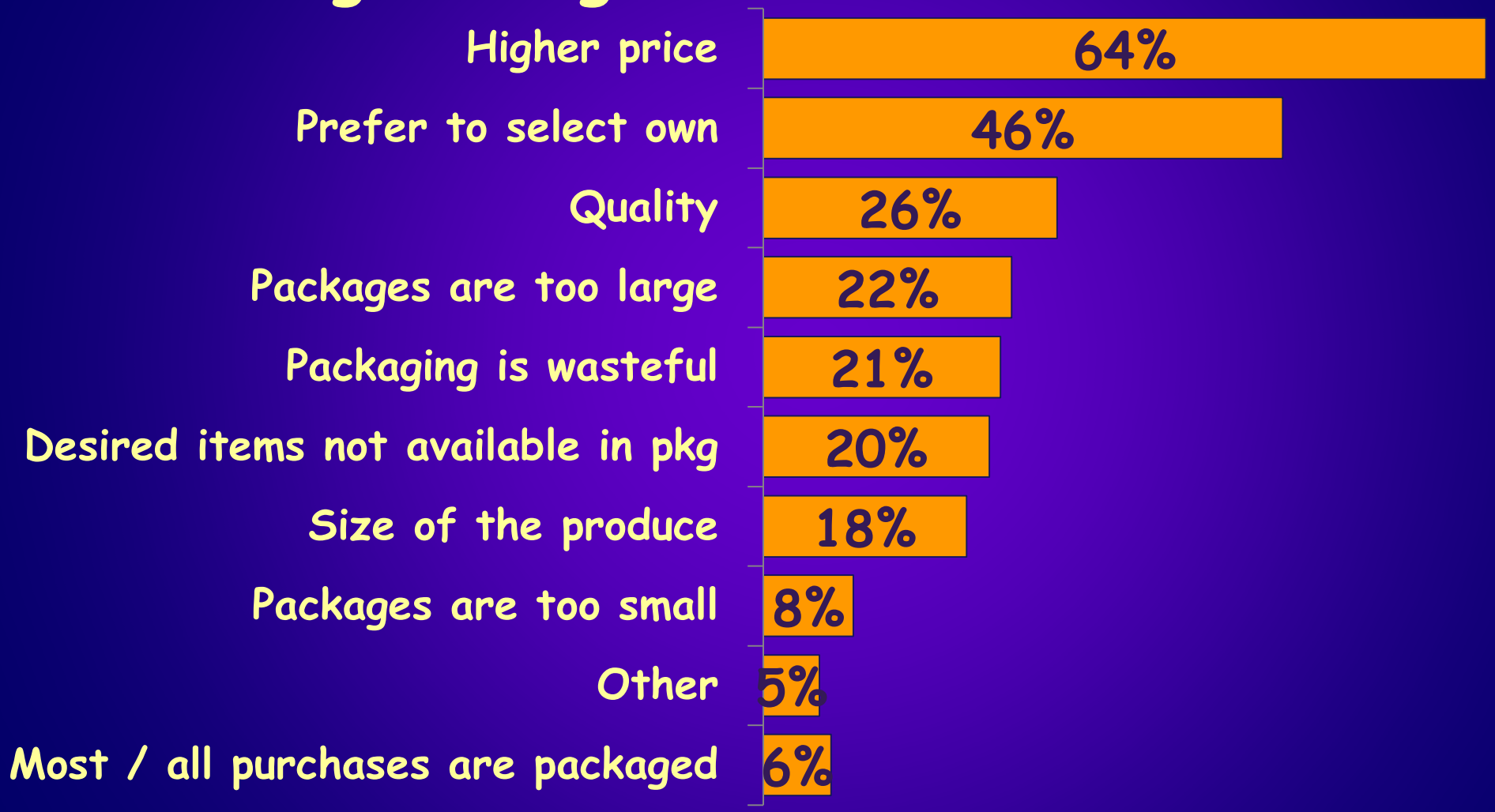
Source: Identifying Consumer Trends in the Produce Category, PMA/Hartman, 2011.

Factors Considered in Consumer Decisions to Purchase Packaged Produce



Source: Consumer Attitudes toward Packaged Fruits & Vegetables, PMA, 2011.

Factors that Discourage Consumers from Purchasing Packaged Produce



Source: Consumer Attitudes toward Packaged Fruits & Vegetables, PMA, 2011.

Attitudes/Opinions of US Bag Salad Consumers, 2013

	Percent of Total US Households	Salad Consumers	
		Percent	Index
I like to try out new food products	51	61	119
I enjoy eating foreign foods	43	49	114
I like to try new drinks	32	37	117
I try to eat gourmet food whenever I can	18	24	127
I try to eat healthier foods these days	62	70	112

Source: Packaged Facts / Experian Marketing Services 2013.

Health Attitudes of US Bag Salad Consumers, 2013

	Percent of Total US Households	Salad Consumers	
		Percent	Index
I'll try any new diet	13	18	142
Always think of calories in what I eat	28	35	126
Friends often ask my advice about health / nutrition	19	24	126
I'm usually first to try a new health food	16	20	126
I consider my diet to be very healthy	40	46	117
Like to know as much as possible about ingredients	38	45	117

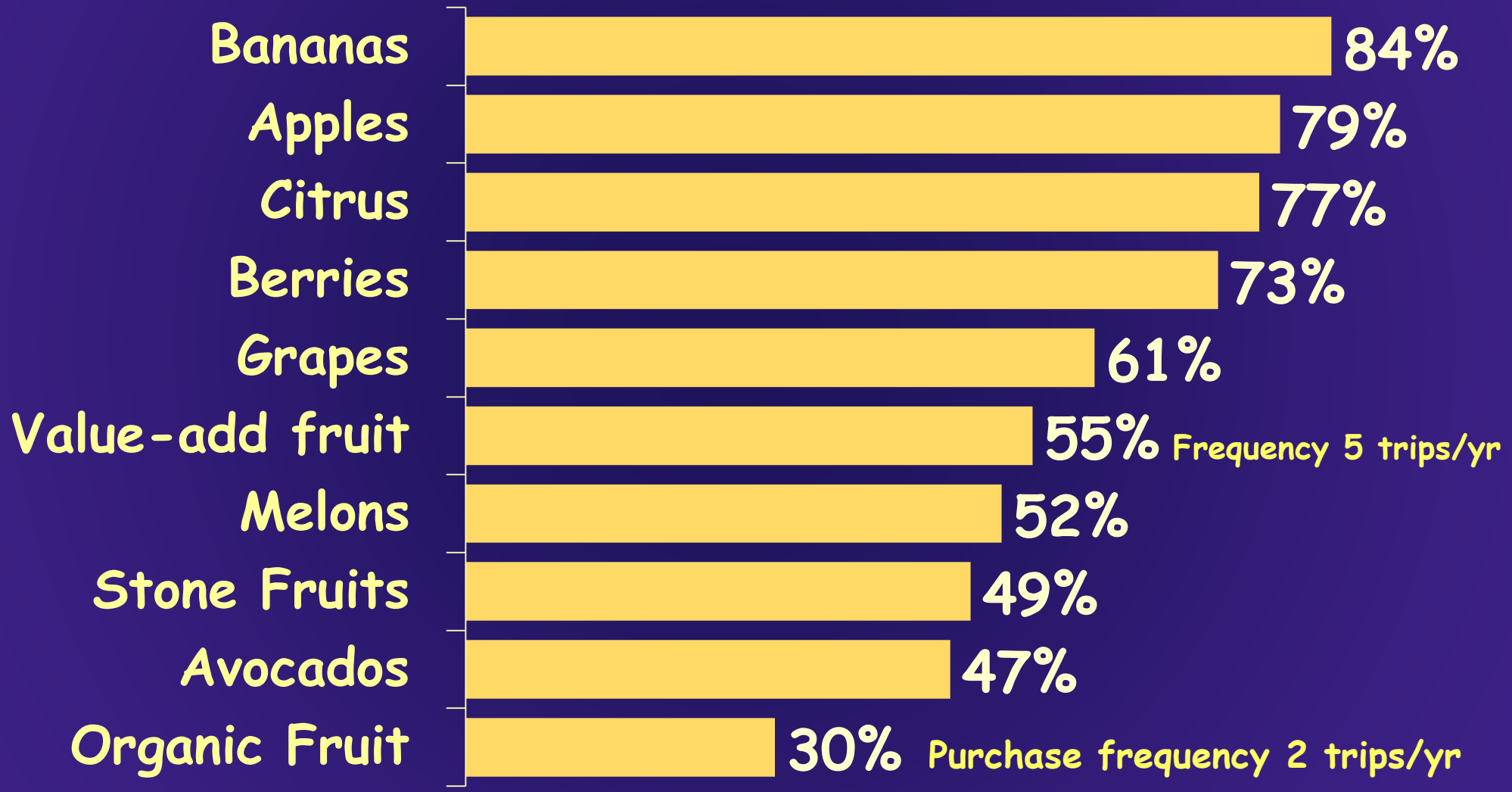
Source: Packaged Facts / Experian Marketing Services 2013.

Value-added/Fresh-cut Produce (VAP) Trends

VAP Trends Overview

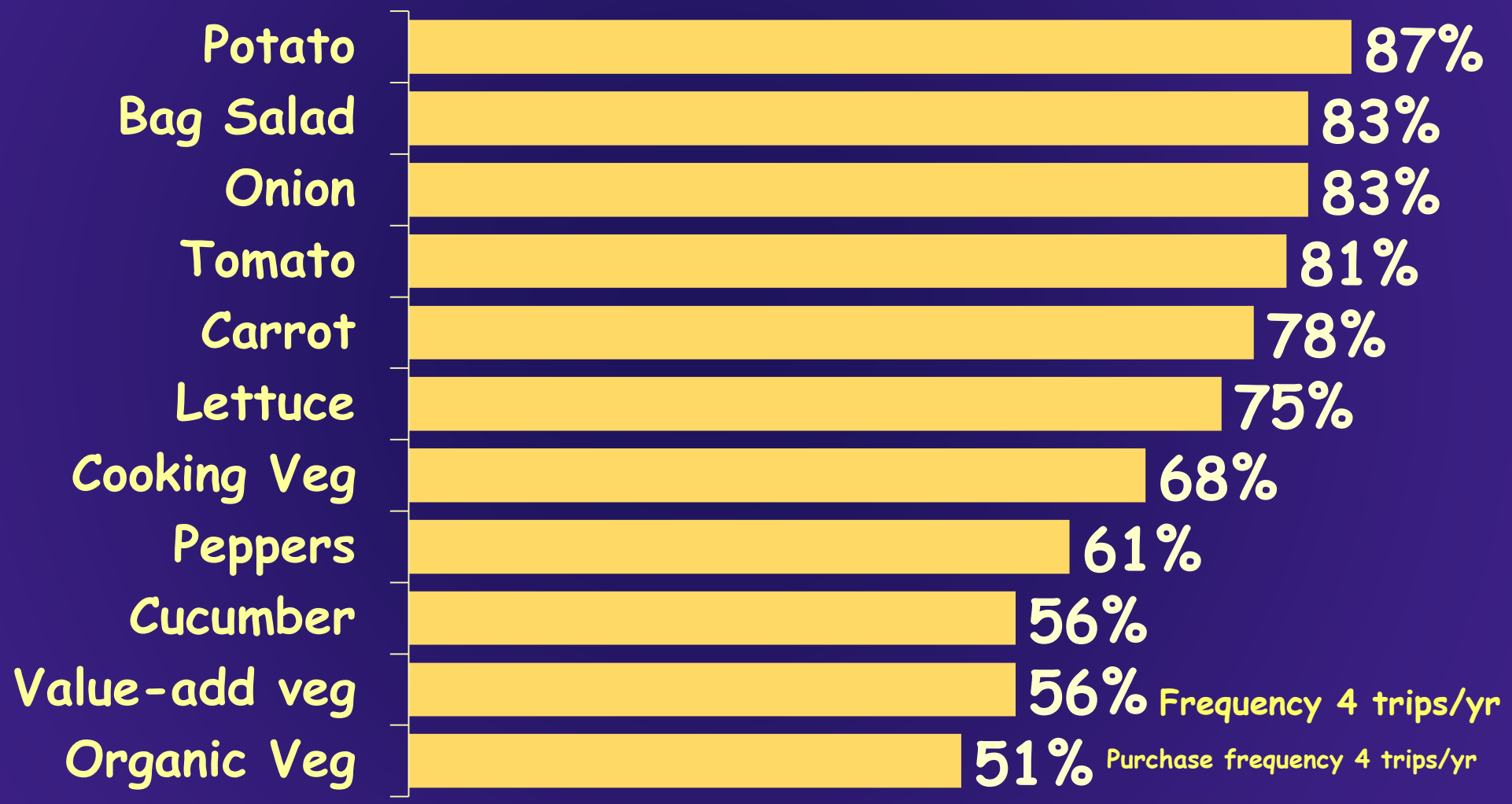
In general, more consumers are seeking not only convenience but bolder flavors, unusual ingredients, often international flavors, plus health and wellness, including high protein foods. The VAP industry is responding with more meal solutions, including RTE and RTH. Microwavable cooking veg category growing rapidly, as well as salad kits.

