Trends in the Marketing of Fresh Produce and Fresh-cut Products

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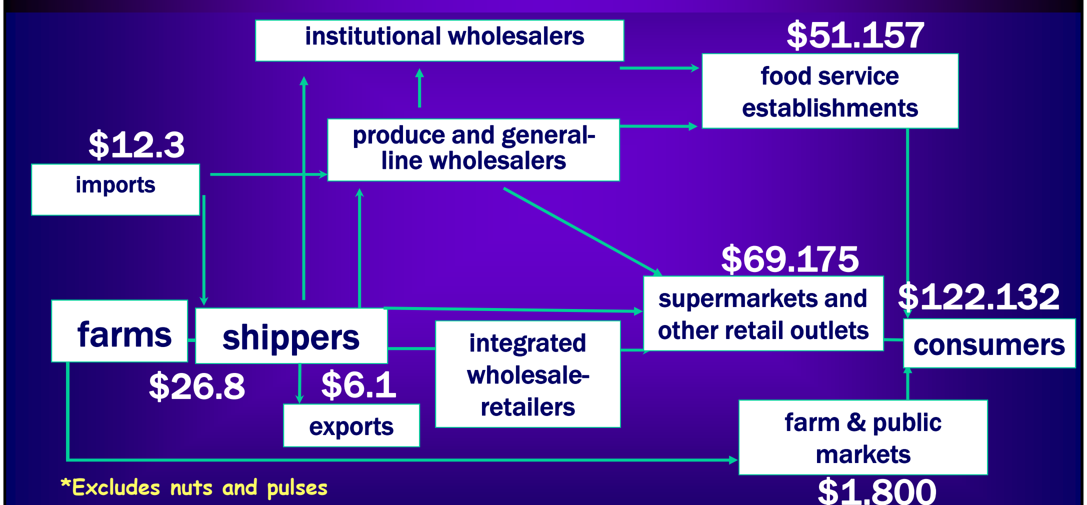
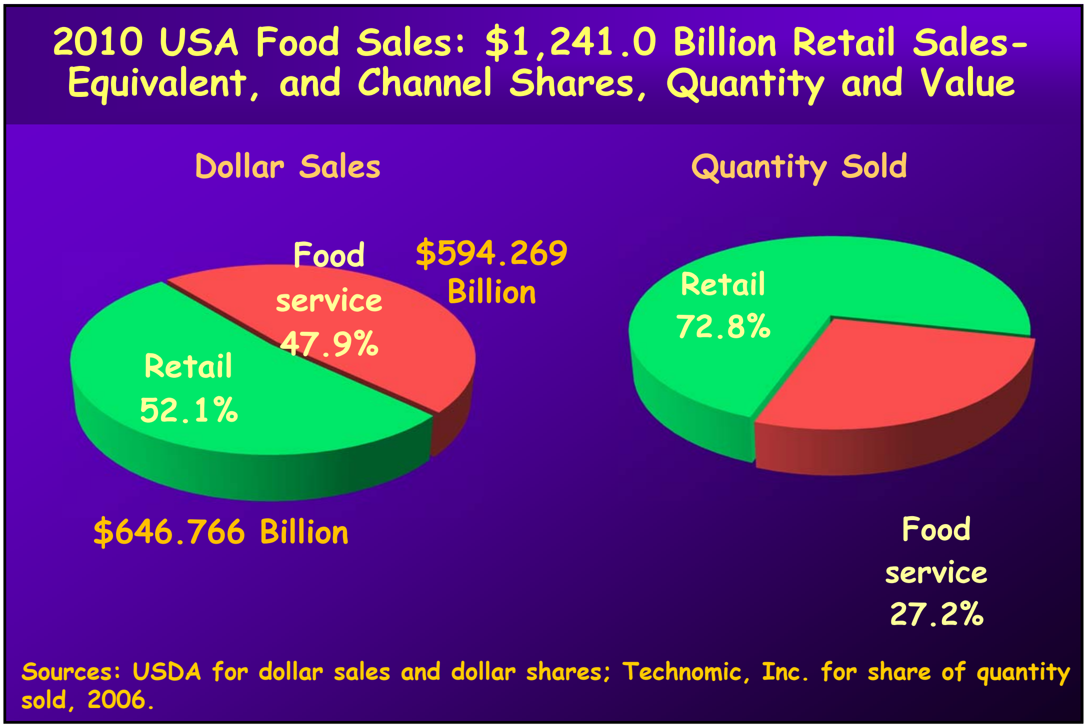
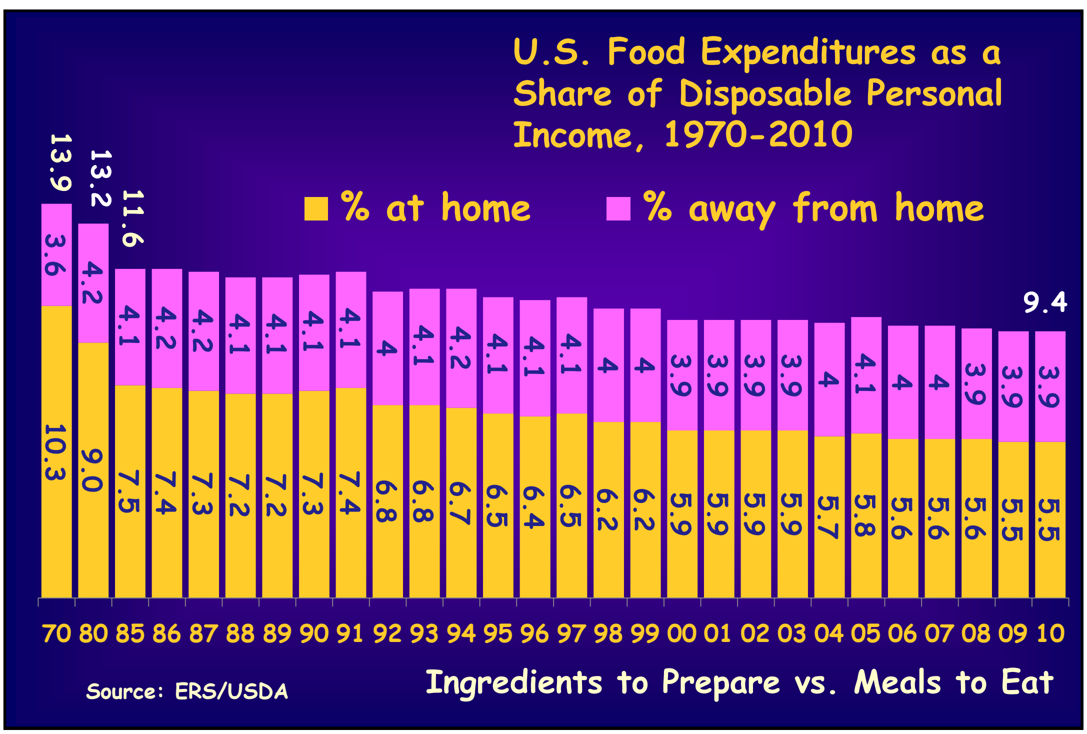
U.S. Fresh Fruit and Vegetable* Value Chain, *Estimated* Dollar Sales, Billions, 2010



*Excludes nuts and pulses

Source: Cornell and UC Davis compilations based on US Census, ERS/USDA, NASS/USDA and other data. Preliminary estimate.


2010 USA Food Sales: $1,241.0 Billion Retail Sales-Equivalent, and Channel Shares, Quantity and Value
Dollar Sales
Quantity Sold
Food service 47.9%
$594.269 Billion
Retail 52.1%
$646.766 Billion
Retail 72.8%
Food service 27.2%
Sources: USDA for dollar sales and dollar shares; Technomic, Inc. for share of quantity sold, 2006.


U.S. Food Expenditures as a Share of Disposable Personal Income, 1970-2010
% at home
% away from home
13.9
13.2
11.6
9.4
3.6
4.2
4.1
4.2
4.2
4.1
4.1
4.1
4.1
4
4.1
4.2
4.1
4.1
4.1
4
4
3.9
3.9
3.9
3.9
4
4.1
4
4
3.9
3.9
3.9
10.3
9.0
7.5
7.4
7.3
7.2
7.2
7.3
7.4
6.8
6.8
6.7
6.5
6.4
6.5
6.2
6.2
5.9
5.9
5.9
5.9
5.7
5.8
5.6
5.6
5.6
5.5
5.5
70 80 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10
Source: ERS/USDA
Ingredients to Prepare vs. Meals to Eat

Top Food Industry Trends

- Shoppers have migrated towards retailers with strong value for money credentials; on-going channel-blurring trend
- Many retailers have lowered prices to close the gap with discount competitors
- Retail strategies include new pricing initiatives, format development, e.g., smaller, price impact, and fresh food formats by non-traditional grocery retailers (Walgreen's, Target P-Fresh)
- Cost-cutting to maintain margins, seeking efficiency gains
- Lowering inventory levels, SKU RAT, painful lessons already
- Retail corporate restructuring to eliminate duplication and generate cost savings
- Store brand/private label growth

Supply Chain Imperatives

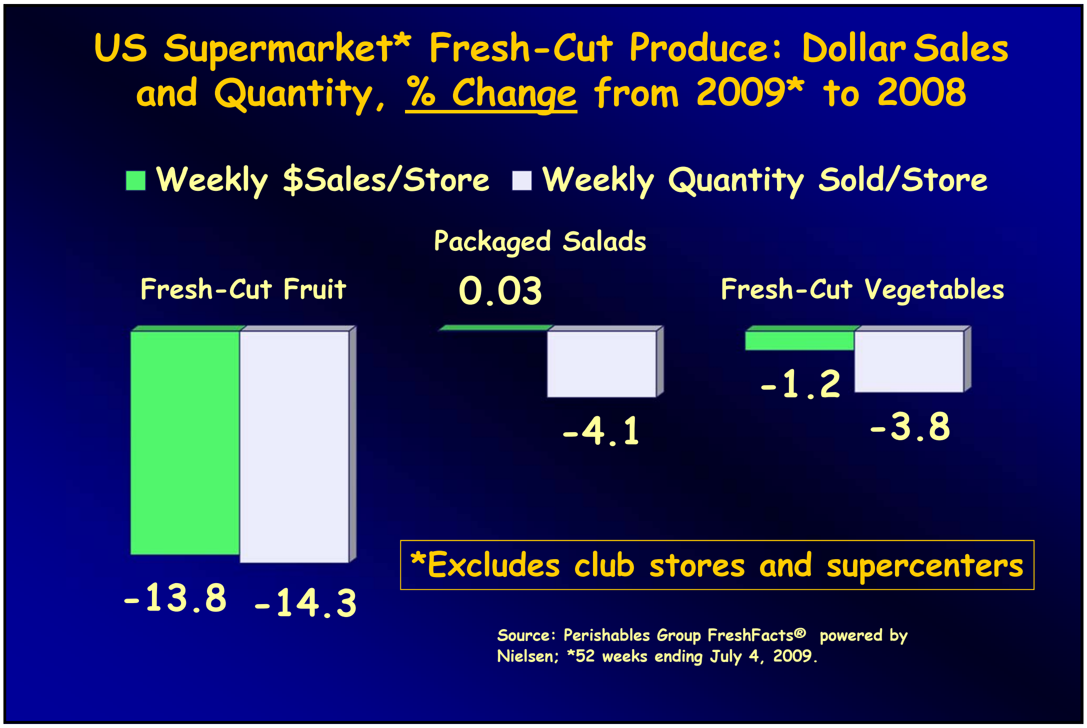
- Mutual dependency between buyers and sellers – get away from adversarial relationships
- Streamline supply chain, improve vertical coordination - involves identifying mutually beneficial strategies and tactics, e.g., promotions, packaging, logistics
- Identify which activities add more value than cost
- Eliminate non-value-adding activities
- Decrease internal operational inefficiencies – due to lack of ERPs and underutilization of BI, they are often hidden or not considered important enough to attract attention in more favorable markets – but with margin squeeze, they count

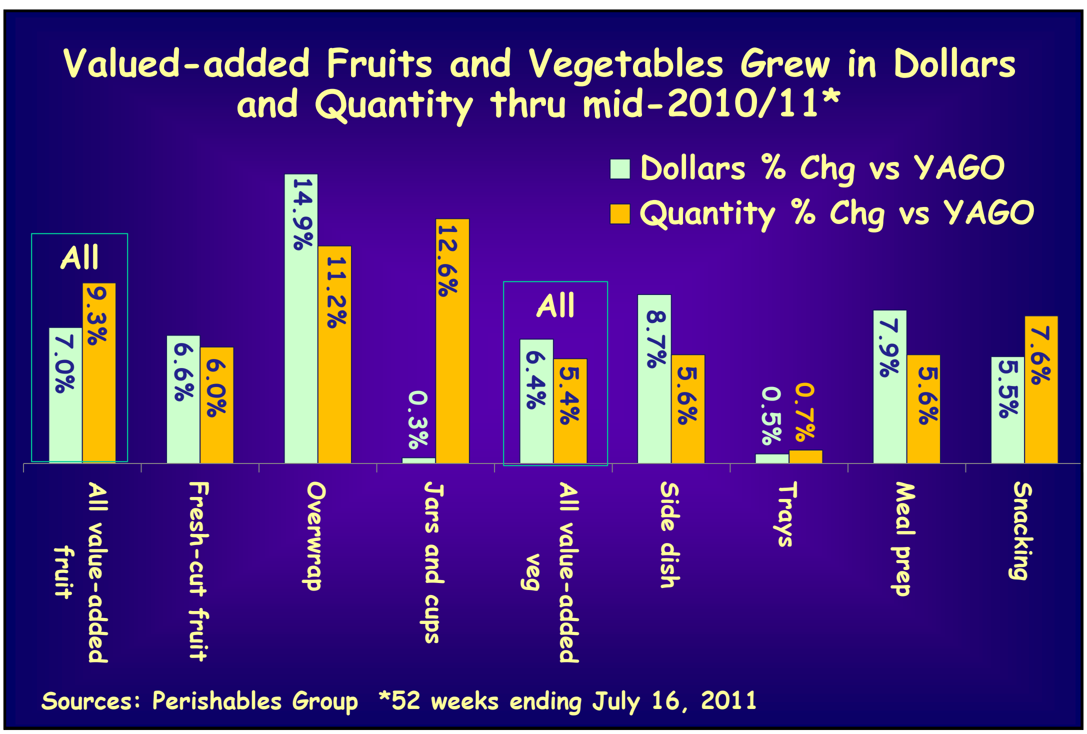
Recession Impacts on Fresh Produce and Fresh-cut Produce Sales

