

THE FOOD INSTITUTE REPORT



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SNAXPO STATE OF THE INDUSTRY SPEECH: HEALTH, VALUE THE LATEST TRENDS

Budget-focused consumers, some 84% of which grocery shop with a list, are increasingly turning to snack foods to help them stay well (83%), according to **INFORMATION RESOURCES, INC.'s** (IRI) Sally Lyons Wyatt, SVP, Client Solutions, who delivered the State of the Snack Food Industry report at SNAXPO, the annual show held by the **SNACK FOOD ASSOCIATION**. Currently, 40% of consumers are seeking to purchase snack foods that offer attributes beyond basic nutrition. Overall, 81% hope to avoid costly medical bills by eating foods that are healthful, about 65% are eating specific foods to lose weight and 61% are eating to manage a specific health condition. About 74% of consumers are trying to eat healthier. Although health is a rising priority for the snack food consumer, price remains paramount. About 80% of consumers look for the best value while purchasing snacks, and 26% are seeking to make snack food purchases last longer. Approximately 31% of consumers are snacking less often. (U.S. children are snacking at rising rates; *see story on page 2*.) Nearly 42% are reducing the amount of money they spend on snacks and 22% eliminated unplanned snack purchases. However, indulgence is "still here to stay," even though the category is being outpaced by the healthier segment, noted Ms. Lyons Wyatt. Nearly 68% snack for enjoyment and about 32% consider snacking part of their healthy eating plan for the day. Some 26% eat snacks rather than a meal while on the go and 37% are looking for snacks that can be eaten on the go. Palatable taste is another important quality a successful snack food must possess, noted the executive. "If it doesn't taste good, it's not going to win," Ms. Lyons Wyatt stated. There is some disconnect between what consumers say and what they do, however. About 53% eat what tastes good, rather than what is healthy.

The industry as a whole raised prices 4% in 2009, posting 3% dollar sales growth. Leading categories were salty snacks (7%), non-chocolate candy and chocolate candy (4%) and yogurt, ice cream/sherbet and frozen novelties (2%). Volume increased 1%. Yogurt registered the greatest volume growth in 2009 (3%), followed by ice cream/sherbet (2%). Salty snack volume was flat. Chocolate candy volume growth fell 6%, cookies declined 5%, crackers posted a 3% decline, and snack/granola bars, frozen novelties and snack nuts/seeds all fell 2%. Non-chocolate candy posted the smallest decline, 1%. Cookies posted declines in dollar sales (1%) and volume (5%) last year.

WALMART lost share in the snack segment to grocery in 2009. The executive attributed this in part to the retailer cutting back on assortment. (*See related story on page 7*.) The retailer lost ground in 74% of snack categories and in eight of the top 10 categories. Grocery, however, posted gains in 74% of snack categories and nine of the top 10 categories.

The executive emphasized that it is of great importance for snack food manufacturers to make consumers' shopping lists. "Value is starting in the home," noted the executive. Notably, some 86% of CPG decisions are being made at home, compared to 85% in 2009, 75% in 2008 and 60% in 2007. About 64% of consumers rely on a pre-made list, some 49% use a store flyer to make their list, 45% list categories, 44% use coupons to outline their plan and 12% list brands. Some 34% of consumers will purchase any brand, Ms. Lyons Wyatt emphasized, and almost half (45%) of shoppers purchase store brands when money is tight. However, 66% of consumers do look for their favorite brands. Some 43% look for their preferred brand on sale and 23% want their brands at a fair regular price.

Numerous aspects are taken into account regarding final brand decision, notably price (78%), trust of brand/previous use (73%), coupons (51%), and newspaper circular/shopper loyalty discounts (39%).

PANERA, FIRST NATIONAL CHAIN TO POST CALORIES

This spring, Richmond Heights, MO-based **PANERA BREAD** will be taking the guessing out of calorie counting for its customers. Panera Bread will post calorie information on all company-owned Panera Bread, **SAINT LOUIS BREAD COMPANY** and **PARADISE BAKERY & CAFE** menu boards by April. Franchise-operated restaurants are expected to follow suit and have calories posted on menu panels by the end of 2010.

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"As we've been introducing our new menu boards across the country, customers have responded very favorably," stated Scott Davis, Panera's Chief Concept Officer. "We've seen them gravitating towards options that allow them to customize their meals such as our You Pick Two where they can pair small portions of our soups, salads or sandwiches to create a meal with fewer calories."

Panera also posts full nutrition information via a nutrition calculator on the company's website. In addition, customers are welcome to ask a restaurant associate to see a nutritional binder.

RETAILERS REPORT GROWTH IN RETAIL CRIME

Retail crime continues to rise amidst economic recovery, according to the **RETAIL INDUSTRY LEADERS ASSOCIATION** (RILA). The *2010 RILA Current Crime Trends Survey* reported that 78% of retailers saw an increase in amateur and opportunistic shoplifting, 65% saw an increase in organized retail crime and 74% saw an increase of stolen items found in online marketplaces. Retailers also reported that it was other retailers that offered the most assistance and information, followed closely by state and local law enforcement. "These trends are deeply troubling. We have seen a steady increase in retail crimes over the last year as criminals continue to take advantage of the economic climate to expand their activity," stated Casey Chroust, executive vice president, retail operations.

PRICES CURTAILING ORGANIC GROWTH

While the desire for organics still exists, in the last year high prices have played a huge role in organic purchases, or lack thereof. When asked what produce items they typically bought in 2009, 14% of consumers mentioned organic produce, according to *The Packer's Fresh Trends 2010* survey. However, when asked what they would buy if price was not an issue, 47% stated they would purchase organic fresh produce. Those in the highest income bracket or single shoppers with more disposable income continue to shop organic, at least some of the time.

Apples, blueberries and blackberries were the top fruits consumers chose to buy organic some of the time. Spinach, tomatoes and salad mix were on top of the organic vegetable list for periodic purchases. Lettuce saw the smallest drop, a decrease of 2% from last year. Salad mix and celery saw slight drops,

decreasing 4% from 2009. Organic pomegranates took the largest hit, with a 77% decrease, followed by organic sprout purchases. However, sprouts remain popular, being voted No. 1 in 2009 as the item consumers bought as exclusively organic; this year they were voted No. 2. Pluots, Asian pears and papayas were the top organic-only fruits. Pluots were the third most popular item overall; about 71% of respondents stated they chose the organic version 100% of the time.

U.S. CHILDREN SNACKING MORE OFTEN

U.S. children snack almost three times a day and get about 27% of their daily calories doing so, reported *Bloomberg* (Mar. 2). Starting at two years of age, children are becoming nonstop nibblers. The snacks are in addition to three meals a day, according to a study published in the journal *Health Affairs*. Popular snack foods include candy, crackers, pretzels, dessert foods and sweet drinks. About 98% of children stated they snacked in 2006, compared with 74% in 1977. The report was based on four national surveys of more than 31,000 children.