Penetration Rates: % of US Households Buying Fresh Fruit at Retail, by Category, 2014, (Scanner data so actual sales)



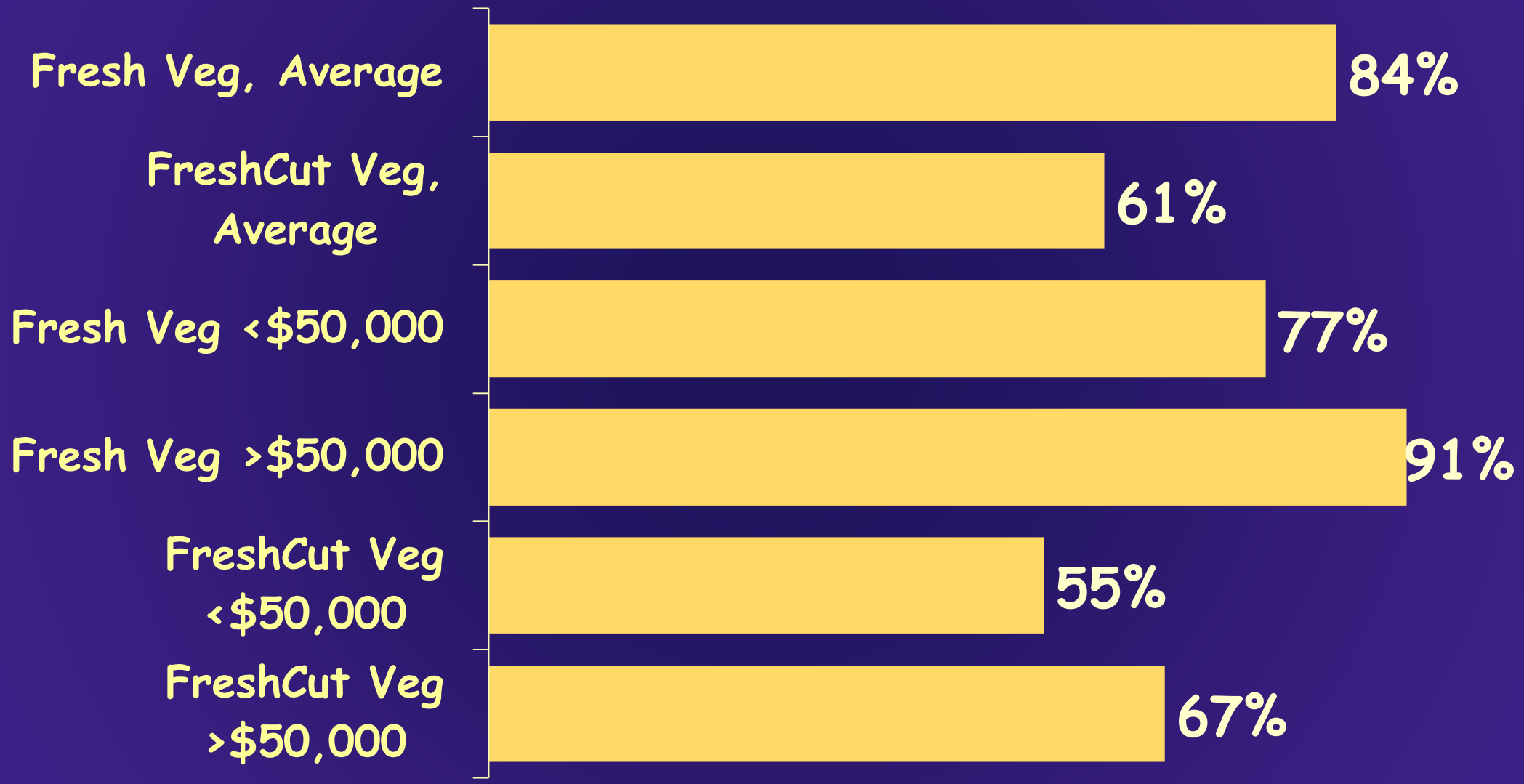
Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

Penetration Rates: % of US Households Buying Fresh Vegetables at Retail, by Category, 2014 (Scanner data so actual sales)



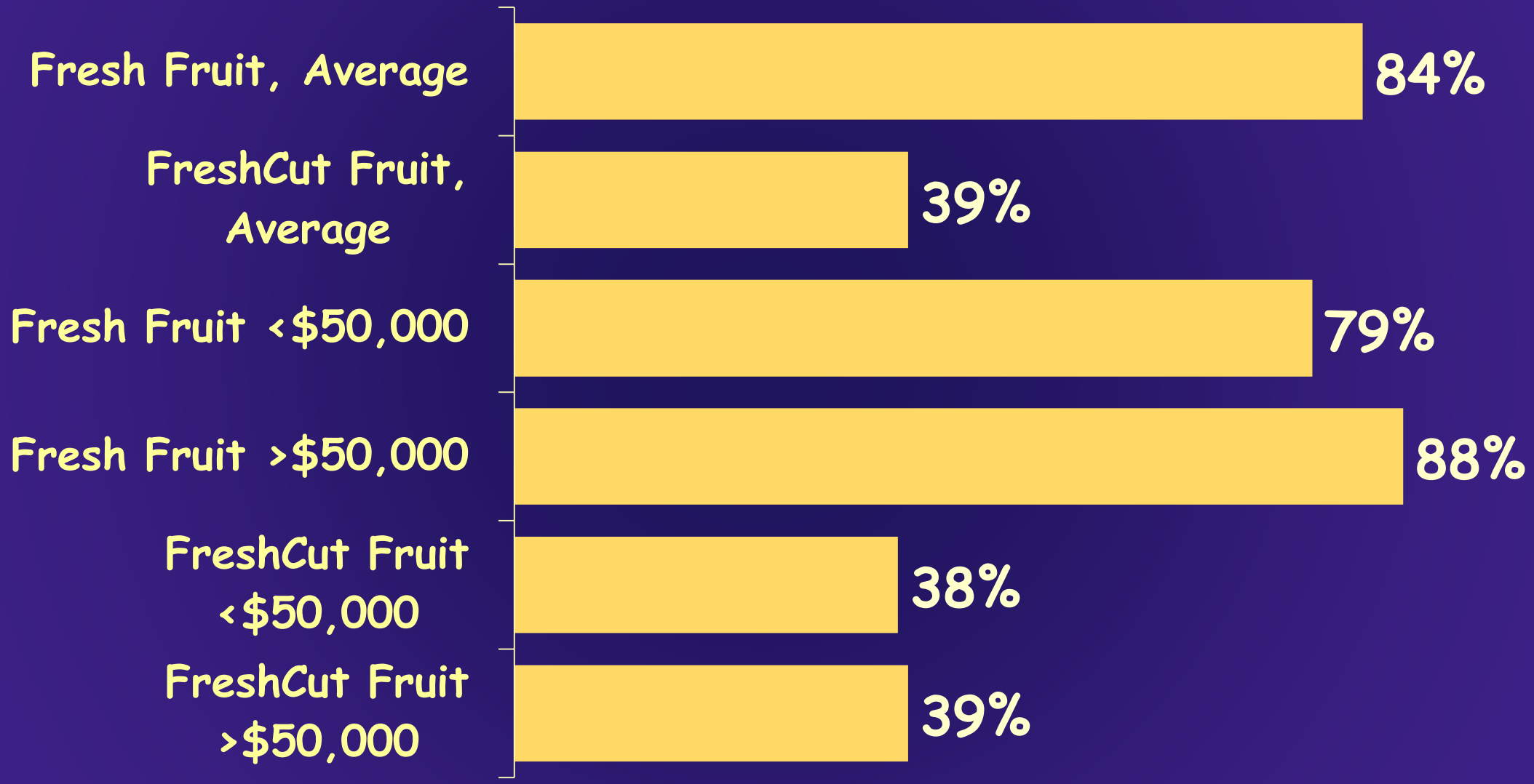
Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

Percent of US Households Reporting Having Items Available in Household, 2014



Source: PBH Primary Shopper Attitudes and Beliefs Related to Fruit and Vegetable Consumption 2012 vs 2014.

Percent of US Households Reporting Having Items Available in Household, 2014



Source: PBH Primary Shopper Attitudes and Beliefs Related to Fruit and Vegetable Consumption 2012 vs 2014.

Perishables Group Nielsen data

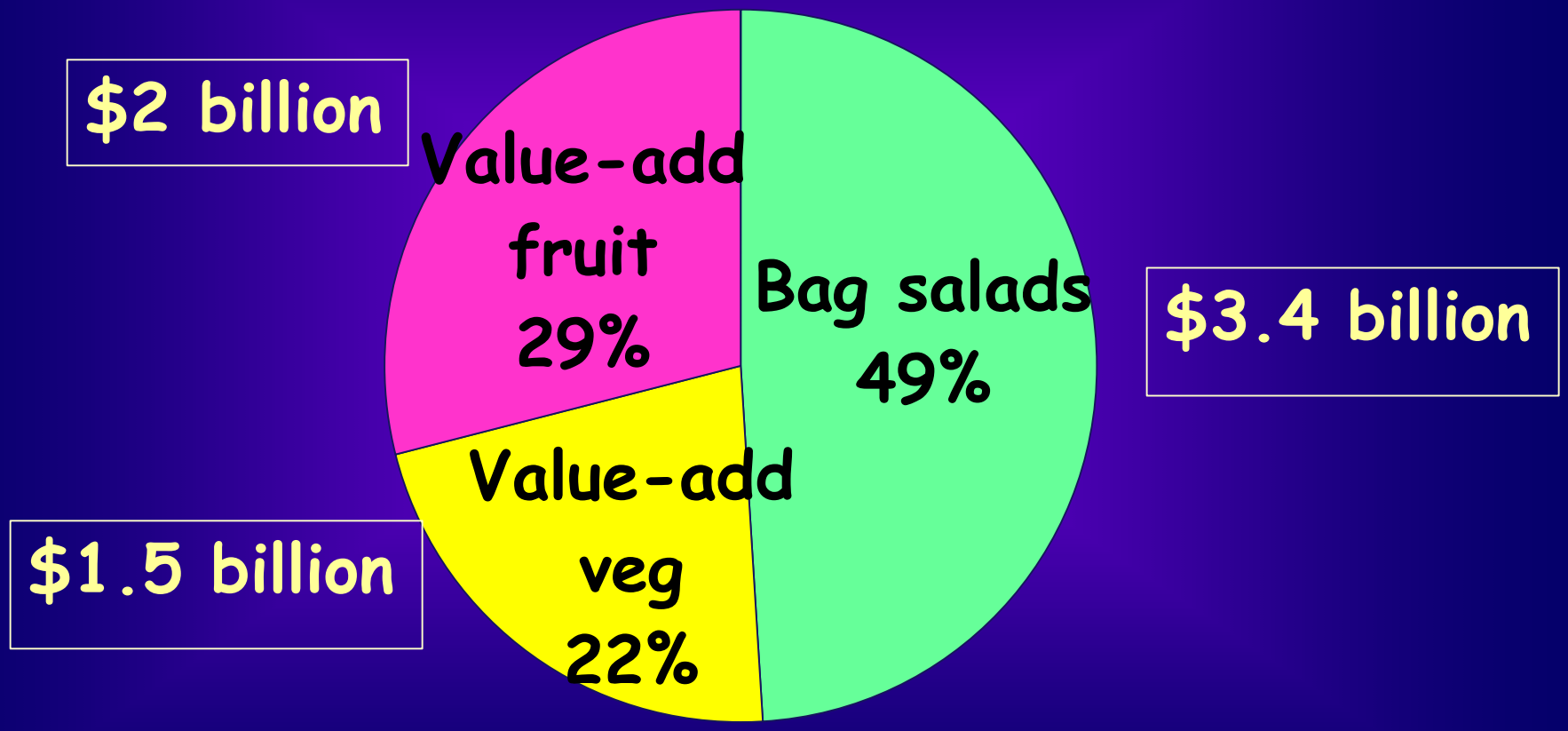
- Scanner data always excludes foodservice.
- Nielsen generally does not project to national sales via all grocery channels; uses national samples.
- "Expanded all outlet" (EAO) sample includes sales through about 62% of supermarkets, plus sales via some nontraditional retailers, such as, Walmart, Sam's, BJs, dollar stores; excludes Costco, limited assortment and other minor formats. I refer to as "Key Retailer" sales in slides. EAO captures over 60% of total grocery sales via all channels.
- Another Nielsen data set is referred to as "total food" and excludes the nontraditional outlets noted above. I refer to as "Select Retailer" sales.

US VAP Sales, Historical Trends, 2010-14

- VAV $sales grew 65% between 2010-14, reaching $1.5 billion.
- VAF $sales grew 49% between 2010-14, reaching $2 billion.
- Bag salad $sales grew by an average annual rate of 3% 2010-14, reaching $3.4 billion.
- VAP represents about 14-15% of total produce dept sales.

Source: "The Impact of Consumer Trends on the Produce Industry," presented by Jonna Parker of Nielsen Perishables Group at the United Fresh Produce Association meeting, June 10, 2015, pp. 10 and 12.

Shares of Total Value-added Produce (VAP) $Sales in Key Retailers, by Subcategory, 2014, Total $6.9B



Source: "The Impact of Consumer Trends on the Produce Industry," presented by Jonna Parker of Nielsen Perishables Group at the United Fresh Produce Association meeting, June 10, 2015.

Value-added Fruit Definitions

1. Overwrap

Typically sold in a tray with plastic overwrapping. Offers minimal value-add such as quartered or halved.

2. Fresh-cut Fruit

Cut fresh, no preservatives. Contains high level of value-add such as chunk, cubed, cored, etc.