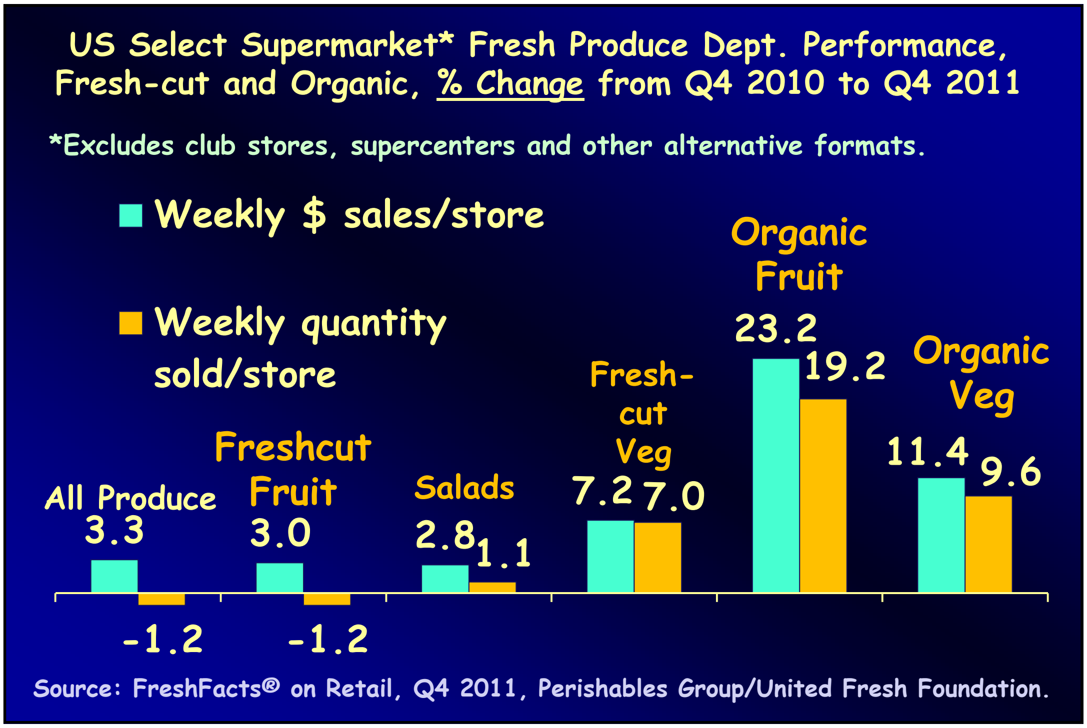
US Supermarket* Fresh Produce Dept. Performance During the Economic Downturn, % Change vs. Prior Year

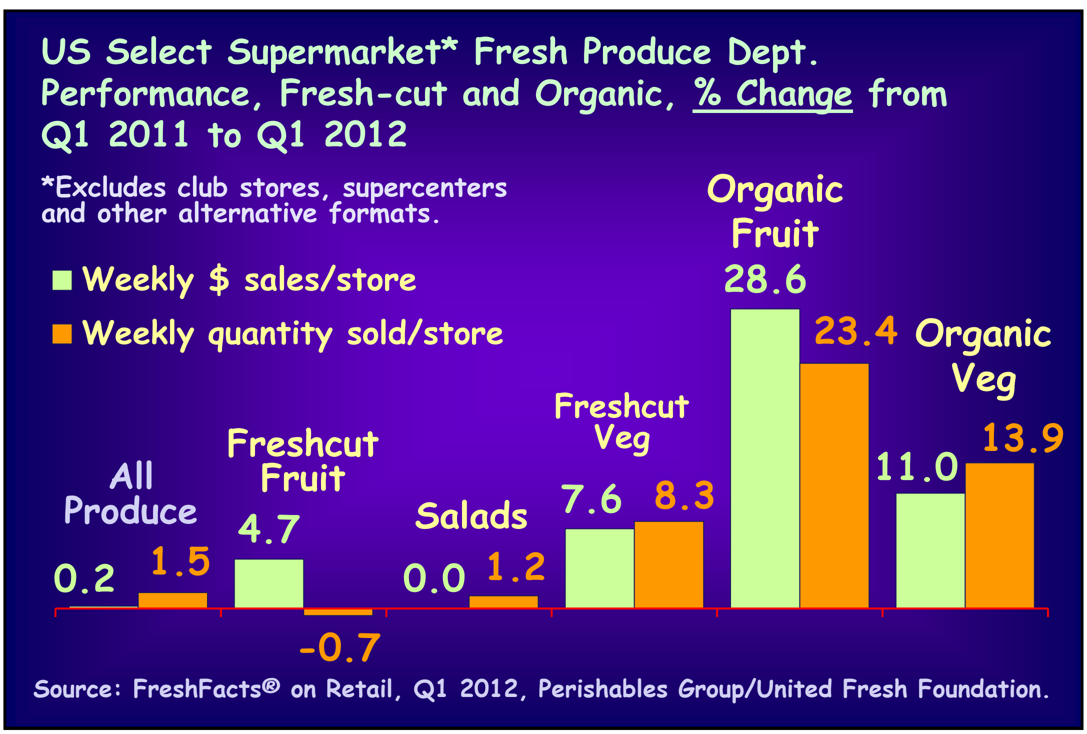
*Excludes club stores, supercenters, part of conventional grocery and other alternative formats.

Source: Perishables Group FreshFacts® powered by Nielsen


US Supermarket* Fresh-Cut Produce: Dollar Sales and Quantity, % Change from 2009* to 2008
Weekly $Sales/Store
Weekly Quantity Sold/Store
Fresh-Cut Fruit
Packaged Salads
Fresh-Cut Vegetables
0.03
-13.8
-14.3
-4.1
-1.2
-3.8
*Excludes club stores and supercenters
Source: Perishables Group FreshFacts® powered by Nielsen; *52 weeks ending July 4, 2009.


Valued-added Fruits and Vegetables Grew in Dollars and Quantity thru mid-2010/11*
Dollars % Chg vs YAGO
Quantity % Chg vs YAGO
All
All
7.0%
9.3%
6.6%
6.0%
14.9%
11.2%
0.3%
12.6%
6.4%
5.4%
8.7%
5.6%
0.5%
0.7%
7.9%
5.6%
5.5%
7.6%
All value-added fruit
Fresh-cut fruit
Overwrap
Jars and cups
All value-added veg
Side dish
Trays
Meal prep
Snacking
Sources: Perishables Group *52 weeks ending July 16, 2011

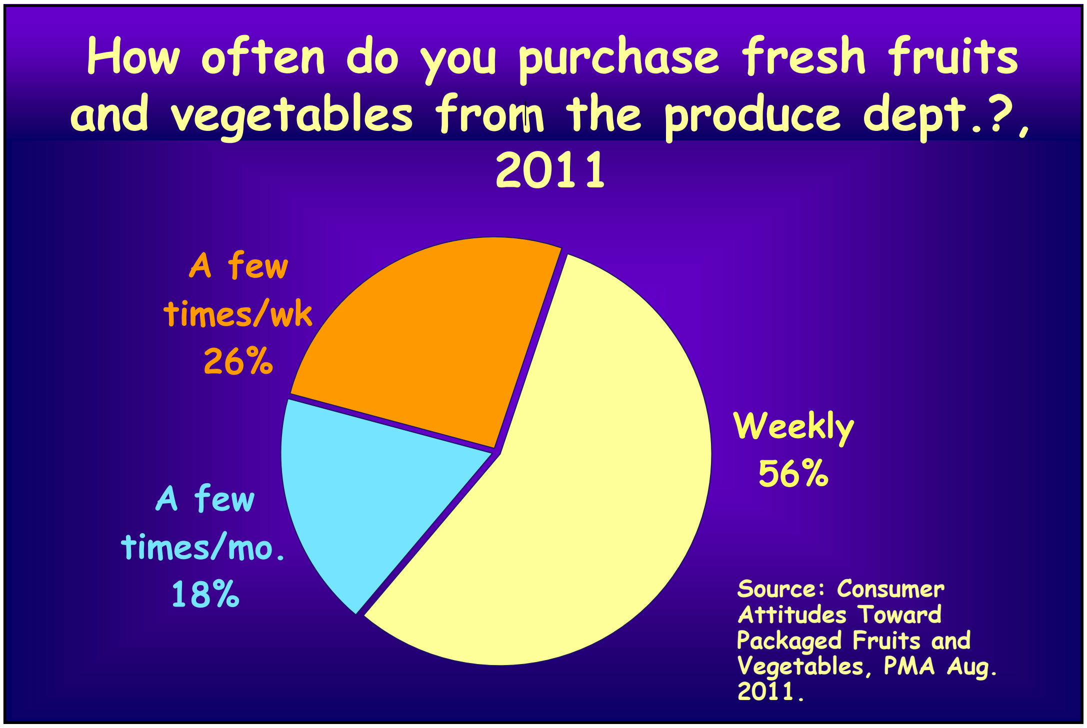

US Select Supermarket* Fresh Produce Dept. Performance, Fresh-cut and Organic, % Change from Q4 2010 to Q4 2011
*Excludes club stores, supercenters and other alternative formats.
Weekly $ sales/store
Weekly quantity sold/store
All Produce
3.3
-1.2
Freshcut Fruit
3.0
-1.2
Salads
2.8
1.1
Fresh-cut Veg
7.2
7.0
Organic Fruit
23.2
19.2
Organic Veg
11.4
9.6
Source: FreshFacts® on Retail, Q4 2011, Perishables Group/United Fresh Foundation.


US Select Supermarket* Fresh Produce Dept. Performance, Fresh-cut and Organic, % Change from Q1 2011 to Q1 2012
*Excludes club stores, supercenters and other alternative formats.
Weekly $ sales/store
Weekly quantity sold/store
All Produce
0.2
1.5
Freshcut Fruit
4.7
-0.7
Salads
0.0
1.2
Freshcut Veg
7.6
8.3
Organic Fruit
28.6
23.4
Organic Veg
11.0
13.9
Source: FreshFacts® on Retail, Q1 2012, Perishables Group/United Fresh Foundation.

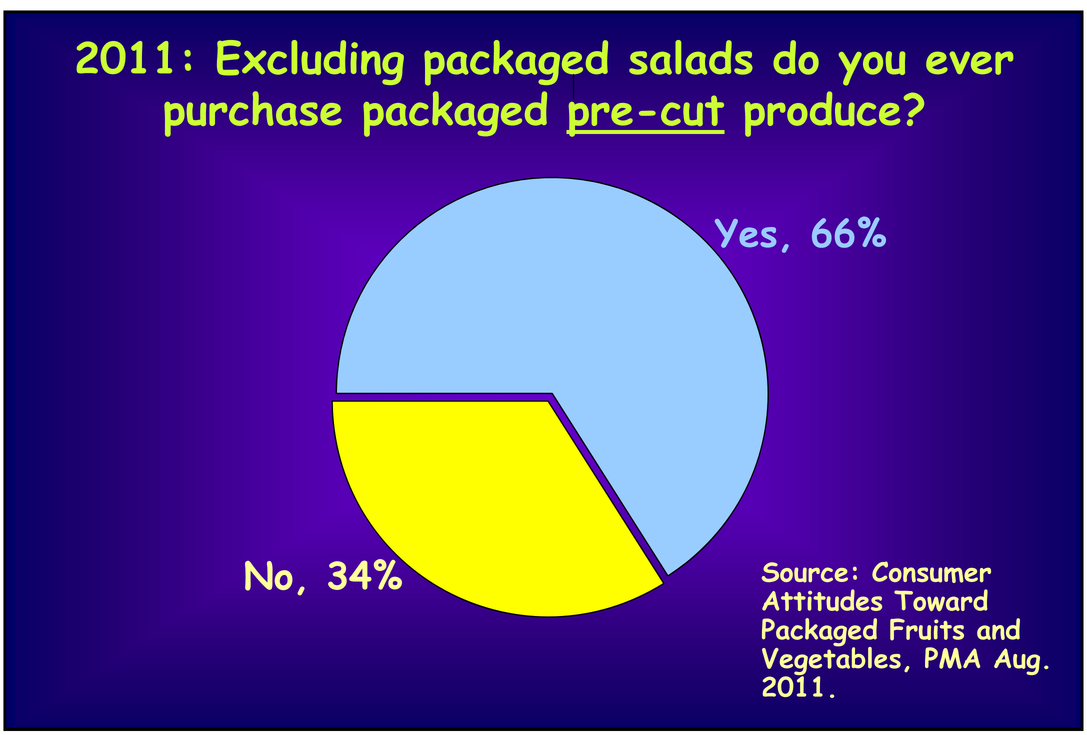
What the data show us

- Many premium items continue to sell well and have throughout the economic downturn, such as organics, premium varieties of conventional produce, fresh-cut produce has had more mixed results.
- Consumption rates of fresh produce increase with income level. Higher income consumers still have ability to pay and demand premium products, including good flavor. Continue to demand convenience.
- High fresh produce consumers are often "foodies" and interested in where and how products were grown and participate in social medium forums.
- Opportunity for consumer engagement greater than ever.

