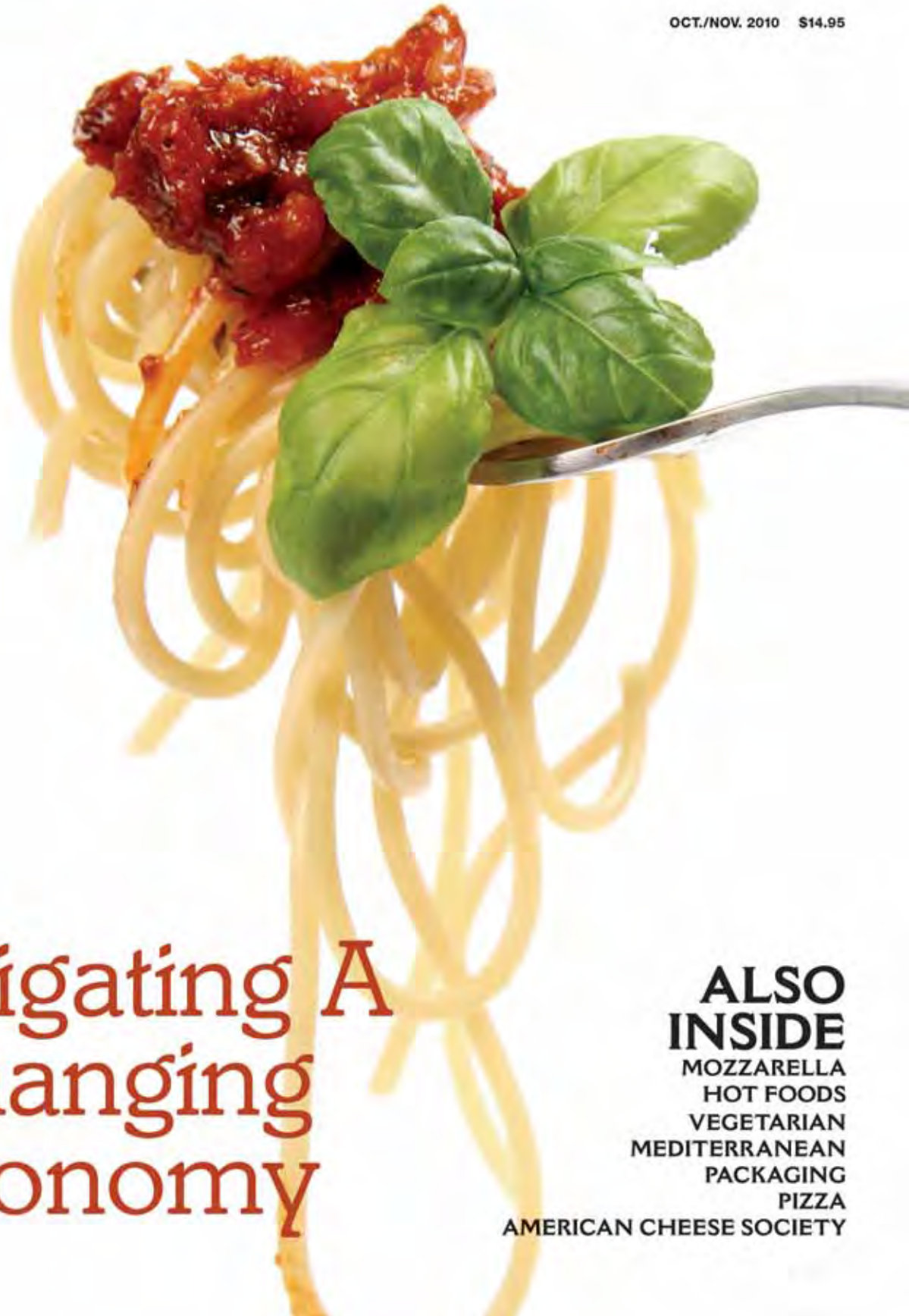


DELI BUSINESS

MARKETING MERCHANDISING MANAGEMENT PROCUREMENT

OCT./NOV. 2010 \$14.95



Navigating A Changing Economy

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Generations of great taste!

The next generation in communication

Beemster is proud to launch our generations of great taste campaign in the USA. As the last co-op to hand craft cheese in the Netherlands, we are so confident in the taste of our renowned old world taste that we are standing behind all of our cheese with a 100% taste guarantee to your customers. Our new image shows three generations of our cheesemakers which demonstrate to consumers how passionate we are about providing Original Dutch Cheese.

To increase your sales, Beemster will be providing new repack labels that open to tell about our 100% money back guarantee. Also in every case of cheese will be sales leaflets for consumers and the deli/cheese personnel. Additional point-of-sale material such as life-size displays of our cheesemakers, wine and cheese pairing guides and other fun free give-a-ways are available upon request.



Lifsize display



Sales leaflets



Repack labels



Money back guarantee – in every repack label

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DELI BUSINESS (ISSN 1088-7059) is published by Phoenix Media Network, Inc., P.O. Box 810425, Boca Raton, FL 33481-0425

POSTMASTER: Send address changes to DELI BUSINESS, P.O. Box 810217, Boca Raton, FL 33481-0217



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PREMIUM
PORK
PRODUCTS

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GRAB & GO DELI



FULLY COOKED
PORK
BACK RIBS

In BBQ Sauce



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PORK
SPARE RIBS

In BBQ Sauce

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PRESIDENT & EDITOR-IN-CHIEF
JAMES E. PREVOR
jprevor@phoenixmedianet.com

PUBLISHING DIRECTOR
KENNETH L. WHITACRE
kwhitacre@phoenixmedianet.com

PUBLISHER/EDITORIAL DIRECTOR
LEE SMITH
lsmith@phoenixmedianet.com

MANAGING EDITOR
JAN FIALKOW
jfialkow@phoenixmedianet.com

CIRCULATION MANAGER
KELLY ROSKIN
kroskin@phoenixmedianet.com

PRODUCTION DIRECTOR
DIANA LEVINE
dlevine@phoenixmedianet.com

ART DIRECTOR
JACKIE TUCKER
jtucker@phoenixmedianet.com

PRODUCTION DEPARTMENT
FREDDY PULIDO JOANNA ARMSTRONG

NATIONAL SALES MANAGER
RICK PURCARO
rpurcaro@phoenixmedianet.com

ADVERTISING
ADAM DALY
adaly@phoenixmedianet.com

ERIC NIEMAN
enieman@phoenixmedianet.com

AMY TREROTOLI
atrerotoli@phoenixmedianet.com

RESEARCH DIRECTOR
SHARON OLSON

CONTRIBUTING EDITORS
CAROL BAREUTHER GABRIELLE HARRADINE
BOB JOHNSON JULIE COOK RAMIREZ
ALAN RICHMAN LISA WHITE

SEND INSERTION ORDERS, PAYMENTS, PRESS RELEASES,
PHOTOS, LETTERS TO THE EDITOR, ETC., TO:
DELI BUSINESS
P.O. BOX 810217, BOCA RATON, FL 33481-0217
PHONE: 561-994-1118 FAX: 561-994-1610
E-MAIL: delibusiness@phoenixmedianet.com

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DELI BUSINESS IS PUBLISHED BY
PHOENIX MEDIA NETWORK, INC.
P.O. BOX 810425,
BOCA RATON, FL 33481-0425
PHONE: 561-994-1118 FAX: 561-994-1610
www.delibusiness.com
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PUBLICATION AGREEMENT NO. 40047928



PACKFORUM AMERICAS' FOODSERVICE FORUM PROVIDES OPPORTUNITY TO SHARE IDEAS



Food processors and foodservice operators gathered at Sealed Air's Packforum Americas facility Sept. 8-9 for the 2010 Foodservice Forum event with presentations by individuals with insider viewpoints about current and future foodservice trends and technologies.

Attendees experienced the application of microwaveable and ovenable ready meals in a foodservice environment first-hand. On the first day of the event, participants selected their single-serve lunch entrée from the facility's refrigerated case. The restaurant-quality selections were then individually prepared and plated in the kitchen and presented to the tables in a matter of minutes. Attendees enjoyed roasted turkey and beef ribs packaged and prepared in Oven Ease ovenable bags for lunch on the second day.

Packforum Americas opened in Atlanta in 2008. The facility is a permanent customer forum that brings the food processing, supermarket and foodservice industries together to experience the full global range of Cryovac food packaging systems, programs and services.

COMING NEXT ISSUE IN DEC./JAN. 2011

COVER STORY
Retail Trends

FEATURE STORIES
Takeout Options
Regional American

PREPARED FOODS
Sushi

DELI MEAT
Dry Cured
Branded

MERCHANDISING REVIEWS
Pâtés
Italian
Crackers

PROCUREMENT STRATEGIES
Poultry

CHEESES
French
Blues

SPECIAL SUPPLEMENT: 2011 Annual Specialty Cheese Guide

COMING IN FEB./MAR. 2011

DELI BUSINESS will take an in-depth look at the latest consumer research and what it means for the deli department in today's economy.

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*Bringing Pizzeria Quality
to the Supermarket Deli*



NEW!
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Size**



*Our authentic pizzas are available in 3 sizes: 16" Extra Large,
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Pizzas for Refrigerated Deli Merchandising Available in 3 Crowd Pleasing Sizes

Stefano's pizzas are unique. Our hand stretched Semolina Crust has an unmatched natural fermentation flavor and is moist enough to deliver pizzeria quality after home baking. All varieties feature abundant toppings for great taste and exceptional value. Each item starts with a special four cheese blend of Mozzarella (for texture), Provolone (for flavor) and aged Parmesan and Romano which adds old world flavor notes. Varieties include the three top selling items: Four Cheese, Pepperoni and House Special (our original combination of Italian sausage, grilled peppers, onion, olives and pepperoni).

Each authentic 16" and Family Sized 14" pizza is topped, boxed and ready for refrigerated display. Packaging was designed to encourage impulse sales. Each flavor is packed in a color keyed box, showcasing the pizza inside through a cutout window. And for an in-store made look, our 12" product is overwrapped and ready for retail with application of a scale label.

As the #2 Refrigerated Handheld (non-breakfast) brand in the US – let Stefano's brand name recognition build sales for you with pizza and our entire line of Heat and Eat Italian items – Calzones, Stromboli, Panini and our world famous Suprimo.

Impressive appearance, great taste and exceptional value....that's how Stefano's brings pizzeria quality to the Supermarket Deli.

DELI WATCH

Transitions



David Rachlin has been named president and CEO of the Grafton Village Cheese Company, Grafton, VT. Rachlin has a strong Vermont foods background and more than 25 years in marketing, sales and brand development in the food and beverage industry, most notably with Ben & Jerry's and Boursin cheese. As COO of Boursin through Unilever Foods, he revitalized the France-based business in North America and worldwide. As VP of Ben & Jerry's international brand and business development, he brought the ice cream and the company's social mission global.

www.graftonvillagecheese.com



John Muldowney has joined Alto-Shaam, Inc., Menomonee Falls, WI, as vice president of marketing. He will be responsible for Alto-Shaam's strategic positioning and will oversee market research and communications. Muldowney brings more than 25 years of business-to-business marketing and strategic planning expertise in foodservice-related markets. His background includes merger and acquisition support, new product and new market development work as well as business turnaround experience as general manager of a Fortune 500 division.

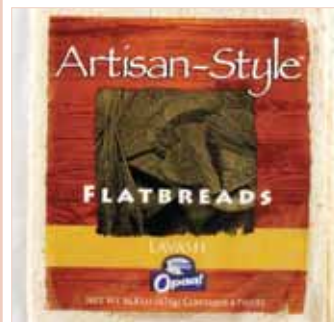
www.alto-shaam.com



Adam Mueller has joined Minerva Dairy Inc., Minerva, OH, as president, following his presidency at Grafton Village Cheese where he commissioned the second facility and developed a nationwide sales presence for the critically acclaimed non-profit aged Cheddar manufacturer. He will continue to strengthen the private-label sales of the lacey Swiss and Minerva's family of kosher cheeses. Phil Mueller, owner and 4th generation cheese-maker of the family business, is transitioning into the role of CEO.

www.minervadairy.com

New Products



GRECIAN DELIGHT INTRODUCES ARTISAN FLATBREADS

Grecian Delight, Elk Grove Village, IL presents a new line of authentic flavorful flatbreads inspired by the original artisans of the Mediterranean. The company's Mediterranean roots and baking experience has taken it from pita bread to creating four unique, versatile, high-quality products available for the retail channel: Lavash, Naan, Italian Herb Focaccia Flats and Multi-Grain Pita Squares.

www.greciandelight.com

Announcements



SWISS VALLEY FARMS BUYS FARIBAUT DAIRY

Swiss Valley Farms Cooperative, Davenport, IA, has acquired Faribault Dairy Co., Inc., Faribault, MN. The sale includes Faribault's manufacturing facility and branded cheeses, including Amablu and Amablu St. Pete's Select, cave-aged Blues with a strong retail presence. Faribault's resources offer Swiss Valley new opportunities to age and distribute cheeses, such as Faribault's sandstone aging caves. The second is the ability for online orders and shipment of cheese via cheesecave.net.

www.swissvalley.com



PRETZEL CRISPS GET A BRAND NEW BAG

Snack Factory, Princeton, NJ, has unveiled a new look for its Pretzel Crisp snacks. The full-line packaging refresh has brighter colors, an updated logo and new photography. Each new bag moves from 6- to 7.2-ounce bags while keeping the SRP at \$2.99. The new packaging will debut on Pretzel Crisps' Deli Style line-up. It will also be featured on all new product launches going forward, including the recently introduced Modern Classics and the upcoming Indulgent line.

www.pretzelcrisps.com



EMMI-ROTH KÄSE LAUNCHES FALL CHEESE & VEGGIE PAIRINGS

Emmi-Roth Käse USA, Monroe, WI, has introduced a new Seasonally Fresh pairing guide highlighting the bounty of the season alongside classic cheese varieties. Autumn is the perfect season for combining the calcium and protein of cheese with the vitamins and minerals of vegetables. The fall edition of Emmi-Roth Käse USA's Cheese and Veggie Seasonal Pairings program offers tasty, healthy, seasonal options for professional chefs, home cooks and everyone in-between.

www.rott-kase.com/recipes

New Products



KETTLE CUISINE ADDS THREE FOODSERVICE VARIETIES

Kettle Cuisine, Chelsea, MA, is introducing three on-trend varieties. Spiced Pumpkin Bisque: a purée of pumpkin, brown sugar, light cream and savory seasonings. Spicy Asian Beef Soup: naturally raised Angus beef combined with carrots, red peppers and brown rice in a handcrafted stock infused with lemongrass, anise, annatto and red chiles. Tomato & Feta Soup: Mediterranean-inspired fusion of vine-ripened organic tomatoes and rich feta cheese.

www.kettlecuisine.com/foodservice

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by Jim Prevor, Editor-in-Chief

Put Locavore Enthusiasm Into Delis

The local phenomenon is not just a produce industry issue. To some extent, we can see this at farmer's markets all over the country, where we find not only fresh produce but also locally made artisan and farmstead cheeses, locally raised and butchered poultry and meat as well as jams, jellies and jarred foods of various types.