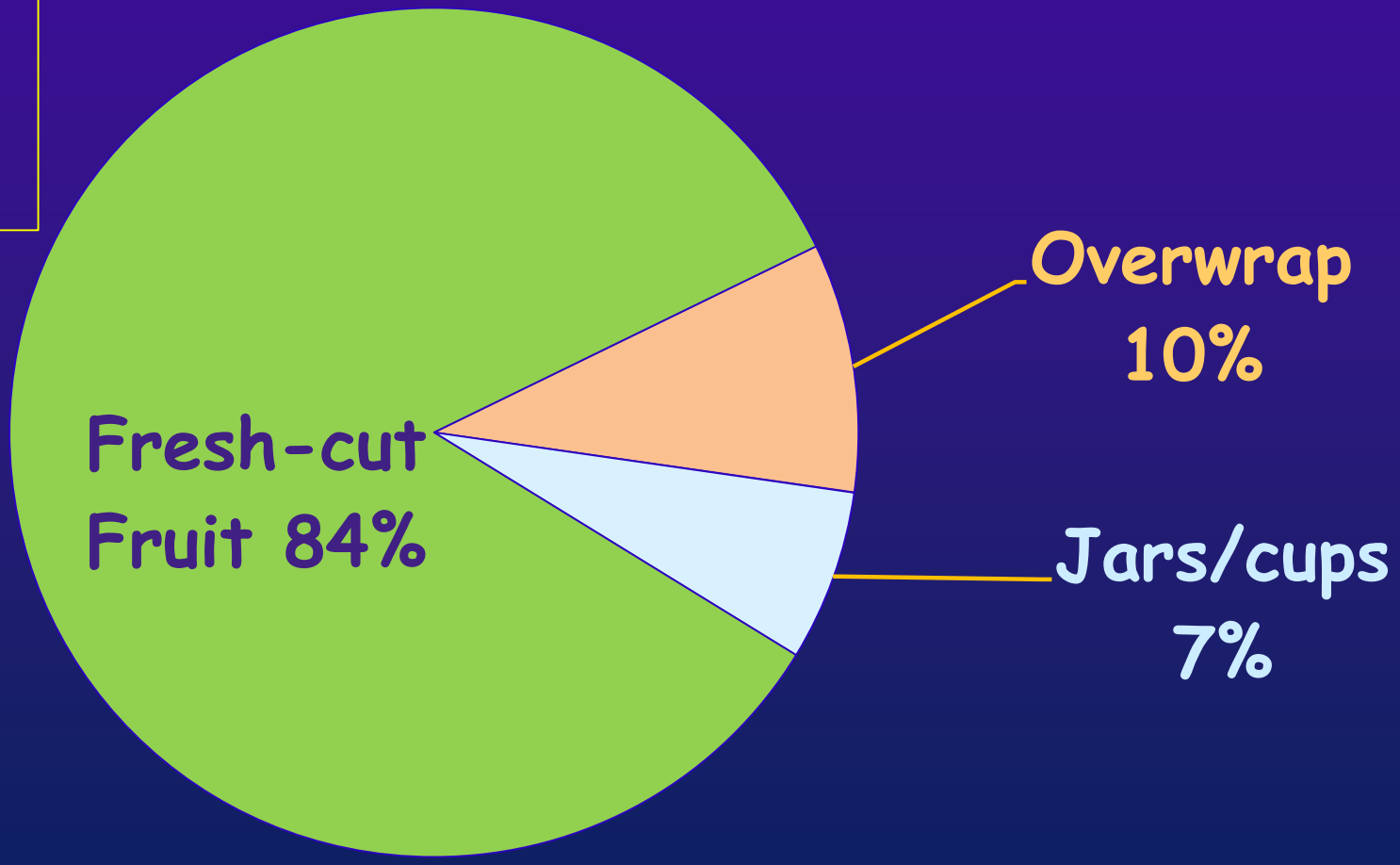
3. Jars and Cups

Perishable fruit in juice or preservatives, typically sold in a plastic cup or jar with syrup or juice, and merchandised in the fresh produce department.

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

US Value-added Fruit Sales by Subcategory: Share of Total VAF Dollar Sales in Key Retailers (includes nontraditional retailers), 2014

Note: Consumers Purchase VAF on 5 trips/yr.



Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

Value-added Fruit Category Sales and Pricing in Key US Food Retailers, 2014 vs 2013. VAF=4% total produce dept sales

	% Change vs. 2013		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-Added Fruit	9.2	3.7	5.3
Fresh-cut Fruit	12.0	9.7	2.1
Overwrap	2.5	-2.6	5.2
Jars & Cups	-10.9	-13.4	2.9

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

Value-added Veg

Excludes Bagged Salads but **Includes:**

1. Side Dish

Fresh cleaned and cut veg such as broccoli and cauliflower typically served as side dishes. Can often be cooked in the microwave in the bag.

2. Trays

Cut vegetable in a tray with or without dip. Designed for multi-person occasions.

3. Snacking

Fresh cleaned and cut vegetables such as celery or carrot sticks commonly eaten raw with or without dip. Similar use to trays but size is for 1-2 person occasions.

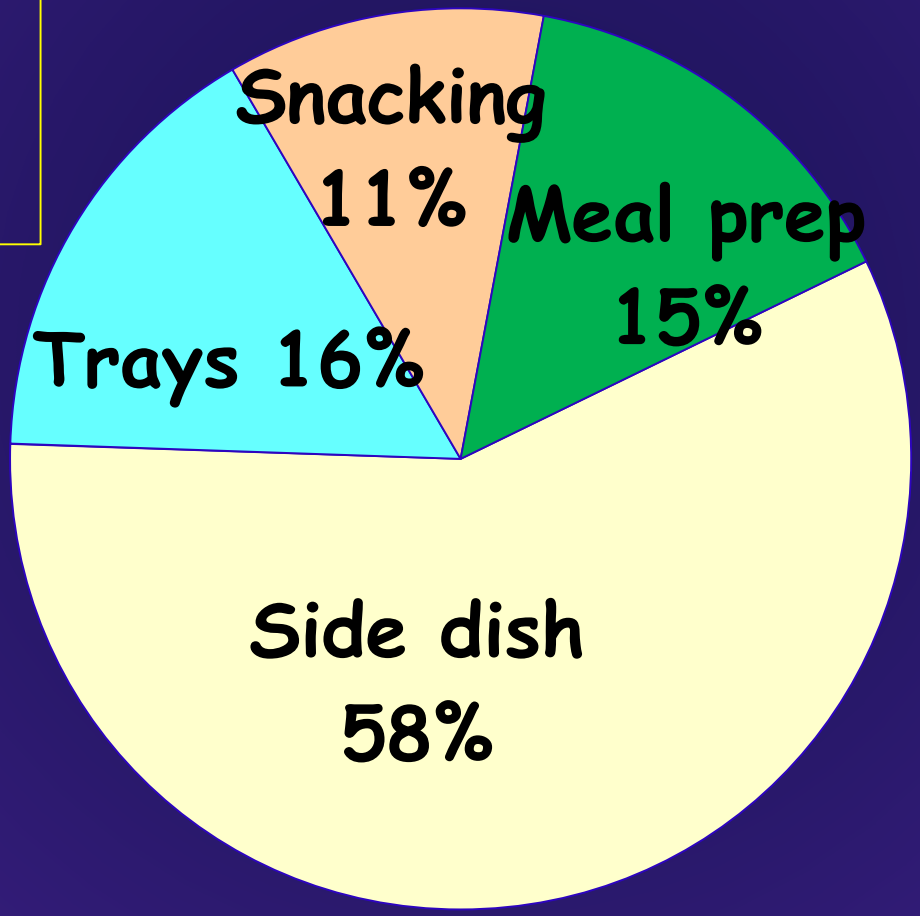
4. Meal Prep

Items ready to incorporate into a recipe or meal. Includes ingredient mixes and medleys.

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

US Value-added Veg Sales by Subcategory: Share of Total VAV Dollar Sales in Key Retailers (includes nontraditional retailers), 2014

Note: Consumers Purchase VAV on 4 trips/yr.



Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

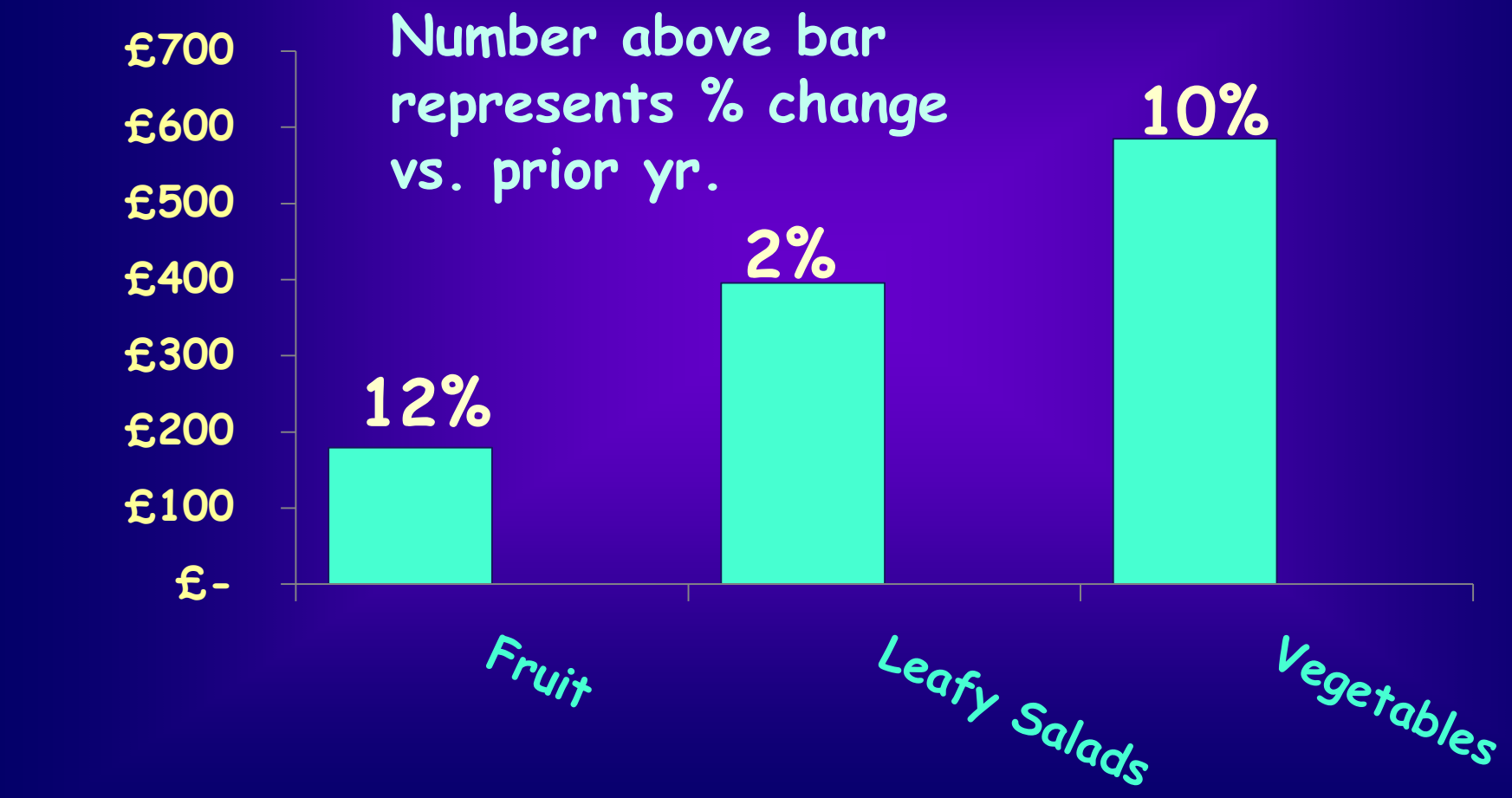
Value-added Vegetable Category Sales and Pricing in Key US Food Retailers, 2014 vs 2013, VAV=3% total produce dept sales

	% Change vs. 2013		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-Added Veg	10.9	10.7	0.2
Side Dish	12.2	10.9	1.1
Trays	3.4	6.7	-3.0
Meal Prep	8.7	5.2	3.3
Snacking	19.2	18.3	0.8

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

Prepared Produce Sales (£) in UK Retail Channels, and Annual Growth Rates, 2015 (excludes meal centre & mixed tray salads)