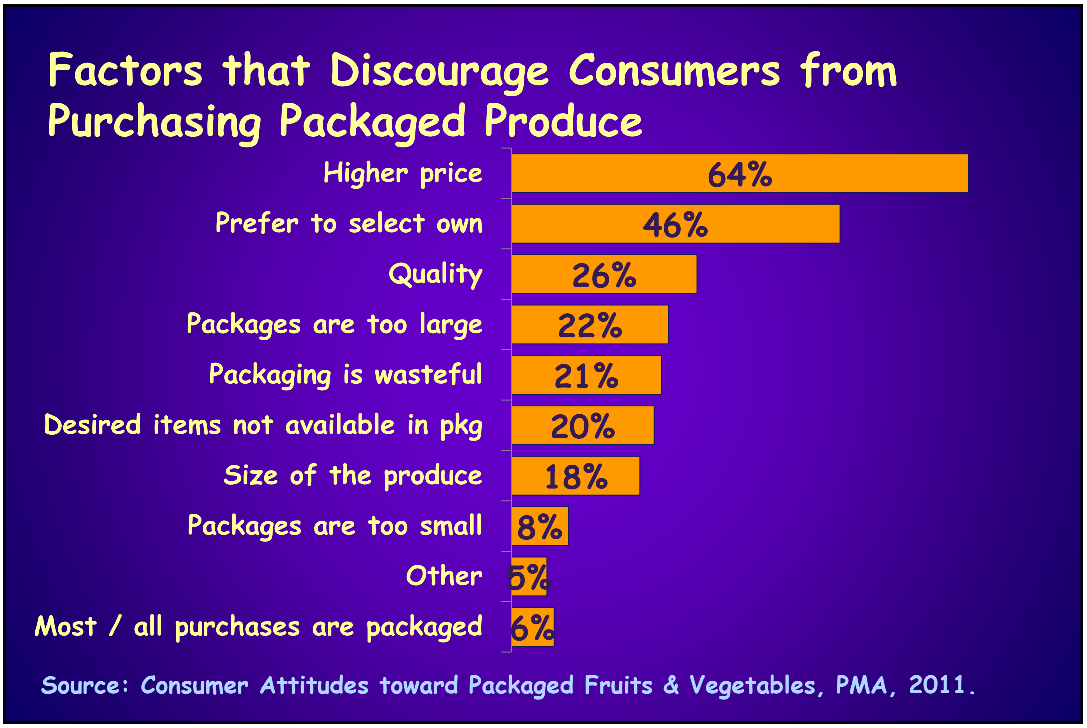
Consumer Attitudes

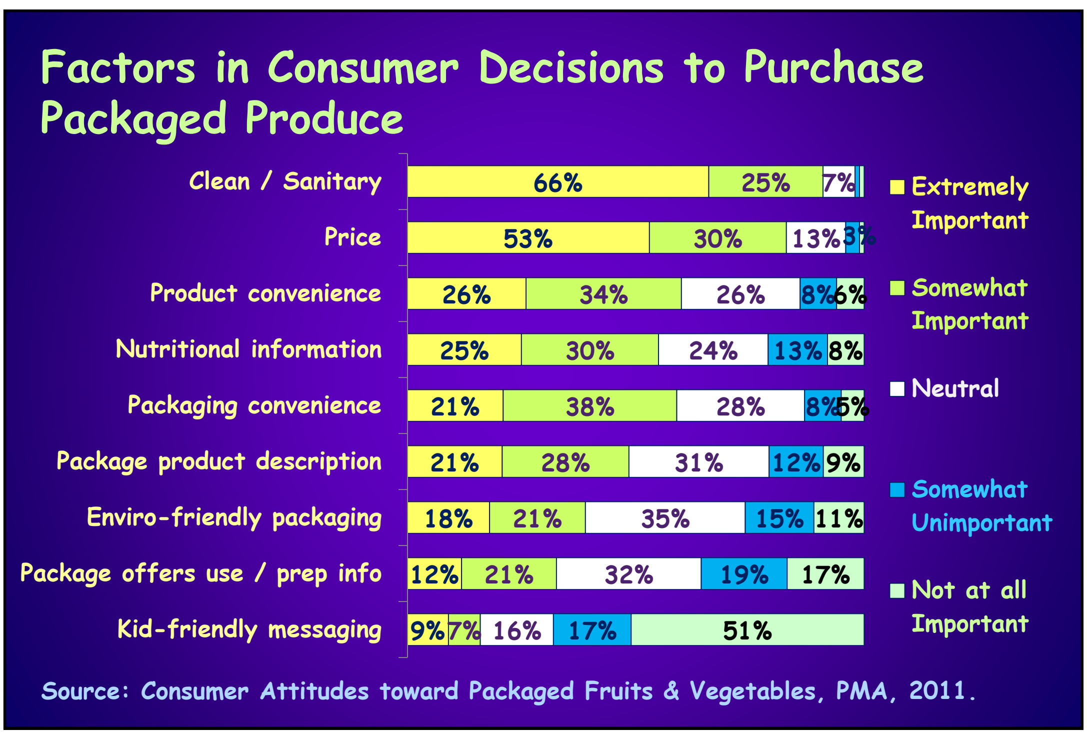


How often do you purchase fresh fruits and vegetables from the produce dept.?, 2011
A few times/wk 26%
Weekly 56%
A few times/mo. 18%
Source: Consumer Attitudes Toward Packaged Fruits and Vegetables, PMA Aug. 2011.



2011: Excluding packaged salads do you ever purchase packaged pre-cut produce?
Yes, 66%
No, 34%
Source: Consumer Attitudes Toward Packaged Fruits and Vegetables, PMA Aug. 2011.


Factors that Discourage Consumers from Purchasing Packaged Produce
Higher price
64%
Prefer to select own
46%
Quality
26%
Packages are too large
22%
Packaging is wasteful
21%
Desired items not available in pkg
20%
Size of the produce
18%
Packages are too small
8%
Other
5%
Most / all purchases are packaged
6%
Source: Consumer Attitudes toward Packaged Fruits & Vegetables, PMA, 2011.


Factors in Consumer Decisions to Purchase Packaged Produce
Clean / Sanitary
66%
25%
7%
Price
53%
30%
13%
Product convenience
26%
34%
26%
8%
6%
Nutritional information
25%
30%
24%
13%
8%
Packaging convenience
21%
38%
28%
8%
5%
Package product description
21%
28%
31%
12%
9%
Enviro-friendly packaging
18%
21%
35%
15%
11%
Package offers use / prep info
12%
21%
32%
19%
17%
Kid-friendly messaging
9%
7%
16%
17%
51%
Extremely Important
Somewhat Important
Neutral
Somewhat Unimportant
Not at all Important
Source: Consumer Attitudes toward Packaged Fruits & Vegetables, PMA, 2011.

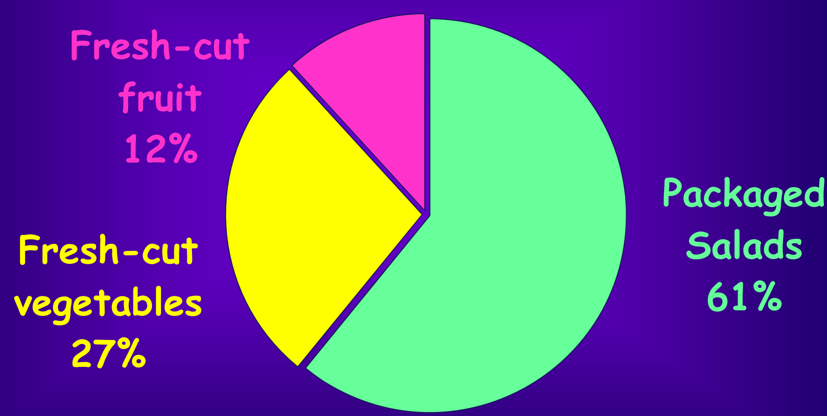
Schools Offer New Opportunities for Produce and Targeted Product Launchings on the Rise

Fresh-cut Trends

Industry Size

Estimated Fresh-Cut Produce Sales in Select US Supermarkets, Shares by Type, $4.6 Billion, 2011

(includes 62% of supermarket sales, excludes supercenters and club stores, and represents about 40-42% of total retail grocery sales)



Sources: Estimated by Roberta Cook from various sources.

Estimated US Fresh-cut Industry Size, All Channels, 2011

- ***Estimated projected** national retail* fresh-cut produce sales of $11 Billion, including all grocery retail channels; about 16% of total retail produce sales
- Foodservice sales are unknown due to no publicly or privately reported data sources
- Conventional industry wisdom is that foodservice sales represent about 60% of total fresh-cut sales, and as such foodservice sales may be $16-17 billion
- Total US fresh-cut sales through both foodservice and retail channels estimated to surpass $27 billion

Source: Roberta Cook, UC Davis

Value-added Fruit Includes:

1. Overwrap

Typically sold in a tray with plastic overwrapping. Contains words like quartered, halved, sliced, wedge, eighth, and wrapped.

2. Fresh Cut Fruit

Cut fresh, no preservatives. Contain high level of value-add characteristics such as chunk, cubed, cored, cup, cut, wedge, spear, sliced, boat.

3. Jars and Cups

Perishable fruit in juice or preservatives, typically sold in a plastic cup or jar. Contains words like syrup, with or in juice, refrigerated, and chilled.

Source: United Fresh Foundation, FreshFacts on Retail Q1 2012.

Value-added Veg Excludes Bagged Salads but Includes:

1. Side Dish

Includes fresh vegetables such as broccoli and cauliflower typically served as side dishes. Can often be cooked in the microwave directly in the bag.

2. Trays

Comprised of vegetable-only trays with/without dip. Trays may also have a protein component or a nontraditional side (bean dip, hummus, breadsticks, etc.).

3. Snacking

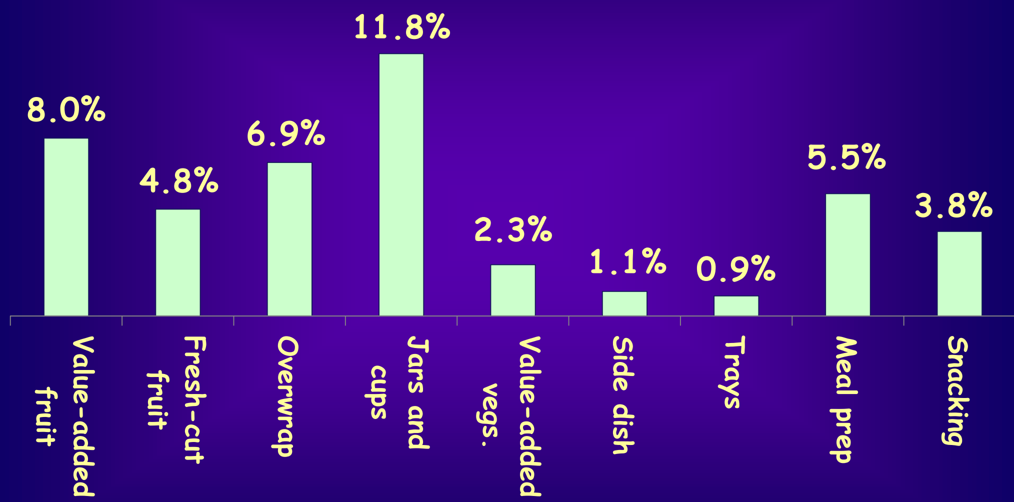
Single-serving sized (5 oz or less) vegetable items typically consumed as a snack or on the go. Often include dip. Keywords include snack, dip, bundle, pack and multi-pack.

4. Meal Prep

Items ready to incorporate into recipe or meal. Includes carrots, vegetable blends and medleys. Preparation varieties include diced, sliced, chopped, shredded; also soup mix, fajita mix, pico de gallo, kabob, stew mix, stuffing mix.

Source: United Fresh Foundation, FreshFacts on Retail Q1 2012.

Change (%) in Unique Valued-added Produce Items Sold in 2010/11*

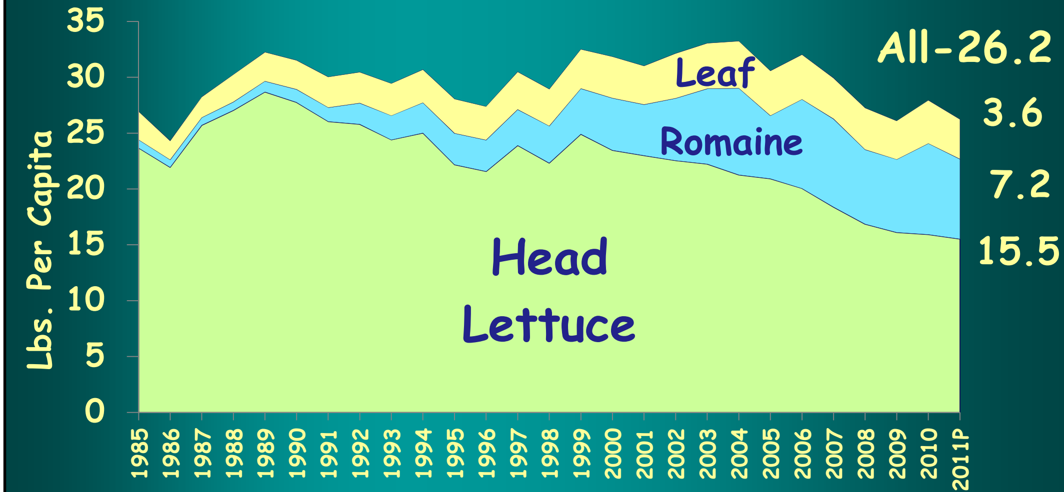


Source: Perishables Group *52 weeks ending July 16, 2011

Fresh-cut Trends

Fresh-cut Lettuce/Bagged Salads

U.S. Per Capita Utilization/Consumption of Lettuce, by Type, 1985-2011P



Sources: Vegetables and Pulses Yearbook Data, USDA/ERS, May 31, 2012 for head; unpublished data from USDA/ERS for leaf and romaine.

Leading US Fresh Market Vegetable States in 2011: Geographic concentration of production (due to climate) limits local sourcing potential, yet it is growing in the summer/fall

Area Harvested		Production		Value	
State	% of Total	State	% of Total	State	% of Total
CA	44	CA	50	CA	50
FL	11	FL	9	FL	13
AZ	7	AZ	8	AZ	11
GA	6	GA	4	WA	4
NY	3	WA	4	GA	3

Source: Vegetables 2011 Summary, NASS/USDA, January 2012

Monterey County Head Lettuce Shipments 1990 vs 2011

Product Form	Million Cartons* 1990	Million Cartons* 2011	Percent Share 1990	Percent Share 2011
Bulk to Process	6.9	18.00	15%	38%
Wrapped	14.2	23.63	30%	50%
Naked	26.1	5.57	55%	12%
TOTAL	47.2	47.20	100%	100%

* 50 lb carton-equivalent units, may not sum to 100 due to rounding

Source: Monterey County Ag Commissioner, 1991 and 2011 annual reports

Monterey County Leaf Lettuce Production, by Type, 2011

Crop	Acreage	Cartons, thousands	Value, thousands	Carton Share
Butter Leaf	1,500	1,825	16,078	2.1%
Endive	406	432	3,512	0.5%
Escarole	370	388	3,476	0.4%
Green Leaf	7,529	7,883	72,602	9.0%
Red Leaf	2,210	2,307	19,794	2.6%
Romaine	37,442	38,828	394,104	44.5%
Leaf, bulk	N/A	35,647	267,852	40.8%
Total	97,979	87,310	$777,418	100%

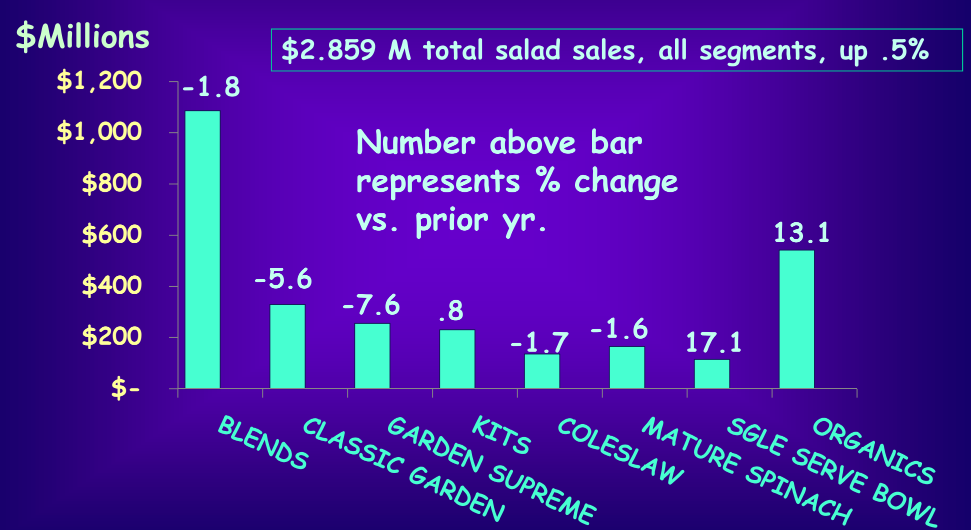
Source: Monterey County Crop Report 2011, Ag Commissioner.