Children of all ages increased their calorie intake from snacks by 168 calories a day, a gain of 182 calories in children ages two to six. The growth in the last 33 years, along with similar research in adults, suggests that the increased snacking trend will continue. In addition, vending machines are available in 21% of U.S. public elementary schools, 62% of public middle schools and 86% of public high schools, according to a study from the **UNIVERSITY OF MINNESOTA**.

Last month, the **UNITED FRESH PRODUCE ASSOCIATION** kicked off "A Salad Bar in Every School" campaign, a multi-year public health commitment from the fresh produce industry designed to bring fruit and vegetable salad bars to schools across the country - see *Today In Food*, Feb. 10, the **FOOD INSTITUTE's** daily electronic update. The initiative joins First Lady Michelle Obama's campaign to combat childhood obesity.

The Mar. 11 edition of **THE LEMPERT REPORT**, featuring **FOOD INSTITUTE** data, focuses on real sales. Visit <http://www.foodinstitute.com/strategic.cfm> to view. New editions are posted on FI's website each Thursday. The Mar. 10 New Products Hits and Misses with Phil Lempert edition can be viewed at <http://www.foodinstitute.com/research.cfm>

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NEW PRODUCT NEWS

TURBANA CORP., Coral Gables, FL, launched Turbana Plantain Chips in six flavors: Natural, Lime, Chili, Chili-Lime, Garlic and Sweet. The plantain chips are touted as containing 30% less fat than potato chips and are free of trans fats, cholesterol, gluten, preservatives and additives, according to the company, which is owned by **UNIBAN...HOUSE FOODS AMERICA**, Garden Grove, CA, is introducing a So-Yah!, a new line of gourmet soy products. Initial items include ready-to-eat Tofu Shirataki Noodles in two flavors—Creamy Coconut Curry and Red Vindaloo Curry. The high-fiber, vegetarian meal, ready after 90 seconds in the microwave, is free of preservatives, MSG and cholesterol...**SARGENTO FOODS INC.**, Plymouth, WI, is rolling out a series of Reduced Sodium cheeses in six varieties: Colby-Jack slices, Provolone slices, Colby-Jack snack sticks, String snacks, Mild cheddar shredded cheese and Mozzarella shredded cheese...**MARS CHOCOLATE NORTH AMERICA**, Hackettstown, NJ, introduced goodnessKnows snacksquares in three flavors: Very Cranberry, Almonds & Berries and Roasted Nuts & Grains, in Boulder, CO, and expanding to Denver in April...**JUST BORN, INC.**, Bethlehem, PA, introduced **PEEPS** Chocolate Covered Marshmallow Chicks in milk and dark chocolate varieties and **PEEPS** Orange Marshmallow Bunnies...**NESTLE USA** is rolling out the **WONKA** Exceptionals line, consisting of chocolate and fruit-flavored items such as the **WONKA** Scrumdiddlyumptious Chocolate Bar, featuring toffee pieces, crispy cookies and crunchy peanuts wrapped in milk chocolate, and **WONKA** fruit Jellies...**NESTLE USA** also launched three Spa Cuisine entrees from **LEAN CUISINE**: Apple Cranberry Chicken, Roasted Honey Chicken and Thai-Style Noodles with Chicken...**EVOL BURRITOS**, Boulder, CO, introduced a line of deli-wrapped burritos that can be sold fresh or hot and come in six varieties, including sausage, egg and cheese; Bacon, egg and cheese; chicken, bean and rice; and shredded beef...**SADLER'S**

SMOKEHOUSE, LTD., Texas, introduced Sadler's Slow Roasted Meals, a grocery line of entrees including: Beef Roast with potatoes, carrots and home-style gravy; Turkey Breast with an herbed rice medley; Pork Roast with potatoes, carrots and home-style gravy and Beef Tips with long grain rice and hearty gravy...**PALERMO'S PIZZA**, Milwaukee, added two new varieties to its *Primo Thin* line—*Primo Thin* Garden and *Primo Thin* Chicken Fajita...**LA BREA BAKERY, INC.**, Van Nuys, CA, launched Antipasto Bread in three varieties: Rustic Italian, Roasted Garlic and Toasted Walnut. The new bread is designed to be used as the base for appetizers...**BUBBA FOODS LLC**, Jacksonville, FL, introduced Turkey Bubba Burgers. The frozen burgers are made of 100% All Natural White Turkey...**RECKITT BENCKISER** introduced *French's* Honey Mustard Dipping Sauce, featuring a special blend of real honey and *French's* mustard...**DCI CHEESE COMPANY**, Richfield, WI, extended its *Organic Creamery* line with Organic American cheese slices...**SWEET LEAF TEA COMPANY**, Austin, TX, introduced three new organic tea flavors: Lemon, Citrus Green and Diet Citrus Green...**TEA FORTE**, Concord, MA, launched a new organic tea line with five flavors: White Ginger Pear, Chamomile Citron, Earl Grey, Forte Breakfast and Green Mango Peach...**GENERAL MILLS** is out with *Yoplait* Greek yogurt in four flavors: Blueberry, Strawberry, Honey Vanilla and Plain. Each 6-oz. cup of *Yoplait* Greek contains 12 grams of protein and zero grams of fat...**JAMBA JUICE**, Emeryville, CA, and **OREGON ICE CREAM** will debut a line of Frozen Fruit Sorbet and Frozen Fruit Sorbet & Yogurt Bars in select U.S. retailers. The Frozen Fruit Sorbet Bars are available in two flavors—Peach Blackberry Smash and Strawberry Lemonade Swirl, and the Frozen Fruit Sorbet & Yogurt Bars come in three flavors—Vanilla Strawberry Jubilation, Vanilla Blueberry Pomegranate Perfection and Coconut Pineapple Passion Smashin'.

DECLINE IN SUPPER VISITS DUE TO AGE SHIFT, GENERATIONAL BEHAVIOR

Supper is the restaurant industry's largest sales generator, but it has also been the weakest performing meal period for the past decade, according to **THE NPD GROUP's** *Getting a Grip on the Supper Market* study. Supper visits have been cut back by all but the most mature age group, explains NPD restaurant analyst Bonnie Riggs, and the heaviest restaurant supper customers (18- to 24-year-olds and 25- to 34-year-olds) have cut back by some 13 visits per year over the past eight years.

Several reasons are targeted for this decline in profitability. Among the most important is that the aging of the U.S. population resulted in a fundamental shift in the profile of supper restaurant users. "The fact that older consumers make up a larger portion of the population, and are lighter restaurant

supper users, is part of explanation for this slip in per capita visits," explained Ms. Riggs. Whereas younger consumer groups had and continue to have the highest usage frequency of restaurant suppers, their pullback on usage has narrowed the frequency gap, and the sheer number of aging Boomers increased the importance of more mature adults to the supper occasion.

At the same time, if the reconfiguration of the supper demographic were taken out of consideration, restaurant usage for supper would still be declining. According to Ms. Riggs, "while this is especially noticeable since the recession began, it was also visible between 2002 and 2007." What this means for restaurant operators is clear: Understanding what their target customers are looking for is crucial. "Through product and concept innovations, availability, understanding their consumers' value perceptions, right pricing and targeted messaging, they can re-attract consumers to restaurants for supper."