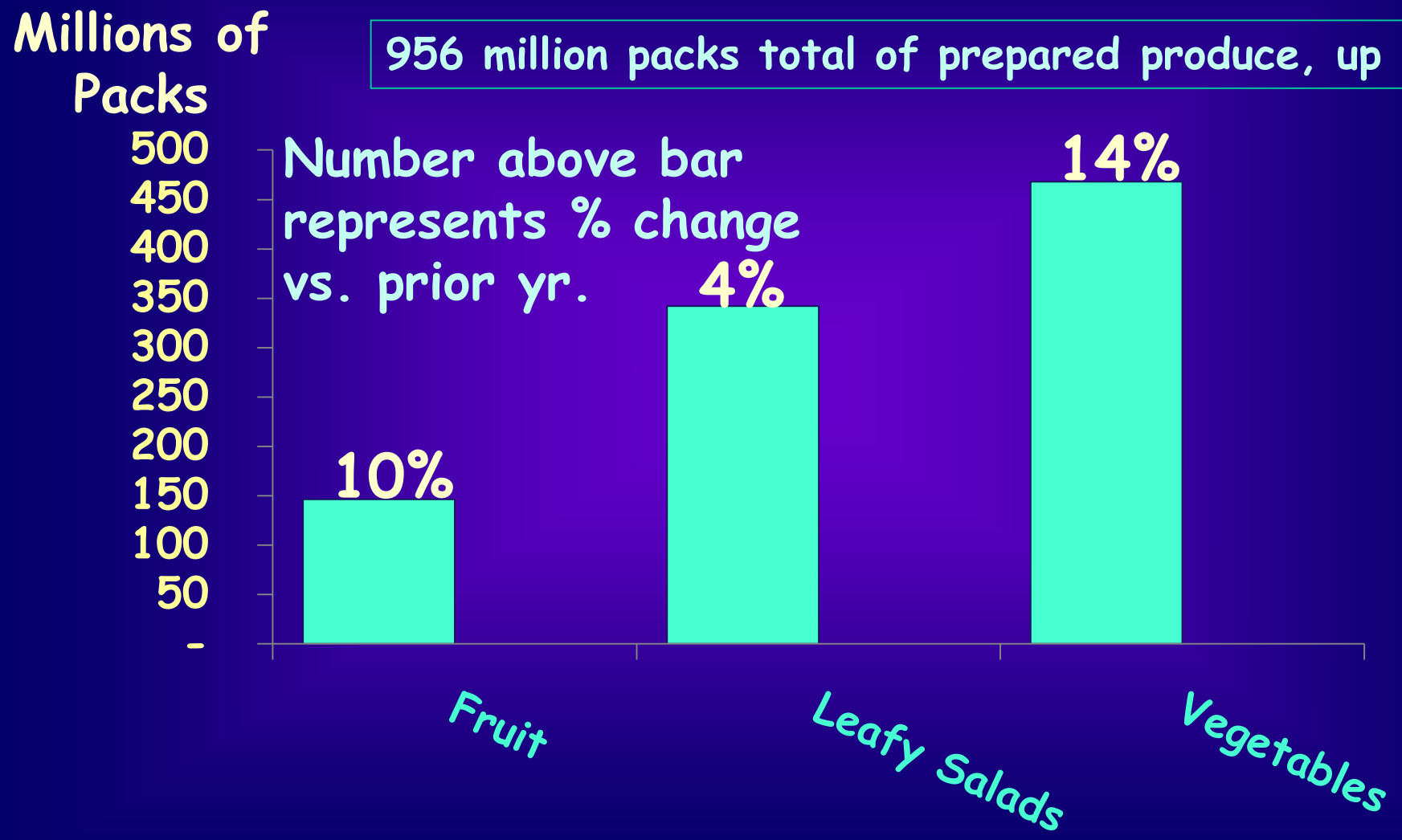
£1.160 billion total prepared produce sales, up 7%.



Source: Kantar Worldpanel 52 weeks ending August 16, 2015.

Prepared Produce Quantity in UK Retail Channels, and Annual Growth Rates, 2015 (excludes meal centre & mixed tray salads)

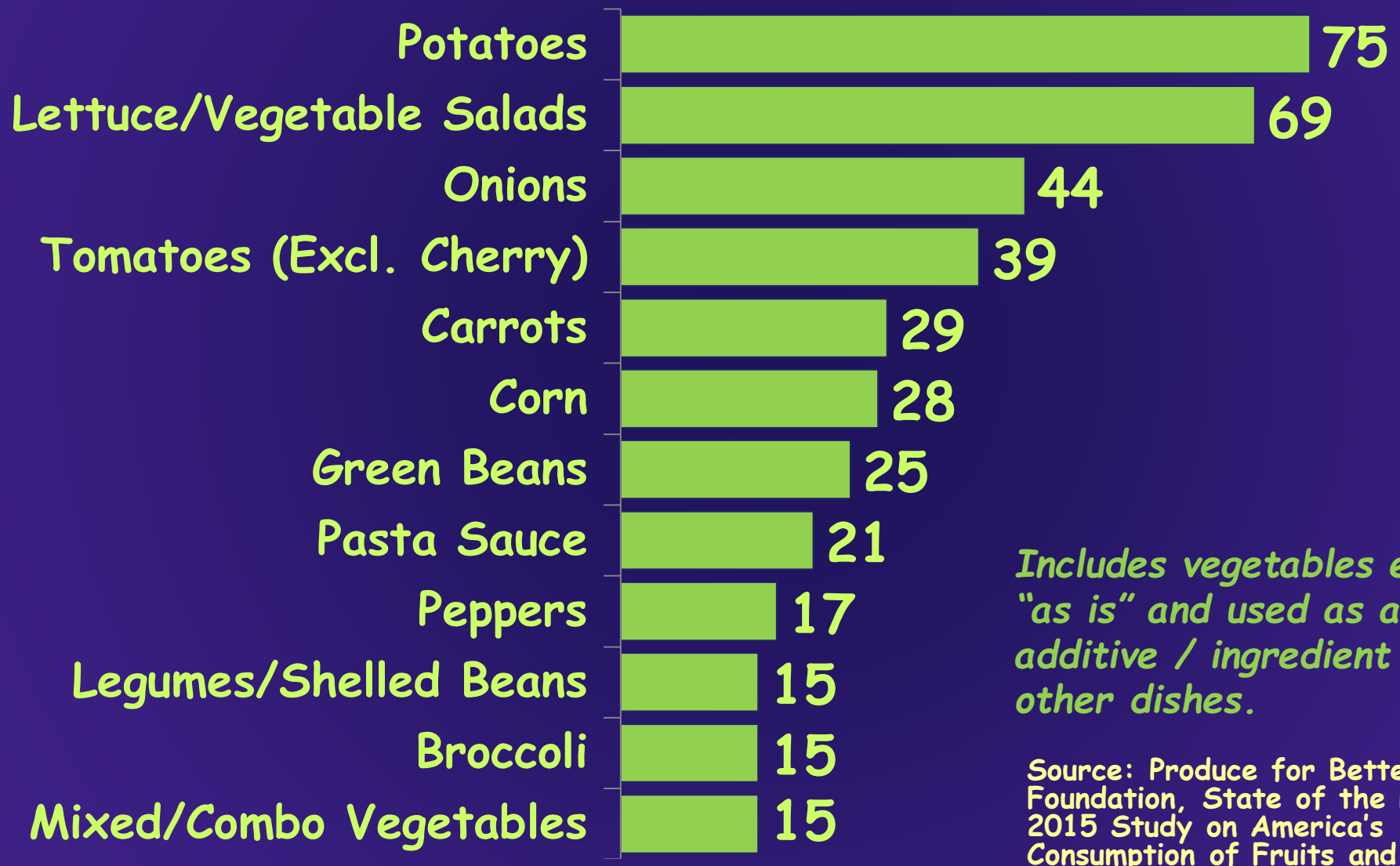
956 million packs total of prepared produce, up 10%.



Source: Kantar Worldpanel 52 weeks ending August 16, 2015.

Leafy Greens and Bag Salads

Top Vegetables and Vegetable Products Consumed in the USA, Annual Eatings per Capita, 2014, Excludes Foodservice



Includes vegetables eaten "as is" and used as an additive / ingredient in other dishes.

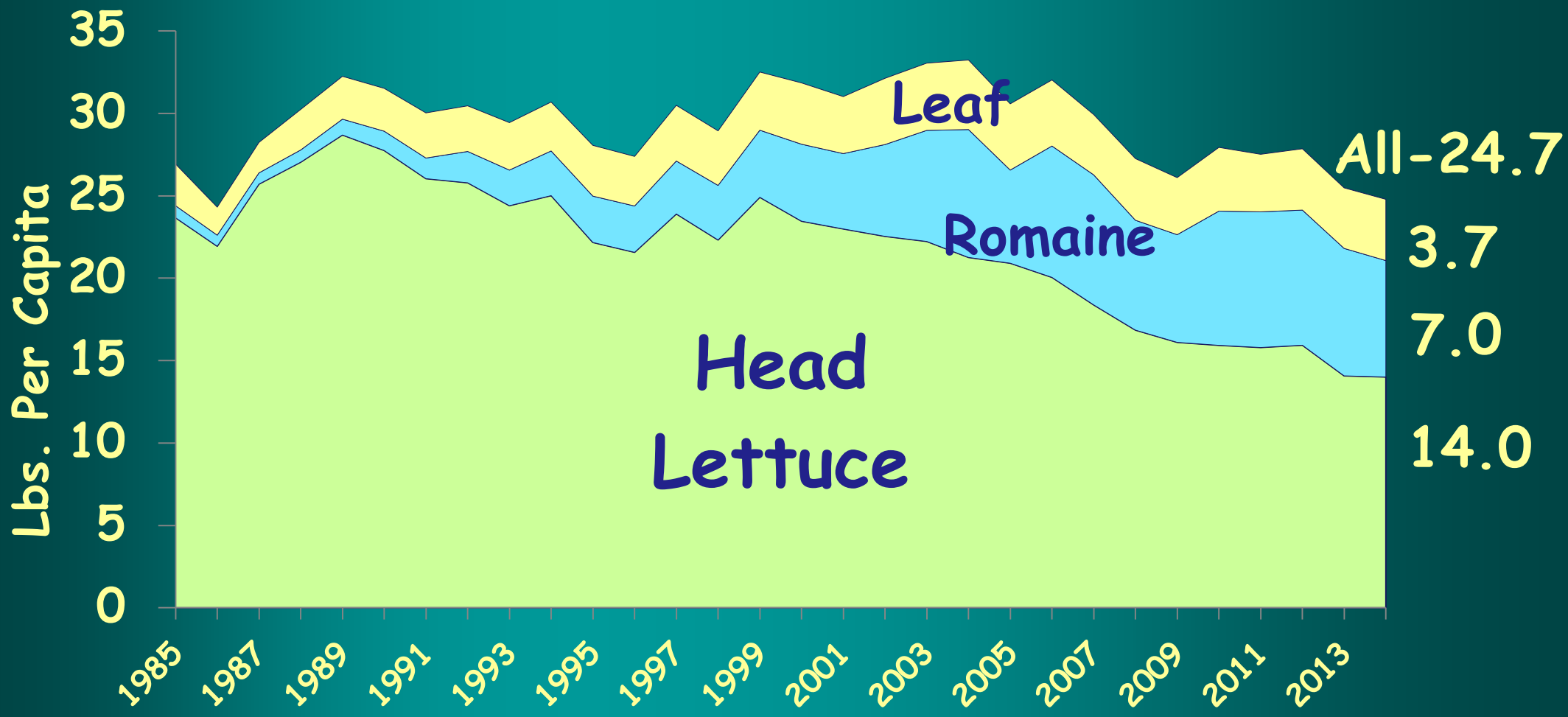
Source: Produce for Better Health Foundation, State of the Plate – 2015 Study on America's Consumption of Fruits and Vegetables.

USA Household Likeliness of Bag Salad Purchase, by Income and Age, 2015

Income	Percent	Age	Percent
<$25,000	39	21-39	50
$25-49,900	53	40-49	60
$50-99,900	58	50-58	56
$100,000+	59	59+	59

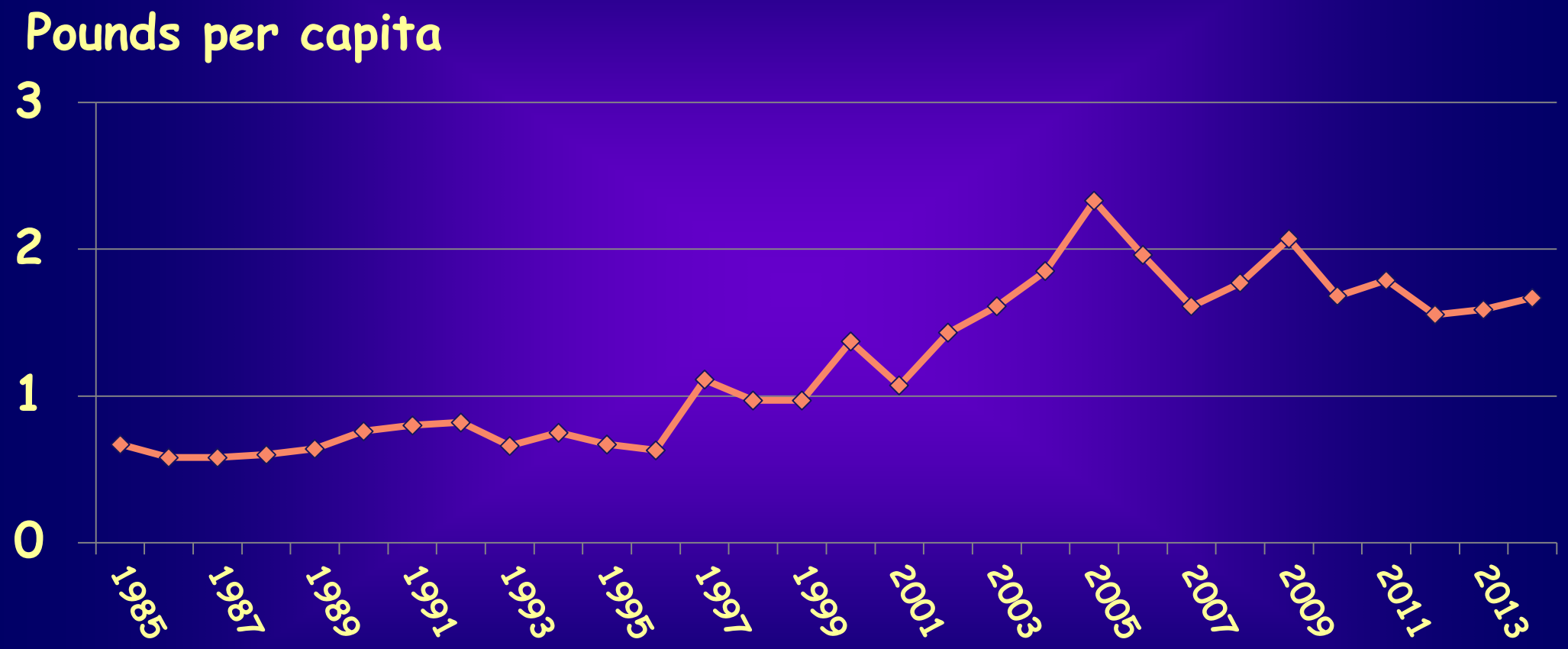
Source: Fresh Trends 2015, Vance Publishing, The Packer

US Per Capita Utilization/Consumption of Lettuce, by Type, 1985-2014[P] (includes fresh-cut and bulk, foodservice and retail)



Source: USDA/ERS, Vegetables and Pulses Yearbook March 20, 2015 and unpublished ERS data for leaf and romaine.