For the most part, supermarket delis have done a pitiful job of acting to seize consumer interest created by the buzz over local. In fact, many loathe doing so since handling lots of local product complicates procurement, merchandising and marketing and can pose food safety challenges.

Yet we don't get to choose what intrigues our customers, and a failure to understand what is behind the locavore enthusiasm is a form of marketing negligence.

This approach — viewing local through the prism of a marketing challenge — is a bit different than assessing the substantive claims for local that advocates often make. The claims purporting local as more flavorful, more sustainable, better for the local economy, etc., are all interesting issues. Whether true or false, a certain zeitgeist that leads people to think and react in certain ways exists. These reactions — not the substantive facts — are what interest us most as marketers. In understanding these reactions, we can often find paths to the more successful conduct of business.

The best way to think about the search for local is as a reaction to the success we have had in the food industry in bringing the most distant products to the most humble corners of our nation. One doesn't have to be in a particularly upscale supermarket to find wine from France and Chile, cheese from Italy and the Netherlands and an assortment from every state and nation rounding out the list. Even domestically produced foods are often in the style of cuisines from around the world.

It is sometimes hard to remember that within the lifetime of working members of the industry, many foods were "exotic" and not available in whole swathes of the country. Even in big cities, they might have been available in a few upscale carriage-trade shops but were more oddities than food to the bulk of the population.

There was no sliced nova, no pastrami, and no Feta cheese in most grocery stores in 1950 or even 1970. It is really only in the past quarter-century that we saw a great boom in grocery store delis and the explosion in specialty, ethnic and fresh foods.

The impact of this was substantial, and one unanticipated impact is what was once unimaginably exciting

and exotic has become something of a bore. In every city, in every market, seemingly everything in the world is almost always available.

The impact of continuous access to everything affects deli no less, for it is hard to get excited about what one can always have. Food, like clothing, plays a role in one's sense of self-identification and efforts to impress others. Not all that long ago, attending a dinner party where one dined on an assortment of specialty cheese, perhaps purchased from one of a handful of specialty stores in cities like New York, was highly impressive. How impressive is it when a trip to the local grocery store yields all that variety?

So local is now the new exotic. Perhaps the item is an heirloom variety produced in low volume or maybe its provenance from a specific farmer or butcher makes it unique... perhaps one has to order a subscription months in advance or go to the farm or farmers market. Whatever the case, it is more interesting and requires more effort. It both satisfies the longing for something different and imparts prestige through knowing of the product and the effort to get it.

Evidence shows consumers who use words such as local can mean many different things. Sometimes it is an expression of nationalism; sometimes it speaks to the desire to see food produced "correctly," by which they mean authentically — by people who know the proper way to do so.

So one answer for delis is to make sure products tell their story. It may be via labeling, packaging, pamphlets, websites or social media, but it means something to consumers to know the great-great grandfather came from the old country and passed down the method of curing the meat from generation to generation.

The yearning for local also tells us consumers value things that are different and exciting. If you can't offer that with the core assortment, do it with recipes and specials, do it by cycling products in and out, do it with tastings.

Think of how a consumer must have felt 100 years ago when he or she first was shown a mango. Now ask if your customers ever get that experience — of the unimaginably exotic — at your deli counter. If not, the locavore movement is telling us of an opportunity.

DB



James E. Prevor

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by Lee Smith, Publisher

How Far Should Accountability Go?

The man in today's news is Austin "Jack" DeCoster, an egg profiteer and the industry's current poster boy for evil food, replacing the not-soon-to-be forgotten Stewart Parnell of the now defunct Peanut Corporation of America. The descriptions of DeCoster's egg operations are staggering in terms of the pure horror they depict. It is these horrific conditions that lead to over 500 million eggs being recalled and over 1500 illnesses — some reports now say over 2,000 — nationwide.

What's more, his operations have a 30-year history of egregious violations for health, labor and sanitation problems. In a recent FDA inspection of its facilities in Iowa, dead birds, manure piles up to eight feet high blocking doors and live mice were found inside hen-houses — all done in the name of providing the least expensive product on the market. In fact, after lots of digging into the ownership of multiple companies, it turns out this skid mark on the underwear of corporate farming also is largest egg producer in the country.

But DeCoster is more than the sum of his ugly parts; he also personifies the fear of every customer — the fear that the food on our shelves is inherently unsafe and no one cares.

The average consumer is getting wary about retailers' claims that they "care." While the average person is not going to abandon supermarkets and most may not connect DeCoster with the eggs they purchase, the incident is another leg up the ladder to justify consumers' fears of big business and corporate farming, and there actually is an exodus of sorts going on in communities around the country. Farmers markets, community gardens, natural food co-ops, backyard farming and buying local are all evidence of growing dissatisfaction.

It is coming down to a growing belief system built on distrust. Buying local is about knowing your food source, and organic is about the humane treatment of animals, stewardship of the land, and a guarantee of wholesome ingredients. It's also about consumers taking personal responsibility for providing healthy foods for their families.

We all know that organic is not a food-safety guarantee. Neither is homegrown, local, natural nor home-made. Viewing cows in a field or buying jams from the cute store on the quaint road in a rural township is not a guarantee of wholesomeness. It's not even a guarantee of good taste. In all likelihood, more people have gotten sick from homegrown produce — carrots pulled out of their own gardens or spinach the dog peed on —

then all the recalls put together. More than one church picnic has poisoned the congregation, and the sickest I've ever been was from eating my own homemade egg pasta. I nearly killed myself.

However, asserting that food is safe and then having people — lots of people — get sick and maybe die from eating foods supplied by creepy companies with creepier owners who are repeat offenders is a sure-fire formula for bringing disaster to the retailers who bought and sold product to an unsuspecting audience.

Retailers need to be very aware and very afraid of consumer reaction because retailers are the ultimate scapegoat. Not only are retailers ultimately responsible for what they sell, but most retailers have also inserted themselves into the business of supplier certification. Today, every small manufacturer must be ready and willing to endure 100 different retailers with 100 different protocols. By insisting small suppliers submit to in-house inspections, retailers are, in essence, certifying these suppliers. Yet for all the scrutiny, large suppliers are often ignored.

Retailers are the most powerful decision-makers in the food industry. The simple act of not buying is the most powerful incentive in the world to keep suppliers on the straight and narrow. True, replacing exiled suppliers is often difficult and may result in higher prices, at least in the short term, but the end result is a more powerful business-changing order than any fine or penalty any agency of the government can enact.

Buyers need to be aware of and refuse to buy products from the dregs of the manufacturing community. Retailers need to take responsibility for their buying decisions because sooner or later the courts will make them. They cannot pick and choose when to make sure standards are enforced and when it is OK to overlook problems. Sure, honest mistakes will happen. New technology will uncover new problems that will need to be addressed but there needs to be an absolute system of rewards for those growers, processors, manufacturers and distributors that have uncompromised ethics and transparent accountability.

There also needs to be harsh penalties for those companies and individuals that continue to profiteer and promote products that cause great harm, all in the quest for lower prices and higher profits.

DB



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Navigating A Changing Economy

Retailers need to make sure they don't sacrifice long-term stability for short-term equilibrium

BY JIM PREVOR

Navigating a changing economic environment is never easy. After years in which increasing prosperity fueled the dominant retail trend of moving upscale, we've spent the past two years dealing with a substantial downturn.

Yet even in the depth of a recession, the right path for a retailer is not necessarily clear. It may be easy to see that consumers trade down under particular circumstances, but how best to deal with that is a separate issue.

After all, if you operate a basic operation and customers from upscale operations come to shop when bad times hit, they may be unhappy with the offering, tolerating it while they must and leaving at the first sign of a rebound.

Alternatively, if you have an upscale operation, adding a "bargain alley" may or may not help you keep customers or help you attract customers who are trading down from restaurants. Almost surely, though, it will confuse the market and make it harder to hold that upscale mantle when the economy does rebound.

Basically, two paths confront business operations looking at substantial economic changes — one is to stay true to your concept and accept that fluctuations are normal in business. So Wal-Mart and Aldi benefit from downturns, and Balducci's and Whole Foods do well when people prosper.

The problem is that few companies are willing to placidly accept wild declines in earnings, serene in the confidence that the world will swing back in their favor. Sometimes they have Wall Street screaming bloody murder; sometimes they have a family dependent on a flow of

dividends; sometimes it is the basic fact that the business needs to cover loan payments, rent and payroll and doesn't have the capital to do so without earnings rolling in.

So most companies take a second path and try to adapt their businesses to succeed in whatever the current economic environment may be. Some, particularly undercapitalized businesses, focus solely on surviving — living to fight another day. Others, particularly better capitalized organizations, try to adjust at the margins while maintaining fidelity to their core positioning.

The impact of all these decisions is felt for a very long time. If Wal-Mart simply accepts a flood of customers during a recession and makes no changes to its offerings, it will probably lose a lot of those same customers as things improve. If Marks & Spencer makes dramatic attempts to appeal to people looking for bargains, it will probably find some new chain has seized the upscale mantle when things turn around.

Post-Recession Outlook

Reflecting on matters of the economy is of no small importance for retailers in the present environment. The National Bureau of Economic Research recently announced the recession actually ended in June 2009. However, fear of a double-dip recession still exists and, in any case, the recovery has been tepid. Big issues continue to loom.

The stock market has been strong recently, part of an anticipatory effect that often occurs before an election. The polls indicate the Republicans will take over the House of Representatives, win a majority of the nation's governorships and, at least, make strong gains in the Senate. One doesn't have to be a Republican or even believe they have a better economic policy to recognize they have promised lower taxes.

The stock market is very sensitive to this because the value of an asset is closely correlated to its after-tax return. So if a person who buys a share of stock believes it would double in price and the government would take 99 percent of the profit in taxes, that person would value that share significantly less than an alternative investment that offered the same return but would not be taxed at all.

Although the prices of assets such as stocks and real estate may not have any direct impact on disposable income, increased asset prices translate via a kind of "wealth effect" into an increased willingness of consumers to spend. It is completely logical. A consumer with credit card debt and low cash balances may be cautious in spending. With a quarter million-dollar home equity line of credit, however, the same con-



sumer will feel richer and less in danger, and thus more predisposed to spend.

A notable upswing in sales of luxury cars and at upscale retailers has occurred recently. It appears many of the rich held off buying luxury goods until the economic situation clarified. Even though the recovery has not been robust, these are affluent people who could always buy a new car. They held off either because they thought it unseemly or because they feared for the future. Now, at least, it appears the world as we know it is not ending, and time has passed since such calamitous events as the collapse of Lehman Bros. So the rich are buying again.

The middle class is strained, mainly because its members had a much higher percentage of their assets in residential real estate — their own homes. Many find themselves under water — meaning their homes would sell for less than the value of their mortgages. In and of itself, this has no impact on disposable income. If consumers have been able to maintain the same job and the same pay, they often still have the same mortgage payment, and so their ability may not be impacted.

Their willingness to spend, however, is likely to have been severely impacted — especially if a decline in home value coincides with a decline in retirement account value. Many prudent consumers will switch priorities from spending to saving; they will want to rebuild their asset base so they can pay for college for the kids or their own retirement.

This is one big reason why the economy cannot take off. If consumption is restrained by the middle class consumer's desire to rebuild savings, other forms of consumption really have to zoom to counteract the restraining effect of such a large block of people being more frugal.

Of course, we also have the large number of unemployed people, both those officially counted as unemployed and those so-called "discouraged" folks who would like to work but have given up seeking employment. Obviously, unemployed people are not the most free-spending of customers. Fortunately, many unemployed people have employed spouses or significant others. For them, the family income is down but not gone.

Also unemployment causes families to economize by, for example, cooking meals at home rather than eating out. So, depending on the business sector, unemployed people can be good customers. Also, of course, lower incomes qualify people for more public assistance programs such as the Supplemental Nutrition Assistance Program — SNAP — the new name for food stamps.

Offering More Value

Throughout the recession, retail executives have been asking themselves a question: "How do we boost earnings while providing better value for our customers?" The tool of choice has been private label. In many ways, it seems like a win-win. The theory is appealing: The retailer picks up additional

margin because it buys the product for significantly less than it would pay for national brands; it then gives back some of the margin, thus reducing prices for the consumer, while retaining enough to boost its profit.

In the short term, at least, it can succeed on both ends — consumer and retail — but often it is less successful in the perishable departments than in grocery. The problem is that many perishable items are commodity-based and so don't offer those thick margins branded grocery items often need in order to advertise and promote.

In contrast, a side of beef, a commodity cheese or iceberg lettuce typically offers slim margins. So although a private-label upscale mustard might produce a margin boost, private-label American cheese probably won't offer much in the way of enhanced margins — nor a great bargain to consumers.

It is also difficult for a retailer to fully evaluate the success or failure of a private-label program. Wal-Mart, for example, has been boosting its private label substantially in many categories. This has been a win, in the sense that private-label sales are up and a margin in these key categories has increased. However, as Wal-Mart has increased private label, it has decreased the assortment of national and



regional brands it offers in these categories. Although margin is up, Wal-Mart's market share in these categories has dropped. Shareholders may applaud a margin increase, but long-term success of the business depends more on market share growth.

The future prosperity of the industry can actually depend on how issues such as pri-

vate label are handled. If the thirst to boost sales and profits while providing value to consumers leads to high levels of private label adoption, the short-term problems may be ameliorated. Long term, though, the situation could be quite counterproductive.

National brands generally charge more than retailers pay for private-label products because money for new-product development and marketing is incorporated into the price. It is easy enough for a retailer to cut out new-product development and marketing expense and sell for less. The question this leaves open, of course, is who will develop the new products in the category and who will market and thus build demand for the category?

In issues such as this, one finds the cost of making it through a recession may be felt years in the future since the inclination is often to cut the expenses that have no immediate impact. But a failure to spend money on product development and marketing will surely have an impact down the road.