Top 10 Vegetables in Q1 2012 vs Q1 2011, Sales in US Supermarkets

Product	Weekly $ Sales per Store	Percent Change vs. Q1 2011	Weekly Vol. per Store	Percent Change vs. Q1 2011	Avg Retail Price	Percent Change vs. Q1 2011
Packaged Salad	$3,104	0.0%	1,191	1.2%	$2.61	-1.2%
Tomatoes	$2,483	-13.5%	1,071	0.9%	$2.32	-14.3%
Potatoes	$2,474	0.4%	3,515	-4.6%	$0.70	5.2%
Cooking Veg's	$2,031	-3.8%	1,422	5.4%	$1.43	-8.7%
Onions	$1,474	-7.2%	1,490	-2.3%	$0.99	-5.0%
Peppers	$1,358	-3.9%	641	0.3%	$2.12	-4.1%
Lettuce	$1,283	-13.0%	720	-1.3%	$1.78	-11.8%
Carrots	$1,016	-1.2%	609	-0.3%	$1.67	-0.9%
Mushrooms	$901	2.0%	385	1.5%	$2.34	0.5%
Cucumbers	$655	-5.0%	707	12.3%	$0.93	-15.4%

Source: United Fresh Foundation, FreshFacts® Q1 2012.

US Select Supermarket* Bagged Salad Key Segments: $ Sales and Annual Growth Rates %, 2012,* Excludes club stores and supercenters and 38% of supermarkets



Source: Nielsen *52 weeks ending July 14, 2012

US Supermarket Bagged Salad Category Market Shares by Key Firm (% total $ sales) and Point Change in Market Share 2012* vs 2011

	% Share	Share Pt. Change
Fresh Express	32.2	-4.2
Private Label	26.5	2.3
Dole	22.2	0.5
Earthbound Farm	5.8	0.1
Ready Pac	4.4	-0.4
Organic Girl	1.9	0.5
All Other	7.0	1.8

Source: Nielsen *52 weeks ending July 14, 2012

Index of US Packaged Salad Sales ($) by Spectra Lifestyle/Behavior Stage, All Channels

Very High 150+ High 120-149

Behavior / Stage	LIFESTYLE: Cosmopolitan Centers	Affluent Suburban Spreads	Comfortable Country	Struggling Urban Cores	Modest Working Towns	Plain Rural Living	Total	% Total $
Start-up Families HHs with young children only <6	83	104	82	45	47	50	73	6.3%
Small Scale Families Small HHs with older children 6+	76	92	69	43	43	38	64	5.2%
Younger Bustling Families Large HHs with children (6+), HOH <40	54	72	57	31	37	38	51	3.8%
Older Bustling Families Larger HHs with children (6+), HOH 40+	124	213	161	61	74	84	144	16.3%
Young Transitionals Any size HHs, no children, <35	87	76	79	58	51	56	67	7.3%
Independent Singles 1 person HHs, no children, 35-64	118	95	105	44	44	51	78	9.5%
Senior Singles 1 person HHs, no children, 65+	85	82	85	51	58	48	68	6.0%
Established Couples 2+ person HHs, no children, 35-54	177	210	198	96	113	100	163	18.6%
Empty Nest Couples 2+ person HHs, no children, 55-64	141	172	167	79	85	80	135	13.7%
Senior Couples 2+ person HHs, no children, 65+	117	154	158	65	90	89	121	13.2%
Total	111	141	126	56	64	65	100	
Percent Total $	16.5%	33.4%	23.2%	5.8%	12.4%	8.6%		

Sources: Spectra BehaviorScape: Total Dollars / Spectra 07C/PG-Kids-Revision3 52wks (Total Dollars)

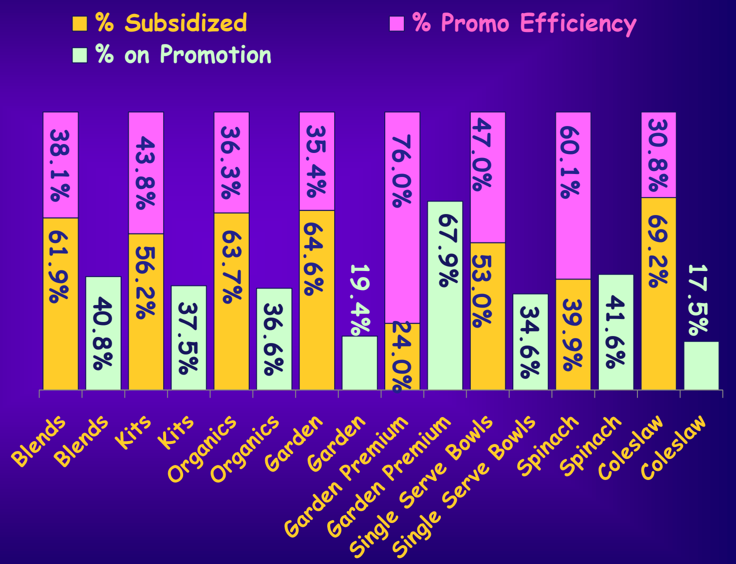
Promotional Measures in Action for Packaged Salads

The garden premium subcategory sold 67.9% volume on promotion.

- At 76% promotional efficiency, this sub-category demonstrated the highest promotional efficiency.

The coleslaw subcategory demonstrated the lowest promotional efficiency, 30.8%.

- Percent subsidized volume in coleslaw was 69.2%.
  - Only about 30% of the volume sold on promoted weeks was unexpected.

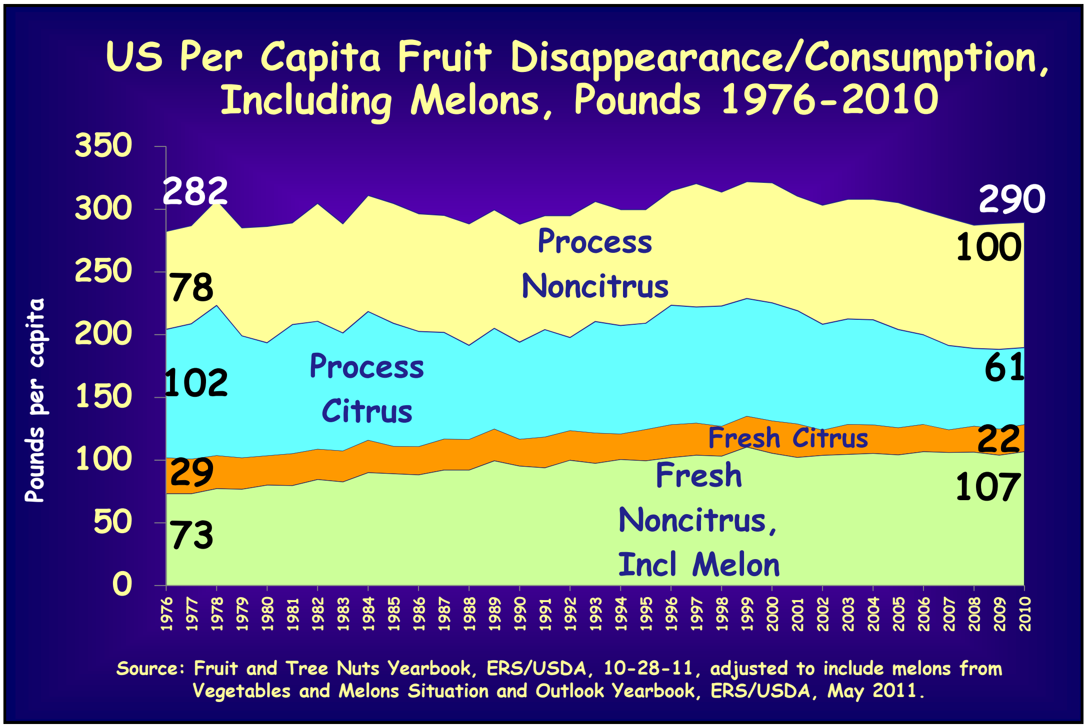


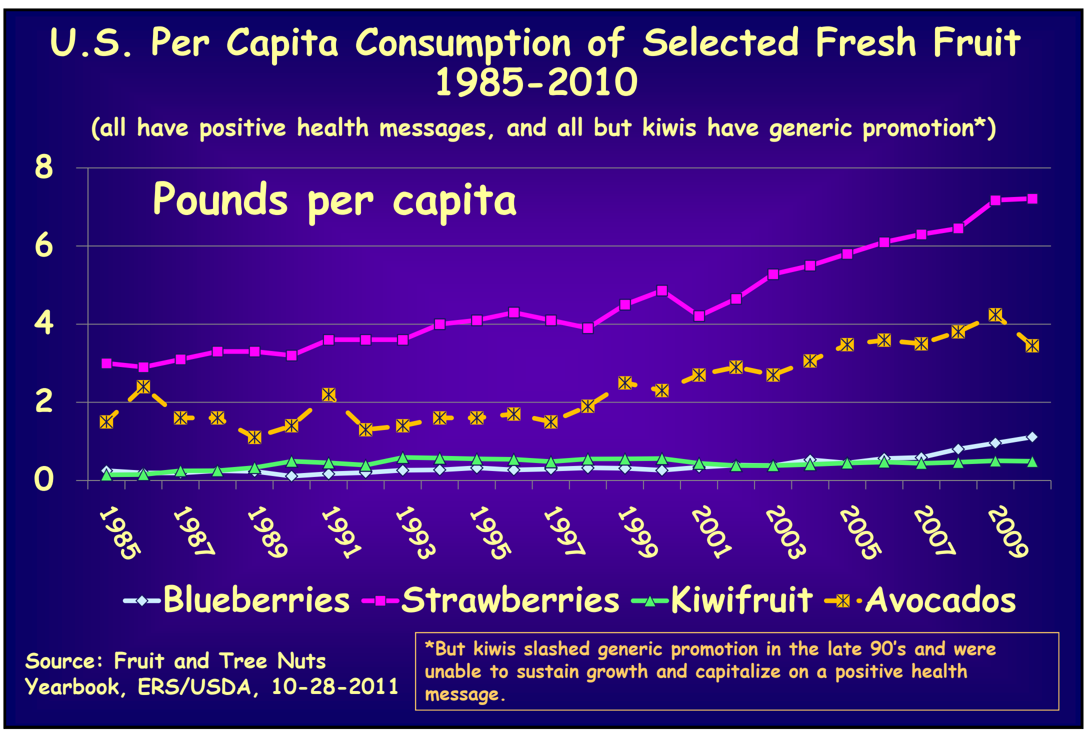
Source: Perishables Group FreshFacts® powered by Nielsen

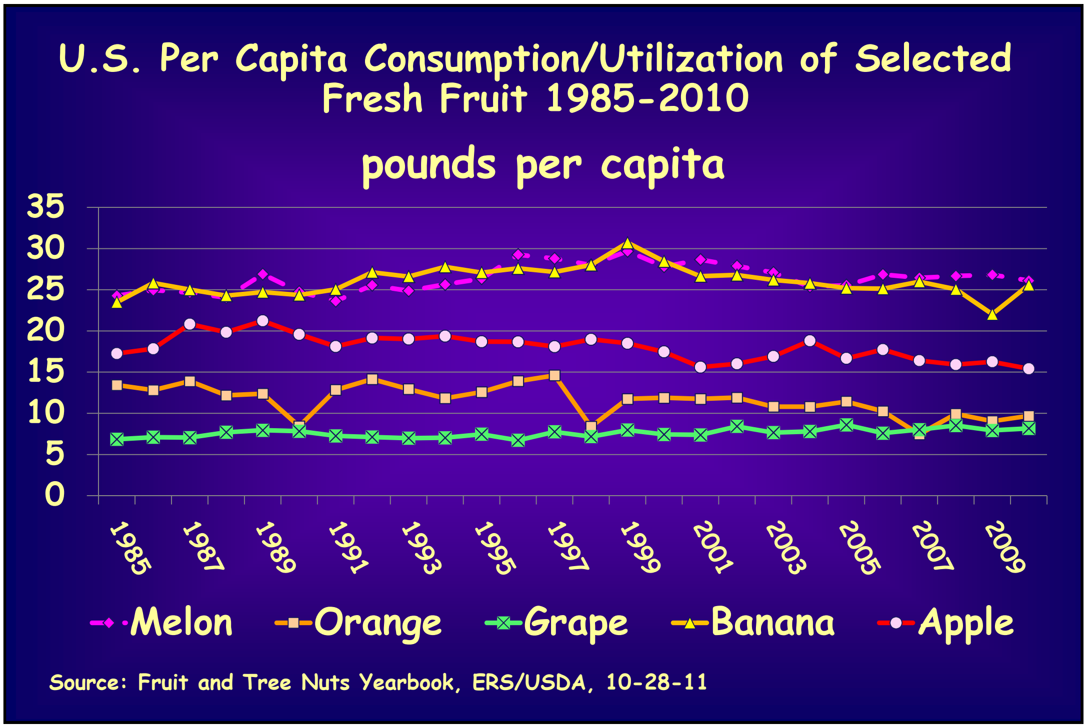
Promotional Efficiency - Volume. Packaged salads, Retailer X, 52 wks ending 03/28/09.