US Per Capita Utilization/Consumption of Fresh Spinach, 1985-2014,[P] (all channels, foodservice and retail, includes fresh-cut) Note: E.coli incident 9-11-2006



P=Preliminary

Source: USDA/ERS, Vegetables and Pulses Yearbook Tables, posted online March 20, 2015, http://www.ers.usda.gov/data-products/vegetables-and-pulses-data/yearbook-tables.aspx.

Top 10 Vegetable Sales and Pricing in Key US Food Retailers, 2014 vs. 2013

Product	Weekly $ Sales per Store	Percent Change vs. 2013	Weekly Vol. per Store	Percent Change vs. 2013	Avg Retail Price	Percent Change vs. 2013
Packaged Salad	$3,553	7.8	1,301	5.0	$2.73	2.6
Tomatoes	$2,590	1.8	1,165	-0.1	$2.22	1.9
Potatoes	$2,561	1.9	3,712	-2.8	$0.69	4.9
Cooking Veg	$1,806	3.5	1,097	3.4	$1.65	0.1
Onions	$1,564	0.1	1,578	-0.3	$0.99	0.4
Peppers	$1,412	4.5	640	2.4	$2.21	2.0
Lettuce	$1,279	-3.6	714	-1.0	$1.79	-2.6
Carrots	$906	-0.8	536	-1.7	$1.69	1.0
Mushrooms	$842	1.6	345	-0.6	$2.44	2.2
Cucumbers	$744	4.3	750	2.1	$0.99	2.2

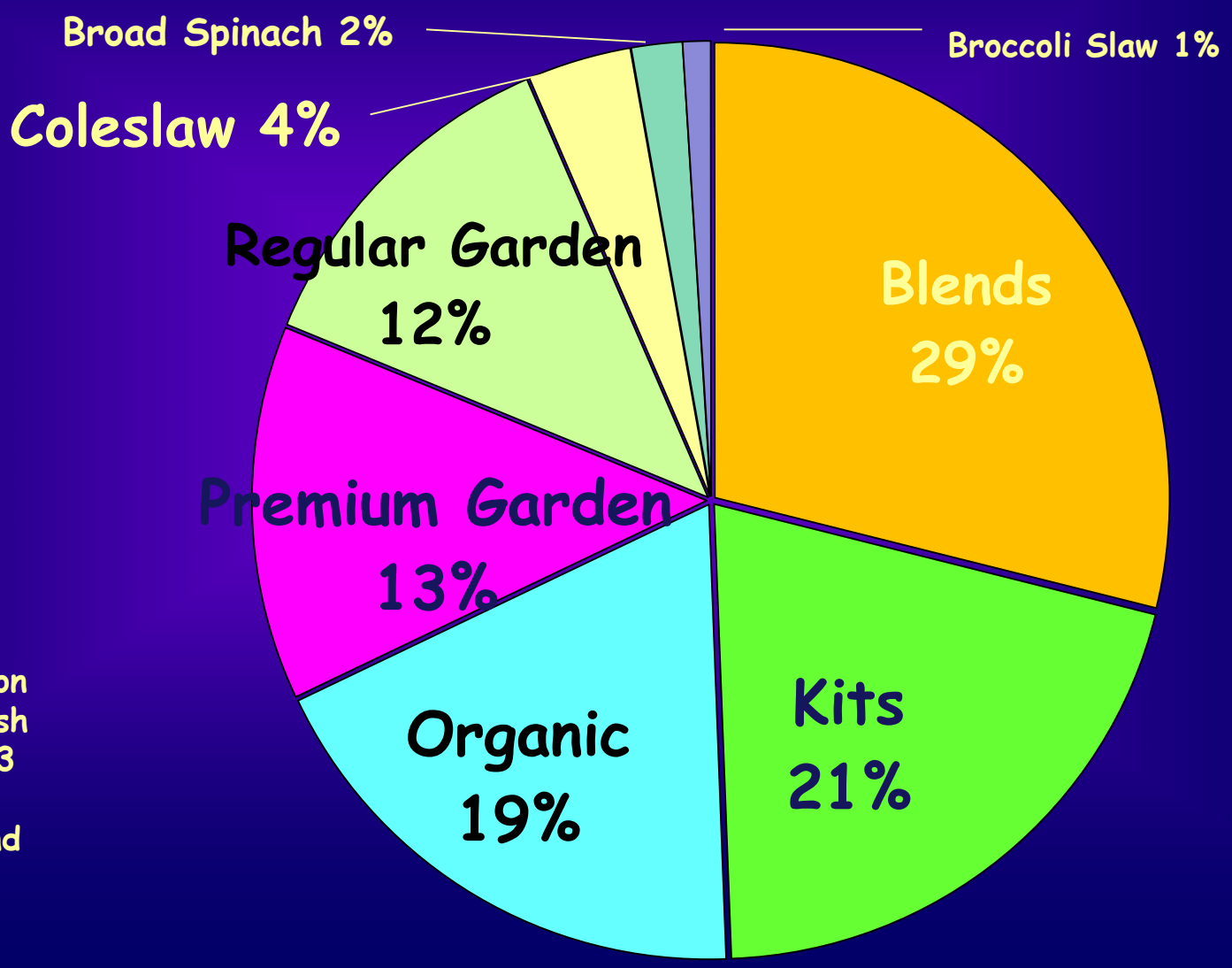
Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

US Bag Salad Sales, 2010-14

- Bag salad $sales grew by an average annual rate of 3% 2010-14, reaching $3.4 billion.
- Category was relatively mature but successfully evolved to become more consumer relevant.
- Despite the higher price tags, salad kits have revolutionized the bag salad category and doubled $share since 2010.
- Average annual growth rate for kits was 29%, with sales of $700 million.

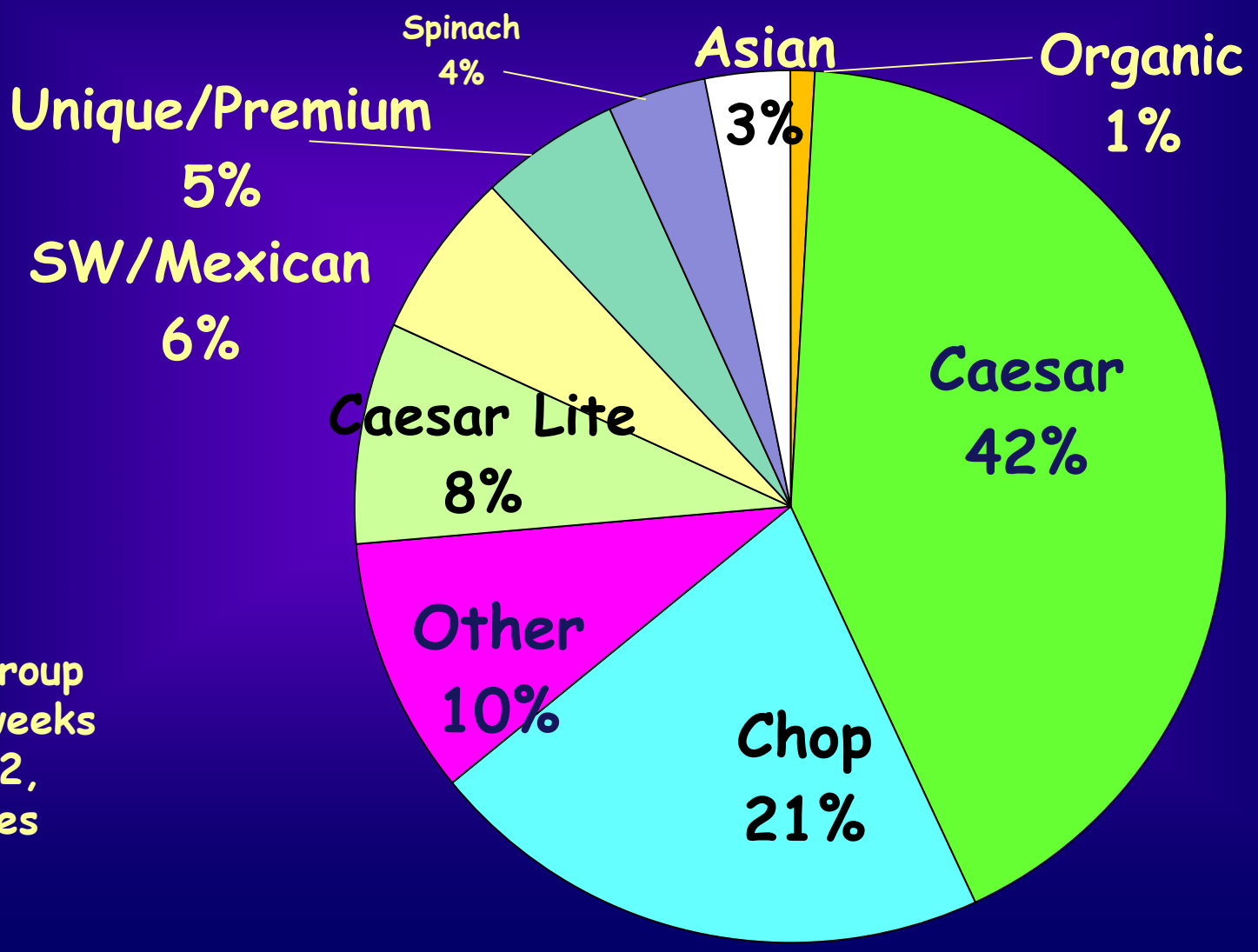
Source: "The Impact of Consumer Trends on the Produce Industry," presented by Jonna Parker of Nielsen Perishables Group at the United Fresh Produce Association meeting, June 10, 2015, p. 12.

US Bag Salad $ Market Shares by Key Type in Key US Retailers, 2014



Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends Q3 2014, United Fresh Produce Association and Nielsen.

US Salad Kit $ Market Shares by Key Type in Select US Retailers, excluding nontraditional retailers, 2014



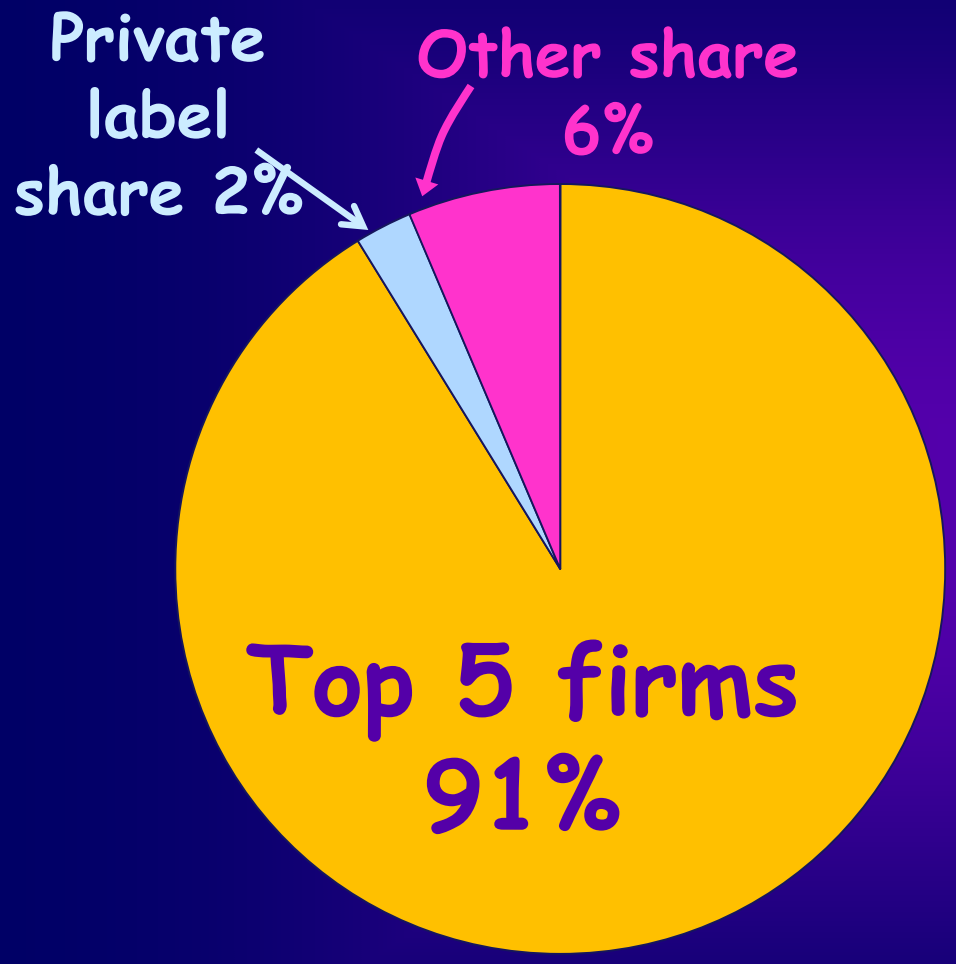
Source:
Perishables Group Nielsen, 52 weeks ending July 12, 2014. Excludes nontraditional retailers.