New! *Eating In*, a **FOOD INSTITUTE** webinar presented in cooperation with **WILLARD BISHOP** and **THE COCA-COLA RETAILING AND RESEARCH COUNCIL**, will be held Thursday, Apr. 15 at 12 p.m. (EST). Featuring Joe Derochowski, Executive Director, **THE NPD GROUP**, Food and Beverage Services, and Bill Bishop, Chairman, Willard Bishop, the webinar will provide solid information on how customers are thinking about and approaching the planning, preparation, consumption and even clean-up for meals. The webinar will highlight results from a study sponsored by the Coca-Cola Retailing and Research Council - North America using NPD Group data. Food Institute president Brian Todd will moderate. A copy of the study will be available for download upon webinar registration. To sign up, learn more and download the study, visit <http://www.foodinstitute.com/eatingin.cfm>

MERGERS & ACQUISITIONS

ATLAS HOLDINGS LLC's affiliated entity, **BRIDGEWELL RESOURCES LLC**, acquired certain assets of Portland, OR-based **NORTH PACIFIC GROUP, INC.** (NPG) related to NPG's food and agriculture divisions. Bridgewell Resources LLC, Tigard, OR, is a global wholesale distributor and trading company serving retailers, manufacturers, construction firms and other customers with a wide range of value-added services and products in four markets: agricultural products, food products, utility and construction products and wood products.

An **H.I.G. CAPITAL, LLC** affiliate acquired **ALBERTVILLE QUALITY FOODS**, Albertville, AL, and **SOUTHERN QUALITY MEATS**, Pontotoc, MS. The companies specialize in poultry and pork based products.

MARTIN & BAYLEY INC., the Carmi, IL-based operator of **HUCK'S FOOD & FUEL**, is seeking to acquire a chain of 10 to 15 convenience stores and plans to open four or five new stores a year for the next few years, according to CEO Todd Jenney...*CSP Daily News* (Mar. 8)

PRICE CHOPPER SUPERMARKETS, Schenectady, NY, entered into an agreement to purchase six **P&C** stores from **TOPS FRIENDLY MARKETS**. Five of the six stores are located in northern New York State. The sixth store is in Lincoln, NH. The acquisition would give the chain 125 stores. Price Chopper is owned by the **GOLUB CORPORATION**.

REED'S INC., Los Angeles, entered into a letter of intent to acquire **JONES SODA**, Seattle, WA, in a stock and cash deal valued at around \$9.7 million. "Unfortunately, the challenging

MERGER RELATED NEWS

China's **BRIGHT FOOD GROUP** will raise its offer to buy **CSR LTD's** sugar business and hopes to complete the deal by the end of the year...*Reuters* (Mar. 3)

Ireland-based **GLANBIA** is in talks to sell its Irish dairy and agricultural business. The company stated majority owner **GLANBIA CO-OPERATIVE SOCIETY** was interested in its Dairy Ireland operations and other Irish businesses...*Reuters* (Mar. 10)

GREEN MOUNTAIN COFFEE ROASTERS, INC. subsidiary **PEBBLES ACQUISITION SUB, INC.** extended its offer to purchase all outstanding shares of common stock of **DIEDRICH COFFEE, INC.** to Apr. 5. For prior mention, see *FOOD INSTITUTE REPORT* Feb. 15, page 8.

Investor Nelson Peltz, whose firm controls **WENDY'S/ARBY'S GROUP**, is considering making a bid for **CKE**, the owner of **HARDEE'S** and **CARL'S JR.**, according to an unnamed source...*The New York Post* (Mar. 11)

TERRA INDUSTRIES INC.'s Board of Directors favor the merger proposal from **CF INDUSTRIES HOLDINGS, INC.** instead of a previous agreement with Norway's **YARA**. Terra gave Yara notice of its intention to terminate the Yara agreement, representing a \$4.1 billion buyout deal. Earlier this month, CF Industries Holdings offered to buy Terra in a cash and stock deal valued at \$4.7 billion—see *FOOD INSTITUTE REPORT* Mar. 8, page 5, and Feb. 22, page 4.

Canadian-based **VITERRA INC.** and **DAKOTA GROWERS PASTA COMPANY, INC.**, Carrington, ND, signed a definitive merger agreement whereby a subsidiary of Viterra will acquire all of the outstanding shares of Dakota Growers. The transaction represents a value of \$240 million.

economic environment combined with our current capitalization has made it extremely difficult to operate on a standalone basis," commented Rick Eiswirth, Jones chairman. Jones Soda Co. markets and distributes *Jones Soda, Jones Pure Cane Soda, Jones 24C, Jones GABA, Jones Organics, Jones Naturals* and *Whoopass Energy Drink* brands. Reed's, known for its *Ginger Brews* and *Virgil's*, recently added *Sonoma Sparkler* brands to its line. Other products include *Reed's Ginger Candies* and *Reed's Ginger Ice Cream*.

STAGNITO, INC., Deerfield, IL, acquired *Progressive Grocer* and its related products, along with the Retail Food Group from **NIELSEN BUSINESS MEDIA**, through its wholly owned subsidiary, **FOOD MEDIA GROUP, LLC**. The Retail Food Group also includes *Convenience Store News, Convenience Store News For the Single Store Owner* and *The Gourmet Retailer*. Stagnito, Inc. is a **CARDINAL GROWTH, LP** portfolio company...*Progressive Grocer* (Mar. 9)

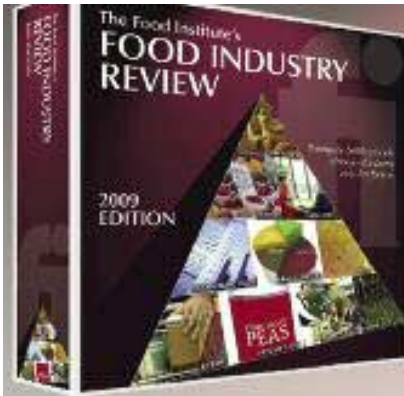
THE 2009 CPG YEAR IN REVIEW

The face of the consumer has changed, and needs and wants are now reconsidered, often with wants being the first to go. At-home and from-home eating has and will continue to increase, big purchases have been reduced significantly and trading down and coupon clipping will remain the norm, according to **INFORMATION RESOURCES INC.'s** (IRI) *Times & Trends: A Snapshot of Trends Shaping the CPG and Retail Industries* report. As attitudes and behaviors change rapidly, CPG marketers have a unique opportunity to form a promotion foundation for the future and offer realistic solutions. So far marketers have adapted quickly by countering with inflated promotional programs, hard line pricing tactics and refined assortment/distribution strategies.

However, 63 of the top 100 categories experienced higher than average price increases in 2009, driven by the market and the expenses connected to a move toward a more sustainable industry, factors that will lead to expected increases in 2010.

