Florida Freeze To Raise Prices

By AMY SUNG

MIAMI — The prolonged cold freeze that lingered over Florida recently did considerable damage to winter fruit and vegetable crops, which will ultimately result in higher prices at retail.

While it’s still too early to estimate exact dollar and crop loss, industry experts agreed that lower yields will make for higher fruit and vegetable prices.

Gene McAvoy, regional vegetable expert for the University of Florida, told the New York Times that prior to the freeze, wholesale prices for winter tomatoes were down around $14 for a 25-pound box; now they are up over $20. Peppers were about $8 per box shortly after New Year’s; now they’re up around $18.

“Prices have even gone up, from what I understand,” McAvoy told SN when asked if those numbers were still accurate.

“Tomatoes, peppers, the numbers I gave, they’re probably higher now, but I couldn’t tell you exactly how high. I don’t track them as closely as maybe a grower would, but I heard the other day that green beans, which were at about $18, were up into the $40 range.”

McAvoy said he was sure the wholesale price spikes have already begun to translate to retail markups.

“I’ve already seen in our local supermarkets in Florida, squash — yellow squash, for instance — it was selling for 99 cents a pound three weeks ago and it was up to $1.99 a pound when I went in there.

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WASTE NOT

By MATTHEW ENIS

During the past five years, sustainable packaging initiatives have gone into overdrive among retailers and suppliers alike. Reducing packaging can help save on distribution costs. A new generation of consumers are concerned about the environment and waste generation, and a new generation of materials are allowing manufacturers to develop biodegradable versions of many types of packaging.

In terms of retailers driving change, one of the most obvious examples is Wal-Mart. As with many of the initiatives that Wal-Mart embarks upon, the sheer scope of the company’s recycling and packaging reduction efforts have sent ripples throughout the entire industry. The company is on its way to reducing packaging throughout its supply chain by 5% in 2013 — compared with a baseline established in 2008. And, the Bentonville behemoth has set 2025 as a target date for becoming packaging neutral throughout its entire global network.

Many of these goals will be met by pushing suppliers to develop better packaging solutions, which, in turn, could have helpful implications throughout the supply chain.

For Wal-Mart’s Asda division in the United Kingdom, similar deadlines are set much earlier. Asda has said that at some point this year, it will send zero waste to landfills. Currently, empty delivery trucks are used during return trips to divert the company’s recyclable waste to a set of three regional Asda Service Centres. Recyclables account for about 65% of the company’s total waste, according to Asda’s website. The company has been working on ways to use the remaining 35% — mostly biodegradable materials — to create energy, using processes such as anaerobic digestion.

Of course, few companies have the leverage or scale of Wal-Mart. One of the other key forces driving change are new laws governing waste disposal in municipalities around the country.

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Seattle’s city council unanimously passed a zero waste resolution in 2007, announcing plans to reduce trash, increase recycling and upgrade the city’s transfer stations. This resolution famously led to the city’s ban on polystyrene foam containers and its tax on disposable grocery bags.

But, the issues raised by the resolution offer some insight into the challenges that other cities — along with food retailers and restaurants within those cities — will face in their own waste reduction efforts. For example, Dick Lilly, business area manager for waste prevention and product stewardship, Seattle Public Utilities Solid Waste Division, noted that Seattle’s resolution “included instructions from the city council to look at the possible banning of polystyrene food packaging, due to its environmental consequences, and its obvious problems with marine litter.

“We did a study and decided that a foam ban would be a good idea, but it left us with some questions about what the alternative [packages] would be. Obviously many of them would be heavier plastics that, in the environmental life-cycle analysis that we did, in some cases had an overall greater environmental impact. So, that was a bad idea.”

The long-range solution, Lilly said, was to ultimately require restaurants and other foodservice operations to shift their one-use restaurant serviceware from throwaway plastic utensils and containers to truly compostable and truly recyclable items. So, a Phase II portion of the law will require all foodservice operators to make that switch by July 2010. Separately, retail meat and seafood departments will have to replace all of their polystyrene meat trays — which were given a temporary exemption under the initial ban — with compostable or recyclable alternatives. Fortunately, many Seattle's city council plans to reduce trash, increase recycling and upgrade the city's transfer stations. This resolution famously led to the city's ban on polystyrene foam containers and its tax on disposable grocery bags.

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Waste Not

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Battle-area residents have been supportive of the initiative. “We get questions in the store on an almost daily basis about different types of packaging, why we use certain things, and whether there are [alternatives] available,” noted Scott Owen, special projects coordinator for PCC Natural Markets, a chain of nine Seattle-area natural food co-ops.

And, PCC’s members and customers set the bar high for the company, even by Seattle standards. Owen pointed out, for example, that the company has been searching for alternatives to polystyrene foam meat trays. But, as an organically certified retailer, they have a few extra hurdles to jump over. In this case, many of the compostable packages that have come on the market to replace foam containers and trays are made from genetically modified corn, which the company has promised its members it won’t use.

The co-op thought it had found a suitable, compostable alternative to polystyrene trays, but the trays failed a usability test in one of their meat departments. The trays stuck together, causing headaches for meat department staff as they had to pry away each tray from a stack.

“We select packaging product by product,” Owens said. Certain packages work well in certain applications and not in others.”

The result is often a lot of trial and error. Owens cited one recent example where PCC tested a new wax paper container in a couple of its delis. The containers performed well with a few drier food items, but when the containers were left in a refrigerator or refrigerated display, they started to absorb liquid.