Impact Of Taxes

The business environment may be due for a dramatic change very quickly — Jan. 1, 2011, to be exact. The tax cuts President George W. Bush proposed and Congress passed expire at the end of this year. No consensus for extending them has emerged, with the Republicans calling for a complete extension and President Barack Obama looking to limit any extension only to those who earn under \$200,000 for an individual or \$250,000 for a family. So far, it is a stalemate. If we assume the tax cuts will expire, we can expect a powerful impact on consumer choices.

The changes are many, but some of the largest impacts would be on investment

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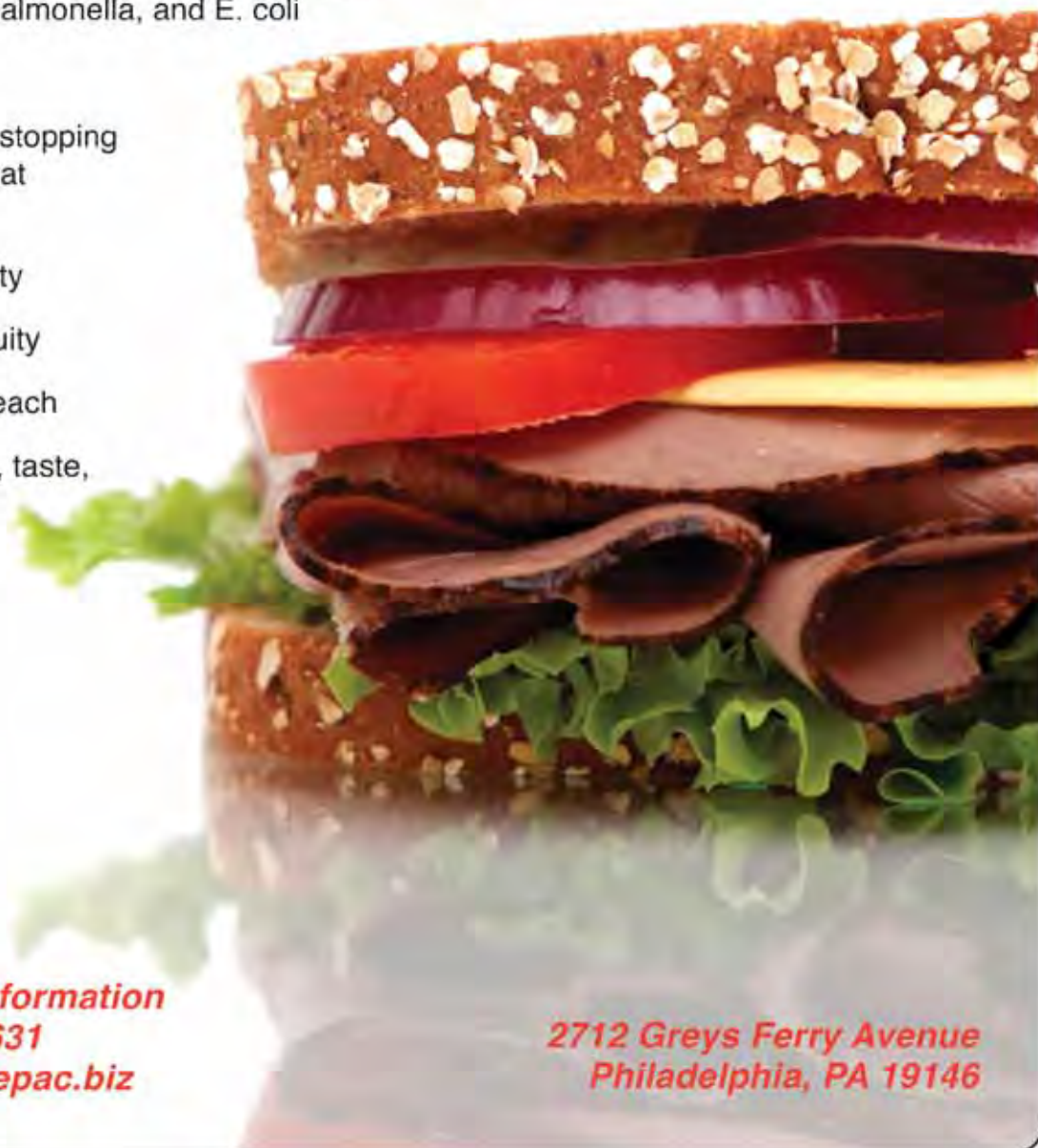
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income. Dividends, for example, would go from a tax rate of 15 percent to 39.6 percent — a 164 percent increase. In 2013, when the Health Care Bill kicks in, an additional 3.8 percent tax will go into effect, meaning it will almost triple in 24 months.

This is all money that was already taxed at the 35 percent corporate rate, and extra city and state taxes are often due on both the corporate and personal level.

Obviously, higher taxes have an impact on

aggregate demand. If consumers don't have the money because it was taxed away, they have to reduce purchases. It is also true that if consumers feel poorer, they may not spend money they do have. But higher taxes have a particular impact on service industries and if the Bush tax cuts do expire, we can expect a shift from restaurants to retail and a general search for value at all shopping venues.

The higher the marginal tax rate, the less appealing it is for consumers to outsource

work. This applies to all services. So if there is no tax, a \$15 dinner costs exactly \$15. But if the tax is 50 percent, then one needs to earn \$30 to be able to buy a \$15 dinner.

As taxes rise, people outsource less and do more themselves. High tax rates are one reason why Europe does not have the diverse restaurant culture the United States does. They have many fine restaurants — mostly supported by tourists or tax-deductible business dining. They also have many cheap restaurants, including American fast food — because sometimes people need to grab a bite. But the great middle — the dinner houses and diners — are a tiny category compared to the United States. People will point to culture to explain this discrepancy, but culture often adapts to the tax code.

Higher taxes will lead people to look to do for themselves: Those who eat in full-service restaurants may move down to quick-serve. Those who eat often at quick-serve restaurants may look for prepared foods in the supermarket. Those who bought lots of prepared foods may look to start cooking more.

Everyone will have less money so the search for value will be intense.

Competitive Environment

Large chains also need to be on the lookout for another side effect of recession — the rise of new competitors and a more vibrant entrepreneurial sector.

Recessions often cause a reshuffling of the deck. Chains may close losing or marginal stores. Laid-off employees may start small wholesaling and distribution companies. All of a sudden, all this capacity results in new Asian, Hispanic or other ethnic retailers filling vacant space and drawing on a newly burgeoning supply chain.

Retailers such as these have many advantages, including a laser-like focus on their specific customer and an ability to move on a dime and remerchandise to take advantage of a bargain purchase. These entrepreneurs also slide under the regulatory radar, sometimes selling foodservice packages that don't have legally required retail markings or handling shoplifters in a way big chains would find problematic.

Joseph Schumpeter, the great economist, called the process by which capital and labor get resorted in capitalism “creative destruction.” He believed the prosperity of the whole was served by this reshuffling of resources.

On the whole, he was probably right. For individuals and individual businesses large or small, the great challenge in navigating such difficult economic times is to make sure they are on the “creative” side and to leave the “destructive” side to others.

Forewarned is forearmed.

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Mozzarella finds Fresh Markets

Domestic fresh Mozzarella is a glorious product that rivals the imports

BY BOB JOHNSON

American consumers have embraced the special pleasure that is fresh Mozzarella. The key to its popularity is freshness, which is good news for domestic producers; shipping fresh Mozzarella from Italy is prohibitively expensive.

"I think domestic fresh Mozzarella is very good, depending on what producer you buy from. The domestic is very good, and the imported is very expensive. It has to be flown in. You have to add four or five days to get it over here, plus at least \$2 a pound. It's not worth it," says Margaret Cicogna, consultant on Italian cheeses to Atalanta Corporation, Elizabeth, NJ.

The simplest dish featuring fresh Mozzarella is caprese, a salad made by alternating slices of the cheese, ripe tomatoes and fresh basil, all sprinkled with olive oil and a little salt and pepper. But fresh Mozzarella use has gone way beyond this simple salad, says Francis Wall, vice president marketing, BelGioioso Cheese Company, Denmark, WI. Its versatility, clean flavor and melting ability make it a consumer favorite, he explains.

Domestic and Italian fresh Mozzarella share a consistency and moistness that set it apart from other cheeses. "It has to be juicy, it has to be like fresh milk, it has to be moist. You need to have fresh deliveries all the time.

It has to be kept at the right temperature and it has to remain moist. It has to cry when you cut it. If you go to Italy, you can see that the fresh Mozzarella was made that day," Cicogna adds.

Domestic cheesemakers from virtually every part of the country have earned loyal consumers as they've risen to the challenge of producing their own version of this Italian staple. "Fresh Mozzarella caught on in the late 1980s. I started in 1982 and no one had heard of it. It was only sold in Little Italy in New York. Then my company started, and two others in California," says Paula Lambert, who has been making award-winning



cheeses ever since she founded the Mozzarella Company in Dallas, TX in 1982. She travels this country and France teaching cooking classes and is the author of two books, most recently *Cheese, Glorious Cheese*.

Domestic Mozzarella has achieved very high standards but it is not exactly the same as authentic Italian fresh Mozzarella, which is largely made from the milk of water buffalo. "The water buffalo milk is heavier in proteins and fats, and it's gamier and saltier," says Jim Gregori, national sales manager for Cantare Foods Inc., San Diego, CA.

Atalanta's Cicogna believes it's best to avoid domestic product from water buffalo milk, because our water buffalo are better suited to produce meat than milk. "I come from the south of Italy and fresh Mozzarella is very important. In Italy you eat it the same day it is made. But to bring it in frozen, forget it. It's terrible," she adds. "I would never suggest buying fresh Mozzarella from domestic water buffalo milk."

There are only two relatively small water buffalo herds in the US, according to Gregori, one in Vermont and the other in California. And the water buffalo in this country are more suited for meat than making milk. Less than one percent of domestic fresh Mozzarella is made from water buffalo milk.

"We make a strong product, but it's not the same. Domestic and imported Mozzarella are two completely different products. What's made domestically is for the most part out-

standing. If I asked 100 Americans to tell the difference, only one would and they'd be guessing. Once you dress fresh Mozzarella up, it's hard to tell the difference. When you put olive oil and balsamic vinegar on anything, it overpowers the flavor," Gregori notes.

Mainstream Mozzarella

Fresh Mozzarella has gone mainstream and can be found in virtually every part of the country. "Ten years ago you couldn't find fresh Mozzarella; today you can. We've had a good run the last seven years when the category grew more than 20 percent a year. It's still growing, just not that fast," Gregori adds.

According to Wall, BelGioioso is the only company to offer sliced fresh Mozzarella in 8-ounce and 1-pound thermoform packaging. The packaging extends the shelf life from the typical 37 days for water pack to 60 days. BelGioioso also offers fresh Mozzarella pearls in thermoform packaging. In addition to being an indispensable salad ingredient, he notes, the pearls make perfect snacks for children — and adults.

BelGioioso's Unwrap & Roll is a sheet of fresh Mozzarella that has a variety of uses, Wall explains. Aside from filling, rolling and slicing it, consumers can also use the sheets when making lasagna or they can cut out shapes with cookie cutters for great kids' snacks. Unwrap & Roll is available plain or with prosciutto and basil.

Fiscalini Cheese Company, Modesto,

CA, expects to introduce a fresh Mozzarella in the spring of 2011, after modifying its packaging machine to suit the product. "We'll go to only five or six western states. It's a fresh product," says John Fiscalini, owner.

"We make everything by hand, and we'll have one of the few farmstead fresh Mozzarellas in the country. We're also animal-welfare certified," Fiscalini says. The company goes through Validus Services of Urbandale, IA, which does third-party audits and certification of the animal welfare practices of dairy farms. It costs more to make cheese in this painstaking way, but Fiscalini believes there is a market. "We think there is a consumer out there looking for a high-end fresh Mozzarella," he adds.

Part of the growth in demand for fresh Mozzarella is its versatility. "Fresh Mozzarella has become more user-friendly," reports Gregori. "People are looking at other ways to use it than just as a salad. I don't use LMPS [low moisture part skim] a lot. I use fresh Mozzarella, which is whole milk and high moisture." LMPS is what Gregori calls "pizza cheese" — the most familiar form of Mozzarella in this country.

Domestic and Italian fresh Mozzarella may be different, but they share the distinction of having less fat and being generally healthier than many other cheeses.

Burrata Fever — Catch It

Fresh Mozzarella has become enough of





a staple that there are important products within the category, the latest being Burrata, the ball of Mozzarella filled with cream and shards of Mozzarella.

"There is a new fascination with Burrata. It seems to be the darling of the Mozzarella world. It's been coming on for about five years," Lambert says. The Mozzarella Company makes Burrata con Crema, which is a small ball of fresh Mozzarella filled with crème fraîche. The company also makes Burrino — Italian for butter — which is Mozzarella filled with a soft creamy lump of butter.

BelGioioso makes its Burrata with U.S. heavy cream. "We take a 1-pound log of Mozzarella and shred it the way you'd shred pulled pork," describes Wall. "Then we soak the shreds in heavy cream. Then that mixture goes inside a ball of Mozzarella." The Burrata is available in 8-ounce and 4-ounce balls packed in water. He says the 4-ounce balls, which are packaged two in a pack, provide portion control.

Domestic producers have quickly taken on the challenge of satisfying the growing demand for Burrata. "At first Burrata was imported. Then someone started making it in L.A. Now it's a category at the American Cheese Society," Lambert says.

One of the newer arrivals is Di Stefano, located in Baldwin Park, CA. Stefano Bruno, president, says that while the company is only 2½ years old, its heritage goes back much longer. "My father's been making Burrata and Mozzarella since he was 12 years old and he is my mentor and teacher."

Bruno has obviously learned his lessons well, since Di Stefano Burrata took first place in the category at the 2010 American Cheese Society Competition and Judging in Seattle, WA. "This was a very exciting win, mind-blowing in fact."

Di Stefano Burrata has a very traditional look. In Italy, it was traditional to wrap the Burrata in leaves; when the leaves turned brown, the cheese was bad. Today, we give the cheese the same look, but the leaves are plastic and the shelf life is much longer.

According to Bruno, the company is soon to release a new product it calls Cup in a Cup. One cup contains an 8-ounce Burrata and the other cup holds 8-ounces of marinated roasted peppers. "This way the Burrata stays fresh and creamy and the roasted peppers are at their prime. The combination is delicious and absolutely fresh."

Burrata has a relatively short shelf life and must be handled with proper care. "You have a week to 10 days if you keep it refrigerated. If it comes in a governing liquid, keep it covered in that," Lambert says. **DB**

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What's Happening, Hot Stuff?