US Bag Salad Market Shares in Select Retailers, by Key Firm (% total $ sales), and Point Change in Market Share 2014 vs 2013

	% Share	Share Point Change
Private label	29.7	0.2
Fresh Express	28.7	-0.8
Dole	19.7	-1.2
Earthbound Farm	6.7	0.7
Ready Pac	3.5	-0.2
Organic Girl	2.8	0.3
All Other	8.1	NA

Source: Nielsen 52 weeks ending July 12, 2014. Excludes nontraditional retailers, such as, Walmart and clubs.

US Bag Salad Market Shares in Select Retailers: Top 5 Firms and Private Label, Share of Dollar Sales



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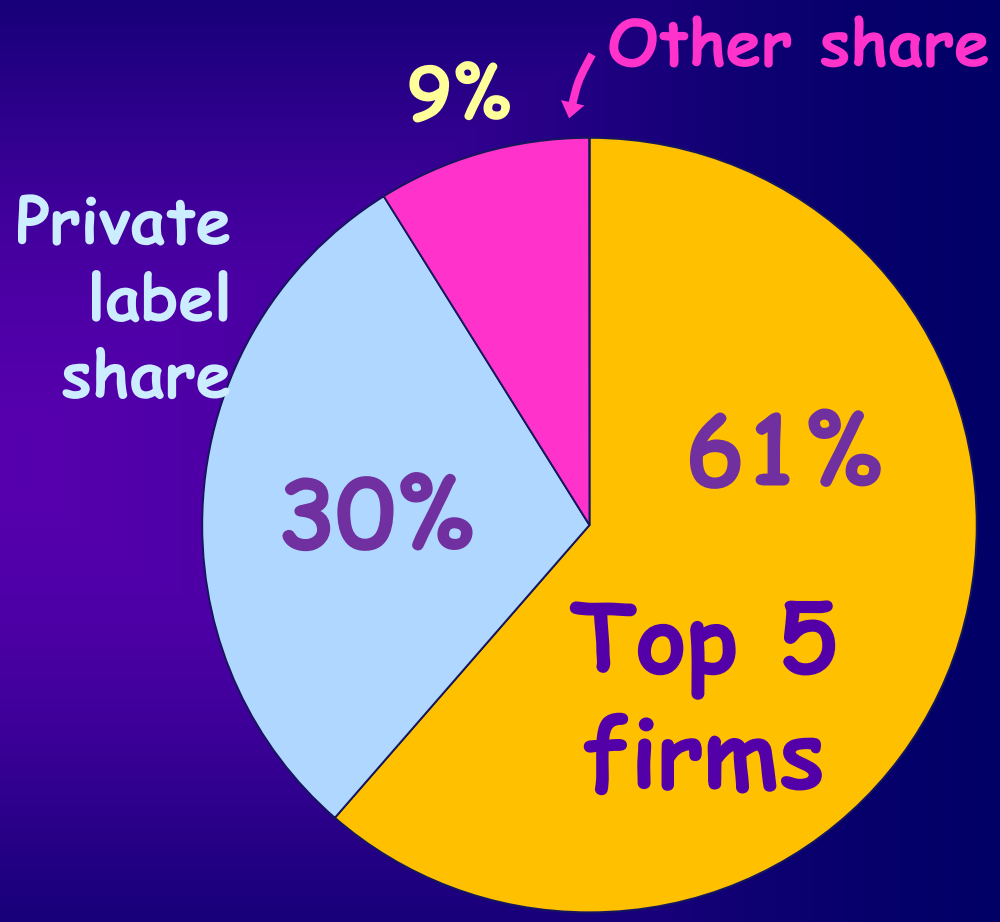


2014

Sources: 1994 - IRI; Nielsen *52 weeks ending July 14, 2014. Excludes Walmart and clubs.

Value-added Fruit Trends

Top 10 Fruit Sales and Pricing in Key US Food Retailers, 2014 vs. 2013

Product	Weekly $ Sales per Store	Percent Change vs. 2013	Weekly Vol. per Store	Percent Change vs. 2013	Avg Retail Price	Percent Change vs. 2013
Berries	$4,019	4.7	1,342	3.0	$2.99	1.7
Apples	$3,070	-0.1	1,953	2.0	$1.57	-2.0
Citrus	$2,797	4.8	2,212	-2.6	$1.26	7.6
Grapes	$2,774	3.1	1,228	-3.6	$2.26	6.9
Bananas	$2,721	-1.2	4,762	-0.9	$0.57	-0.3
Melons	$1,216	3.7	2,187	7.8	$0.56	-3.9
Avocados	$1,197	11.8	1,071	2.7	$1.12	8.9
Stone Fruits	$987	2.4	515	-9.7	$1.91	13.3
Cherries	$623	-3.4	198	9.1	$3.15	-11.5
Specialty Fruits	$528	-2.7	491	-9.6	$1.08	7.7

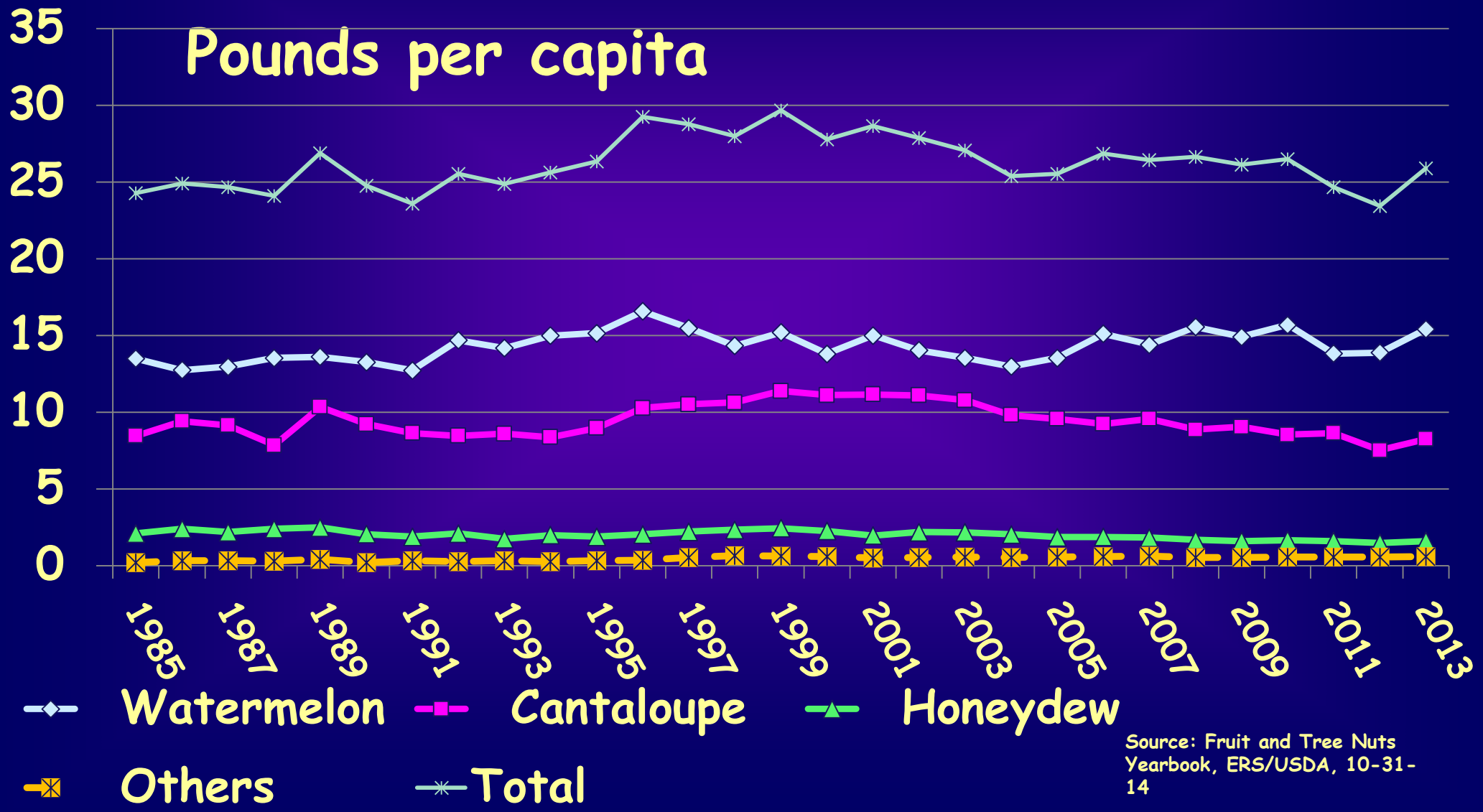
Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015.

US "Select" Retailer Fresh-cut Fruit (excl other VAF) Shares by Key Item in Dollars and Quantity 2014, ($431.8 million total sales in this sample, excl nontraditional retail)

Item	Dollar Share %	Unit Share %	Growth in Unit Sales %
MIXED FRUIT	28.8	16.2	-22%
APPLE	22.5	34.1	6%
PINEAPPLE	16.7	18.3	16%
WATERMELON	13.4	12.2	-2%
CANTALOUPE	5.4	5.6	5%
MANGO	4.7	3.6	2%
All OTHER	3.7	6.0	151%
MIXED MELON	2.4	2.2	-10%
BERRIES	2.2	2.1	17%
HONEYDEW	0.6	0.6	-37%

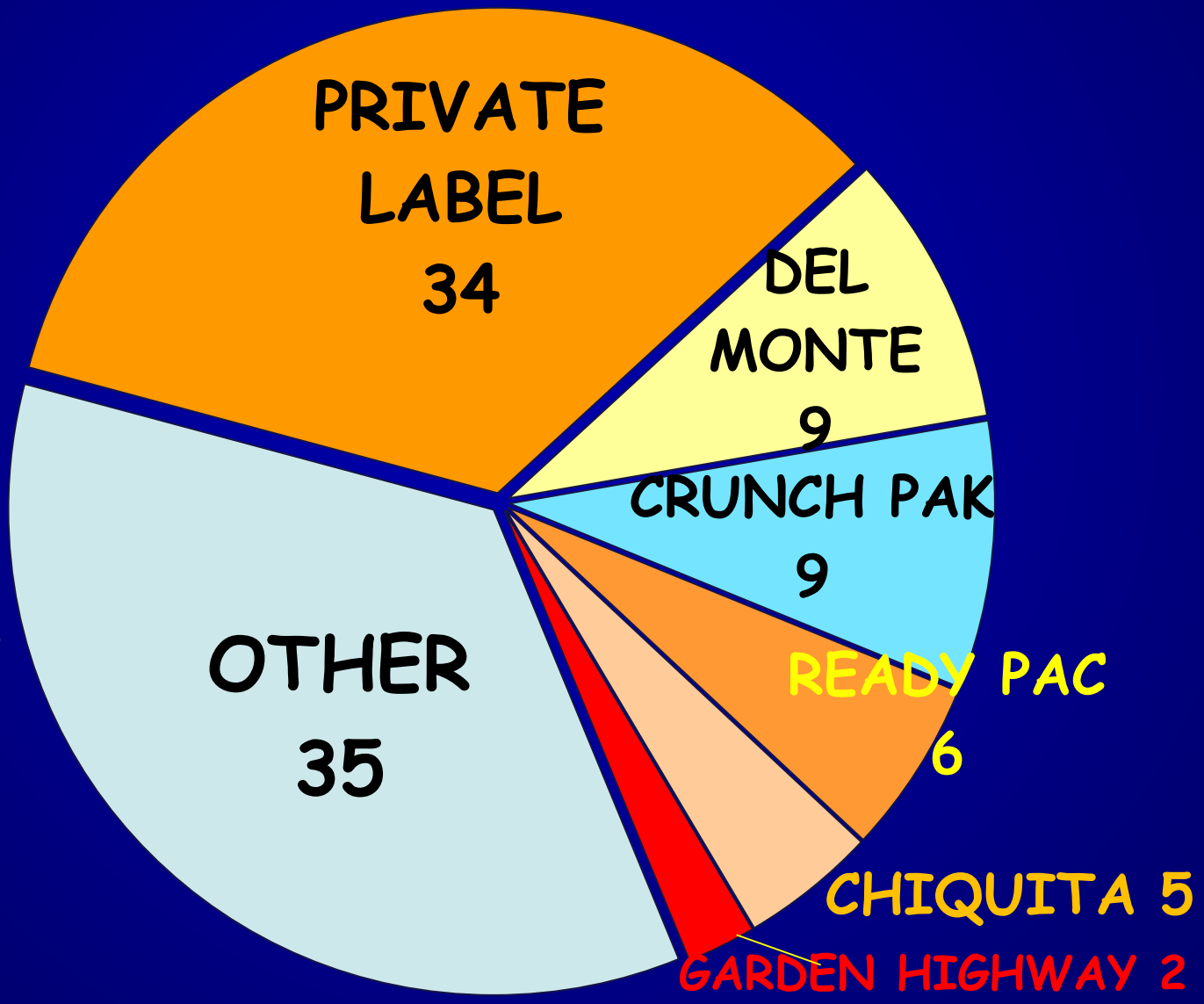
Source: Nielsen, 52 weeks ending July 12, 2014. Excludes nontraditional retailers; UPC only.