“They didn’t actually leak, which I thought was a very admirable quality,” he said. “But, they did soften to the point where if you grabbed them too aggressively, the lids would pop off. But, it’s a step in the right direction, and who’s to say that in five years, or maybe even in one year, this could be a viable product.”

Admittedly, the members and other shoppers at PCC and other natural food co-ops are probably more focused on these issues than your average shopper in a conventional supermarket. But, with shoppers who are concerned about waste reduction, packaging can influence their view of a product.

“I think it’s a high concern, primarily because it’s so visual. It’s the first thing that consumers see and touch before they see the product inside,” said Natalie Reitman-White, executive director for the Food Trade Sustainability Leadership Association.

“Customers often can’t see what you’re doing in your product, but they can see what it’s made of.”
office in terms of sustainability or labor practices, but the first thing they see is that package, and whether it’s a green package or not.”

The FTSLA is a non-profit business association/peer-learning network launched in 2008. Members, including retailers such as PCC and Costco, compose annual reports measuring performance and progress made in 11 different sustainability areas, such as energy usage and packaging reduction, and share this information within the group.

Reitman-White explained that there are three waste streams — packages and other waste materials either end up being recycled/re-used, composted or sent to a landfill. The goal of FTSLA’s members is to eventually “eliminate the landfill option and move all of our packaging into either a biological cycle [composting] or a technical cycle [recycling],” she said. “What that means is looking for materials that are recyclable, biodegradable or reusable. And, also [reduce] the amount of packaging used.”

A few other food companies have followed suit. And, one of Wal-Mart’s notable packaging reduction efforts has been to stock and sell only concentrated versions of liquid laundry detergent — a similar concept.

But, Lilly said that real, comprehensive changes in these matters are led by municipal laws like Seattle’s, where a city commits to creating the infrastructure to improve waste streams, and enforces rules that reduce waste. “How else would you think change could take place?” he said. “These regulations give us control over what’s advertised as environmentally beneficial,” he said. “There’s a lot of greenwashing out there, and a lot of products that don’t represent an improvement.”

One example, he said, is marketing that suggests that biodegradeable packages do nothing else stacks up.

“Nothing Else Stacks Up.”

For example, one FTSLA member — the organic cereal company Nature’s Path — reduced the size of their cereal boxes so that they contained less air, but the same amount of product, Reitman-White said. They saved thousands of tons of paper, and were able to reduce pallet sizes, leading to additional energy savings.

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Natalie Reitman-White
Executive Director,
Food Trade Sustainability Leadership Association

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“Our goal is to keep biodegradables out of landfills to prevent methane gas generation,” he explained.

But, ultimately, Lilly and others are hoping that restaurants and foodservice operations will find biodegradable containers and utensils that they and their customers are satisfied with, since Seattle also has composting infrastructure set up, and the disposal process would be simplified for customers.

“If you consider a fast food restaurant, a customer disposes of the foodservice ware, wrappers and uneaten food at the restaurant because they’ve finished eating,” he said. “[With biodegradable containers and utensils] the customer has a simple task of throwing everything in a compost receptacle rather than separate compost and recycling receptacles.”

Regardless, the city has shown a great deal of progress on the zero waste initiative since it was announced less than three years ago. And, despite the challenges it poses, environmentally conscious retailers like PCC are hoping that other counties in the area adopt similar policies, if only to simplify their work with the rules and their education efforts with their shoppers.

Outside of Seattle proper, advice given to shoppers frequently depends on which county or which jurisdiction a shopper’s home is in, noted Diana Crane, director of sustainability for PCC.

“In Seattle, customers know what they can do with their plastic bags for example, that they can recycle them curbside,” she said. “Then, you go into another part of the county where we are located, and they don’t have curbside recycling for plastic bags.

“So, customers come to us, and say, ‘What am I supposed to do with my trash?’ And we have to be very specific, asking them, ‘Where do you live and who is your waste management company?’ We’re hoping that the city of Seattle will raise the bar, and the two counties where we operate will follow suit.”

Floral Expo to Focus on Value

By ROSEANNE HARPER

MIAMI BEACH, Fla. — The International Floriculture Expo — the new incarnation of the annual SuperFloral trade show — will be held here, June 22-25, and will focus heavily on preserving the quality of cut flowers from farm to retail, show organizers told SN.

“The expanded education program will feature seminars on keeping the integrity of the cold chain and on doing everything one can along the way to preserve the longevity of cut flowers,” Bob Callahan, group show director, told SN.

“The 2010 schedule includes the return of the pre-show education program on Tuesday, longer exhibit hall hours and a variety of one-hour sessions that run congruent with the exhibit hall’s hours.”

During these recessionary times, value has proven to be more important than ever before, floral consultant Terry Johnson told SN in an earlier interview.

While he stressed the importance of value, Johnson, who is president of Horticultural Marketing Resources, Mission Viejo, Calif., said value should not be equated with low price. A huge part of value is cut flowers’ longevity, which has much to do with how they’re handled from farm to retail, he pointed out.

“At the Floriculture Expo, there will be more attention paid to how the cold chain is handled,” Johnson said. “The cold chain is a unifying feature.”

Supermarket floral and stand-alone floral shops took a hit this past year, industry observers said. In fact, SN has noted that some supermarket floral departments’ sales are down as much as 30% from a year earlier.

If they’re going to buy cut flowers, consumers want them to last more than a few days, Johnson said.

“The supermarket floral director’s role is to make demands on his or her vendors [to provide them with top-quality flowers].”

Callahan said the International Floriculture Expo’s education program will include sessions focused on the business of supermarkets, retail florists and growers. Scheduled sessions will explore how to increase sales, and will provide the tools needed to keep customers coming back for more, he said.