As most consumers define value mainly on price, it remains to be seen whether the increases will stick. CPG companies need to ensure that pricing strategies are based on continual intensive market and consumer analysis and all price changes are tested before introduction and be monitored frequently. Companies should also re-examine price and promotion strategies, continually aligning them with consumer's current viewpoints, as well as corporate and partner goals.

Those that cater to popular categories, like at-home and from-scratch meal initiatives, have performed well and are expected to continue to do so. Developed multi-faceted and corresponding promotional programs that highlight 'made at home' messages are key to guarantee relevance among targeted consumer groups. With the continued rise of private labels, CPG companies need to take them seriously and plan accordingly. One way to do this is to invest in research to understand the collaborative prospects that will provide consumers with CPG-based solutions across relevant categories.



The Food Institute's *Food Industry Review, 2009 Edition* contains valuable information for the success of your business, whether it's retail, foodservice or manufacturing. The *2009 Edition* is filled with indispensable data and analysis on supermarkets, membership clubs, supercenters and convenience stores, as well as a comprehensive look at the foodservice industry, covering restaurants, vending, and non-commercial outlets. The book also provides a detailed look at the food processing industry. Other topics include private label, organic food, new product launches, food business mergers & acquisitions, demographics of consumer food spending, packaged grocery sales by category and economic data, including the consumer and producer price indices.

This 700+ page reference is available in several convenient formats, designed with your research projects and presentations in mind. You can order the print version, which is compiled in an easy-to-navigate binder with removable pages. We are also offering the *2009 Edition* on CD, which enables you to search by keyword or access individual topics directly from a list of the book's contents. An electronic download in PDF format is also available.

label over name brands, according to information Resources, Inc.'s Private Label 2009. On value and quality at a lower price.

PRIVATE LABEL POPULARITY INCREASES

U.S. shoppers spent \$81 billion on store brand items in 2008, marking a 10% increase in sales in 2007, reported *Wash. Post Magazine* (Jan.). Over half of shoppers (57%) state store items are as good in quality as name brands, with 35% willing to pay as much or only come into view, stated Douglas Prater, president of Percon Private Label Products.

A factor giving the segment a boost is the transformation to a "value name brand." This involves offering consumers with products that are competitive with brand names in price. "We go beyond price," he adds, "we masterfully infused the consumer experience to focus generic to private label, from no name to store brand. This category now delivers a strong customer value: high quality and low price. Store brands are as thoughtfully packaged as their branded counterparts, with the quality backed by integrity of the retailer," stated Karl S. Halpern, president and CEO of Private Label Select Ltd. Co.

Store brands can add to stores' individuality, offering something new and different. This can be especially true of younger shoppers who "have begun to identify more with niche brands than mass brands, distinguishing themselves as unique and individualistic," stated Mr. Prater.

Private Label Sales in Supermarkets:

Private Label Dollar Volume - 2008

(Millions of Dollars)

	2008 Dollar Sales (in billions)	2007 Dollar Sales (in billions)	% Change
Total Private Label	\$81.0	\$74.2	9.2%
Total Brands	\$241.2	\$227.9	1.0%
Total Channel	\$295.2	\$287.1	2.8%

Private Label Unit Volume - 2008

(Millions of Units)

	2008 Unit Volume (in billions)	2007 Unit Volume (in billions)	% Change
Total Private Label	26.1	25.7	1.6%
Total Brands	91.3	95.4	-4.3%
Total Channel	113.5	121.1	-6.2%

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RESEARCH CORNER

- Nostalgia, indulgence, flavor adventure and artisan appeal are driving trends in the dessert market, according to *Confections and Dessert: Culinary Trend Mapping Report* from the **CENTER FOR CULINARY DEVELOPMENT (CCD)** and **PACKAGED FACTS**. Products highlighted as fitting into these developments include olive oil desserts, Parisian macarons, Japanese sweets and micro-batch chocolate. Salty sweets, caramel and whoopie pies are also becoming preferred indulgences. "Consumers are demanding sweets that are as trend-forward, satisfying and as adventurous as the savory foods that they love," noted CCD CEO Kimberly Egan.

- Individuals on average consumed 2.57 products a day with a label indicating a health benefit in 2009, up from 1.77 products a day in 2000, but down from 2.61 in 2008, according to **THE NPD GROUP**. Claims tracked include reduced-fat, diet, light, reduced-sodium, organic and whole-grain. The trend can be attributed to an interest in weight management, according to NPD Group VP Harry Balzer...*Nation's Restaurant News* (Mar. 8)

- Retailers and suppliers will need to adapt to consumers' new shopping behaviors to succeed in today's evolved marketplace and during the post-recession recovery, according to *The New Consumer Behavior Paradigm*:

Permanent or Fleeting? report from **PRICEWATERHOUSECOOPERS LLP** and **RETAIL FORWARD**, a **KANTAR RETAIL** company. Rampant bargain-hunting will be replaced by more purchase selectivity and the use of techniques and tools discovered during the recession, such as comparison shopping and coupons. The report anticipates that private label items are here to stay. About 20% of consumers will continue to eschew items considered too costly, such as certain gourmet specialty foods. The affluent segment of Generation X and the young Generation Y will lead spending in the recovery.

- Some 86% of consumers are interested in the government implementing objective front-of-pack labeling that calls out calories and beneficial nutrients, according to a survey by **FOODMINDS**. Approximately 77% of shoppers are interested in front-of-package labels designed to warn them of products with high calories and low nutrients. Should their favorite product have labeling that details negative aspects, about 64% noted they would either stop purchasing the product altogether or consume less. About 93% of shoppers stated that the Nutrition Facts panel is a very or somewhat useful tool, and with 88% saying so for front-of-pack labeling. Nearly 75% enjoy reading where their food comes from, i.e. sustainable, natural, organic. Some 71% find claims like "helps build strong bones" useful.

Meanwhile, about 65% do not support taxes on soda and other foods lacking nutritional value.

- A slight foodservice rebound is expected in fourth quarter 2010, but demand is forecast to be weak during 2010's first three quarters, according to **THE NPD GROUP's** CREST. Restaurant visit losses in each of 2009's four quarters contributed to a 3% decline for the year compared to 2008. All restaurant segments posted declines. One notable decline was registered in foodservice outlets; fewer employees bought restaurant food to consume at work, resulting in nearly half of traffic losses. "When consumers did visit restaurants, they favored lower priced options," stated Bonnie Riggs, NPD's restaurant industry analyst.

- The overall RFID market is expected to exceed \$8.25 billion in 2014, a 14% compound annual growth rate over the next five years, according to market data released by **ABI RESEARCH**. The RFID market appears set to reach \$4.47 billion in 2010, 15% over 2009 levels.

- Minnesota has at least 2,357 food companies that register \$330 billion in annual sales, according to **UNIVERSITY OF MINNESOTA** researchers. The state also has 81,000 farms...*TwinCities.com* (Mar. 4)

CONVENIENCE STORES HOLD STEADY IN COFFEE MARKET

Coffee servings in U.S. convenience stores were up 2% in 2009 compared to the year prior. The sector is steadily holding its share of total restaurant coffee servings, reported *Convenience Store News* (Mar. 1). In 2009, c-stores had an 8% share of brewed coffee servings and a 9% share of specialty coffee servings, according to **THE NPD GROUP**. Compared to last year, shares decreased by 1% for brewed and rose 1% for specialty.