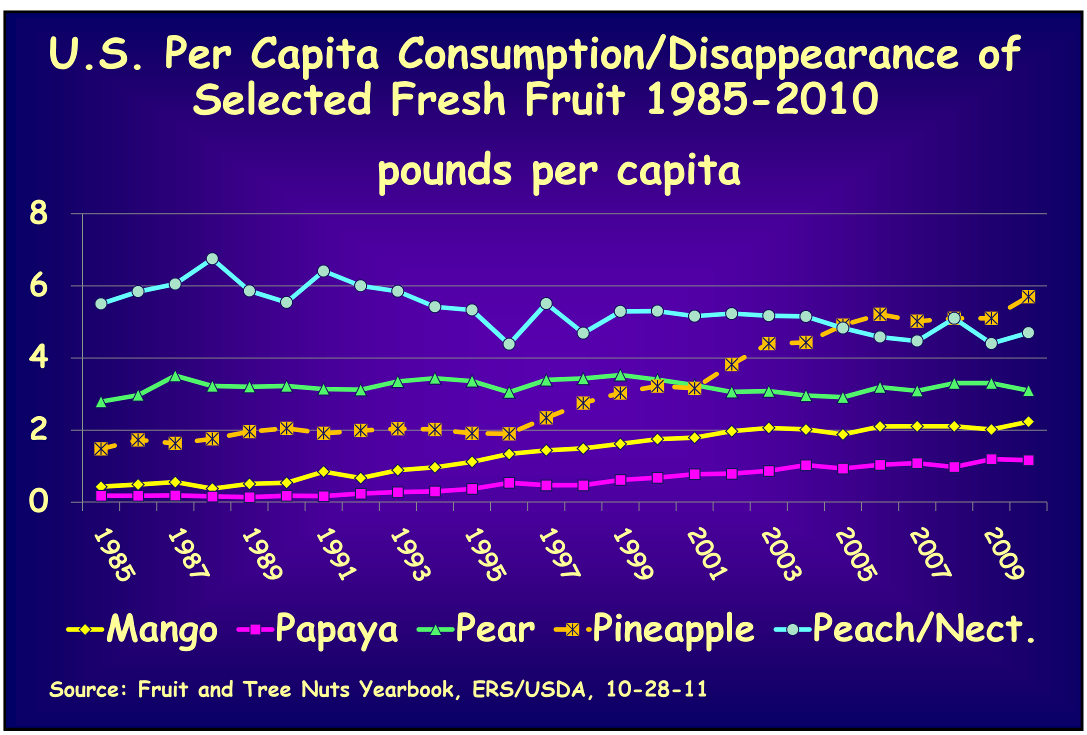
Fresh-cut Trends

Fruit


US Per Capita Fruit Disappearance/Consumption, Including Melons, Pounds 1976-2010
Pounds per capita
350
300
250
200
150
100
50
0
282
78
102
29
73
290
100
61
22
107
Process Noncitrus
Process Citrus
Fresh Citrus
Fresh Noncitrus, Incl Melon
1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010
Source: Fruit and Tree Nuts Yearbook, ERS/USDA, 10-28-11, adjusted to include melons from Vegetables and Melons Situation and Outlook Yearbook, ERS/USDA, May 2011.


U.S. Per Capita Consumption of Selected Fresh Fruit 1985-2010
(all have positive health messages, and all but kiwis have generic promotion*)
Pounds per capita
8
6
4
2
0
1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009
Blueberries
Strawberries
Kiwifruit
Avocados
Source: Fruit and Tree Nuts Yearbook, ERS/USDA, 10-28-2011
*But kiwis slashed generic promotion in the late 90's and were unable to sustain growth and capitalize on a positive health message.


U.S. Per Capita Consumption/Utilization of Selected Fresh Fruit 1985-2010
pounds per capita
35
30
25
20
15
10
5
0
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
Melon
Orange
Grape
Banana
Apple
Source: Fruit and Tree Nuts Yearbook, ERS/USDA, 10-28-11


U.S. Per Capita Consumption/Disappearance of Selected Fresh Fruit 1985-2010
pounds per capita
8
6
4
2
0
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
Mango
Papaya
Pear
Pineapple
Peach/Nect.
Source: Fruit and Tree Nuts Yearbook, ERS/USDA, 10-28-11

US Select Supermarket Fresh-cut Fruit Category Shares by Key Item in Dollars and Quantity 2012,* ($394.3 million total sales in sample of supermarkets, not national sales)

Item	Dollar Share %	Unit Share %
Mixed Fruit	35.4	22.0
Apples	21.8	34.1
Pineapple	15.3	16.7
Watermelon	13.0	12.7
Cantaloupe	4.7	5.3
Mangos	3.7	3.2
Mixed Melon	3.1	2.8
All Other	1.3	1.5
Berries	1.1	0.9
Honeydew	0.6	0.8

Source: Nielsen *52 weeks ending July 14, 2012

US Supermarket Value-Added Fruit Category Sales and Pricing, Q1 2011 vs Q1 2012

	% Change vs. Q1 2011		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-Added Fruit	4.7%	-0.7%	5.4%
Fresh-Cut Fruit	7.4%	6.1%	1.2%
Jars & Cups	-6.3%	-12.4%	6.9%
Overwrap	2.9%	-0.2%	3.1%

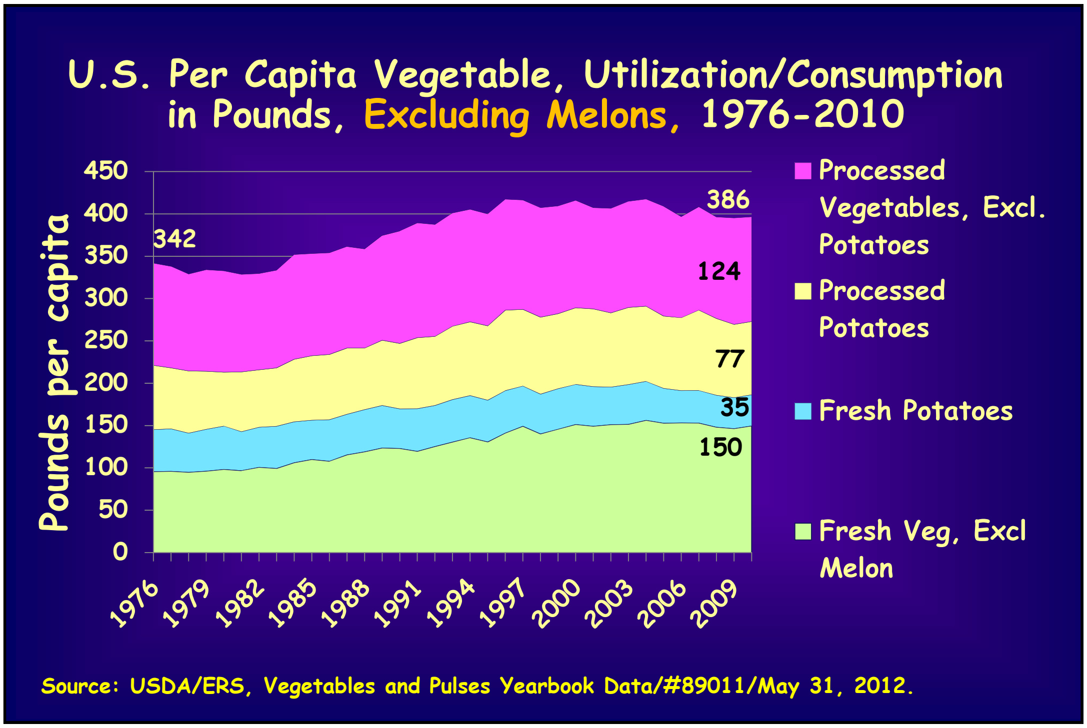
Source: FreshFacts® on Retail, Q1 2012, Perishables Group and United Fresh Foundation.

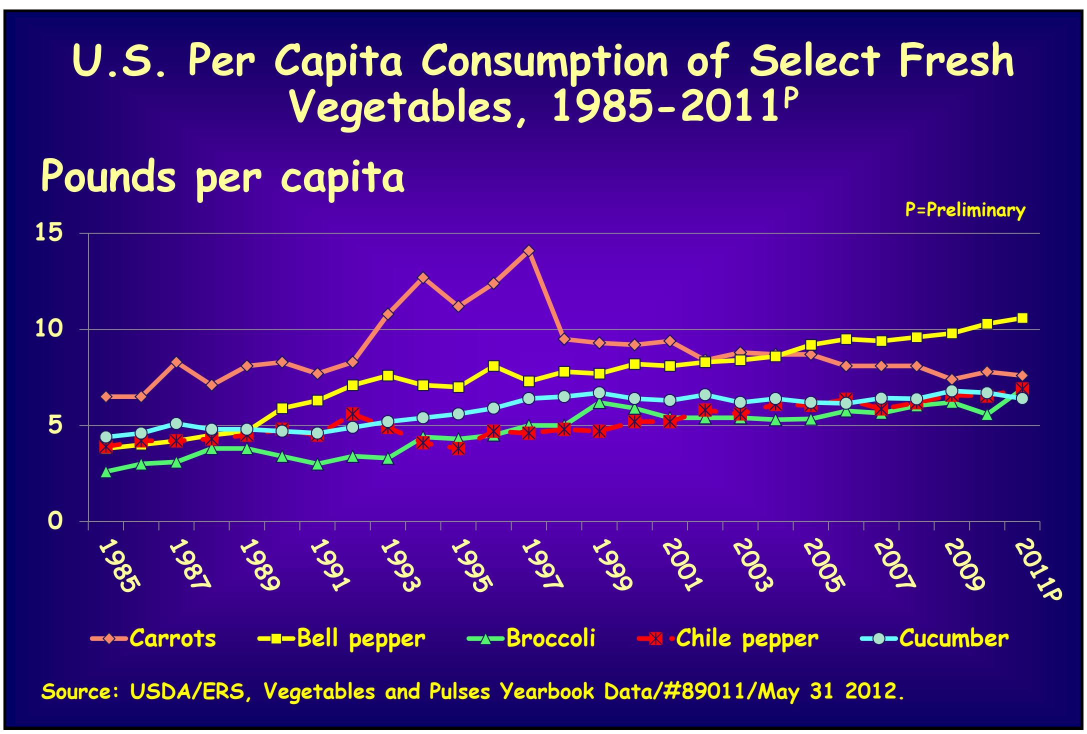
Income and price matter: apple example

- The 2012 Fresh Trends illustrates that 87 percent of households with an income of $100,000 or more are likely to buy apples, versus 74 percent of households with less than $25,000.
- Apples remain the 2nd most purchased fruit in the USA, so it is logical that fresh-cut apples hold market potential.
- Apple dippers are one of the fresh-cut fruit products that can help mom’s encourage healthy eating, both purchased at retail for in-home consumption, and via purchase in fast food restaurants.
- Quantity sold increased by 15% in 2012.

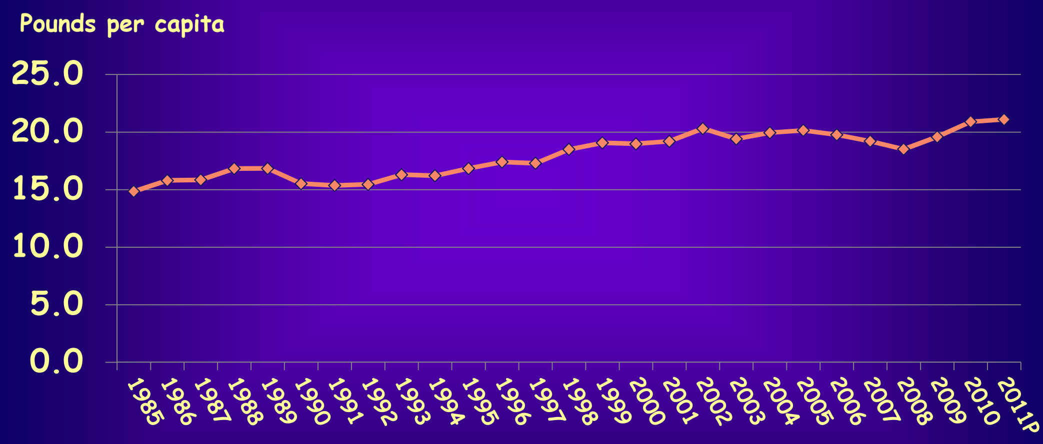
Fresh-cut Trends

Vegetables


U.S. Per Capita Vegetable, Utilization/Consumption in Pounds, Excluding Melons, 1976-2010
Pounds per capita
450
400
350
300
250
200
150
100
50
0
342
386
124
77
35
150
1976
1979
1982
1985
1988
1991
1994
1997
2000
2003
2006
2009
Processed Vegetables, Excl. Potatoes
Processed Potatoes
Fresh Potatoes
Fresh Veg, Excl Melon
Source: USDA/ERS, Vegetables and Pulses Yearbook Data/#89011/May 31, 2012.


U.S. Per Capita Consumption of Select Fresh Vegetables, 1985-2011P
Pounds per capita
P=Preliminary
15
10
5
0
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011P
Carrots
Bell pepper
Broccoli
Chile pepper
Cucumber
Source: USDA/ERS, Vegetables and Pulses Yearbook Data/#89011/May 31 2012.

US Per Capita Utilization/Consumption of Fresh Tomatoes (1985-2011P)



P=Preliminary

Source: USDA/ERS, Vegetables and Pulses Yearbook Data/#89011/May 31 2012

US Select Supermarket Value-added Vegetable Category Sales and Pricing, by Key Type, Q1 2012 vs Q1 2011

	% Change vs. Q1 2011		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-Added Vegetables	7.6%	8.3%	-0.7%
Side Dish	9.6%	9.8%	-0.2%
Trays	3.1%	4.5%	-1.3%
Meal Prep	6.0%	5.6%	0.4%
Snacking	7.2%	8.4%	-1.1%

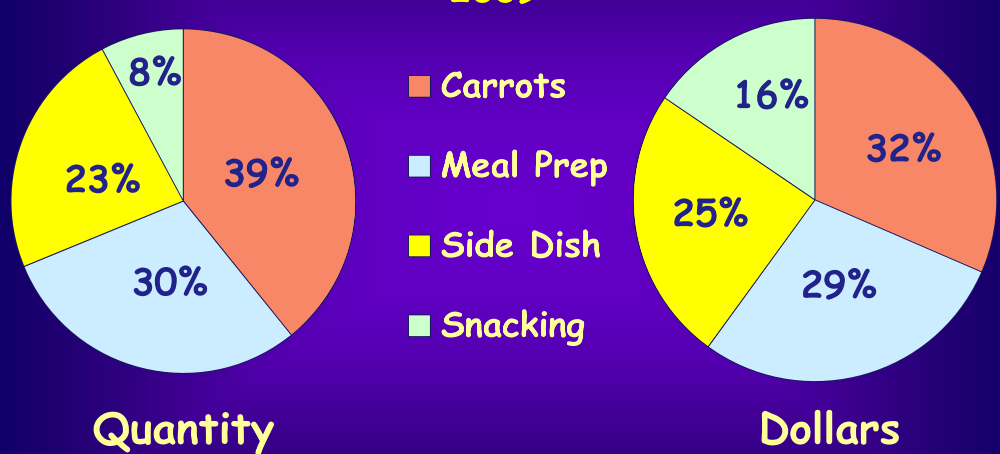
Source: FreshFacts® on Retail, Q1 2012, Perishables Group and United Fresh Foundation.

