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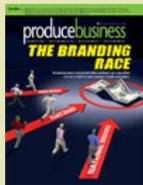
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Retailers Wise To Recognize Popularity Of Jersey Peaches

Push Jersey peaches with promotions and focus on locally grown

By Chuck Green

While most people consumers generally associate Southern states with peach production, industry experts not only extol the virtues of Jersey peaches, but believe plenty of consumers savor their juicy succulence as much as or even more than other peaches. Logan Brown, economic development representative for the Trenton-based New Jersey Department of Agriculture (NJDA) emphasizes that Jersey peaches are "superior" because they can be harvested in a "more ripe state," and sold and consumed locally, while their California counterparts, for instance, must be packed, picked early and transported across the country. "You can't transport ripe fruit. Whether it's a peach, a berry or anything else, it's more difficult," he says.

"Just getting them to the grocery store warehouse is a five-day ride, and then it's another few days to get them out to the actual stores," adds Philip Neary, director of operations and grower relations for Sunny Valley International Inc., in Glassboro, New Jersey and operations manager for the Jersey Fresh Co-op Association Inc., also in Glassboro. "How fresh is that versus getting them the next day from a local source?"

Ultimately, industry insiders believe shoppers have spoken and want more locally grown peaches.

Retailers Getting Message

That's duly noted among retailers like Mahwah, NJ-based Inserra Supermarkets Inc. While the volume of Jersey peaches doesn't mirror that of other states, "it's an excellent product," comments produce director, Joseph Pagano. "Everyone's into locally grown or Jersey items."

New Jersey's peaches rank third among the Top 10 fruits and vegetables by pounds & dollars grown in the state. In 2008, this meant 34,000 tons of peaches produce -- 26,000 tons utilized -- with a season average price per ton of \$920, for a total of utilized production of \$23,920,000, according to the 2009 New Jersey Agriculture Annual Report and Agricultural Statistics.

In fact, "a tremendous market opportunity" exists in the state if it could compel the 7.5 million residents of New Jersey to eat the U.S. per capita consumption of peaches, the 65 million pounds of Jersey-grown peaches could all be eaten in the state, points out Jerome Frecon, agricultural agent with Rutgers Cooperative Extension of Gloucester County, in Clayton, NJ. "I'd think every supermarket would want to sell a New Jersey product to support farms and preserve farmland companies, which is critical to the state's infrastructure."

To further abet the Jersey peach push, this year, the New Jersey Peach Promotion Council, based in Clayton, reached out to supermarkets to gauge their needs and obtain their feedback, reports communications director Pegi Adam. Additionally, the council celebrates August as Jersey Fresh Peach Month and invites stores to join in the organization's Peach Parties with a turnkey promotion, while helping to promote and sell Jersey Fresh Peaches. Moreover, the council has strived to convince stores that, this year, the Jersey peach season will run through September and encourage them to extend their season accordingly, perhaps into October. Besides the ability of locally grown peaches to hold their taste, most stores visited by the council have bought into buying Jerseys because of the associated reduced transportation costs, adds Adam.

According to the NJDA, the season starts in late July and runs through late September, with peak months in August and September.

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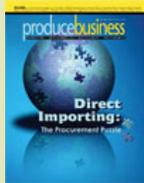


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Include Jersey Peaches In Promotions

In turn, to help coax shoppers to think locally in terms of peach purchases, retailers must make a conscious effort to use Jersey Fresh promotional material, including a larger display than they normally would for other fruits positioned at the center of the produce department, advises Vincent Consalo, Jr., president of William Consalo & Sons Farms Inc., headquartered in Vineland, NJ. Additionally, he encourages retailers to promote the fact that by buying Jersey peaches, shoppers would be supporting the local economy.

Along those lines, the NJDA provides promotional materials including banners, price cards and thin wraps, says the organization's Brown. While he notes that consumers would be highly attracted to Jersey peaches if they were branded as such in stores, Brown acknowledges the challenge many stores have in doing so is a lack of resources, making it more difficult to maintain extra advertising and set up displays.

Also paramount to peach promotions is the need for sufficient display space. Pagano says he'd devote the same amount to Jersey peaches as he would any other peaches, depending on store size.

Since each store is individually owned and operated, the amount of space allocated varies by store, adds Elisabeth Loeb, spokesperson for ShopRite Supermarkets, in Edison, NJ. She says it depends on how much square footage is available for display. Whatever the space, any locally grown item would sell well next to Jersey peaches, observes Consalo. "At that time of the year, you still have blueberries and watermelons. To me, that's perfect."

Peaches usually are merchandised with other juicy summer fruits like nectarines and plums, comments Loeb.

Price Must Be Right

Even with what might be considered prime display space and promotions, for consumers, purchasing decisions often come down to price. "All I know is if that I go in and see New Jersey peaches at \$1.59 or \$1.99 a pound when you need to move volume and you're trying to promote it, that's too high," says Neary of Sunny Valley International Inc.

"They should be \$1 to \$1.29 a pound," adds Pagano.

ShopRite's peaches and other produce are competitively priced, says Loeb, who notes that prices vary depending on time of year and supply.

While Pagano agrees that pricing today is more important than ever, he questions why. In many instances, stores can sell Jersey tomatoes at a premium price, but not Jersey peaches, even though both are high quality products.

In any event, Neary states if retailers set Jersey peaches at a "reasonable" price point, and support them with adequate promotion, it would stimulate enough customer demand to justify the allocation of additional space.

Another tactic that isn't leveraged much anymore is POS Support, including the use of tools like price cards, skirted displays and signage. "I don't see enough of it, especially if retailers are trying to push local products," Neary admits. He's unsure whether the drop off stems from a labor issue or some other factor.

In fact, Adam of the New Jersey Peach Promotion Council believes that POS support wasn't even used much before, mainly because most supermarkets lack the time to do displays.

Whatever the case, Loeb points out that ShopRite participates in the State of New Jersey's Jersey Fresh program "to bring awareness to our support of local farmers and local growers." She details that stores display the fruit with Jersey Fresh and Locally Grown messages and "many signs even have space to add the name of the local grower." Additionally, Loeb notes that ShopRite's weekly circulars also are used to educate its customers that the chain carries fresh, locally grown produce. She further emphasizes that not only does ShopRite help support its local farms, but that it also reduces its carbon footprint by cutting down on shipping.

A reduction apparently doesn't apply to the current acreage for Jersey peaches, which Neary believes most likely is stable following what probably was a drop between the mid to late 1990s to the early 2000s due to "tough" market years and high real estate values. "It's honed down to those who have the best ground, the best knowledge and are the best businessmen."

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