"C-stores are holding up better than others. C-stores have done some pretty aggressive promoting of their products, specifically foodservice and beverages, and they will have to continue to do so; the forecast [for 2010] is more of the same," stated Bonnie Riggs, NPD's restaurant industry analyst.

For example, Rockland, MA-based **TEDESCHI FOOD SHOPS** had a successful year in 2009 and expects an even better performance this year. The 189-store convenience retailer took "a back-to-basics approach," limiting offerings and focusing on quality and consistency. Today, 161 shops have a **GREEN MOUNTAIN**-branded program, with the rest featuring **HONEY DEW DONUTS** or **DUNKIN' DONUTS**. In April 2009, the chain decided to focus its program on eight varieties, in light, premium and dark blends. "Sometimes, less is more. When we looked at the demographics for our markets, it was apparent that six out of 10 people coming in for coffee were looking for

a core blend. The rest was being divided between decaf and flavored," stated Brian Matlock, director of food service for the company.

The biggest threat to c-stores in the coffee category is burger chain competition. In 2009, burger chains' share of total restaurant coffee servings was 16%, the same as in 2008. But burger chains' share of specialty coffee servings increased to 11% in 2009, a 2% increase from the year prior. "Two share points is quite the jump," stated Ms. Riggs, noting that the market is not growing, evidence that shares are being poached from other parts of the industry.

The competition has yet to affect Dunkin' Donuts' market share, stated Mark Nunnally, managing director at **BAIN CAPITAL**. "The higher-priced players at \$4 or \$5 for a latte have obviously had the toughest year through the crisis. The more accessible price point players like Dunkin' and **MCDONALD'S** have fared better through that period," stated Mr. Nunnally. Mr. Nunnally went on to state that more consumers are trading down from expensive drinks to plain coffee rather than switching chains.

In other news, **STARBUCKS** is selling 31-oz. iced teas and iced coffees in the Phoenix and Tampa markets as part of a limited test. The launch stemmed from consumer demand for larger cold beverages and McDonald's offer of a 32-oz. sweet tea for \$1. The company named the new size *Trenta*.

FOOD INFLATION EATING INTO SUPERMARKET SALES

Although sales at the nation's grocery stores during January increased six-tenths of a percent from a year earlier to \$44.5 billion, when that figure is deflated by the **FOOD INSTITUTE's** Grocery Store Price Index, which measures inflation at the supermarket level, sales actually declined by 2.2%. That marked the nineteenth consecutive month that these so-called Real Sales declined from year-earlier levels – the longest string of declines ever recorded by the Food Institute. This reflects not only a much more budget-conscious consumer but the 1.9% decline in food-at-home prices reported by the government for January.

"Real" Sales Change Estimates

% Chge. Previous Year:	Grocery Stores	Eating & Drinking Places
Jan. 2009	-1.2%	0.1%
Feb.	-6.8%	-5.1%
March	-7.7%	-2.9%
Apr.	-2.6%	-2.6%
May	-4.8%	-3.0%
June	-3.2%	-2.5%
July r.	-2.6%	-2.3%
Aug.	-3.8%	-5.4%
Sept.	-0.8%	-2.8%
Oct.	-0.8%	-1.3%
Nov.	-2.5%	-3.3%
Dec.	-0.5%	-1.3%
Jan. - Dec. 2009 f.	-3.11%	-2.70%
Jan. 2010	-2.20%	-1.40%
r Revised p Preliminary		

For all of 2009, these deflated sales dropped 3.1% from 2008 on an annualized basis, according to updated data from the Food Institute. Looking ahead, it is not likely that such a decline was repeated this February, particularly because of the extremely sharp drop recorded in 2009 and a possible return to somewhat higher food prices this year. Severe weather across the country last month likely did impact sales as well, having nothing to do with deflation. But with many consumers being forewarned of the storms, some retailers certainly benefited from shoppers stocking up in advance to make sure their pantries were well stocked and their battery supplies replenished.

On the foodservice side, these "real" sales at eating and drinking places declined 1.4% during January when deflated by the Food Institute's Eating and Drinking Place Index, which measures inflation at the restaurant level. That compares to two-tenths of a percent increase in actual sales as reported by the **U.S. CENSUS BUREAU** last month. Prices for food-away-from-home during February were up 1.9% from a year earlier however, indicating that the drop in eating and drinking place real sales was attributable to a lack of diners, not lower prices.

The Food Institute will host a webinar on Apr. 15 that will look at how retailers can benefit by helping customers eat at home more. It is based on a new study called *Eating In* sponsored by

Latest FI Survey Results:

In response to a recent *Today In Food* and *Daily Update* survey, **what sectors will food and beverage companies seek to divest in 2010, 43% stated manufacturing plants, 29% noted restaurants, 29% indicated retail stores and no respondents answered brands.**

the **COCA-COLA RETAILING AND RESEARCH COUNCIL - NORTH AMERICA**. The webinar will give retailers a solid platform to build a fact-based strategy and dozens of fresh insights and actions retailers can take as they focus on making it easier and more beneficial for their customers to eat more meals at home. Visit <http://www.foodinstitute.com/eatingin.cfm> to sign up or find out more about this upcoming event.

WAL-MART RETURNING CERTAIN ITEMS TO SHELVES

Wal-Mart, which reduced the number of products carried in certain categories over the past year, is looking to reinstate variety as shoppers eschewed its stores for those with more selection, according to *Bloomberg.com* (Mar. 8). Cereal and soda are among the products being restocked as the company meets with suppliers. "Wal-Mart cut too deep and now they're going back to manufacturers," noted Michael Kantor, CEO of New York-based **PROMOTION OPTIMIZATION INSTITUTE**. Not all products will return to shelves, though. The move is "evolutionary and ongoing" and "based on customers' response," according to a company spokesperson. However, select manufacturers see an opportunity to ramp up efforts to appeal to the chain, according to Cameron Smith, owner of executive recruiting firm **CAMERON SMITH & ASSOCIATES**. So far, about 300 products have been returned to store shelves, according to Walmart U.S. COO Bill Simon. "Mostly in food and consumables, there were flavors, items and sizes that customers are very accustomed to and like very much...we disappointed them," the executive stated, reported *Reuters* (Mar. 10). The company found that customers put off by reduced options were beginning to spend their entire grocery budget at other retailers, noted Mr. Simon.

TARGET ROLLS OUT MOBILE COUPONS

Target introduced mobile coupons, allowing customers to receive coupons electronically via their cell phones. The coupons can be redeemed in the same manner as a traditional paper coupon, via a barcode, and can be used only once. However, single barcodes will be able to be utilized for multiple offers. Users can opt-in via a website on their computer, on their phone or by sending the retailer a text message. The move taps into a growing market; mobile coupons are redeemed at a 5% to 20% rate, compared to a 1% rate for print coupons, according to **CELLFIRE** VP of consumer marketing Dan Kihanya. Coupons will be released on a monthly basis and initially will not be targeted to specific consumers' desires, reported *USA Today* (Mar. 9). The coupons can only be used in stores. Target has 1,740 stores in 49 states. For more on mobile coupons, see *FOOD INSTITUTE REPORT* Mar. 8, page 1.