US Fresh-cut Veg Category Shares by Key Item in Select Supermarkets, 2012*

Item	Share (%)
Carrots	47%
Mixed Veg	19%
Green Beans	7%
Greens	4%
Broccoli	4%
Snap/Snow Peas	3%
Onions	3%
Pico de Gallo	1%
All Others	12%
Total	100%

Source: Nielsen *52 weeks ending July 14, 2012

U.S. Supermarket Fresh-Cut Vegetable Shares, Quantity and Dollar Sales, by Key Product Category 2009*



Source: Nielsen, *52 weeks ending July 4, 2009.

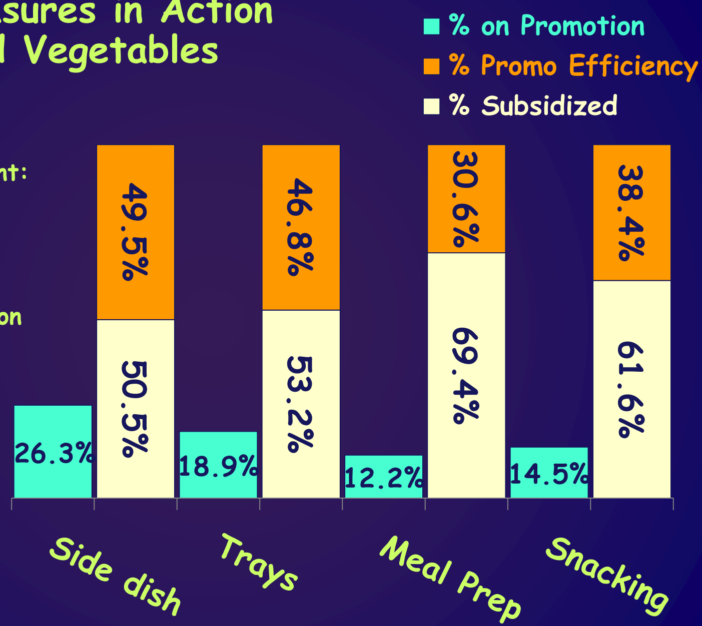
Snacking quantity sold down 17% vs. YAGO.

Promotional Measures in Action for Value-added Vegetables

Side dishes = 22.9% of volume on promotion. Promotions were inefficient: 47.8% of the promotion volume was subsidized.

Snacking vegetables = next highest volume sold on promotion, 18%. Nearly 60% was subsidized.

Overall, relatively high subsidy rates suggest consumers don't need a discount to motivate purchasing value-added vegetables.



Source: United Fresh Foundation, FreshFacts on Retail, Q1 2012.

Branded vs. Private Label

Private Label Share of CPG Spending in U.S. Grocery Channels, 1989-2010

	Dollar Share	Unit Share
1989	11.6	15.3
1993	13.9	18.2
1995	14.9	19.4
1997	15.7	20.1
2003	16.1	20.8
2004	16.2	20.6
2005	16.1	20.8
2006	15.9	21.3
2007	16.2	21.5
2008	16.9	21.6
2009	17.6	22.8
2010	19.1	23.5

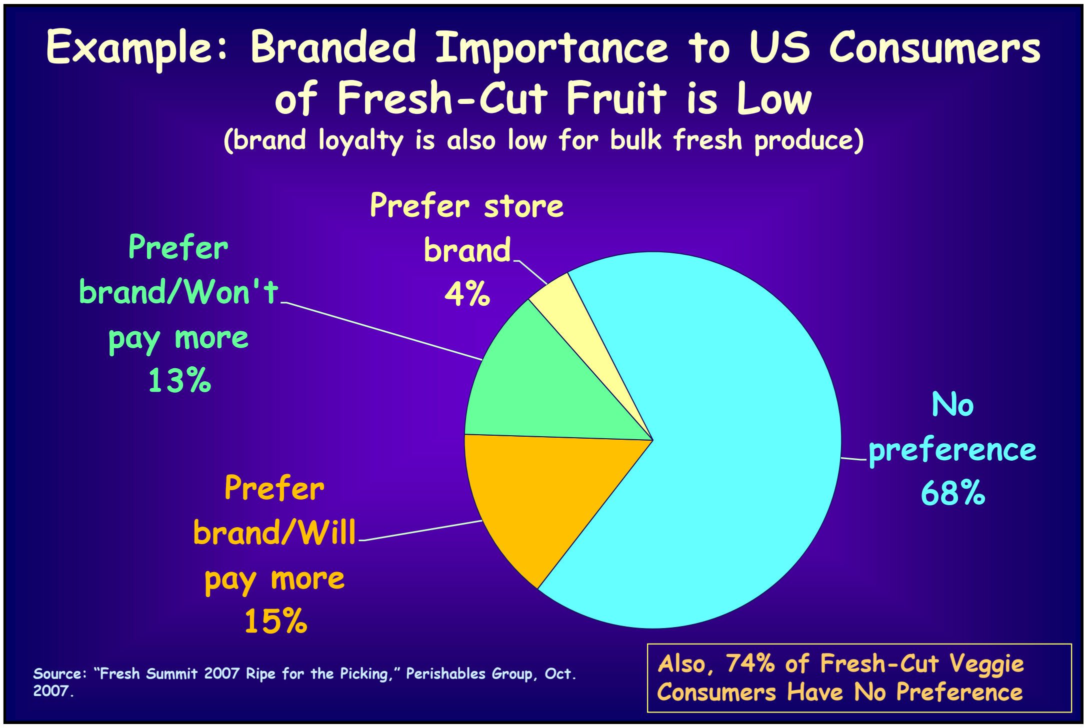
Source: Various *Private Label Magazines*

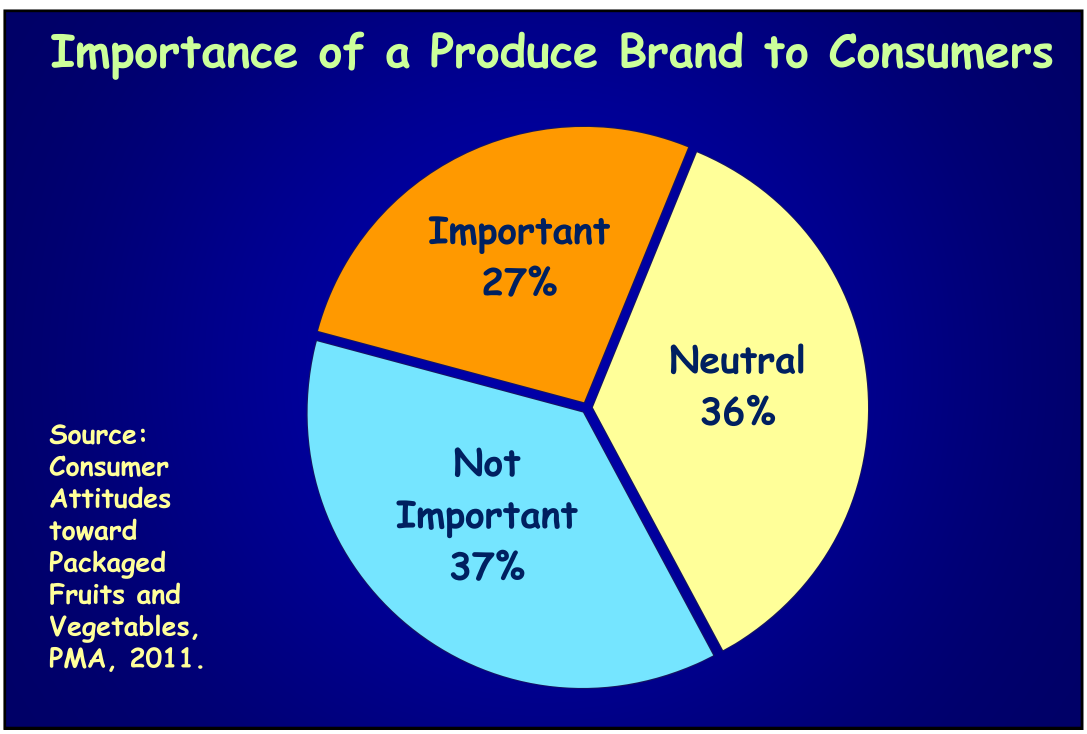
Private Label Fresh Produce Sales Rise, 2010

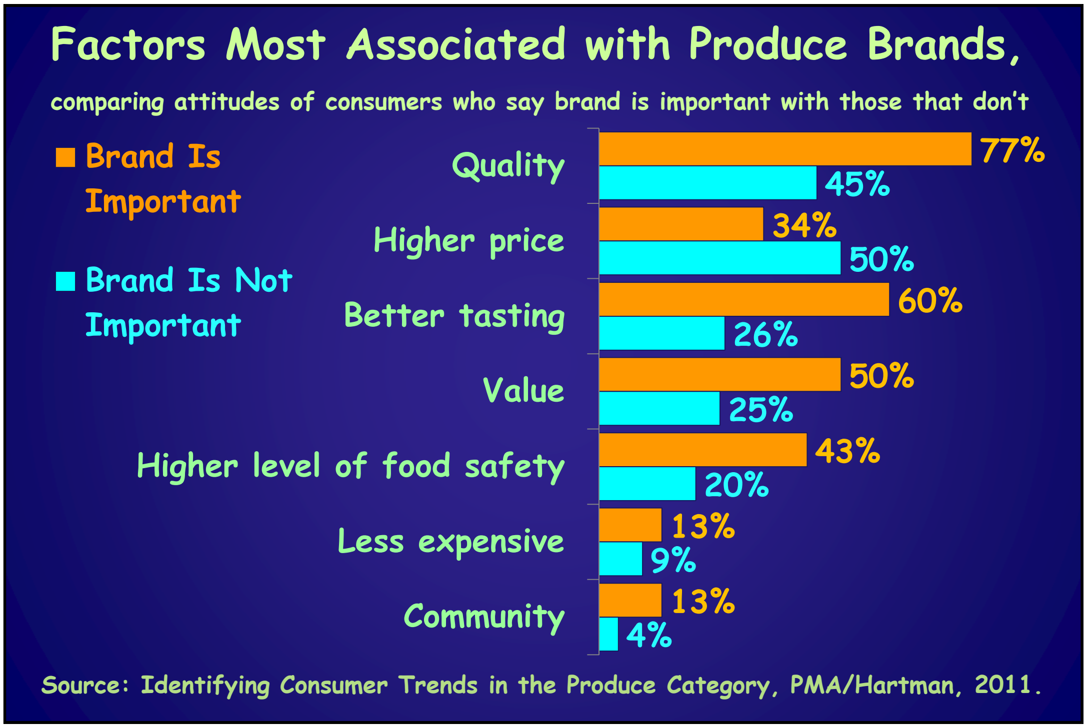
(52 weeks ending 9/25/2010)

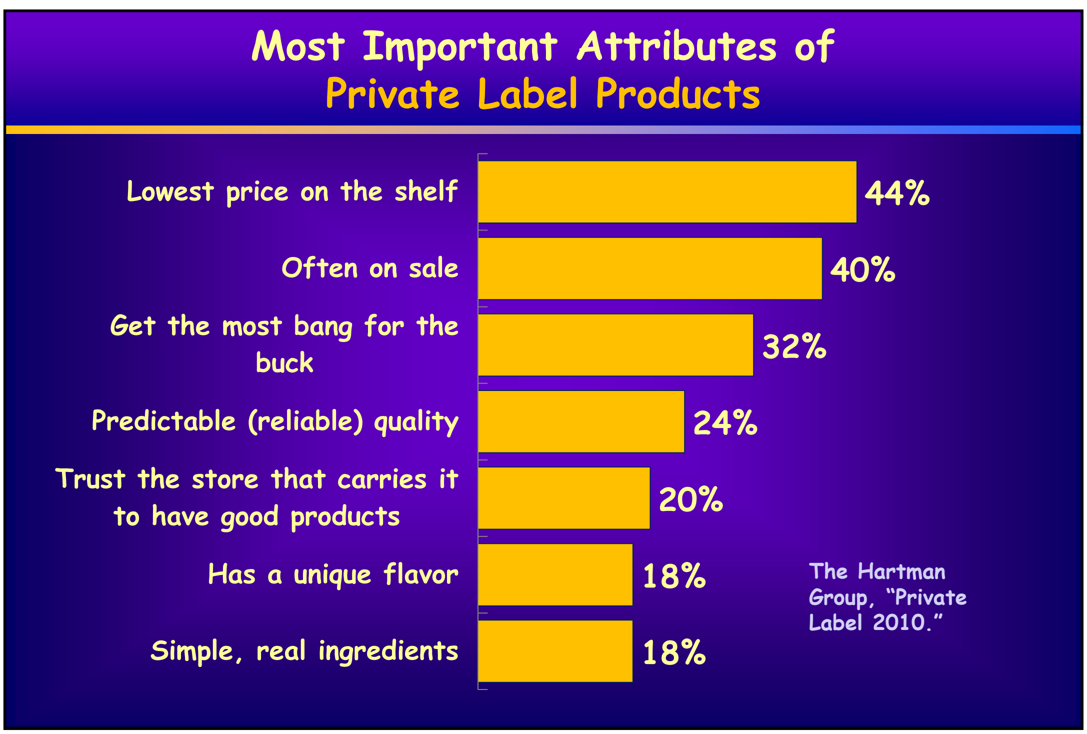
- Private label sales were 10.4% of total produce vs 6.8% in 2005.
- According to Nielsen, private label sales in select supermarkets reached $2.8 billion.
- Total 2010 estimated projected national sales through all retail channels may have reached around $7 billion.
- Through 2010 most private label growth was attributed to veg which contributed 89.3% of all produce sales.
- All of the above figures include both fresh-cut and commodity produce.