US Per Capita Disappearance/Consumption of Melons, 1985-2013 (watermelons have generic promotion)



Source: Fruit and Tree Nuts Yearbook, ERS/USDA, 10-31-14

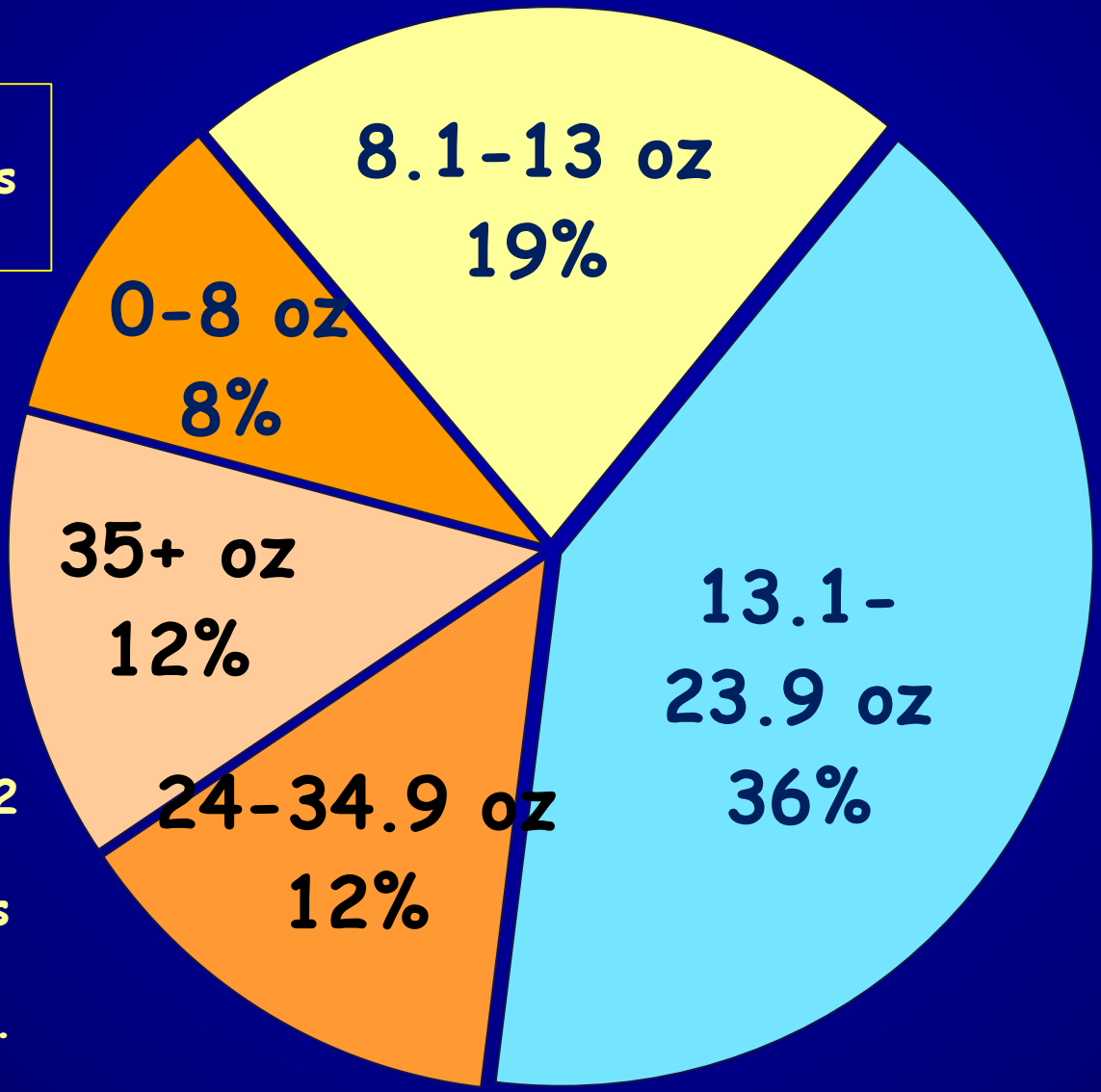
Fresh-cut Fruit Top 5 Brand Shares, by Key Firm, in Select US Food Retailers, 2014



Source: Perishables Group Nielsen, 52 weeks ending July 12, 2014. Excludes nontraditional retailers.

Fresh-cut Fruit Shares, by Top 5 Package Sizes, in Select US Food Retailers, 2014

Small sizes growing and large pack sizes declining.



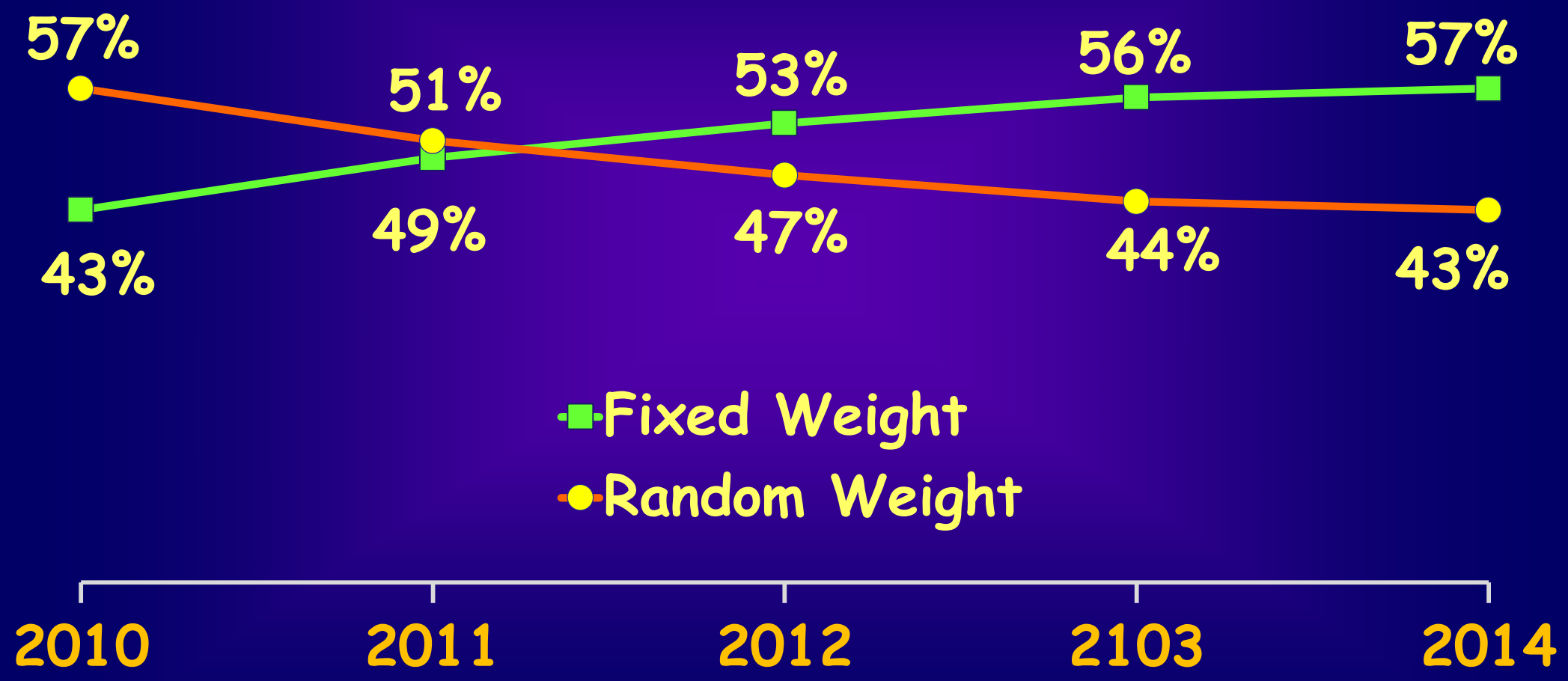
Source: Nielsen, 52 weeks ending July 12, 2014. Excludes nontraditional retailers; UPC only.

Fresh-cut Vegetable Trends

Note: in general, scanner data show growth rates in cooking veg items such as brussel sprouts much higher for value-added (fixed weight) than bulk (random weight).

New VAV Items Addressing Demand for Convenience, Health and Customization

US Retail French Green Bean $Sales — Fixed (Value-added) vs. Random Weight Sales, 2014



Source: Food Marketing Institute, The Power of Produce 2015. (US MULO scanner data 2014)

Top Value-added Vegetable Side Dish Sales and Pricing in Key US Food Retailers, Q3 2014 vs. 2013

Product	Weekly $ Sales per Store	Percent Change vs. 2013	Weekly Vol. per Store	Percent Change vs. 2013
Side Dish Total	$805	10.5	263	11.0
French/Green Beans	$138	-1.8	41	2.0
Cooking greens	$111	32.3	36	26.2
Broccoli	$108	9.7	38	10.6
Sugar snap peas	$101	-1.6	31	0.9
Veg medley	$80	4.7	26	5.5
Brussel sprouts	$59	33.7	18	26.1
Broccoli/cauliflower	$35	10.4	14	10.0
Stir fry	$27	7.8	10	8.0
Squash	$22	25.4	7	19.1

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: Q3 2014, United Fresh Produce Association and Nielsen.

US Fresh-cut Vegetable Category Market Shares and Sales Growth Rates, by Key Firm, in Select Retailers, 2013 (Total Category Sales $1.4B)

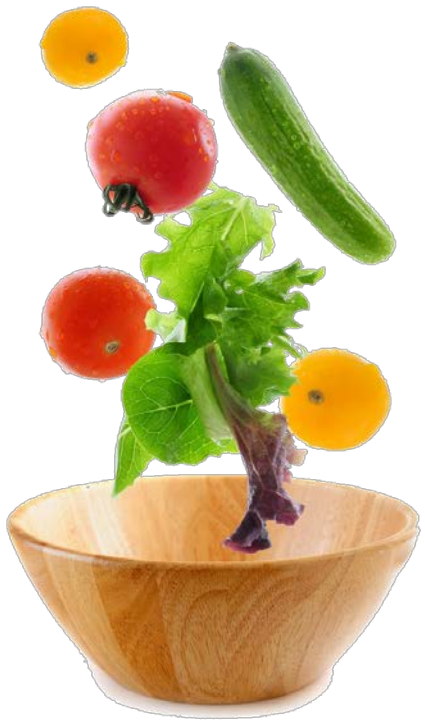
Firm	Share %	Growth in $ Sales %
Private label	39.9	5
Eat Smart	5.9	1
Greenline Foods	4.9	6
Grimmway Farms	2.9	1
Mann's Sunny Shores	2.6	1
Bolthouse Farms	2.5	19
Veg Glory	2.3	21
All other	39.0	7

Source: Nielsen 52 weeks ending July 13, 2013

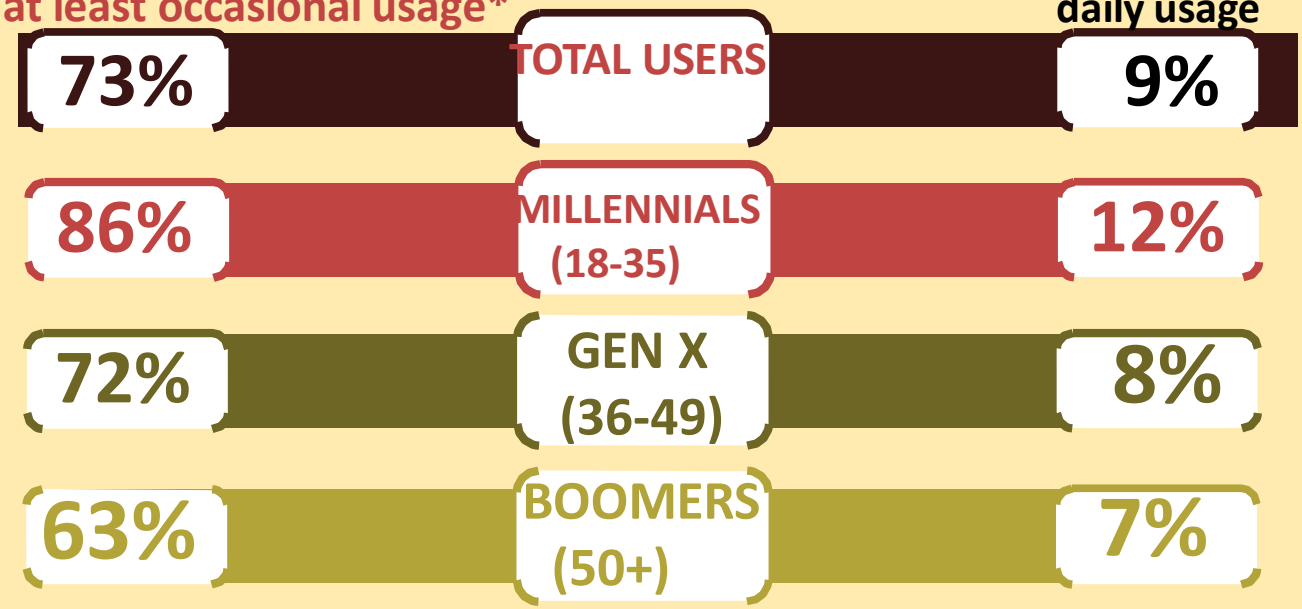
Organics and Local

Note: Despite sustained rapid growth in organics, in 2014, they still represent less than 10% of total fresh produce dept. sales. (Nielsen)

US Consumer Purchases of Organics: Frequency and Age Distribution, 2014



How often have you used organic foods or beverages in the past three months?