TROPICANA MAKING CHANGES IN RESPONSE TO FLORIDA ORANGE CROP

PEPSICO INC.'s *Tropicana* will raise the price of its gallon-size Pure Premium containers by 5% to 8% as a result of the Florida orange crop freeze (see page 20 and 21 for complete citrus report details). Currently, the suggested retail price of the product is \$6.49. The company will also reduce the jug size of Tropicana Pure Premium orange juice to 59-oz. from 64-oz. but will not change the price, \$3.59, reported *The Associated Press* (Mar. 10). "We're doing this so that we don't have to take the price up on our core product," noted a company spokeswoman. The changes will take place in May.

LATEST FINANCIAL REPORTS (000 OMITTED)



Current Year % Change Year Ago

AFC ENTERPRISES, INC. (ATLANTA, GA)

12 Wks. To Dec. 27:

Sales:	\$32,500	-9.5%
Net Income:	\$4,000	66.7%
Year:		
Sales:	\$148,000	-11.3%
Net Income:	\$18,800	-3.1%

AMBEV (SAO PAULO, BRAZIL)

Qtr. To Dec. 31:

Sales:	6,778,600	6.5%
Net Income:	1,790,900	5.3%
Year:		
Sales:	23,194,000	12.0%
Net Income:	5,986,000	16.9%

* Amounts in Brazilian Reais.

ANHEUSER-BUSCH INBEV (ST. LOUIS, MO)

Qtr. To Dec. 31:

Sales:	\$9,297,000	3.7%
Net Income:	\$4,993,000	12.6%
Year:		
Sales:	\$36,758,000	-6.1%
Net Income:	\$19,560,000	-0.8%

BOSTON BEER CO., INC. (BOSTON, MA)

Qtr. To Dec. 26:

Sales:	\$107,188	3.3%
Net Income:	\$7,460	107.4%
Year:		
Sales:	\$415,053	4.2%
Net Income:	\$31,118	284.7%

BROWN-FORMAN CORP. (LOUISVILLE, KY)

Qtr. To Jan. 31:

Sales:	\$861,700	9.9%
Net Income:	\$107,900	-12.6%
9 Mos.:		
Sales:	\$2,492,500	-0.7%
Net Income:	\$376,500	6.1%

CASEY'S GENERAL STORES, INC. (ANKENY, IA)

Qtr. To Jan. 31:

Sales:	\$1,114,377	31.2%
Net Income:	\$17,242	23.0%
9 Mos.:		
Sales:	\$3,457,281	-9.2%
Net Income:	\$95,027	35.5%

Current Year % Change Year Ago

CEDAR SHOPPING CENTERS, INC. (PORT WASHINGTON, NY)

Qtr. To Dec. 31:

Sales:	\$46,791	7.1%
Net Income:	(\$29,673)	-1128.5%
Year:		
Sales:	\$181,711	6.5%
Net Income:	(\$24,543)	-333.8%

DEL MONTE FOODS CO. (SAN FRANCISCO, CA)

Qtr. To Jan. 31:

Sales:	\$1,013,200	7.5%
Net Income:	\$59,400	-1.8%
9 Mos.:		
Sales:	\$2,785,800	8.4%
Net Income:	\$180,600	79.2%

DUANE READE, INC. (NEW YORK, NY)

13 Wks. To Dec. 26:

Sales:	\$465,031	0.1%
Net Income:	(\$84,808)	n/a
Year:		
Sales:	\$1,837,499	3.6%
Net Income:	(\$124,296)	n/a

FAMOUS DAVE'S OF AMERICA, INC. (EDEN PRAIRIE, MN)

Qtr. To Jan. 3:

Sales:	\$32,601	-0.6%
Net Income:	\$774	n/a
Year:		
Sales:	\$136,018	-3.1%
Net Income:	\$5,701	1365.6%

JAMBA INC. (EMERYVILLE, CA)

12 Wks. To Dec. 29:

Sales:	\$50,598	-9.8%
Net Income:	(\$12,365)	n/a
Year:		
Sales:	\$301,553	-12.1%
Net Income:	(\$25,805)	n/a

KROGER CO. (CINCINNATI, OH)

Qtr. To Jan. 30:

Sales:	\$18,554,500	7.2%
Net Income:	\$255,400	-26.9%
Year:		
Sales:	\$76,733,200	0.8%
Net Income:	\$70,000	-94.4%

Current Year % Change Year Ago

MEDIFAST INC. (OWINGS MILLS, MD)

Qtr. To Dec. 31:

Sales:	\$46,220	81.6%
Net Income:	\$3,045	220.9%
Year:		
Sales:	\$165,618	57.1%
Net Income:	\$11,963	120.1%

MORTON'S RESTAURANT GROUP, INC. (NEW HYDE PARK, NY)

Qtr. To Jan. 3:

Sales:	\$79,172	-9.4%
Net Income:	(\$68,060)	n/a
Year:		
Sales:	\$281,104	-14.7%
Net Income:	(\$79,646)	n/a

NASH FINCH CO. (EDINA, MN)

12 Wks. To Jan. 2:

Sales:	\$1,222,437	2.9%
Net Income:	(\$43,107)	-896.5%
Year:		
Sales:	\$5,212,655	12.5%
Net Income:	\$2,778	-91.6%

RESTAURANT GROUP PLC (ARLINGTON HEIGHTS, IL)*

Year To Dec. 27:

Sales:	£435,743	4.6%
Net Income:	£37,272	15.7%

* Amounts in pounds.

TASTY BAKING CO. (PHILADELPHIA, PA)

13 Wks. To Dec. 26:

Sales:	\$43,858	0.3%
Net Income:	(\$5,133)	n/a
Year:		
Sales:	\$180,562	3.8%
Net Income:	(\$3,389)	n/a

WENDY'S/ARBY'S GROUP (DUBLIN, OH)

14 Wks. To Jan. 4:

Sales:	\$900,943	0.5%
Net Income:	(\$13,594)	n/a
Year:		
Sales:	\$3,198,348	92.4%
Net Income:	\$5,062	n/a

Sign up for FI's free Daily Update, which covers top Industry, International, Health, Washington and Markets news, at <http://www.foodinstitute.com/dusignup.htm>.