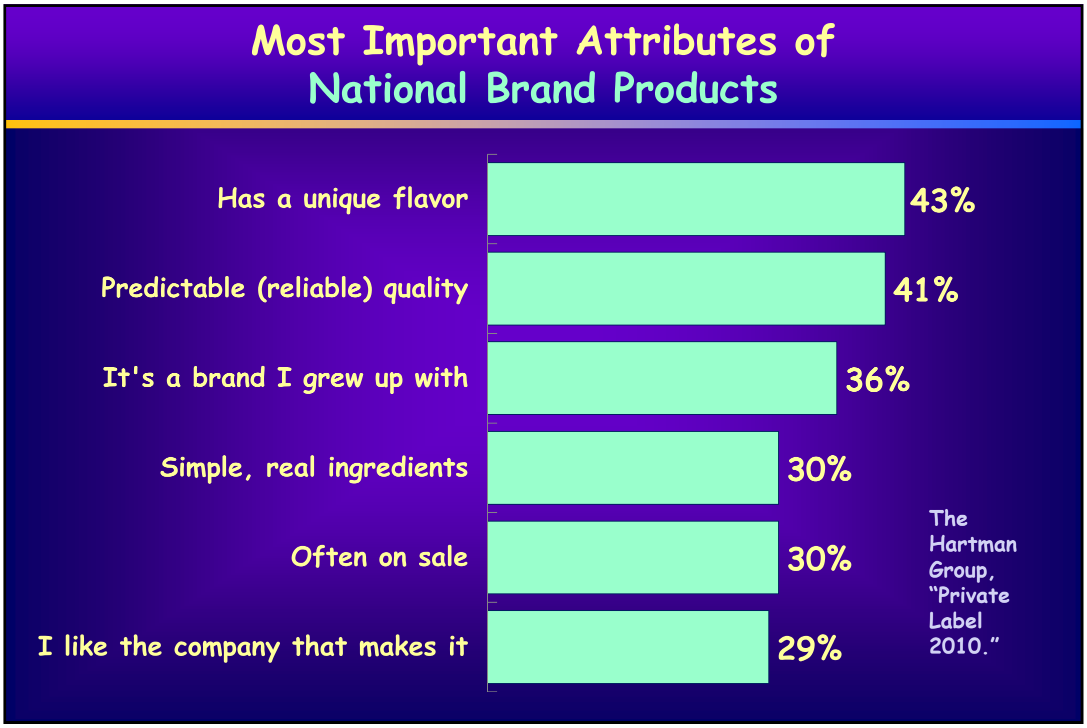
Source: United Fresh Foundation, FreshFacts on Retail, Q3 2010.

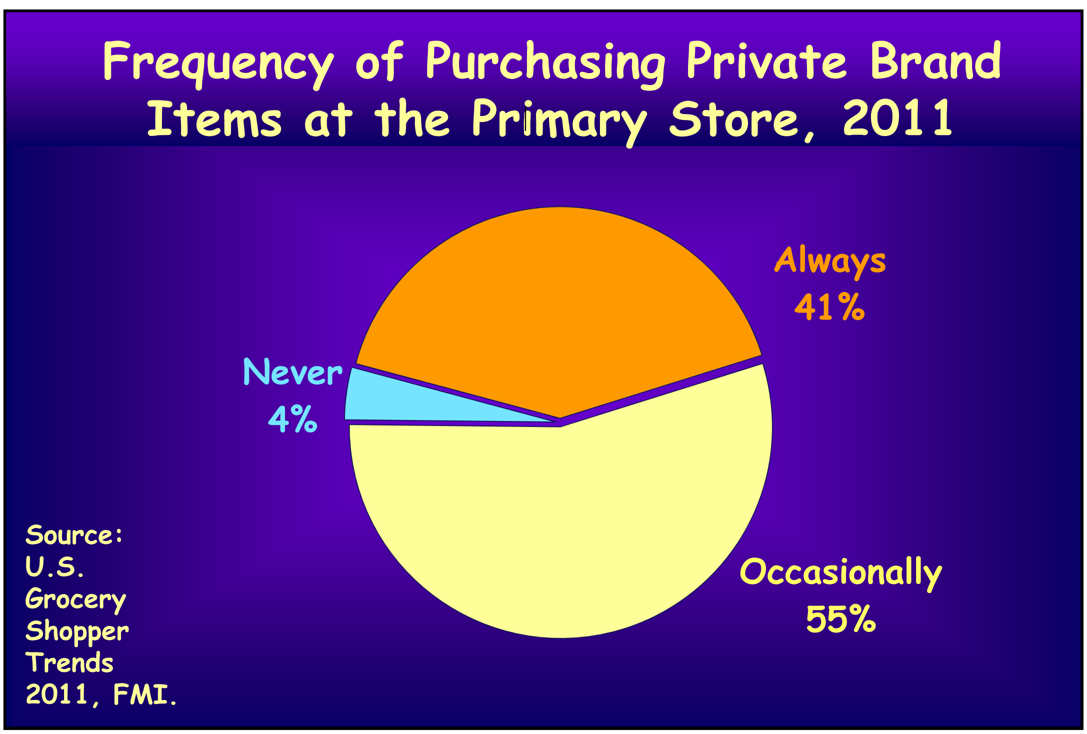

Example: Branded Importance to US Consumers of Fresh-Cut Fruit is Low
(brand loyalty is also low for bulk fresh produce)
Prefer store brand 4%
Prefer brand/Won't pay more 13%
No preference 68%
Prefer brand/Will pay more 15%
Source: "Fresh Summit 2007 Ripe for the Picking," Perishables Group, Oct. 2007.
Also, 74% of Fresh-Cut Veggie Consumers Have No Preference

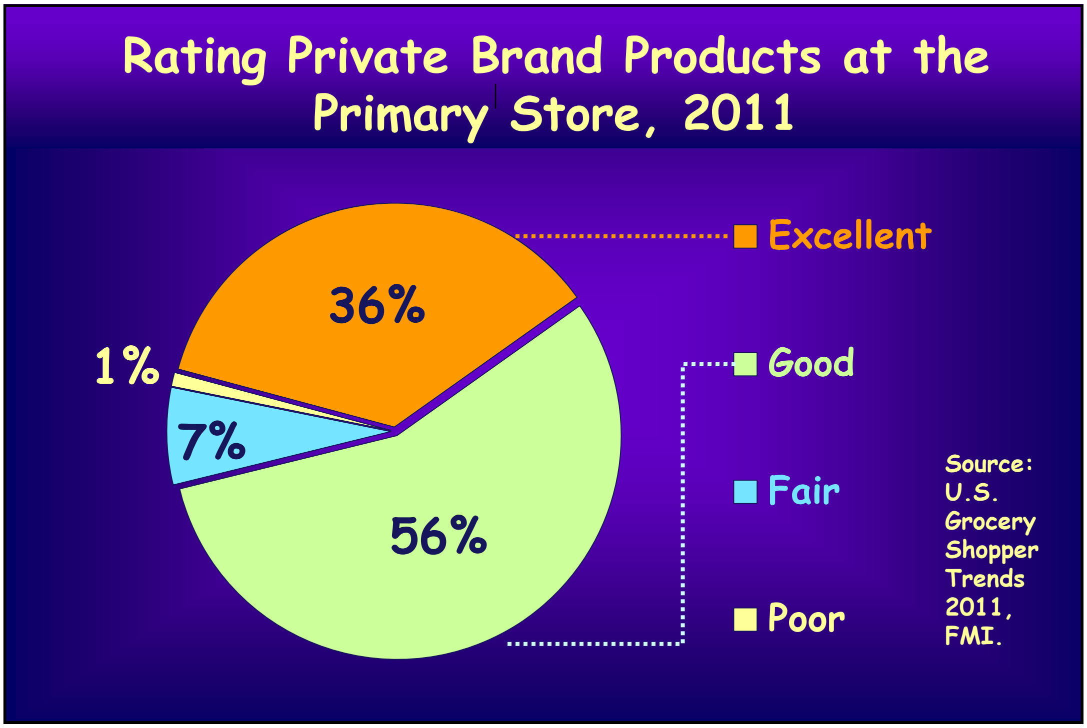

Importance of a Produce Brand to Consumers
Important 27%
Neutral 36%
Not Important 37%
Source: Consumer Attitudes toward Packaged Fruits and Vegetables, PMA, 2011.

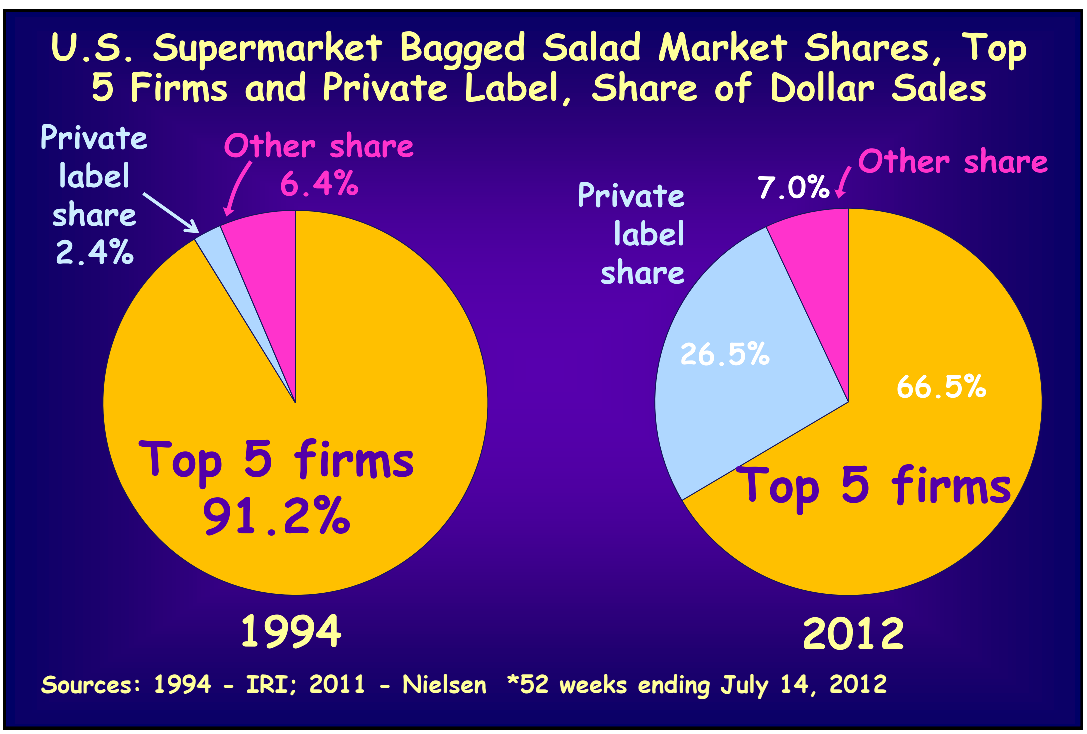

Factors Most Associated with Produce Brands,
comparing attitudes of consumers who say brand is important with those that don't
Brand Is Important
Brand Is Not Important
Quality
77%
45%
Higher price
34%
50%
Better tasting
60%
26%
Value
50%
25%
Higher level of food safety
43%
20%
Less expensive
13%
9%
Community
13%
4%
Source: Identifying Consumer Trends in the Produce Category, PMA/Hartman, 2011.


Most Important Attributes of
Private Label Products
Lowest price on the shelf
44%
Often on sale
40%
Get the most bang for the buck
32%
Predictable (reliable) quality
24%
Trust the store that carries it to have good products
20%
Has a unique flavor
18%
Simple, real ingredients
18%
The Hartman Group, "Private Label 2010."


Most Important Attributes of
National Brand Products
Has a unique flavor
43%
Predictable (reliable) quality
41%
It's a brand I grew up with
36%
Simple, real ingredients
30%
Often on sale
30%
I like the company that makes it
29%
The Hartman Group, "Private Label 2010."


Frequency of Purchasing Private Brand Items at the Primary Store, 2011
Always
41%
Never
4%
Occasionally
55%
Source: U.S. Grocery Shopper Trends 2011, FMI.


Rating Private Brand Products at the Primary Store, 2011
36%
1%
7%
56%
Excellent
Good
Fair
Poor
Source: U.S. Grocery Shopper Trends 2011, FMI.


U.S. Supermarket Bagged Salad Market Shares, Top 5 Firms and Private Label, Share of Dollar Sales
Private label share 2.4%
Other share 6.4%
Top 5 firms 91.2%
1994
Private label share
7.0%
Other share
26.5%
66.5%
Top 5 firms
2012
Sources: 1994 - IRI; 2011 - Nielsen *52 weeks ending July 14, 2012

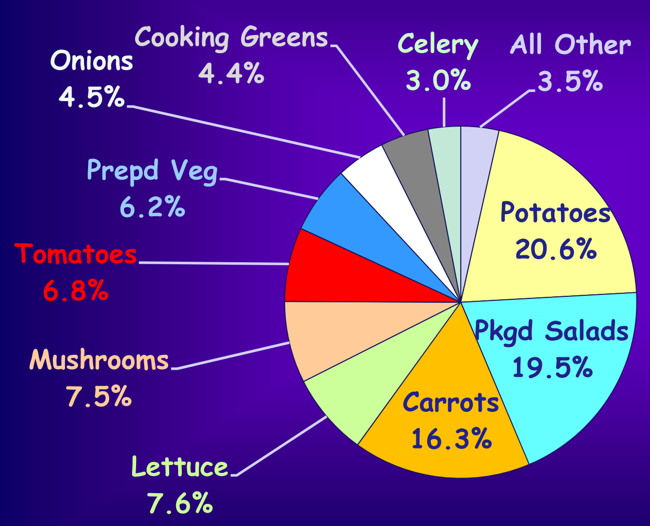
US FRESH-CUT VEGETABLE CATEGORY MARKET SHARES, BY KEY FIRM, IN SELECT SUPERMARKETS, 2009*

Firm	Share
Private label	45.3%
Mann's	5.9%
Eat Smart	4.5%
Fresh Express	3.1%
Greenline	3.1%
Dole	3.0%
Grimmway	2.3%
All other	33.0%

Source: Nielsen

*52 weeks ending July 4, 2009.