Sold hot or cold, prepared foods are bringing more consumers to the deli

BY JULIE COOK RAMIREZ

PHOTO COURTESY OF TYSON FOODS INC.

Historically, deli operators have skirted the line between home cooking and restaurant fare, particularly when it comes to the hot case. On one hand, deli offerings give consumers the opportunity to complement their own favorite dishes with sides, main courses or items that can be incorporated into favorite recipes, such as rotisserie chicken which can be used as an ingredient in soups, chicken salads and other dishes.

On the other hand, deli food can just as easily replace carryout meals for harried consumers seeking quick and easy ways to put dinner — or lunch — on the table. Increasingly, this is the angle deli operators are taking as they look to compete with the foodservice segment.

"We see a blurring of the channels as retailers are looking for ways to capture more of the food dollar that's typically been spent away from home," says Joe DePippo, president, Hain Pure Protein Corp., Fredericksburg, PA. "Consumers are time-stressed, and they're looking for fully prepared meals that taste great and offer diversity in terms of menu options."

While comfort foods remain popular deli choices, many retailers have recognized the need to raise the bar, with regard to both variety and quality. The popularity of the Food Network and the Cooking Channel has prompted even the most mainstream consumers to branch out and experiment with new cuisines, new flavors and new spins on old favorites.

Experimentation is "being taken a lot more seriously and respected," notes Robert Simmelink, executive chef, business development manager, Alto-Shaam, Inc., Menomonee Falls, WI. "Whether consumers are using an ethnic ingredient or going to a full-on traditional ethnic or regional dish, you're seeing a lot more creativity in the food menu offerings coming out of those retail environments."

By and large, the trend is toward serving prepared foods hot and ready to eat, according to John McCarthy, category manager, side

dishes and entrées for Beaverton, OR-based Reser's Fine Foods. He cites today's overbooked consumers who find themselves driving home from work, picking up the kids from soccer practice or emerging from a quick workout at the gym with literally no idea what they are going to be putting on the table.

"Eighty percent of people don't know what they're going to have for dinner that night, so consumers oftentimes go into the deli not knowing exactly what they're going to get and they make their decision based on what looks appetizing," he says. "These types of products have better appetite appeal when served hot."

The sensory experience of the hot case is noteworthy. Who hasn't walked into a grocery store only to emerge with a warm, cozy container of chicken simply because the aroma was overwhelming? Pittsburg, TX-based Pilgrim's Pride Corp. is so convinced aroma plays a significant role in consumers' purchase decisions that it's experimenting with "scent marketing" to blast the smell of freshly roasted chicken throughout the store.

"We think it presents an enormous opportunity for deli folks, whether it be scent guns or easels with motors and little fans that emit the aroma," reports Andy Seymour, Pilgrim's senior vice president of prepared foods marketing. "It's like when you come into the bakery and you smell that freshly baked bread. It's pretty hard not to buy it."

Hot-case prepared food offerings give consumers a lower-cost alternative to restaurant fare, a highly desirable option in this economy with consumers looking for ways to stretch their pocketbook. While they recognize the need to save money, consumers are certainly not willing to forgo carryout altogether. That's where the deli comes in.

"People may not go out and spend \$25 for dinner in a restaurant, but they still want that same convenient, quality meal, and the deli offers them one way to have it," says Mary Shepard, national sales manager, Fortun Foods Inc., Kirkland, WA. "It's an affordable luxury."



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Sold On The Cold

Not surprisingly, there are always going to be those that disagree — chief among them, Eric LeBlanc, director of sales development for Springdale, AR-based Tyson Foods Inc. He cites figures from Port Washington, NY-based market research firm NPD Group Inc., stating that purchase incidence in cold grab-and-go is the highest of the four major merchandising areas in deli — hot grab-and-go, hot service, cold grab-and-go, and cold service. What's more, he points out, purchase incidence for cold grab-and-go is 15 percent higher than both hot merchandising areas combined.

"Lots of people shop the cold grab-and-go case, and retailers can't afford to ignore that," stresses LeBlanc. "In fact, shopper impulsivity is much higher in the refrigerated grab-and-go area than in other deli merchandising locations, so the opportunity to gain truly incremental purchases by leveraging that merchandising location is significant."

InnovAsian Cuisine Enterprises LLC, Tukwila, WA, understands both of those opportunities, according to Mark Phelps, president/COO. Its product line can be merchandised either hot out of the hot case or cold as a grab-and-go option or in bulk as a meal solution. Hot-case sales tend to skew toward lunch or snack items that will be consumed right away, he adds. However, shrink can be high if not managed properly.

The cold case, on the other hand, is "more forgiving," says Phelps, so InnovAsian helps retailers promote bulk out of the cold case where product is sold "by the pound or by the each." Boasting a shelf life of typically two to five days, cold-case offerings present opportunities for consumers to buy the desired product at their convenience and then eat it much later in the day or perhaps a few days later.

According to Hain's DePippo, retailers are increasingly looking for fully prepared cold-case chicken options that consumers can take home and eat as-is or heat and eat. "We're seeing a lot of demand for seasoned frenched breasts that retailers put out fully cooked and the consumer takes home and heats up and has a beautiful chicken meal," he adds. "They take that home with all the side components from the cold case and it looks as if they prepared everything from scratch." A frenched breast — also called an airline breast — is breast meat cut away from the breast bone but with the first joint of the wing attached.

While Publix's deli departments feature traditional hot case offerings, such as rotisserie chicken, fried chicken, mashed potatoes, mac and cheese, rice and beans, and vegetables of the day, Maria Brous, director of

On The Fried Side

When it comes to fried chicken, significantly more product is sold hot than cold, according to Andy Seymour, senior vice president of prepared foods marketing, Pilgrim's Pride Corp., Pittsburg, TX. When taken home and heated up, it's just not as good, he says. And it's not just deli chicken that fares better when fresh and hot. As he explains, "When you get KFC and you take it home and heat it up a day later, it's okay, but it's not as good as when it was fresh."

While it's true that 60 percent of fried chicken purchases are made from the hot service counter, 12.6 percent is sold from the refrigerated self-serve case, according to Eric LeBlanc, director of sales development for Tyson Foods Inc., Springdale, AR. That's reason enough not to ignore this market, he reasons. "The cold grab-and-go section is a highly shopped location," he adds. "Merchandising fried chicken there captures a different eating occasion, resulting in more impulse sales."

Rotisserie chicken still accounts for 42 percent of all chicken sold in the deli, but fried chicken is hot on its tail. Dollar sales

of rotisserie rose just 2 percent last year, while fried chicken sales shot up 11 percent, reports Seymour. The reason is simple: economics. "Fried chicken has done extremely well in the deli due to the fact that it offers extreme value," he explains. "You can get an 8-piece [selection] for \$5.99 compared to \$8.99 at a fast-food restaurant."

According to LeBlanc, the fried chicken category is heavily shopped by "habit shoppers" and purchase intent is tightly concentrated. That means the only real opportunity for growth must come from bringing news to the category, thus incenting a greater percentage of prepared-foods buyers to participate in the fried chicken category with increased purchase incidences.

"While some retailers have tried to bring news to the category in the form of a spicy fried chicken, we think the big news in the coming year will be boneless fried chicken," adds LeBlanc. "This new and unique product features the great taste of skin-on fried chicken in white and dark meat, delivered in boneless breaded breast and thigh meat." **DB**

media and community relations, Lakeland, FL-based Publix Super Markets Inc., says it's also important for the chain to offer cold case "meal solutions," such as cold chicken and deviled eggs for picnics and other gatherings.

Still, the debate rages on with regard to the efficacy of cold-case offerings, as a number of those in the industry express their reservations. Some of their concerns involve the practicality of selling prepared foods cold. "More equipment needs to be involved if you're doing chilling because you're cooking it hot, then you're going to have to have it flash-chilled so you can bring it down within your house guidelines for temperature management," says Alto-Shaam's Simmelink. "Then you're going to have to store it and keep it cold before your customer buys it."

Others believe selling product in the cold case makes it more difficult to engage in proven marketing initiatives, such as sampling. "If something is served cold, it's not readily available for sampling, which is a great opportunity for the deli case," relates Reser's McCarthy. "You also lose the opportunities for instant consumption."

As LeBlanc explains, however, deli opera-

tors have a multitude of reasons to sell product in the cold case. "Sometimes, it's a shrink-management technique on the part of the retailer — hot foods that didn't sell yesterday are chilled and merchandised cold the next day," he says. "Other times, traditionally hot product is merchandised cold as a labor-saving tool. Rather than purchasing ready-to-cook product that would need to be cooked in-store before being held hot, some retailers choose to purchase frozen fully-cooked items and simply thaw them out, package them and merchandise them cold."

Raising The Bar

Whether they choose fried chicken, rotisserie chicken, sushi, pasta, or good old mac-and-cheese, consumers are increasingly finding themselves faced with the option to chow down on their chosen meal right there in the store. A growing number of retailers have ramped up their efforts to compete with the foodservice sector by launching their own restaurants, dining bars, and carryout operations, complete with phone-in-order options.

The Publix Greenwise Market in Palm Beach Gardens, FL, features 4,500 feet of

freshly prepared foods and 10 different culinary venues, including The Grill, which serves made-to-order meals such as Hawaiian steak, Churrasco steak and bacon burgers; Mediterranean Oven, which features thin crust gourmet pizzas and oven-roasted pasta dishes; and Pacific Wok, which serves Pan Asian favorites such as Kung Pao Shrimp and General Tso Chicken.

Publix Greenwise offers curbside service for those customers who call or fax their orders ahead of time. Upon arrival, they pull up to designated parking spots to complete their transaction. For those customers with a little more time to spare, a mezzanine area on the second floor allows them to sit, relax and enjoy their chosen meal.

According to Jim Gallagher, director, retail sales, Accutemp Products Inc., Fort Wayne, IN, the rationale for such extensive amenities is simple: "The longer they keep customers in the store, the more profit margin because they're going to fill their carts and fill their stomachs at the same time."

Austin, TX-based Whole Foods Markets' prepared foods departments feature everything from neighborhood diners and burger joints to ethnic restaurants, Parisian cafes, BBQ shacks, and sushi, seafood, raw foods, taco, salad and sandwich bars.

The mammoth 75,000-square-foot Whole Foods location in Lincoln Park, IL, features no less than 10 bars and restaurants named after local neighborhoods. Patrons can choose from the Wicker Park Sub Shop, the Chicago Smokehouse, the Pilsen Taqueria, the Riverview Diner, the Asian Bar and Taylor Street Italian.

Meanwhile, the Bowery Whole Foods in New York City features a sushi conveyor belt, while the Midtown NYC Whole Foods boasts an assortment of by-the-pound food bars and stations labeled as Salad, Asian, Indian and simply Hot Food.

"There's definitely a benefit to having those kinds of offerings," says Alto-Shaam's Simmelink. "If you create a food court-type atmosphere, you're going to generate some sales you didn't have before."

In early 2010, Edina, MN-based Lund Food Holdings Inc. unveiled a new, innovative foodservice area called Byerly's Creations. It features a number of in-store dining or carryout options, including Wing Bar; Hissho Sushi; Big Bowl Chinese Express; Pizza and Pasta; Minute Grill, a breakfast and weekend brunch concept; Sandwich, Sliders and Dogs, "an urban solution for time-starved and budget-minded guests;" and a hot-food bar dubbed Chef-Crafted Favorites. Setting a new standard for the term "buffet," Chef-Crafted Favorites features time-tested favorites such as fried

chicken and mashed potatoes, lasagna and mac-n-cheese, alongside ethnic specialties, pasta dishes and fish. In addition, five of its Byerly's and Lunds stores feature Minnesota Grille restaurants boasting a menu reminiscent of an upscale Denny's.

While such massive initiatives are primarily the domain of large metropolitan areas, they're likely to become more widespread in the years to come, as busy lifestyles and economic difficulties make it necessary for retail-

ers to bring easy, low-cost meal solutions to consumers where they live and shop. For those who don't follow suit, Hain's DePippo has a dire prediction.

"We're going to continue to see the face of retailing change," he believes. "If the big-box locations that are built simply to provide perishable and non-perishable grocery products don't change to all the things we're talking about here, they'll become antiquated in 15 to 20 years."

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Adventures In Flexitarian Meals

What was once fringe is moving mainstream

BY GABRIELLE HARRADINE

The flourishing green movement has created a growing awareness and concern for the health of the planet and how the presence of humans affects its natural balance. This is one of the main reasons why increasing numbers of consumers are becoming part-time vegetarians — also known as flexitarians. They may not be ready to commit to vegetarianism full time and may think that becoming a vegan — someone who eats no animal products at all, including dairy, eggs, and honey — is just too extreme.

In 2008, *Vegetarian Times* published a study showing that 22.8 million people in the U.S. follow a largely vegetarian-inclined diet, and 11.9 million people are “definitely interested” in following a vegetarian-based diet in the future. The main reasons cited for doing so was to improve personal health and for environmental concerns.

Economic pressures are forcing another group of consumers to include more meatless meals in order to make ends meet. These folks may not think of themselves as flexitarians, but that’s what they are, albeit not for any philosophical reasons. When appealing to this group, promoting great taste at a reasonable price is key.

The opportunities to capture the expanding flexitarian segment are significant. One retailer that has jumped on this bandwagon is Austin, TX-based Whole Foods Market, long a haven for vegans and vegetarians. The deli in its Venice, CA, store contains a myriad of vegetarian options as well as entire cold- and hot-food bars dedicated to vegan options. Such catering to what is still an alternative diet may be a bit over the top for mainstream delis, but that doesn’t mean some of these items won’t appeal to average consumers at least some of the time.

According to Tracy Hardin, the prepared-food associate team leader at the Venice Whole Foods, one of the most popular vegan items is a sandwich made with Classic Meatloaf, a meatless grain-loaf from Field Roast, Seattle, WA. Classic Meatloaf, which



PHOTO COURTESY OF SUKHI'S GOURMET INDIAN FOOD

can be sliced and merchandised right from the deli case, appeals to flexitarians because its taste and texture are similar to traditional meat loaf. The Whole Foods deli also makes sandwiches, such as a Reuben, with Field Roast deli slices.

“I like to think we’re the Boar’s Head of the vegetarian world,” says David Lee, Field Roast president. “We have both the deli look

and the deli taste.” Field Roast makes multiple-use products that look and act like real meat, which makes it easy for both home cooks and professional chefs.