Just Rescheduled! Implementing An E.coli Control Policy, a webinar from **THE FOOD INSTITUTE** and **OLSSON FRANK WEEDA TERMAN BODE MATZ PC**, will be held Wednesday, Apr. 7 at 12 p.m. (EST). A panel of experts will discuss how to prevent and control E. coli outbreaks; how to keep your records in order to avoid shouldering the blame for mishandling foodstuff; and how to deal with a positive finding should it occur. To sign up and learn more, visit <http://www.foodinstitute.com/ecoli.cfm>

WASHINGTON

SENATE APPR. COMMITTEE HOLDS FDA FY 2011 BUDGET HEARING

The Senate Committee on Appropriations, Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies held a hearing on Mar. 9 to receive testimony on FDA's 2011 Budget request. Below is a brief summary of the opening statements, testimony and discussion from the hearing provided by **FOOD INSTITUTE** counsel **OLSSON FRANK WEEDA TERMAN BODE MATZ PC**. Members in attendance included Chairman Kohl (D-WI), Ranking Member Brownback (R-KS), Senator Dorgan (D-ND) and Senator Pryor (D-AR).

Opening Statements

Chairman Kohl noted that the FY 2011 budget increase is only half of the increase requested in FY 2010, due to a need to restrain government spending rather than FDA being subordinate to other priorities. The chairman applauded FDA's stated focuses for the coming fiscal year, highlighting food safety, patient protections and the advancement of regulatory science.

Ranking Member Brownback focused his comments on rare and neglected diseases, stating that there are 7,000 rare diseases in the U.S., though FDA approved a treatment for only 200 of them. The senator urged FDA to simplify and set up a separate process approving products to treat these diseases.

Testimony

Commissioner Hamburg explained to the Committee that FDA is seeking to emphasize three main initiatives in FY 2011: food safety, patient protections and the advancement of regulatory science. The food safety efforts will focus on recommendations from the Food Safety Working Group, highlight preventative measures and lead toward a cohesive national system. Regarding patient protections, Commissioner Hamburg described the pressing need to modernize the approach of FDA, especially relating to import safety, high-risk products, partnerships for patient safety and generic drug review. As part of the advancement of regulatory science, FDA is seeking to provide better tools, standards, and pathways to evaluate products; create efficiencies in the development process and improve product safety, quality and manufacturing. Commissioner Hamburg also discussed FDA activities relating to implementation of tobacco regulation and efforts taken against H1N1 Avian Influenza.

Discussion Period

The following were some of the topics discussed during the question and answer period:

- Commissioner Hamburg's vision for FDA – expansion of foreign presence and adaptation to globalization;
- Creation of two separate approval processes for standard drugs and those intended for rare and neglected diseases;
- Increased emphasis on nanotechnology;

- Salmonella outbreak in hydrolyzed vegetable protein;
- FDA support for *The Food Safety Modernization Act* (S. 510);
- The importation of prescription drugs – safety, formulation and bio-equivalence of foreign drugs.

HOUSE APPR. SUB-CMTE HOLDS CHILDHOOD NUTRITION HEARING

The House Appropriations Subcommittee on Agriculture, Rural Development, **FDA** and Related Agencies held an overview hearing on Mar. 4 regarding the reauthorization of the *Child Nutrition Act*. Chairwoman Rosa DeLauro (D-CT) and Ranking Member Jack Kingston (R-GA) presided over the hearing and were joined by Representatives Farr (D-CA), Boyd (D-FL), Bishop (D-GA), Kaptur (D-OH), Hinchey (D-NY), Latham (R-IA), Emerson (R-MO), and Alexander (R-LA). The following is a summary of the hearing, provided by **FOOD INSTITUTE** counsel **OLSSON FRANK WEEDA TERMAN BODE MATZ PC**.

Some of the key items coming from this hearing include:

- **USDA's** expectation to publish revised school meal standards based on **INSTITUTE OF MEDICINE** (IOM) recommendations by the end of 2010, but additional resources will be required as foods meeting the standards are likely to be more costly;
- Improved access to federal child nutrition programs, including simplifying the application process and direct certification;
- Increasing the federal reimbursement rate for school meals conditioned on additional funds used for improved meals;
- Alternative strategies for dealing with obesity that deserve consideration; and
- The changing nutrition environment and how it factors into current concerns about obesity.

Opening Statements:

Chairwoman DeLauro opened the hearing by saying that while the subcommittee will continue to hold its traditional hearings with USDA agencies regarding the appropriation requests for FY 2011, the subcommittee will also hold topical hearings to help frame the issue by listening to experts. The representative stated that 69% of all children participating in the school lunch program in public schools qualify for free or reduced school lunches. In rural areas, 55% of households eligible for the National School Lunch Program do not participate in the program, as well as 55% of those eligible for the National School Lunch Program and 92% of those eligible for the Child and Adult Care Food Program. The chairwoman stated that members of the Subcommittee also share the Administration's two main priorities: reducing barriers and improving access to combat childhood hunger and enhancing nutritional quality and the health of the school environment.

Testimony:

Kevin Concannon – *Under Secretary for Food, Nutrition and*

Consumer Services, USDA

The Undersecretary testified that as part of the reauthorization of child nutrition programs, the administration wants to: eliminate any barriers to participation; establish nutrition standards for competitive foods sold as part of a la carte meals or in vending machines; establish competitive grants to encourage the consumption of healthier foods; establish state challenge grants so governors can develop innovative programs to help end childhood hunger by 2015; provide grants for direct certification of eligible children; improve the Farm to School program and expand the Child and Adult Care Food Program (CACFP) so that suppers are available in all 50 states.

Kelly D. Brownell, Ph.D. – *Professor of Psychology, Epidemiology and Public Health, Director of the Rudd Center for Food Policy and Obesity, YALE UNIVERSITY*

Dr. Brownell focused his views on increasing the availability of healthy foods, particularly fresh foods, and cutting the amount of sugar in foods as the current nutrition environment encourages unhealthy consumption. Stating that food portions are too large and three meals a day are wrongly viewed as “not enough,” Mr. Brownell urged taking action to create “better default environments.” Agreeing with many of the administration’s recommendations, Mr. Brownell also suggested that school meal reimbursement rates should be increased by \$1 per meal and free school breakfasts should be made universal. The IOM standards should be applied to all competitive foods sold or offered in the schools.

The professor then spoke about food marketing to children, suggesting that there has been “scant progress by industry” in improving the messages provided to children and that government education programs are not enough to overwrite all of the industry money put into advertising. Mr. Brownell recommended that all food advertising should be banned in schools, that **FTC** should fully regulate this advertising and Congress should enhance its power to do so.

As sugar sweetened beverages are the largest source of sugar in diets, with teenagers getting 15%-20% of their daily calories from these sources, Mr. Brownell recommended a one cent-per-oz. tax on sugar-containing beverages, with the revenues used for nutrition education programs. The Yale professor believes that the tax would reduce the consumption of sugar-containing beverages from 50 gallons per capita to 38.5 gallons per capita.

Dr. Mariana Chilton – *Principal Investigator, GROW Project/Witness to Hunger, Co-Principal Investigator, CHILDREN’S HEALTH WATCH, DREXEL UNIVERSITY SCHOOL OF PUBLIC HEALTH*

Children’s Health Watch believes children’s health is declining with an increase in the number of food insecure people. In Philadelphia, one in three people do not have enough money for food, while nationally one out of four children under the age of six is food insecure. Such children are likely to have a history of hospitalization and developmental delay.

