

Super-Premium Juices Squeeze Fruit Into Profits

Increased marketing and heightened consumer awareness drives high-end juice sales.

BY AMY SHANNON AND LIZ PARKS

Retailers are realizing the profit potential behind super-premium juices and are stocking up on these big-ticket products that require processors to squeeze the fruit and then flash-pasteurize it to lock in freshness.

Despite the economy's effect on consumer purchasing decisions, suppliers say demand for high-ticket, super-premium juices is picking up again, thanks to efforts to better educate consumers on these high-quality, good-tasting products. Much of this growth is fueled by renewed health initiatives to serve functional juices that are high in antioxidants and packed with nutrients.

"While price plays an important role in purchase decisions, many consumers will choose a juice drink based primarily on its perceived health benefits," according to Allyn Brown, president and owner of Connecticut Currant LLC, the bottler of black currant fruit grown by its sister division, Maple Lane Farms LLC, in Preston, CT. "It was a little sluggish in the early part of this year, but as people are finishing up their vacations, their buying habits are changing."

Connecticut Currant has experienced growth through business in the Northeast and Mid-Atlantic markets with customers such as Whole Foods Market, Stop & Shop, Giant Landover, Kroger, Penn Traffic, Market Basket, King Kullen, Price Chopper, Albert's Organics and Big Y.

"Consumers are still purchasing super-premium juices, but in some cases buying more when brands are on ad or shifting to larger sizes for a better value," explains Scott Stevens, vice president of marketing at Hero/WhiteWave, the Broomfield, CO-based maker of Fruit2Day, a line of super-premium juice. "Fruit2day is new this year and is benefiting from consumers trying it because of the innovative combination of juices and real fruit bits."

Wade Groetsch, president of Winter Haven, FL-based Blue Lake Citrus LLC, which markets Noble Juice, has seen sales of super-premium and premium juices drop in some markets, but emphasizes sales have begun to take off in the past couple of months. "It was going great until last summer," he admits. "We were seeing double-digit figures, then we saw a real nose-dive last summer and into fall. Retailers were consolidating their juice section and stocking up on lower priced, store-brand products."

Nonetheless, Groetsch reports, "We have seen a little bit of an upturn, in the past few months. Hopefully, we've seen the bottom. Consumers want to feel like they're treating themselves and get that same indulgent flavor at a reasonable price."

Sara Clow, brand manager for San Francisco, CA-based Pacific Organic Produce, one of the largest organic tree fruit marketers in the country, says, "We're seeing our numbers increase dramatically. Our largest distribution is along the coasts."

While consumers may not reach for an organic apple because of the price, notes Clow, they may reach for well-priced organic apple juice, which still gives them — and the organic apple growers — all the benefits of that organic apple. "We're an organic fruit company, so we want the consumer to have access to as many organic products as possible, but we created the beverages with the goal of being



Produce departments have seen increasing numbers of SKUs devoted to super-premium juices.

organic for everyone, and our brand is less expensive than most conventional, premium juices."

Greg Quinn, president of Staatsburg, NY-based The Currant Company LLC, which markets CurrantC black currant juices, remarks that while there is a natural worry consumers might trade down in hard times, he hasn't seen that happening yet. He believes the consumer desire to make healthful food and beverage choices is likely to continue to sustain the category's growth.

Stevens agrees, adding, "Busy, time-starved, health-conscious consumers continue to show their willingness to pay for healthful, convenient, high-quality foods and beverages. Fruit2day is one of those products for adults who want more fruit in their diet and have an on-the-go lifestyle."

For instance, he says, a 2-pack of Fruit2day retails for \$3.99, depending on location. "This is comparable to other super-premium juices, but the combination of fruits, such as like mangos, strawberries, bananas and berries – make these more expensive than regular juices.

BOUNTIFUL HEALTH BENEFITS

Many super-premium juice products are

packed with nutrients. They provide a variety of health benefits, support healthful immune systems, fight cardiovascular disease, contain anti-aging properties, boost energy and contribute to overall wellness.

"All of our drinks are flash-pasteurized," reports Arthur Beckerman, president of Bradford Tonic Inc., a Delray Beach, FL-based manufacturer of a line of all-natural, vegan, low- and no-fat Caribbean juices made with organic agave. "Our B-Sorrel drink is high in antioxidants and is a good source of vitamin C. Our B-Ginger drink is known as a digestive aid and stomach soother, and our B-Tonic drink, Irish Moss & Roots, is filled with ingredients with known benefits in the Caribbean for hundreds of years," he details.