Original Field Roast Loaves, offered in a 2-pound size for foodservice, are available in three flavors: Lentil Sage, Wild Mushroom, and Smoked Tomato. Beyond their use as cold cuts, they can be cubed for salads and



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soups. Lee suggests slicing them into cutlets, then breading and frying them, or simply grilling them and selling them as a main dish in the deli case.

Soup Satisfies

Not every flexitarian, or vegetarian for that matter, wants to eat a meat substitute. Still, nutritional needs are important.

"Nutrition and taste are key concerns when Kettle Cuisine is creating new products," says Levon Kurkjian, vice president of marketing for Kettle Cuisine, Chelsea, MA, "because that's what consumers are looking for." Beans and lentils achieve both goals and create a hearty, satisfying soup. The company offers deli operators 14 vegetarian soups, including Chipotle Sweet Potato, Mediterranean Grilled Eggplant & Zucchini, Tomato Feta, and White Bean & Escarole.

Flavor is a must for flexitarians and vegetarians, just as it is for omnivores. Health considerations, such as reduced sodium, are also important. "Kettle Cuisine achieves both goals by using raw, unprocessed vegetables



PHOTO COURTESY OF FIELD ROAST



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and properly cooking them to preserve the inherent flavors, thereby avoiding the need for excessive amounts of salt to fill a flavor void," Kurkjian explains.

Ethnic Options

Because so many ethnic cuisines embrace vegetarian options, delis can introduce meat-free dishes easily under the ethnic umbrella. From pumpkin ravioli to vegetable spring rolls to beans and rice, delis can please customers by featuring economical vegetable-based dishes that offer the department strong margins.

Kettle Cuisine offers a wide range of soups with ethnic flavors that appeal to international tastes, including Mediterranean, Latin Black Bean, Asian inspired Carrot Gin-

ger and Southwestern Three Bean Chili.

Middle Eastern cuisines offer hummus and baba ganoush, Italian features gnocchi and pasta primavera, and Chinese includes vegetable dumplings and tofu dishes, all of which are popular with flexitarians and vegetarians. But the cuisine with the greatest variety of vegetarian dishes is Indian. According to Kurkjian, "Demand for Indian flavors continues to grow at a rapid pace and may be the next frontier for mass demand."

Indian dishes tend to be very rich, filling, flavorful and high in protein. "With the extensive use of lentils, beans and a multitude of spices, Indian food provides flexitarians and vegetarians with what they are always on the lookout for — protein-rich options that offer rich flavor," explains Sanjog

Sikand, sales and marketing director, Sukhi's Gourmet Indian Foods, Hayward, CA.

Sukhi's offers a wide range of vegetarian and vegan options. Its most popular items are Channa Masala (a richly spiced, protein-rich entrée, made with chickpeas) and Samosas (potato pastries that can be eaten as an entrée or finger food). Other popular items include Dal Saag (spiced lentils and spinach) and Saag Paneer (spiced spinach with Indian cheese).

Sukhi's also offers Chili Chicken made with soy nuggets; it's an example of the Chinese influence on the Indian food of Calcutta. According to Sikand, flexitarians like the Chili Chicken because it provides the protein and texture they expect from meat without compromising on flavor.

DB



Mediterranean Goes Mainstream

Delis are capitalizing on the popularity of Mediterranean foods, which appeal to consumers looking for affordable, simple and flavorful meals

BY LISA WHITE

The growth of the Mediterranean food segment can be attributed to a perfect storm — the rising popularity of specialty foods, combined with Americans' increased focus on healthier eating and time-starved consumers looking for fast meal and snack solutions.

About a decade ago, a number of supermarkets recognized the potential of Mediter-

anean foods and began incorporating olive bars into their deli departments. Today, one would be hard-pressed to find a store that doesn't carry hummus, flatbread, Feta cheese and Kalamata olives alongside deli meat, Swiss cheese, potato salad and spinach dip. In addition, Mediterranean salads, including Greek salad, tabbouleh, couscous, baba ganoush and tzatziki, have now secured spots in many deli cases.

"Supermarket delis are where consumers

go to look for fresh, healthier and unique foods," according to Nicole Hofmann, brand manager at Astoria, NY-based Sabra Dipping Co. "It's a perfect location for Mediterranean items." These foods fit with today's lifestyle, which demands uncomplicated, easy-to-use products.

"What's driving the category is not that these products are reaching a wider distribution, which they are, but the fundamental shift in American food consumers," explains

Phillip Meldrum, president of FoodMatch, New York, NY. "Consumers are much more knowledgeable and interested in quality as well as healthy eating."

Anthony DiPietro, vice president of George DeLallo Co., Jeannette, PA, recommends educating consumers as a means to increasing sales. "The more people understand these foods, the more they want to buy them," he says. "It's important to find a way to be sustainable with new items, and the only way to do that is by educating consumers."

As the economy continues to struggle and Americans search for different dishes to help ease the transition to fewer restaurant visits, they're turning to new food categories. According to Demetrios Haralambatos, executive chef at Kontos Culinary, Paterson, NJ, "People are attempting to save money by preparing foods themselves or finding prepared foods in supermarkets. Stores that can capture this business by increasing their offerings will be in a good place when the economy turns around."

Another reason for the increase in this category is its innate affordability. "These products give people more bang for the buck," relates Jon Nilson, CEO of Red Rock Specialty Cheeses, based in Delta, UT. "Items typically have a 10- to 15-year window to transition from a specialty to a mainstream food, and these items have definitely become mainstream. Feta is now mainstream and plays a major role in deli cases of larger chains. It's becoming more common to see three to four Feta brands and 15 to 16 SKUs."

The varying and appealing flavor profiles of these products have also been a boon to the category. "Part of the reason these foods have become more popular is that people are looking for interesting flavors they're not used to trying," relates Jeff Derr, senior manager, retail sales and marketing for Grecian Delight Foods, Elk Grove Village, IL. "These flavor profiles are delicious and flavorful, so they appeal to many palates."

This has resulted in an expanded demographic for Mediterranean foods. "Families,

health-conscious consumers and people of all ages are looking for these products," says Rostom Baghdassarian, COO at Karoun Dairies, Turlock, CA.

The media's focus on the healthful aspects of Mediterranean foods has helped propel this segment's growth, as well. "The Mediterranean Diet is getting all kinds of attention, which has resulted in more retailers finally devoting enough space to give these products a better presence [at the store level]," states Dominick Frocione, vice president of sales at Cedar's Mediterranean Foods, Haverhill, MA.



What's Selling

Although Feta and hummus are arguably the two fastest growing segments in the category, other Mediterranean trends are emerging. According to Jeffrey Siegel, CEO of Commack, NY-based Farm Ridge Foods, "We're seeing more Mediterranean flavors being incorporated into traditional foods. These flavors and trends are being picked up in more prepared foods today. Also, grains, which became popular 10 to 12 years ago and then petered out because they weren't flavored right, are seeing a resurgence."

Today's consumers are seeking out Mediterranean salads in general. "There's an increase in more unique items, such as different antipasti salads with enhanced flavors," says DiPietro.

According to Frocione, "We're seeing a

huge increase in our Mediterranean salad sales. Items such as tabbouleh, couscous, chickpea and edamame salads are flying off the shelves."

"Greek dishes are more prevalent, such as moussaka, spanakopita and tzatziki," says Rita Takvorian, owner of Hayward, CA-based Haig's Delicacies.

American flavors and trends are also starting to influence Mediterranean foods. "In the past year, we've launched spinach and artichoke hummus," notes Sabra's Hofmann. "This is now one of our top flavors. Hummus is the biggest driver of growth in delis [for this category]."

With the increased popularity of Greek yogurt, Cedar's turned its focus to this area. "We thought we would do the same thing with yogurt that we initially did with hummus. We took more mainstream American flavor profiles and put a Mediterranean twist on them," Frocione says. Cedar's is launching a line of Greek yogurt dips and spreads with traditional American flavors such as blue cheese, spinach and French onion.

Karoun recently introduced labne, a traditional Mediterranean yogurt cheese that capitalizes on the popularity of both cream cheese and yogurt, to the American market. "It pairs the body and texture of cream cheese

with the functionality of yogurt's live cultures," Baghdassarian relates. Incorporating new flavors into these products, such as olives and thyme, has led to increased sales.

Another Mediterranean specialty, flatbreads, has also received an American makeover. For example, Grecian Delight now offers Multigrain Pita Squares and Italian Herb Olive Oil Focaccia Flatbreads.

Some new lines in this segment marry two cultures. Kontos introduced a line of flatbreads with Hispanic flavorings, such as pico de gallo with tomato, cilantro, jalapeño and onion.

Even with the abundance of innovations and unique flavorings, a number of companies are sticking to traditional recipes. "Everything we do is a variation of the basic lahvosh recipe that goes back to biblical times," says

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Jenni Bonsignore, marketing manager at Valley Lahvosh Baking Fresno, CA.

Capitalizing on the Category

Supermarket delis can capitalize on the popularity of Mediterranean foods in a number of ways.

"Delis need to highlight products by increasing the number of demos and point of sale information," Derr says. At press time, Grecian Delight was conducting product testing in stores while also disseminating information on these foods to help educate consumers. "Educating consumers on different ethnic foods is the most difficult aspect of selling these items. Repeat sales are easy."

Convincing people to try new items is made even more difficult by the fact that most consumers are creatures of habit. When Karoun began sampling its Mediterranean cheese lines, sales tripled. "People have to taste these foods to become more educated about them," Baghdassarian says. "Consumers can learn a lot about the health benefits and ingredients of Mediterranean foods."

Red Rock's Nilson believes offering discounts can drive sales when paired with point-of-sale materials and demos. "This creates a new recognition and helps consumers

overcome preconceived notions of flavor profiles in some cases," he explains.

Getting people to put down money for a new item they might not even be able to pronounce can be challenging. "Delis need to keep products on sale, invest in free product to sample and pound away. It may take a few weeks, but sales will come," advises Farm Ridge's Siegel.

Expanding offerings by providing more variety and flavors is another way to attract new consumers to the category. "Stores can provide more hummus flavors to capitalize on the segment," recommends Sabra's Hofmann. "The refrigerated area is more limited, so it presents challenges from a space standpoint. From a retailer's perspective, it makes sense to find ways to add more real estate for hummus and other Mediterranean items. And if these items are sampled, the conversion rate is very high."

In many cases, it makes sense to dovetail or cross-merchandise these products. "For example, offer the same olives on the olive bar and the salad bar," states Mary Caldwell, marketing director at FoodMatch.

According to Bonsignore, consumers are seeking new ideas for appetizers and entertaining. "Everyone is so busy, it helps if all



meal components are in one spot. Showing consumers that lahvosh can be used for a pizza crust, for instance, provides another twist on a familiar dish."

Delis can boost sales by providing consumers with ways to work Mediterranean foods into their diet. "Give shoppers ideas of how to work these items into meals. Show them that artichoke hearts can be part of a sandwich and Greek olives are a tasty topping on pizza," adds Caldwell.

Deli associates can be crucial when it comes to educating customers. "Deli employees need to verbalize with consumers about what's available while educating them about the Mediterranean culture and traditions, [which can entice them to purchase these items]," Kontos' Haralambatos says.

Attractive displays also can draw more attention to Mediterranean offerings. "Keep displays big and margins realistic," notes Cedar's Frocione. "Mediterranean sections are a destination. Shelves aren't getting any bigger, so this means something else has to go to create room for these products. I don't see anyone shrinking their Mediterranean sections, so I would have to say these foods are earning their spot on the shelves."

As Americans become more educated about healthy foods, the popularity of Mediterranean items is expected to surge even more. "The tremendous and continued growth in this category is verification that American consumers are moving away from highly processed foods to healthier items that are minimally processed and taste good," says FoodMatch's Meldrum. "People are smarter and more aware of what they're buying, which is great for our industry." **DB**

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Pack It Up

Convenience packaging drives consumer purchases

BY CAROL M. BAREUTHER, RD



Packaging can seal the deal on a deli department food purchase. Unless a salad, sandwich, entrée, soup or side is convenient, fresh, the right size and hasn't been touched by other customers, it won't score a ring at the register.

Convenience is a key driver for U.S. consumers who are increasingly buying prepared foods at the supermarket deli for in-home dinners, according to DeliTrack data released by

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the Port Washington, NY-based NPD Group in June. This research shows that approximately one in five adults purchase a prepared food from retail in a typical week.

According to Roman Forowycz, chief

marketing officer at Clear Lam Packaging, Inc., in Elk Grove Village, IL, "We are seeing continued movement to grab-and-go. Some of the new deli packaging even includes utensils snapped into the lid or base. These

new packages are easy to carry and easy to eat out of."

In June, Lake Forest, IL-based Solo Cup Company introduced Creative Carryouts, a line that includes a series of hinged containers with consumer friendly features such as leak guard closures and tear-away lids. Marilyn Stapleton, product manager for take-out, says, "More people are on-the-go these days and eating in the car is common. The tear-away lid nests under the base of the container so it doesn't get in the way or flop over on the steering wheel. The lids can be re-secured to the base afterwards to store leftovers."

To make in-car, desktop or at-home eating handy, the Lindar Corporation, Baxter, MN, has introduced a six-sided container that serves double-duty as dishware, explains David Fosse, director of marketing. "It's a flat plate with domed lid or, if you flip it over, it's a bowl with a flat lid. It's ideal for sandwiches or salads."

Taking a cue from packaging for hot rotisserie chicken, McCain Foods USA, Lisle, IL, debuted its Roasted Redskin Potatoes in October in a dual-prep tray with an easy-grasp fiberboard handle. "Consumers want to buy hot foods that are convenient to carry and won't burn their hands," says Bill Neider, special markets group director. "This product easily cross-merchandises with rotisserie chicken to provide a quick family meal."

Size — and shape — matters

Stapleton believes the days of large package sizes are gone. "This is driven by diet-conscious consumers who want smaller portions and also by a growing population of seniors who want the convenience of a pre-



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packaged food, but don't want to buy large amounts," he explains.

Variety and the ability to cater to individual family member's tastes is another reason single-serve is growing in popularity. "Customers want to be able to pick up one choice for them, another for their husbands and yet other selections for the kids," notes Lindar's Fosse. "This is a move away from complete meals where if consumers don't like one of the components, they leave the whole package on the shelf."

According to Michael Thaler, vice president of marketing for Anchor Packaging, St. Louis, MO, "Consumers are willing to pay a higher price per ounce or serving to get a smaller portion. However, although the price per serving is higher, the initial purchase price is lower and this is attractive to consumers in this economy."