**Includes occasional, monthly, weekly and daily*
Source: Organic & Natural 2014 report, The Hartman Group

Source: Organic and Natural 2014 Report, The Hartman Group, Inc.

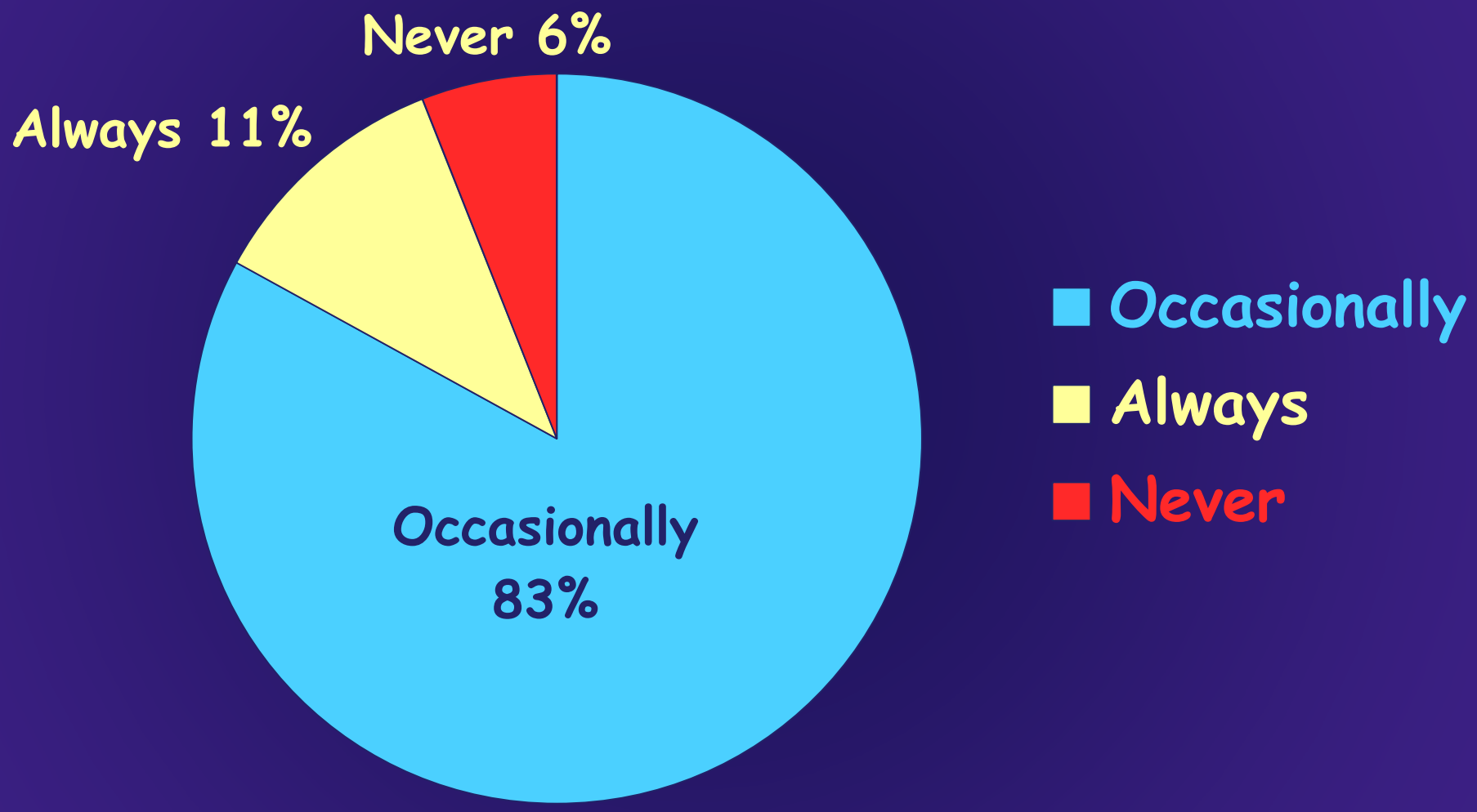
hartman GROUP

US Organic Salad Sales in Key Retailers, 2014

- Organic salad sales were 19% of total $bag salad sales in Q3 2014.
- Organic bag salad sales grew by 14% in dollars and units in CY 2014.
- Bag salads are the top organic vegetable sold; organic VAV ranked 10th in the organic veg category.
- Organic VAF ranked 10th among all organic fruits sold.

Sources: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: 2014, United Fresh Produce Association and Nielsen, March 2015; and FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: Q3 2014, United Fresh Produce Association and Nielsen.

Frequency of Purchases of Locally Grown Products, 2015

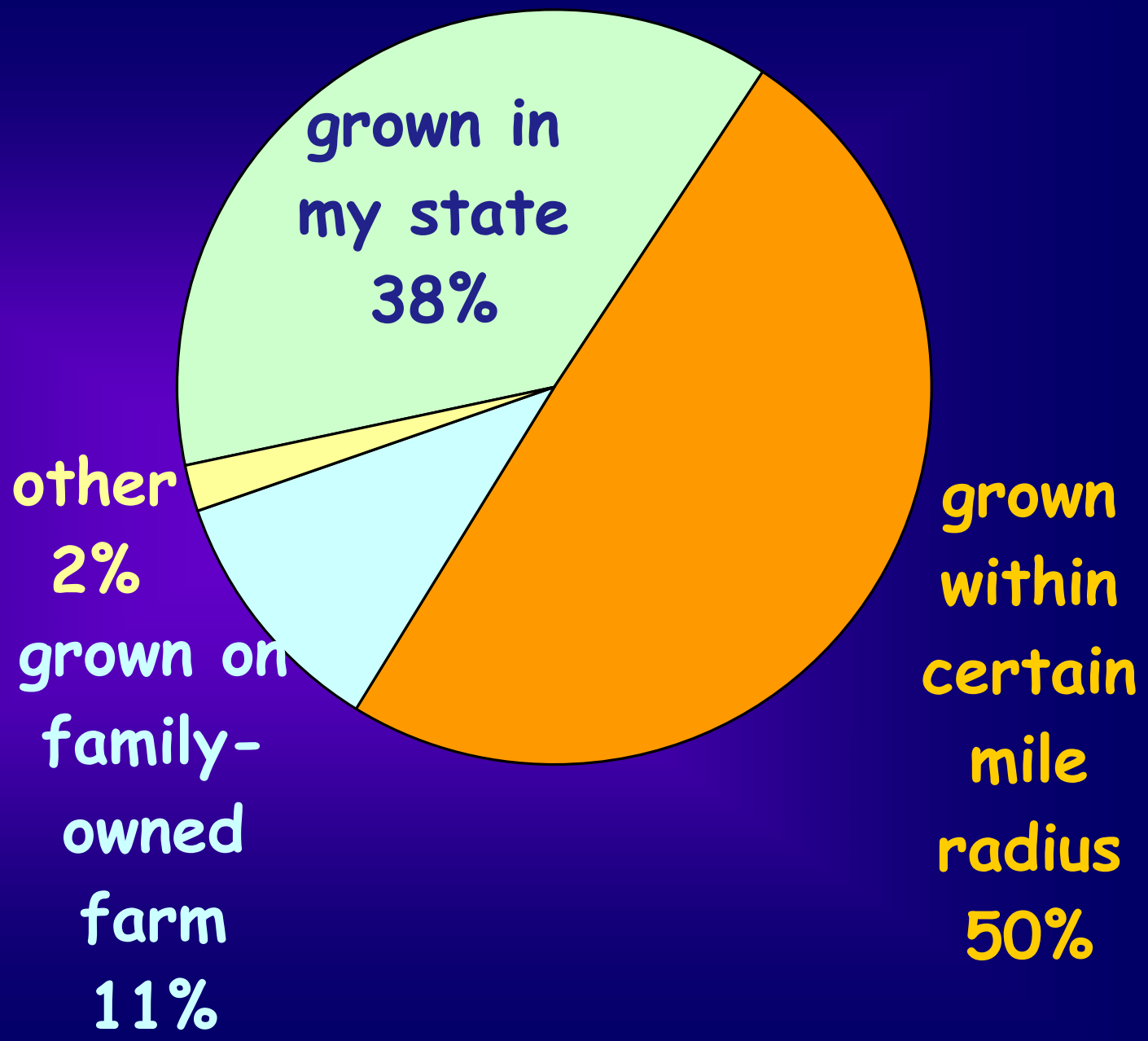


Source: FMI U.S. Grocery Shopper Trends 2015

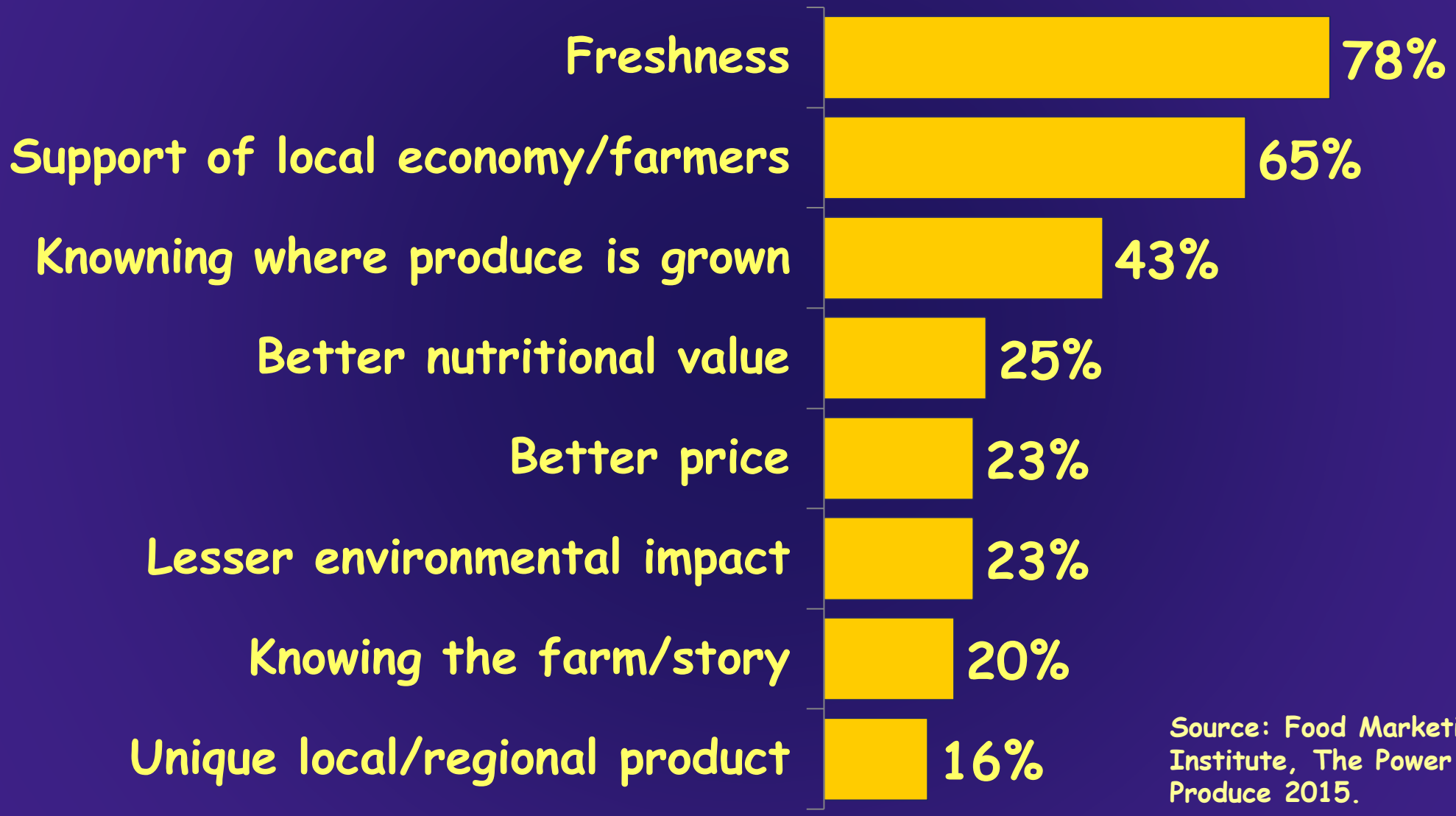
Definition of "Locally Grown" Products according to Shoppers, 2015

Note: Consumers identified an average of 87 miles as the limit for local.

Source: US Grocery Shopper Trends 2015, FMI.



US Consumers' Reasons for Purchasing Locally Sourced Fresh Produce, 2015



Source: Food Marketing Institute, The Power of Produce 2015.

Conclusions

- Channel blurring will continue to have major impact.
- Consumer demand for convenience, health and wellness should drive further expansion in fresh-cut sales.
- New product innovation is key as consumers seek more interesting ingredients and flavors.
- Processors will be selling more products and pack sizes, making cost control more of a challenge.
- Fresh-cut leads in category development (in the produce dept) but there is still great potential to improve store level assortments "right sizing," pricing and promo, reducing shrink; helps maintain margins.

Conclusions

- Ongoing margin squeeze means that firms must become more efficient. Information technology will play a growing role.
- Future growth rate of freshcut depends partly on success of foodservice in adding healthy menu options.
- Snacking trend will stimulate small pack sizes in both retail and foodservice.
- New marketing channels may expand fresh-cut sales, such as c-stores, dollar stores, drug stores and potentially e-commerce.
- The complexity of doing business will continue to grow!
- Economic growth will stimulate sales.