When developing POS materials, demonstrations and other marketing techniques to boost super-premium juice sales, retailers should focus on educating consumers about these health benefits.

Zola, a San Francisco, CA-based maker of the bottled Açai juice, appeals to consumers' interest in health because the Açai berry has more antioxidants than any other edible fruit on the planet, including 60 percent more antioxidants than pomegranates and 500 percent more than blueberries. "Since



Fruit2Day is a new super-premium juice on the market.

the inception of our company, we have been committed to bringing the health benefits of Açai and other Brazilian superfruits to U.S. consumers," explains Chris Cuvelier, founder and president. "We believe that pre-

Photo courtesy of Fruit2day

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Currant Trends

A growing number of super-premium juice manufacturers are now working with black currants, which are excellent sources of antioxidants, contain higher concentrations of vitamin C, potassium, iron, organic acids and phenolic compounds than most other fruits.

According to Preston, CT-based Connecticut Currant, black currants are touted by a number of foreign studies to boost memory and prevent Alzheimer's disease. The antioxidant value of black currants are one of the highest currently available, exceeding that of blueberries. Plus, black currants contain more vitamin C than citrus and double the potassium of bananas.

Growers were banned from producing this healthful fruit in North America for 100 years prior to its reestablishment in 2000, adds Allyn Brown, president and owner of Connecticut Currant LLC, explaining this is probably why many people are unfamiliar

with black currants.

"Black currants are well known in Europe, both for their flavor and health benefits," says Greg Quinn, president of Staatsburg, NY-based The Currant Company LLC. "We are just starting to get the word out in the United States." A recent study from Tufts University found that compounds in black currants help prevent the onset of Alzheimer's disease.

Another study, out of New Zealand, reported that drinking a normal dose of black currant juice after a strenuous workout created a 540 percent reduction in muscle spasm and cramping. There are additional studies out of Japan illustrating black currant consumption can improve vision. "They're one of the most healthful – if not the most healthful – fruit in the world," asserts Quinn.

Connecticut Currant promotes the fact that its super-premium, cold, packed-fresh

juices are made only from black currants grown on its own farm. "With traceability and accountability so important these days, we provide only juices with fruit grown from our own fields," says Brown. "From bush to bottle, we control the whole process." The 56-ounce bottle, introduced in the fourth quarter of 2008, keeps the same footprint as a 64-ounce bottle but, at the same time, "has a local farm look that differentiates us, and it also matches our 14-ounce single-serve," explains Brown. A screw cap, easier for consumers to use, replaces the old dairy snap-cap on both sizes.

Brown notes the company regularly promotes with retailers, offering temporary price reductions and two-for-one specials. "We understand that we have to entice people to try black currants," he admits. "Doing two-for-one promotions on our 14-ounce size encourages trial and induces people to buy our larger bottle." **pb**

vention is the key to optimal health and performance. With more than 68 percent of American adults currently taking dietary supplements, it was obvious to us that there is a need for a supplement that offers con-

sumers the best in both nutrition and taste."

A 2009 study from the University of Chicago, in Chicago, IL, found drinking eight ounces of grapefruit juice a day coupled with the cancer-fighting drug

rapamycin could, in some instance, give the drug a boost in fighting cancer. Rapamycin, which prevents cells from multiplying, but is normally less effective because enzymes in a person's intestine breaks them down,

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worked more effectively when study patients drank Florida grapefruit juice.

"According to the study, grape fruit juice contains chemicals that block the enzyme that diluted the cancer drug," explains John Martinelli, executive vice president for Natalie's Orchid Island Co. (OIJC), headquartered in Fort Pierce, FL. "The study stated the chemicals, called furanocoumarins, prevent rapamycin from being broken down, allowing cancer patients to absorb more of the cancer-fighting drug with minimal side effects."

In the study, traditional supermarket grapefruit juice without the essential chemicals didn't work with the cancer drug, adds Martinelli. "We have long touted the benefits of drinking fresh-squeezed grapefruit juice. This is just another example of the amazing properties of grapefruit juice."

OIJC uses citrus fruit that is squeezed, bottled and sent directly to market. "Nothing more, nothing less," explains Martinelli. "There are no additives — natural or unnatural — no additional flavor packs and no supplemental vitamins."

Orange and grapefruit juices have been found to have the highest nutrient density scores when compared to other juices, Martinelli adds. "Orange juice naturally contains more than 60 phytonutrients." These powerful organisms contain flavanoids or natural antioxidants, anti-cancer and anti-inflammatory agents. "Naringenin, a flavanoid found in grapefruit, has been found to trigger fat-burning mechanisms in the body, preventing many chronic diseases," he notes.