The trend toward single-serve doesn't mean meal delis should abandon family-size packaging — because many consumers still want the larger size. Jeff Lucash, national sales manager for Madison, WI-based Placon Corporation, reports, "We're seeing both [large and small packaging] growing. Home Meal Replacement (HMR) is the type of packaging we view as a large-growth oppor-

tunity. This includes single servings for the individual looking to grab a quick lunch or a family-sized meal that can be picked up on the way home."

The growth in meal solutions incorporates lettuce, vegetables and some form of meat and cheese or combinations of fruits with meat and cheese, says Clear Lam's Forowycz. "These new SKUs require compartmentalized packaging."

Last year, Wilkinson Industries, Fort Calhoun, NE, introduced a 13-inch round, 6-compartment tray with a transparent lid. Judeane Tusa, marketing communications manager, explains, "This is ideal, for example, for vegetables and a dip, either as a single-serve snack size or as a small party tray."

Tom Kuehn, president of Plastic Ingenuity, Inc., Cross Plains, WI, notes a move away from round and oval shaped packaging. "Like deli operators who want space efficiency in the case or on the shelf, consumers find that square and rectangular packaging fits better in their refrigerator. There's also a trend towards stackable packaging for the same reason."

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with the visibility of the product. "We've accomplished this by making the front end lower. For example, instead of a 50/50 split, a 2-inch high container now might offer 1½ to 1¾ inches on the top and ½ to ¾ inch on the bottom. This way, consumers can see through the front of the container more easily when it's displayed at shelf level," Fosse adds.

In addition, says Lucash, "There have also been technological advances in plastic materials. For example, with the advances in

polypropylene, the once cloudy plastic now has the clarity of PET but is microwaveable."

Maintaining Food Quality

According to *Prepared Foods and Ready-to-Eat Foods at Retail: The New Competition to Foodservice*, published by Packaged Facts in July 2010, consumers may not view prepared foods at retail as competitive with restaurant fare in some very important ways: taste, cost and healthfulness. Retailers

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the customer, says Placon's Lucash, "We're seeing more tamper-evident packaging phasing into stores."

According to Kuehn, the challenge for manufacturers is that consumers want "tamper evidence without secondary seals, not something that makes the package difficult to open."

Ways in which to accomplish this include "a film seal or an ingredient label that is also used to secure the container," notes Fosse of Lindar Corp.

When it comes to the labeling itself, says Lucash, "Print quality is very important. Consumers are reading labels more closely than in the past to become more educated on the contents of the food."

"We've seen a trend to minimize graphics for deli items," adds Forowycz. "The product inside the package is highlighted more. By using fewer graphics and more subdued designs, the finished packages look fresher and less processed."

Placement of the label is important, according to Fosse. "Many deli operators and manufacturers will put labeling or graphics front and center — and this makes it hard for consumers to see what's in the package."

Lindar has created a hinged container with a front closure that doesn't interfere

Earth-Friendly Packaging At Cronig's Markets

Cronig's Market, a 3-store independent chain on Martha's Vineyard in Massachusetts, took its first foray into environmentally friendly packaging in 2008 by switching from plastic bags to paper. Last year, owner Steven Bernier decided to go one step further and get rid of all the Styrofoam in his store's meat departments and in the deli's take-out salad bar.

According to Mark Martin, president and chief executive officer of Eco MV, a Martha's Vineyard wholesaler of environmentally friendly products that supplied Cronig's, "The Styrofoam was replaced with bulrush fiber packaging which is made from a wild grass and can be composted."

Cronig's initial outlay for a year's worth of this packaging was somewhere in the neighborhood of \$40,000 to \$50,000, says Ron Blitzer, co-founder and CEO of Santa Barbara, CA-based Be Green Packaging, which manufactures a number of packaging products

made from bulrush. "In spite of the additional cost, Steve [Bernier] told me it was the smartest thing he's done. Consumers raved about it and the publicity generated a number of new shoppers and this helped to offset the cost of the packaging."

Eco MV assisted the retailer in promoting the packaging change via in-store banners and shelf talkers.

This success led Bernier to go one step further. Cronig's delis now use unbleached soy wax-treated paper to wrap their sandwiches, PLA-lined soup cups and utensils made from a heat-tolerant bio plastic.

Many large retailers have taken progressive steps to make their operation more sustainable. However, says Steve Condon, Eco MV's director of operations, "Our company has identified that today's niche market for sustainable packaging is independently owned chains in affluent areas."

DB

can focus on these areas to present themselves in a better light.

A trend toward preparing cold-case meals on site is occurring "because consumers perceive this as more fresh and

healthful than if they're shipped into the store pre-packaged," explains Placon's Lucash. "Freshly packaged meals have become very popular in the cold case; many consumers are buying them to take home and then reheat when convenient."

Ultimately, it's all about fresh, stresses Kuehn of Plastic Ingenuity, "and ways to make packaged food fresher. For example, the use of sophisticated barrier films to control migration of oxygen and moisture into

and out of the package."

One of the biggest trends Solo's Stapleton has seen in the deli is an evolution from comfort food such as chicken, meat loaf and macaroni and cheese to more upscale foods that have the ability to capture share of stomach from restaurants. "Presentation is key," she says, "as is the ability of the package to deliver food with the quality that's expected. This means, for example, a nice seal, strong bottom for eating out of and abil-

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ity to keep food all in its proper place.”

Anchor Foods recently solved the dilemma of keeping packaged fried chicken crispy. Its new Crisp Food Container offers special-

ly engineered venting to relieve moisture and condensation, an anti-fogging lid for product visibility, and raised airflow channels to keep grease and moisture away. “We’ve tested it

and it works on fried seafood and fried vegetables, too,” explains Thaler.

Green Packaging

The demand for environmentally friendlier packaging materials is growing very rapidly, says Clear Lam’s Forowycz. “Most consumers, retailers and processors want new technologies in packaging that reduce the impact on the environment. They believe it’s the right thing to do. The challenge is to assure performance, safety and economies.”

“There seems to be a little less emphasis on biodegradable packaging and more on recyclability,” according to Placon’s Lucash. “Too often biodegradable packaging ends up in the landfill since there’s no established stream to collect and take it to the composting facilities it requires. Consumers want packaging that includes post-consumer recycled content which incorporates recycled bottles and packaging.”

Packaging trends are not regional, he continues. “The one exception is California banning polystyrene in multiple counties. These types of bans are brought about by groups who drive the government to be more environmentally friendly in communities across the nation.” **DB**

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Healthy Pizza Draws Consumers

Delis can position pizza as a way to offer value in the tough economy

BY BOB JOHNSON

Pizza continues to be among the items in highest demand at the deli, but that doesn't mean that its earning potential has peaked. Today's consumers crave options and innovation so it's important to provide a multitude of flavor profiles and nutritional options to keep pace with consumer demand.

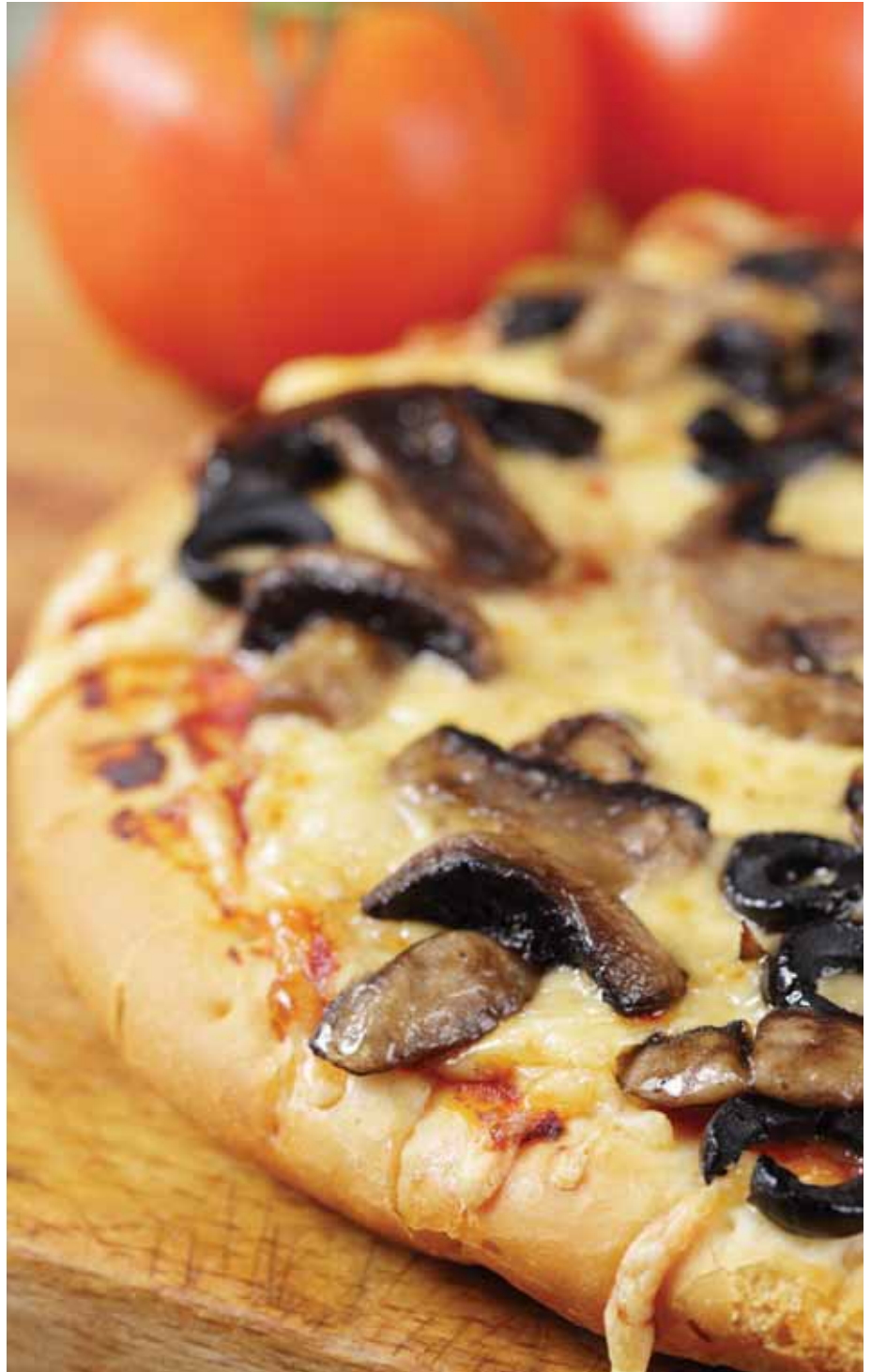
"Pizza toppings have gone beyond the more traditional options such as pepperoni and sausage. In the past when you wanted a specialty pizza, you'd visit the local pizza shop. Now even the big pizza chains are offering newer flavor combinations such as BBQ Chicken Pizza. Consumers enjoy trying new things," says Johanna Hulme, marketing manager at Pocino Foods, City of Industry, CA.

The growing desire for pizza made with healthful ingredients exemplifies the desire for alternatives. "New brands are emerging to challenge the status quo focused on contemporary flavors. All-natural and even organic offerings are showing up in the supermarket to help innovate the category," notes Patrick Gabrish, director of foodservice sales at Pacific Natural Foods, Tualatin, OR.

The nutritious, healthy trend appears to be more than a passing fad. "People are becoming more health conscious. There's more whole grain marketing out there," says Kyle Cash, director of marketing at Drayton Foods, Fargo, ND. "Fifteen years ago almost no one was buying whole-wheat bread. You're getting more SKUs on your shelf with whole grain. People need to understand that pizza is healthy if you do it right. It's a well-balanced meal."

According to Hulme, "Healthier options are definitely gaining ground. Pizzerias are now offering more vegetarian options and healthier alternatives to the classics. For example, Pocino developed a natural pepperoni and natural sausage topping. We don't want to change the way people eat, we just want to provide healthier options."

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option is to offer chicken toppings in place of the traditional pork or beef toppings. "Chicken is also a great ingredient for ethnic flavors. Chicken is very adaptable," says Liz Hertz, marketing director for Burke Corporation, Nevada, IA. "People are interested in healthier options. Things like whole-wheat crusts, more vegetables and, I think, there is more interest in chicken for the meat."

Another way to make pizza more appealing to the health-conscious is to cut back on its fat content. "Pizza doesn't have to be loaded with fat. Low-fat Mediterranean pizza is nutritious and delicious," claims Patty Echevarria, marketing manager at Castella Imports, Hauppauge, NY. She suggests making it with whole-wheat pizza crust, tomato sauce, finely chopped garlic, olives, drained and chopped artichoke hearts, chopped roasted red peppers, oregano, basil, and reduced-fat Mozzarella cheese.

Pizza toppings with an entirely new range of flavor and nutrition profiles are available. "Pizza toppings are no longer confined to pepperoni and pineapple. Some great healthy and flavorful alternatives for pizza toppings are artichoke hearts, chipotle peppers, roasted red peppers, sun-dried tomatoes and banana peppers," says Echevarria. "Castella



Mexican Bruschetta is an excellent replacement for tomato sauce for your pizza base. You'll start to notice a trend in Pesto Pizza. Castella Pesto Rosso and Pesto Genovese deliver flavors that have taken center stage."

Pizza is something of a blank canvas and the next generation looks to be interested in seeing a more nutritious picture. "The nice thing with a pizza is you can put everything on it," says Patty Phillips, president of Patty's

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Pizza, Marina Del Rey, CA. She's working on a vegetarian version of her low-sodium personal sized pizza.

The Crust of the Matter

The crust is an area where healthier options abound. "I see whole-wheat making a comeback," comments Phillips. "People are reading the labels now. They are seeing how much preservatives there are."

Phillips was inspired to come up with her own healthier pizzas after her young son Dev asked for a frozen pizza at the supermarket, and she took a close look at the ingredients. "We created a line of pizzas for kids called L'il Devs," she explains. "It has a quarter of the sodium of brand name pizzas of the same size. It's a 5-inch whole-wheat pizza with cheese or pepperoni. Everybody is so aware of sodium these days."

"THERE IS DEFINITELY A TREND TOWARD HEALTHIER CRUST LIKE WHOLE WHEAT OR ULTRA GRAIN, AND WE GET LOTS OF QUESTIONS ABOUT GLUTEN FREE."

— LAURI GRITTEN
PIZZA BLENDS INC.

"There is definitely a trend toward healthier crust like whole wheat or ultra grain, and we get lots of questions about gluten free," says Lauri Gritten, chief brand officer for Pizza Blends Inc., Bellevue, WA. "Our requests for whole wheat and whole grain crusts have probably doubled this year."