Share of Total Private Label Vegetable Sales Accounted for by Key Vegetable Categories in Select U.S. Supermarkets, 2010 (Latest 52 Wks Ending 09/25/10); and % Change from 2009



Dollar % Change vs. Year Ago	
Potatoes	-9.0%
Pkgd Salads	57.4%
Carrots	4.3%
Lettuce	16.6%
Mushrooms	17.1%
Tomatoes	5.7%
Prep'd Veg.	5.5%
Onions	17.2%
Cooking Greens	15.9%
Celery	12.2%

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: Q3 2010, United Fresh Foundation

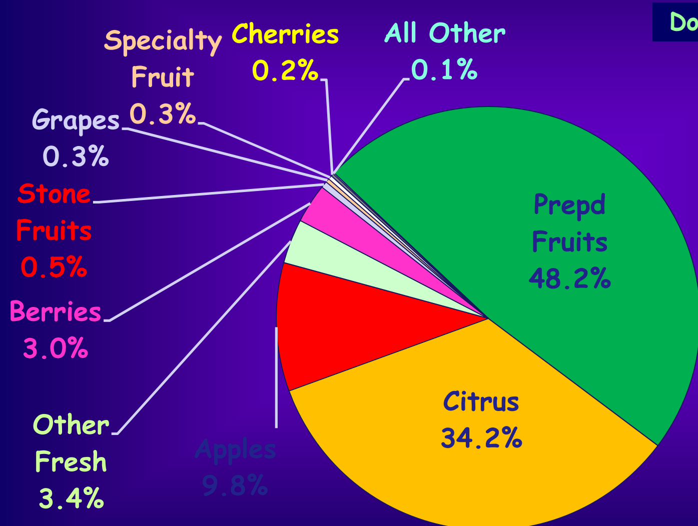
2012* US FRESH-CUT FRUIT CATEGORY MARKET SHARES, BY KEY FIRM, (% of Total $ Sales)

Brand	Share of Sales %
All other brands	32
PRIVATE LABEL	29
Del Monte	11
Crunch Pak	9
Ready Pac	8
Garden Highway	6
Chiquita	5
Total	100

Source: Nielsen

*52 weeks ending July 14, 2012.

Share of Total Private Label Fruit Sales Accounted for by Key Fruit Categories in U.S. Supermarkets, 2010 (Latest 52 Wks Ending 09/25/10); and % Change from 2009



Dollar % Change vs. Year Ago	
Prep'd Fruits	8.9%
Citrus	37.7%
Apples	1.4%
Other Fresh	281.3%
Berries	24.7%
Stone Fruits	352.3%
Grapes	514.7%
Specialty Fruit	-9.0%
Cherries	-32.4%

Source: FreshFacts® on Retail, Whole and Fresh Cut Produce Trends: Q3 2010, United Fresh Foundation

Conclusions

- Firms at all levels of the fresh produce supply chain must take management practices to a higher level
- Better information technology is a necessary but not sufficient condition for meeting today's and future standards for efficiency and performance
- Companies must develop cultures of continuous improvement and innovation in order to fully exploit the potential benefits of information technology
- Understanding consumer segments as they relate to preferences for a product/retail format is vital
- The fresh produce value chain is becoming more vertically coordinated, enabling buyers and sellers to more closely align their incentives and rewards, and supply and demand

Supplemental information, including data from earlier time periods

Total US Grocery Sales,* Store Numbers, and Market Share by Channel, 2011, and Projected Share, 2016

	2011 Sales $Million	2011 No. of Stores	2011 % of Sales	2016 % of Sales
Traditional	$500,972	40,229	46.7	45.3
Nontraditional	$410,316	55,683	38.2	39.0
Total C-Stores**	$162,352	154,373	15.1	15.6
GRAND TOTAL	$1,073,639	250,285	100.0	100.0

*Grocery sales only (food and nonfood); excludes electronics, prescription drugs, toys, jewelry, sporting goods, gas, clothing, footwear, knickknacks, and hardlines. **Sales exclude gas.
Source: The Future of Food Retailing, Willard Bishop, June 2012

US Grocery Sales, Store Numbers and Market Share of Total Grocery Sales, by Store Format, 2011, and Projected Share, 2016
Traditional Grocery Channel

	2011 Sales $Million	2011 No. of Stores	2011 % of Sales	2016 % of Sales
Total Traditional	$500,972	40,229	46.7	45.3
Conven. Supermkt	$429,993	26,345	40.1	37.4
Fresh Format	$10,367	911	1.0	1.3
Ltd Assortment	$28,609	3,730	2.7	3.7
Super Warehouse	$19,876	542	1.9	1.8
Other (small groc.)	$12,126	8,701	1.1	1.2

Source: The Future of Food Retailing, Willard Bishop, June 2012

US Grocery Sales,* Store Numbers and Market Share of Total Grocery Sales, by Store Format, 2011, and Projected Share, 2016

Nontraditional Grocery Channel

	2011 Sales $Million	2011 No. of Stores	2011 % of Sales	2016 % of Sales
Total Nontrad'l	$410,316	55,683	38.2	39.0
Supercenter	$184,248	3,609	17.2	18.5
Wholesale Club	$91,101	1,331	8.5	9.0
Dollar Store	$24,032	24,512	2.2	2.3
Drug	$58,659	22,534	5.5	5.8
Mass	$47,222	3,518	4.4	2.8
Military	$5,054	179	0.5	0.5

*Grocery sales only (includes food and non-food); excludes electronics, prescription drugs, toys, jewelry, sporting goods, gas, clothing, footwear, knickknacks, and hardlines.
Source: The Future of Food Retailing, Willard Bishop, June 2012

Monterey County Leaf Lettuce Production, by Type, 2010

Crop	Acreage	Cartons, thousands	Value, thousands	Carton Share
Butter Leaf	1,489	1,816	16,744	2.3%
Endive	408	429	3,810	0.5%
Escarole	339	353	3,135	0.4%
Green Leaf	8,294	8,568	80,196	11.1%
Red Leaf	2,313	2,396	20,654	2.9%
Romaine	36,294	38,254	361,500	49.9%
Leaf, bulk	N/A	35,529	238,580	32.9%
Total	95,436	87,345	$724,619	100%

Source: Monterey County Crop Report 2010, Ag Commissioner.

Monterey County Head Lettuce Shipments 1990 vs 2010

Product Form	Million Cartons* 1990	Million Cartons* 2010	Percent Share 1990	Percent Share 2010
Bulk to Process	6.9	14.68	15%	33%
Wrapped	14.2	22.72	30%	52%
Naked	26.1	6.43	55%	15%
TOTAL	47.2	43.83	100%	100%

* 50 lb carton-equivalent units, may not sum to 100 due to rounding

Source: Monterey County Ag Commissioner, various annual reports

Top 10 Fruits: Q1 2011 vs Q1 2012 Sales in US Supermarkets

Product	Weekly $ Sales per Store	Percent Change vs. Q1 2011	Weekly Vol. per Store	Percent Change vs. Q1 2011	Avg Retail Price	Percent Change vs. Q1 2011
Berries	$3,682	18.0%	1,362	24.2%	$2.70	-5.0%
Apples	$2,923	3.7%	1,946	-0.5%	$1.50	4.2%
Citrus	$2,892	-2.5%	2,387	-3.9%	$1.21	1.5%
Bananas	$2,598	-1.0%	4,182	-1.8%	$0.62	0.9%
Grapes	$2,086	-2.2%	1,165	6.0%	$1.79	-7.7%
Avocados	$969	9.3%	945	27.3%	$1.03	-14.1%
Pears	$469	1.2%	321	7.2%	$1.46	-5.6%
Melons	$425	-14.7%	386	-22.7%	$1.10	10.3%
Specialty	$376	-1.1%	428	-4.6%	$0.88	3.6%
Stone Fruits	$327	-5.7%	149	-9.8%	$2.20	4.5%

Source: United Fresh Foundation, FreshFacts® Q1 2012.

Top 10 Vegetables in Q4 2011 vs. Q4 2010, Sales in US Supermarkets, excludes club stores and supercenters

Product	Weekly $ Sales per Store	Percent Change vs. Q4 2010	Weekly Vol. per Store	Percent Change vs. Q4 2010	Avg Retail Price	Percent Change vs. Q4 2010
Potatoes	$2,825	6.5%	4,291	-4.6%	$0.66	11.7%
Packaged Salad	$2,719	2.8%	1,038	1.1%	$2.62	1.6%
Tomatoes	$2,223	-1.5%	930	-2.0%	$2.39	0.5%
Cooking Vegetables	$1,814	3.1%	1,154	-0.2%	$1.57	3.3%
Onions	$1,553	-5.4%	1,585	-0.6%	$0.98	-4.9%
Lettuce	$1,270	2.1%	691	-3.4%	$1.84	5.7%
Peppers	$1,188	5.5%	567	2.8%	$2.10	2.7%
Carrots	$966	0.8%	581	-0.9%	$1.66	1.7%
Mushrooms	$860	4.4%	356	3.6%	$2.41	0.8%
Squash/Pumpkins	$793	4.9%	592	-2.2%	$1.34	7.3%

Source: United Fresh Foundation, FreshFacts® Q4 2011.

Top 10 Fruits in Q4 2010 vs. Q4 2011, Sales in US Supermarkets

Product	Weekly $ Sales per Store	Percent Change vs. Q4 2010	Weekly Vol. per Store	Percent Change vs. Q4 2010	Avg Retail Price	Percent Change vs. Q4 2010
Apples	$3,051	7.5%	2,087	.9%	$1.46	6.6%
Citrus	$2,387	2.3%	2,024	-0.8%	$1.18	3.2%
Bananas	$2,342	3.5%	3,796	-2.7%	$0.62	6.3%
Grapes	$2,287	0.2%	1,128	-4.1%	$2.03	4.4%
Berries	$2,243	11.2%	760	14.2%	$2.95	-2.6%
Avocados	$782	7.7%	700	6.9%	$1.12	0.7%
Pears	$502	-1.0%	371	0.9%	$1.35	-1.9%
Specialty Fruits	$436	-8.3%	380	-5.4%	$1.15	-2.5%
Melons	$288	-25.8%	287	-25.8%	$1.00	0.0%
Stone Fruits	$264	-1.1%	152	-5.5%	$1.74	4.7%

Source: FreshFacts® on Retail, Q4 2011, Perishables Group/United Fresh Foundation.

Top 10 Organic Fruits in Q4 2011 vs Q4 2010, Sales in US Supermarkets

Organic Product	Weekly $ Sales per Store	Percent Change vs. Q4 2009	Weekly Vol. per Store	Percent Change vs. Q4 2009	Avg Retail Price	Percent Change vs. Q4 2009
Apples	$217	24.8%	117	23.3%	$1.86	1.2%
Berries	$157	34.9%	40	29.3%	$3.96	4.3%
Bananas	$89	14.2%	109	15.3%	$0.82	-0.9%
Grapes	$75	11.1%	25	8.0%	$2.98	2.9%
Citrus	$45	12.0%	19	6.7%	$2.37	5.0%
Pears	$31	26.6%	18	25.5%	$1.69	0.9%
Avocados	$20	19.2%	12	11.3%	$1.70	7.1%
Specialty Fruits	$18	22.3%	10	20.0%	$1.72	1.9%
Prepared Fruits	$6	66.9%	2	59.0%	$3.50	5.1%
Stone Fruits	$5	96.3%	2	106.7%	$2.22	-5.0%

Source: United Fresh Foundation, FreshFacts® 2012.

Top 10 Organic Vegetables in Q4 2011 vs. Q4 2010, Sales in US Supermarkets

Product	Weekly $ Sales per Store	Percent Change vs. Q4 2009	Weekly Vol. per Store	Percent Change vs. Q4 2009	Avg Retail Price	Percent Change vs. Q4 2009
Packaged Salad	$466	13.1%	117	13.3%	$3.99	-0.1%
Carrots	$170	5.4%	88	0.6%	$1.93	4.7%
Lettuce	$145	7.7%	44	6.5%	$3.27	1.1%
Onions	$95	5.5%	59	4.9%	$1.61	0.6%
Tomatoes	$92	11.9%	23	14.5%	$4.04	-2.3%
Cooking Vegetables	$73	10.8%	29	12.3%	$2.52	-1.4%
Celery	$60	9.8%	25	10.7%	$2.44	-0.9%
Potatoes	$60	15.5%	50	15.7%	$1.20	-0.1%
Cooking Greens	$54	23.4%	16	23.2%	$3.33	0.1%
Prepared Vegetables	$33	15.5%	11	9.9%	$3.12	5.1%

Source: United Fresh Foundation, FreshFacts® 2012.

US Supermarket Fresh-cut Fruit Category Shares by Key Item in Dollars and Quantity 2011,* ($368.5 million total sales in sample of supermarkets, not national sales)

Item	Dollar Share %	Unit Share %
Mixed Fruit	36.7	23.3
Apples	19.9	30.8
Pineapple	15.4	17.7
Watermelon	12.9	13.0
Cantaloupe	4.9	5.9
Mixed Melons	4.4	3.7
Mangos	3.2	3.1
Berries	1.1	0.9
All Other	1.5	1.6

Source: Nielsen *52 weeks ending July 16, 2011

US Supermarket Value-added Fruit Category Sales and Pricing, Q4 2010 vs Q4 2011

	% Change vs. Q4 2010		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-added Fruit	3.0%	-1.2%	4.3%
Fresh Cut Fruit	3.8%	0.9%	2.9%
Overwrap	-2.9%	-8.8%	6.4%
Jars & Cups	-4.1%	2.7%	1.3%

Source: FreshFacts® on Retail, Q4 2011, Perishables Group and United Fresh Foundation.

US Supermarket Value-added Fruit Category Sales and Pricing, Q2 2011 vs Q2 2010

	% Change vs. Q2 2010		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-added Fruit	3.0%	5.0%	-1.9%
Fresh Cut Fruit	3.4%	0.7%	2.7%
Overwrap	4.8%	7.2%	-2.2%
Jars & Cups	-2.4%	9.4%	-10.8%

Source: FreshFacts® on Retail, Q2 2011, Perishables Group and United Fresh Foundation.

US Supermarket Value-added Vegetables Category Sales and Pricing, Q4 2010 vs Q4 2011

	% Change vs. Q4 2010		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-added Veg.	7.2%	7.0%	0.2%
Side Dish	9.5%	8.7%	0.7%
Trays	2.7%	2.3%	0.5%
Meal Prep	5.4%	2.6%	2.8%
Snacking	9.9%	11.0%	-1.0%

Source: FreshFacts® on Retail, Q4 2011, Perishables Group and United Fresh Foundation.

US Supermarket Value-added Vegetables Category Sales and Pricing, Q2 2011 vs Q2 2010

	% Change vs. Q2 2010		
	Weekly $ Sales / Store	Weekly Vol. per Store	Average Retail Price
Value-added Veg.	5.6%	7.0%	-1.3%
Side Dish	10.2%	10.8%	-0.5%
Trays	-2.1%	0.2%	-2.4%
Meal Prep	2.7%	0.8%	1.9%
Snacking	4.4%	6.4%	-1.9%

Source: FreshFacts® on Retail, Q2 2011, Perishables Group and United Fresh Foundation.