SOCIAL RESPONSIBILITY

As part of its sustainability initiatives, Pacific Organic packs its juices in bottles made of PET, a highly recyclable plastic, instead of glass. Clow notes PET is lighter and requires less energy to ship and produce than other non-recycled materials.

Committed to social responsibility, Project Zola was created to empower and improve the quality of life through creating shelter and a sustainable revenue stream for the indigenous people of the Amazon. Zola conducts sustainable harvests for its Açai berries, which use the trees as efficiently and gently as possible, ultimately protecting the trees of the Amazon.

In November, 2006, Sambazon, based in San Clemente, CA, was named a winner of the Secretary of State's Award for Corporate Excellence for helping create worldwide awareness and demand for the Açai fruit. Sambazon pioneered the first of its kind Fair Trade and Certified Organic supply chain of Açai, which benefits thousands of local families and protects the biodiversity of the Amazon Rainforest through the implementation of sustainable agriculture.

OIJC participates in a variety of socially responsible initiatives, including recycling fruit peel through sustainable farming practices and exploring conversion into alternative sources of energy, explains Lisa Rymer, director of education and public affairs for OIJC. "We are passionate about nutrition and keeping our fresh food source safe."

LOCATION, LOCATION

One of the differences between regular

"We understand that we have to entice people to try black currants," he admits. "Doing two-for-one promotions on our 14-ounce size encourages trial and induces people to buy our larger bottle."

**— Allyn Brown
Connecticut Currant LLC**

juices and high-ticket, super-premium, flash-pasteurized juices is that the latter, when pasteurized, are heated for a shorter amount of time and at a lower temperature than regular juices. Hot-packed juices, pasteurized at higher temperatures and for longer amounts of time, or exposed to multiple pasteurization procedures, have to add vitamins back into their formulas as vitamins and minerals, along with some degree of fresh taste, are typically lost in the hotter pasteurizing process.

Longer pasteurization gives the hot-packed juices, typically found in the dairy cases or in the center store sections of supermarkets, longer shelf-lives of a year or more. Super-premium juices, on the other hand, typically only last 60 to 90 days, but the shelf-life range can go higher and lower.

Purity's Organic Juice and Juice Drinks, as well as Purity Organic Functional Drinks, have a one-year shelf life, which means they can be merchandised dry, as well as in cold cases. Clow points out some chains, such as Safeway, merchandise Purity's organic juices in the produce case next to organic fruits. "It's a great way for the retailer to say 'we carry organic products,'" she says. "This remains truer than ever, as the economy tightens and makes it difficult for retailers to carry a wide variety of reasonably priced organic items."

Purity Organic Juices, which some produce managers merchandise on the dry rack near the fruit and in the produce department's cold case, have a one-year shelf life. "Sometimes chains, including Whole Foods, allocate dual merchandising space to Purity Organic beverages, putting them both in the



Many super-premium juice products are packed with nutrients.

What's New

Natalie's Orchid Island Juice Company, Fort Pierce, FL, recently launched Gourmet Pasteurized Pink Lemonade, a blend of its own lemon juice and natural ingredients, including grape juice. The new product can be served alone over ice, mixed with iced tea for an Arnold Palmer, or mixed with vodka for a Natalie's Goose cocktail.

The family-owned and -operated company used an extraction process to produce a lemon juice with less peel oil than many of its competitors, resulting in a robust lemon flavor without a bitter aftertaste. This process makes Natalie's Fresh Squeezed (unpasteurized) Lemon Juice highly desired by chefs and lemonade aficionados.

Sambazon, a San Clemente, CA-based global leader in organic Açai, announced the launch of two new organic Açai juices, Pomegranate Synergy and Rainforest Immunity. The two new juices will expand Sambazon's single-serve, organic Açai juice line for a complete offering of seven organic Açai juice flavors, perfect for an on-the-go, nutritious and delicious snack. The juices are now available in 10.5-ounce bottles for \$2.99 each and 32-ounce bottle for \$7.99 in both conventional and natural food stores nationwide.

Pomegranate Synergy is the first and only organic whole food Açai pomegranate

flavor on the market. Pairing two delicious flavors that are driving category growth, Pomegranate Synergy blends Açai and pomegranate with powerful antioxidants, healthy omegas, fiber and protein. Rainforest Immunity is a blend of organic whole food Açai with immunity-boosting passion-fruit, acerola and rose hips. This premium juice supports the immune system exceptionally with a serious dose of antioxidants and 800 percent vitamin C per bottle – five times the amount of orange juice.