The Nielsen Co. survey for the 52 weeks ending on July 10 showed, for the first time, that dollar sales of sliced whole wheat bread are larger than sales of sliced soft white bread. The margin is razor thin, just \$2.6 billion to \$2.5 billion but the gap figures to widen; whole-wheat sales are increasing while white bread sales declined by 7 percent.

"The leading trend we're seeing is toward healthier dough — whole grains and whole wheat. Almost half of the requests we have coming in are for healthier dough," relates Jim Viti, vice president for sales and marketing at Delorio's Frozen Dough, Utica, NY.

He compares the shift toward whole-grain and whole-wheat dough to the earlier

shift from full-fat dairy products to low-fat dairy products to non-fat dairy products. "The trend toward whole grain started five or six years ago and slowly picked up steam. I see it as a slow generational trend; this isn't something that's going away," Viti says.

USDA regulations requiring at least 51 percent whole-wheat flour and a moderate level of sodium in pizzas subsidized under the federal school lunch program both reflect and drive this trend toward healthier pizza.

"The whole-grain crust started really taking off late last year. It all really started with the government regulations for pizza in the school lunch program. We developed a white whole-wheat self-rising product. It's in the school system but it's not out there on the retail level," Drayton's Cash says.

This hybrid dough is made of mostly whole wheat, but it also includes a mix of other flours that make it more palatable for people not used to eating whole-grain bread



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or crust. "You can make a whole-grain bread or pizza crust that tastes great. It depends on the balance of your flours and on your manufacturing processes," Cash says.

Not only are the new school lunch regulations challenging producers to come up with crusts that are healthy as well as tasty, but the new school pizza is also producing a generation of consumers who will expect to eat healthier pizza. "A lot of this is starting in schools and as kids grow up, they look for foods they had in school," according to Delo-rio's Viti.

The increased demand for all things gluten-free is also driving the trend for crust options, adds Viti. Part of the demand for gluten-free flour comes from people with celiac disease, an ailment that afflicts nearly 1 percent of the population although only a

fraction of the people with this disease has been diagnosed. "There are also people in the boomer generation looking to take gluten out as part of a healthier diet and college generation people who are looking for healthier life styles," he says.

Portion control is another important health issue. "Five inches is the perfect size for a kid — or for an adult. People will buy them instead of mac and cheese if they're in the hot case," Phillips of Patty's Pizza says.

Although a substantial segment of the market claims to be interested in eating healthier, many people still want the kind of pizza they grew up with. "There's a difference between what people are interested in and what they are buying. The market is still for traditional pizza with pepperoni, sausage and plain cheese," Burke's Hertz says.

Keep It Real

The untapped market for deli pizza includes the consumer who used to go to small-chain pizza restaurants that have taken a real beating during the recession. "Pizza restaurants' volumes are down because of the economy and slow sales. The big five or the big eight are doing well, but the smaller regional chains are struggling," according to Pizza Blends' Gritten says. The largest chains are doing all right because they have the ability to advertise and cut prices to bring in customers in tough times.

"TOPPINGS ARE DEFINITELY GOING ARTISAN — GOAT CHEESE, SPINACH, BARBECUE CHICKEN, ETC. HERB CRUSTS AS WELL AS SWEET AND SAVORY ARE ALL BEING FEATURED. AND THERE'S A RESURGENCE IN FLATBREAD."

—PATRICK GABRISH
PACIFIC NATURAL FOODS

One trend picking up steam at the deli is pizza that looks and tastes more "authentic" and less manufactured. "Pepperoni, combination and Hawaiian remain very popular. Manufacturers are beginning to focus on the quality of the protein being offered. There's a much bigger trend toward artisan than toward any 'healthier' styles," notes Pacific Natural's Gabrish. "Toppings are definitely going artisan — goat cheese, spinach, barbecue chicken, etc. Herb crusts as well as sweet and savory are all being featured. And there's a resurgence in flatbread."

This trend toward authentic is also reflected in the popularity of take-and-bake pizzas, which have done well during the recession, according to Hertz. Burke has a copyrighted line it calls "hand pinched" style pizzas. The shape of the crust and the sausage pieces are a bit irregular, to give the pizza a hand made look. "People are looking for more authentic, less manufactured looking pizzas," she adds.

DB

Excitement In August

The 26th Annual ACS Judging & Competition set records for entrants and interest — and called attention to the growth of the cheese-spread sector

BY ALAN RICHMAN

For American cheesemakers, cheese aficionados, and cheese and deli retailers, late August was the most exciting time of the year, and Seattle was the place to be. This was when and where the Denver, CO-based American Cheese Society (ACS) held its members-only 26th Annual Judging & Competition, followed by the Festival of Cheese, to which the public is invited. Both events broke records, the association reports.

The three top awards were presented to Uplands Cheese Company in Dodgeville, WI, Vermont Butter & Cheese Creamery in Websterville, VT, and Farms for City Kids

Foundation in Reading, VT.

The 2010 winner of Best in Show was Pleasant Ridge Reserve, made in the style of mountain cheeses from the alpine regions of France, from Uplands Cheese, a farmstead dairy that traditionally has produced just this one cheese. This is the third time Pleasant Ridge Reserve has received top honors, also winning Best of Show in 2001 and 2005. It's the only three-time Best In Show winner in ACS history.

"We're absolutely delighted to have won for a third time," says Mike Gingrich, co-owner of Uplands Cheese. "The judges' decision is testimony to how we produce our

milk — from cows that are on fresh pasture all summer." The 2010 winning entry was an extra-aged version (15 to 24 months), which accounts for about 15 percent of annual sales. The company also offers Pleasant Ridge Reserve aged between six and 15 months and is planning to introduce a new, soft "winter" cheese called Rush Creek Reserve before the end of this year.

Vermont Butter & Cheese Creamery, which specializes in all-natural fresh and aged goat cheeses, Crème Fraîche, Mascarpone, and European-style cultured butter, claimed the 2nd place Best in Show position for Bonne Bouche, a hand-ladled, ash-ripened

Bonne Bouche from Vermont Butter & Cheese Creamery won 2nd Place Best in Show at the 2010 ACS Judging & Competition



PHOTO COURTESY OF VERMONT BUTTER & CHEESE CREAMERY

goat's milk cheese.

Allison Hooper, the creamery's co-founder, confesses she was "surprised" to see her firm's small format, relatively fresh goat cheese in the winners' circle. The 4-ounce cheese with a distinctive geotricum rind is mild, with notes of sweetness, some yeast, and some nuttiness on the rind. "It's aged for about two weeks before being shipped in a perforated filmed crate," she adds. "The cheese continues to age in distribution. When fully ripe, it's soft and runny under the rind."

Third Place went to Spring Brook Farm Tarentaise, a raw-milk, washed-rind cheese inspired by traditional cheeses of the French Alps; it's made by Farms for City Kids Foundation, a non-profit educational organization that combines classroom study with hands-on farming and cheesemaking experiences for urban youth.

Jeremy Stephenson, chief program director of the Farms for City Kids effort, says the 42-cow Spring Brook Farm produces two versions of the winning cheese, one aged 10 to 12 months and the other for two years.

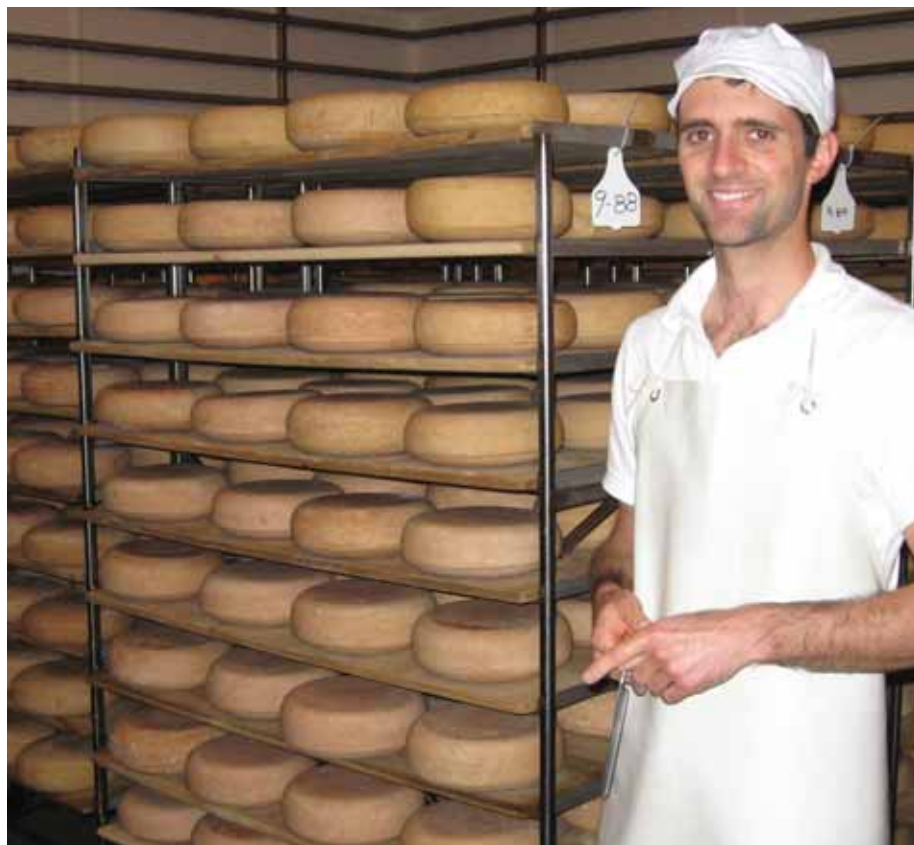
In an online article, cheese writer Katrina Vahedi offered the following description: "[Tarentaise is] made with raw, pasture-fed Jersey cows' milk, the color is bright golden yellow, and the aroma is of grass, butter, and toasted nuts. The texture is dense, even and toothsome, turning creamy and buttery on the tongue."

Most notably, notes Stephenson, the cheese is produced with the help of children aged 8 to 12, who work in the aging room washing and turning the cheese. The kids visit the farm in groups of 15 to 20, accompanied by two or three teachers. Each group stays one week, and the visits run from early spring to late autumn. Most of the students come from public schools in Boston or New York City, and they all come free of charge. "Our main mission is education," adds Stephenson. Farms for City Kids Foundation was founded 14 years ago by Jim and Karli Hagedorn and is supported by donations.

Field Of Cheese

In order to capture the top prizes, the winning trio had to survive a field that featured more entries than ever before — 1,462 cheeses and cultured milk products from 225 different producers in the United States, Canada, and Mexico. In all, 350 ribbons were awarded in 107 different categories. Producers from Wisconsin took home the greatest number with 98, while California came in second with 60, and Vermont was third with 34 ribbons.

Emphasizing the growth of the event, ACS president Christine Hyatt points out, "When the ACS conference was last held in



Cheesemaker Andy Hatch is shown with wheels of Extra Aged Pleasant Ridge Reserve from Uplands Cheese, the 2010 ACS Best in Show

PHOTO COURTESY OF UPLANDS CHEESE

Seattle in 1997, there were 360 cheeses entered."

According to Hyatt, owner of Scottsdale, AZ-based Cheese Chick LLC, a "boutique" cheese education and marketing company, "As more people strive to make excellent cheese, they're turning to ACS for feedback about their products. The vision of our founders was not only to recognize the best cheeses in our industry but also to offer guidance that will improve the quality of all cheeses produced in the Americas."

Executive director Nora Weiser says ACS is the leader in supporting and promoting North American artisan, farmstead and specialty cheeses. "We're delighted to see the participation in our competition increasing each year and to have had such a diverse range of stellar cheeses this year."

Visiting a different city each year (the next gathering will be held Aug. 3-6, 2011, in Montreal), ACS mounts a 4-day-long extravaganza that incorporates not only the Judging & Competition and the Festival of Cheese but also a full-bore conference filled with educational seminars, workshops, and a special Meet the Cheesemakers session that focuses on networking.

Judgment Days

The Judging & Competition is the most

anticipated aspect of the event, posing the greatest number of administrative and logistical problems. Retailer David Grotenstein, who is winding up six years as chair of the judging committee, reports ACS staff members must check in, unpack and store all the cheese sent in for the judging. All this takes place on the Thursday and Friday of the week before the conference. All the cheeses must be organized by category and tagged with codes, not labels, as everything must be anonymous once it reaches the judges.

Judging this year took place on Tuesday and Wednesday, Aug. 24 and 25, the two days preceding the first full day of conference activities. Thirty judges worked in teams of two — one technical judge, often a Ph.D. dairy scientist, who looked for defects in the cheese, and one aesthetic judge, responsible for assessing flavor, aroma and other outstanding characteristics.

Procedure calls for each cheese to be judged on a scale of 100 points. The technical judge starts with 50 and subtracts points for flaws, while the aesthetic judge counts up to 50, adding points for perceived strengths. According to Grotenstein, whose regular job is merchandising manager for three Union Market stores in Brooklyn, NY, placement in this first stage of judging is strictly numeric — the most points win. And, he adds,



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PHOTO COURTESY OF RISING SUN FARMS

Sweet Pepper Chipotle Cheese Torta from Rising Sun Farms was a first place category winner at the 2010 ACS Judging & Competition

"Some cheeses are good enough to capture all 100 points."

Once winners have been chosen in each of the categories, these blue-ribbon cheeses are turned over to all the judges for selection of a Best in Show and two runners-up.

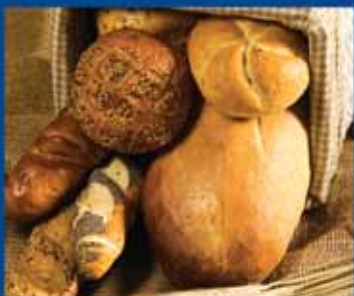
"ACS staff members are not involved in judging the cheeses but rather in shepherding them to our judges in the best condition to

provide them with all cheeses on a level playing field," notes Weiser.

ACS past president David Gremmels, cheesemaker and co-owner of Rogue Creamery in Central Point, OR, describes the Judging & Competition as "the platinum standard for judging and competition in the world. It's professional, transparent and seamless, and the judging sheets provide

invaluable feedback."

On Saturday morning, the final full day of the conference, scores of volunteers hand-cut the cheese, gather it into macro-categories such as Blues, Cheddars, Goat's Milk, etc., match the coded samples to the names of the cheesemakers and the types of cheese, and display all the cut cheese on tables under appropriate signage. This is for Saturday



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PHOTO COURTESY OF RISING SUN FARMS

Artichoke Lemon Cheese Torta from Rising Sun Farms was a third place category winner at the 2010 ACS Judging & Competition

night's Festival of Cheese, where ACS members and the consumer public may sample the cheeses from the competition — as long as they last. If any are left over, they're sold at deep discounts on Sunday morning.