Zola, a San Francisco, CA-based maker of the first bottled Açai juice and one of the fastest-growing brands of Açai juice, introduced Açai Daily Wellness Shot, a liquid dietary supplement. It provides a full dose of antioxidants through a unique blend of Açai and acerola. Unlike other Açai-based dietary supplements that contain up to 19 different fruits and an unknown level of ORAC, the Zola Daily Wellness Shot contains more than 85 percent Açai as well as acerola and 3,000 ORAC per ounce.

The new tagline, "Drink Zola. Live Better," describes the blending of the Brazilian superfruit nutrients and health benefits for the consumer. The new Açai Daily Wellness Shot joins Zola's successful line of Açai super-fruit juices and functional smoothies. In 2002, Zola produced the first bottled Açai juices on the market. **pb**

cold cases in the produce department, as well as with a variety of fruit when those fruits are being promoted," reveals Clow. "We hope to see big displays of our organic juice next to organic fruit that is being promoted and highlighted."

Putting super-premium juices in the produce department, a trend that has been escalating in recent years, gives supermarket operators an opportunity to sell higher ticket premium products with much longer shelf-lives than traditional produce, opening up incremental sales and profit opportunities. For consumers, the presentation makes shopping for premium juices easier, often creating more demand and lower prices.

MARKETING ESSENTIALS

Juice processors continue to roll out with new super-premium juices in an effort to meet the changing needs of consumers, and they're highlighting these new items with a variety of effective marketing techniques.

"Ultimately, it's a combination of promoting health and flavor," states Quinn of

The Currant Co., noting his company sells to retailers such as Whole Foods, Stop & Shop, Piggly Wiggly, Kroger and Ralph's. "We do a whole range of programs, including quarterly incentives and neck collars. We work very closely with retailers and we're expanding pretty aggressively."

To aid in the launch of its first product, Fruit2Day, Hero/WhiteWave is investing in various marketing programs to build consumer awareness and trial. "We have TV, print and online advertising; in-store and out-of-store sampling programs; and consumer buzz and word-of-mouth programs," according to Stevens. "It's all designed to make consumers aware that Fruit2day is a new way to eat fruit and you have to try it to understand the product uniqueness."

Blue Lake Citrus, which has a line of conventional, all-natural juices under its Pure Label, along with its Noble Organic line, which is focused on mainstream flavors such as orange and tangerine juice as well as lemonade, is now in the process of launching a line of fresh, gently pasteurized

juices called Noble Select. "These are processed fresh from the tree to the bottle," reports Groetsch. "We are squeezing the fruit and bottling it every day to order. It is the closest thing that you can get to fresh, unpasteurized juice."

Groetsch emphasizes that Noble Select was created to give consumers an alternative to premium-priced juices merchandised in the produce department. Packaged in a 64-ounce bottle similar to a 64-ounce milk bottle, Groetsch notes "It's a lower cost bottle and there is less plastic in it, but it boasts an aggressive price point more in line with the current market conditions. The flavors will be orange, grapefruit and tangerine with a suggested retail price between \$2.99 and \$3.99. Similar products currently sell for \$5.99 and \$6.99."

Blue Lake Citrus recently enhanced its natural product market positioning with the introduction of a sustainability message on the bottles and labels of its Noble line. Noble's plastic bottle and its labels are made from all-natural, renewable resources and are recyclable and biodegradable. "As far as we know, we are the only fresh juice vendor with a plastic bottle that is both biodegradable and made from renewable resources," asserts Groetsch. "We're working now on making the cap from renewable resources as well."

To make it easy for consumers to learn to look for fresh juice in the produce aisles as well as in dairy, Blue Lake Citrus advertises regularly in its retail customers' flyers and circulars, emphasizing its juice can be found in produce, "behind the tangerines," Groetsch says.

OIJC concentrates on educating consumers about the value of fresh-squeezed and gourmet-pasteurized products, notes Rymer. "We are empowering our customers to make healthy choices by providing important information on our product labels and on our Web site."

In September, 2007, Whole Foods Market, an Austin, TX-based chain, approved all three Bradford Tonic drinks for the Florida region. Today, Bradford Tonic is expanding its operations in many other regions of the country. "We believe in guerilla marketing, engaging brokers and giving out product information sheets to anyone who is interested," reports Beckerman.

Purity Organic offers retailers POS materials, including neck collars and signage explaining product benefits to communicate the products' affordable prices. "We offer aggressive price points and we do quite a bit of in-store demonstrations, because the most important thing is that it tastes great," reports Clow. **pb**