Spreading The Wealth

Judging and awards aside, other benefits are to be gained from attending an ACS con-

ference — namely education, networking opportunities and discovery of new and growing trends. One of the hottest trends at the Seattle event was the continued outstanding growth of artisan-style cheese spreads.

To some extent, the increasing popularity of spreads may be attributed to the weakened economy. According to Elizabeth Fugas, owner of Rising Sun Farms in Phoenix, OR,

"People are entertaining at home more than ever during this recession. More women are in the work force and don't have the time to shop and prepare specialty items." Spreads, she explains, offer convenience and the "great tasting, all natural and beautiful food" that is needed for these times.

Liam Callahan, owner of Bellwether Farms in Petaluma, CA, shares the home entertainment theory. "There's great interest in products that can be incorporated into the cooking style of the end user. More than ever, people are tending their own garden and cooking at home," he says. "Fresh dairy products like our Fromage Blanc, Crème Fraîche and Whole-Milk Ricotta fit this ideal perfectly; they all may be used as a base for a home chef's own ingenuity."

"Natural" is the key word for Joe Burns, artisanal cheesemaker and affineur for Brunkow Cheese of Wisconsin, in Darlington, WI. "People are seeking out all-natural cheese spreads. We make ours with the barest ingredients — raw-milk Cheddar, cream and whey. There seems to be a push for a less processed product and artificial cold pack. Consumers are showing a preference

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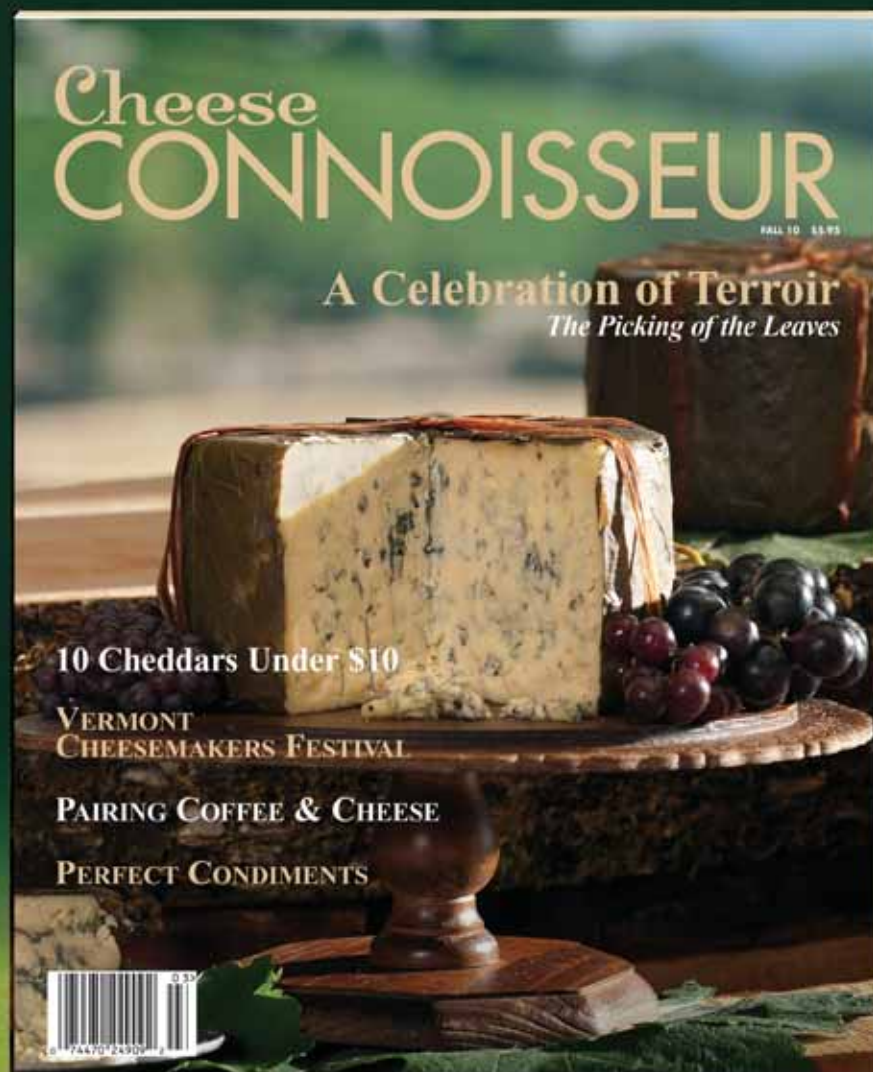
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for a spread that is more cheese than cheese-food," he explains.

Being natural may not even be enough. Purchasers also want to know the milk source and the producer's practices. Noting a trend toward small-batch specialty spreads rather than the bulk, processed cheese spreads of the past, Brunkow's Burns adds, "Many buyers are now seeking out raw-milk cheeses. This is a fairly new trend. We've been making raw milk-based spreads for 15 years, but they're just now really taking off with the public."

Natural also is a selling point for the Mozzarella Company of Dallas, TX. Founder and cheesemaker Paula Lambert notes, "Consumers like cheese spreads. In the case of our Mascarpone Torta with Pecan Pralines, which won one of the first-place ribbons in this category, we make the Mascarpone that is mixed with pecan pralines. It's spreadable. And it's flavored. There are no additives or preservatives."

This Is Whey Important

Theresa, WI-based Widmer's Cheese Cellars, which has been producing hand-crafted washed-rind brick and Colby cheeses for more than eight decades, added a cold-pack brick cheese spread about 10 years ago. "At first," says company president Joe Widmer, "a lot of the upscale retailers said they wouldn't carry any spreadable cheese. As time went on and more and more shoppers



Spring Brook Farm Tarentaise from Farms for City Kids Foundation won 3rd Place Best in Show at the 2010 ACS Judging and Competition

PHOTO COURTESY OF FARMS FOR CITY KIDS FOUNDATION



PHOTO COURTESY OF MOZZARELLA COMPANY

Mascarpone Torta with Pecan Pralines from Mozzarella Company was a first place category winner at the 2010 ACS Judging & Competition

asked for the cold pack, they started to put it in their stores."

What turned the tide, he adds, was the improved quality. Increased use of whey and whey products was an important factor. "Whey protein functionality is virtually left unchanged during cold-pack processes. Temperatures for hot processes can adversely affect functionality and cause color and flavor defects. Overall, the use of whey proteins typically results in superior flavor, body and texture. And whey is a great source of nutrients," he explains. Also, when properly fermented, it may be used as an emulsifier.

The leading cheese spread for Carr Valley Cheese, La Valle, WI, is a hickory-smoked product that won second place at the 2004 ACS Competition and also was a blue ribbon prizewinner at the 2005 Wisconsin State Fair. According to Sid Cook, the company's master cheesemaker, "Attitudes are changing, but many still think spreads are all created equal." Carr Valley sells most of its spreads at seven company-owned stores — all located in Wisconsin.

DB

Feeding Foodies And Fuelers



By
Sharon Olsen
President

Olson
Communications
Chicago, IL

Inspiring foodies and feeding fuelers can make the difference between success and indifference for deli operators. Yet being a foodie is such a mainstream trend, it's hard to know who's a real foodie and who aspires to be a foodie but has little taste for culinary adventure.

In a recent Culinary Visions Panel survey of 220 consumers by Olson Communications, Inc., less than 1 percent of the participants described themselves as "food fuelers," defined as those who consider food as fuel, nothing else. Forty percent sometimes try new dishes and flavors but they are more likely to stick with their favorite foods. Fifty-one percent, the majority, described themselves as foodies who usually or always like to try new dishes.

Consumers in this study were asked to react to some classic American foods with an ethnic-inspired variation based on the top three ethnic flavor categories — Mediterranean, Latin and Asian. The categories included burgers, pizza, chopped salad, and side dishes. Their reactions to some specific food concepts separated the real foodies from the fuelers. The study provided insight into which favorite foods are ripe for experimentation, which flavor profiles are most intriguing in each category, and foods where the classic preparation is sacred.

Of the burger concepts presented, the Nuevo Latino Burger was the most popular, preferred by 44 percent of respondents. It might point to the opportunity to offer more cheeses offering a range of adventure from flavorful American varieties such as Pepper Jack to authentic ethnic cheeses such as Panela or Chihuahua along with Cheddar, Swiss and American favorites. Consider featuring a wider variety of buns, rolls and condiments so customers can pick everything they need.

Pizza is a category where tried-and-true favorites such as sausage and pepperoni cannot be beat. Yet pizza is so popular the category has grown to lots of different ethnic variations. All variations scored well, but the most popular pizza concept in the Culinary Visions study was Pan Asian with diced chicken breast (marinated in garlic, lime juice and cilantro), grilled Japanese eggplant, caramelized onions, and Fontina and Mozzarella cheeses, preferred by 40 percent of respondents. Offering a special take-and-bake variety as a limited-time offer could keep up interest in the category and be more competitive with local restaurants.

Sicilian Chickpeas and Spinach, a Mediterranean side dish, was favored by 44 percent of respondents. It's often easier for consumers to experiment with side dishes than main courses, so a more daring product might be appropriate with an incentive to order a sampler with a few varieties

to encourage customers to try something beyond their time-honored favorites.

The Persian Salad of chopped romaine, seedless cucumber, fresh mint, green onions, farro, crumbled Feta cheese and cumin-scented lemon and yogurt dressing was preferred by 48 percent of respondents. The second choice, scoring a 44 percent preference, was the Latin-inspired Ensalada Santiago, featuring shrimp, avocado, hearts of palm, roasted corn kernels and chili-lime dressing. These results speak to an opportunity to merchandise some signature salad dressings with specialty cheeses and recipe suggestions that can be assembled easily by consumers.

The concepts in the study were chef-inspired ideas that are undoubtedly a bit more complex than the average consumer might make from scratch at home, yet scores over 40 percent make these ideal candidates for special limited-time offers to create more interest in your deli and build incremental sales in already popular food categories.

Some items received interest scores in the 35 to 40 percent range, indicating they may be worth watching as emerging trends. Among these were the Santorini Burger, a Greek-inspired burger featuring a braised short rib patty; Thai Kobe chopped salad; and a Havana black bean side dish with fried plantain.

The challenge for deli operators is to understand their customers' tastes and the product mix that will gain their loyalty. The trick is making the everyday shop exciting and moving beyond the destination-only shop that's just for special occasions. One of the founders of a showcase operation in Chicago talked about the rave reviews for their offerings and their struggle to become the regular shopping source for their customers. She described the operation as a "food museum" — customers would admire and marvel over the food but hesitate to become regular customers because the offerings were unfamiliar and beyond the culinary context of mainstream consumers.

The solution was not to eliminate the challenging offerings but to add more expected items that made their customers feel comfortable enough to try some of the more adventurous fare. If your store doesn't already have a large following of foodies, it may take some time for the word to get around and bring in new customers. You can also expect more of your regular customers who trust your deli for their favorites to try a sample of something new — after all, it is on trend to be a foodie.

The Culinary Visions Panel includes an annual round-table discussion with food-industry leaders from retail, food-service and culinary education disciplines. Thought leader insights are used to craft a series of consumer surveys on emerging issues throughout the year.

DB

The trick is making the everyday shop
exciting and moving beyond the
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Blast From The Past

Wilkinson Industries

In 1948 Gilbert Carpenter and Fred Arkoosh, Sr. founded Wilkinson Industries, Ft. Calhoun, NE, as a manufacturer of wheelbarrows and low-temperature refrigeration equipment. In 1953, Arkoosh secured a contract to make potpie pans for C.A. Swanson & Sons, sparking Wilkinson's foray into manufacturing aluminum foodservice containers. After a dinner at a Swanson company board meeting, Carpenter returned with an idea for a compartmentalized aluminum tray. The two partners used their tooling and design expertise and their manufacturing facility to bring the first TV dinner trays to market for Swanson in 1953.

In the 1980s, Wilkinson expanded to include disposable plastic food containers. In 2004, it added renewable resource-based containers. Last year, Wilkinson merged with two major food-packaging companies, Dispoz-o Products Inc. and C&M Fine Pack. The newly created company is known as D&W Fine Pack.

The building in the photo is the first Wilkinson Manufacturing building dating from the 1950s.



Blast From The Past is a regular feature of DELI BUSINESS. We welcome submissions of your old photos, labels or advertisements along with a brief description of the photo. Please send material to: Editor, DELI BUSINESS, P.O. Box 810217, Boca Raton, FL 33481-0217 or e-mail DeliBusiness@phoenixmedianet.com. For more information contact us at (561)994-1118

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InnoWare, Inc.....	43	Packaging.....	800-237-8270.....	404-659-5116
Karoun Dairies, Inc.....	51	Cheese.....	888-767-0778.....	323-666-1501
Kehe Distributors.....	52	Specialty Foods.....	800-950-KEHE.....	
Kettle Cuisine, Inc.....	29	Soups.....	617-884-1219.....	617-884-1041
Kontos Foods, Inc.....	35	Flatbreads.....	800-969-7482.....	973-278-7943
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Natl Assn. For the Specialty Food Trade/NASFT.....	25	Association.....	212-482-6440.....	212-425-3053
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Nuovo Pasta Productions, Ltd.....	53	Pasta.....	800-803-0033.....	203-380-4091
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Pocino Foods Co.....	47	Deli Meat.....	626-968-8000.....	626-968-0196
Prosciutto di Parma.....	59	Prosciutto.....	646-218-6025.....	
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Wilkinson Industries, Inc.....	38	Packaging.....	800-456-4519.....	402-468-5124



Prosciutto di Parma®

The Crowning Touch Merchandising Contest

Win cash prizes for your holiday promotion!



Now's the time to plan a promotion encouraging customers to crown their holiday menus with 100% natural Prosciutto di Parma! It's a wonderful way to offer easy entertaining ideas and boost sales for one of the genuinely great products in your deli case.

*Compete for \$8,000 in prizes –
It's as easy as uno-due-tre!*

If your store sells Prosciutto di Parma, you can enter.

1. Order the Contest Kit

Visit www.CrowningTouchContest.com or call 646-218-6025. The kit has POS materials and merchandising tips.

2. Conduct the Promotion

For one week or more, between October 4 and December 3, 2010. Promotion can include displays, demos, new menu items, specials, ads and more.

3. Submit Your Entry

Complete the entry form and upload photos online or send via regular mail.

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NEW MARTINI OLIVE CUPS FROM DELALLO.



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