Scott Faber – *Vice President for Federal Affairs, GROCERY MANUFACTURERS ASSOCIATION (GMA)*

GMA believes that more resources are needed in the program to enable the purchase of food choices meeting more stringent

nutrition sources, and that there should be standards for all foods sold to students in schools. Some 10,000 product changes were made in recent years to reduce calories, fats, sugars and sodium, and GMA shares the goals expressed by Secretary Vilsack and supports the effort to bring more grocery stores and farmers’ markets to underserved areas.

Zoë Neuberger – *Senior Policy Analyst, CENTER ON BUDGET AND POLICY PRIORITIES*

The Center supports the Hunger Free Schools Act (H.R. 4148) to provide school-wide eligibility for school meal programs, and the Center believes that if the legislation is adopted 10,000 schools could qualify if 40% or more of the school’s students were directly certified as eligible for the program. The Center would also like to see an expansion of automatic enrollment in school meal programs. If a family qualifies for the Supplemental Nutrition Assistance Program (SNAP), the Center does not find it makes sense for families to enter a separate and additional application process. The Center also supports the expansion of direct certification to allow the use of Medicaid data, estimating that this would result in two million children being enrolled in school meal programs.

Question And Answer Session

The following is a summary of questions raised by members of the subcommittee and answers provided by the witnesses.

Congressman Kingston: You are recommending an additional \$1 billion for child nutrition reauthorization. How is it broken down across the various items identified as priorities?

Under Secretary Concannon – *There are 15 priorities. We continue to work on how the funds might be allocated. A significant portion would be committed to increases in reimbursement rates. I am mindful of the deficit, but do believe that if these expenditures are made properly, they will actually save money down the road.*

Chairwoman DeLauro: What types of commodities are purchased for each program, and how are they procured?

Under Secretary Concannon – *Commodities have gotten healthier, contrary to the perception of the commodity program. USDA standards require low sodium, light syrup and other improvements. Schools decide what it is that they want from our list of available items.*

Congressman Farr: The Child Nutrition Program is #3 in terms of paperwork. (According to Congressman Farr’s school program administrators, “bureaucratic barriers” are 60% of their costs.) What can be done to reduce these barriers? Where is the leadership from USDA on this issue?

Under Secretary Concannon – *We want to simplify the program, and are using resources Congress provided to increase the use of direct certification.*

Zoë Neuberger – *The application you have referenced is simple compared to the SNAP application. People who process school meal applications are not trained caseworkers in the same way as is the case for the SNAP and WIC programs. That is why the Center supports using data from other programs to increase direct certification.*

Congressman Farr: Given what administrators claim about bureaucratic costs, \$6 billion out of the \$18-\$19 billion spent on these programs could be saved and spent on program improvements.

Chairwoman DeLauro: When will USDA implement the new IOM standards?

Under Secretary Concannon – It is a priority for the Secretary, and USDA hopes to issue the revised standards later this year. It will require additional resources to implement the standards since healthier foods are more expensive.

If only 67% of schools are meeting the current standards, how do we improve this number with revised standards?

Under Secretary Concannon – The Administration proposes that increased reimbursement rates are tied to performance.

Will GMA support standards for competitive foods?

Scott Faber – Yes.

What do you think of voluntary standards?

Dr. Brownell – Some companies are better than others at following voluntary standards. There needs to be some kind of honest evaluation of compliance with voluntary standards. Yielding to industry when they have so much at stake is very dangerous.

Scott Faber – The industry has done several things to improve operations that should be considered. But GMA supports standards, not just voluntary. Industry has changed advertising. We have reformulated products to meet the Dietary Guidelines.

Dr. Brownell – The beverage industry's efforts have been successful only if it results in lower consumption. Marketing has been redirected elsewhere.

Chairwoman DeLauro noted what she calls the "Smart Choice Fiasco" and how the advertising was portrayed.

Chairwoman DeLauro: Should wellness programs be mandated?

Dr. Brownell – Yes. Schools with wellness policies do better.

Congressman Kingston – Aren't school messages on food more in the **DEPARTMENT OF EDUCATION's** jurisdiction?

Under Secretary Concannon – We are working together.

Chairwoman DeLauro: Philadelphia has operated a type of universal meals program for several years. Has it had a better result?

Dr. Chilton – It has been a fantastic program for lunch in eligible schools. Schools have to "opt-in" for breakfast, and not all schools have exercised that option. Charter schools are not included, and that is a problem. Schools have succeeded in eliminating sodas, and are working on other competitive food items.

How does the Philadelphia program compare with the *Hunger*

Free Schools Act, and what barriers might exist to the implementation of the *Hunger Free Schools Act*?

Dr. Chilton – Philadelphia school eligibility is based on a household survey. Such a survey may not be feasible in other cities and towns. The Act provides "community eligibility" as a simpler way to operate the program. The whole-school eligibility option would be offered to schools within that community. A key issue will be how the reimbursement rate under the option compares with actual reimbursement rates for traditional participation. Schools may not want to participate in the community option if they believe the reimbursement rate will not be sufficient to cover their costs.

FDA ISSUES WARNING LETTERS

Florham Park, NJ-based **NESTLE NUTRITION** was issued a warning letter on Feb. 22. The investigation found that the company's labels for its Graduates Fruit Puffs line and the label for its Gerber 2nd Foods Carrots were misbranded. The labeling included unauthorized nutrient content claims.

Yuba City, CA-based **SUNSWEET GROWERS INC.** was issued a warning letter on Feb. 22. The investigation found that the company's label for its Antioxidant Blend dried fruit mix was misbranded. The labeling included unauthorized nutrient content claims.

Portland, OR-based **LUCKY FARM, INC.** was issued a warning letter on Feb. 18 after an investigation of the company's bean sprout processing facility on Sept. 22-23, 28 & 30 and Oct. 2, 2009. The investigation found significant unsanitary conditions. Accordingly, the company's bean sprout products are adulterated in that they were prepared, packed or held under unsanitary conditions whereby they may have been rendered injurious to health.

Detroit, MI-based **SCOTTY'S, INC.** was issued a warning letter on Nov. 9, 2009 after an investigation of the company's food processing facility on Aug. 5, 7, 13, & 26, 2009. The investigation found significant unsanitary conditions and violations of the Current Good Manufacturing Practice in Manufacturing, Packing or Holding Human Food. Accordingly, a variety of ready-to-eat sandwiches are adulterated, in that they were prepared, packed, or held under unsanitary conditions whereby they may have been rendered injurious to health.

FOOD PRODUCT RECALLS REPORTED

Approximately 96,000-lbs. of beef products are being recalled by **RANDOLPH PACKING CO. INC.**, Asheboro, NC. The products were distributed in Illinois, Missouri, New York, Ohio and Virginia. The firm initiated recall began on Mar. 1, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with E. coli."

Hawaiian Kettle Style Potato Chips Sweet Maui Onion and Sweet Maui Onion Rings are being recalled by **TIM'S CASCADE SNACKS**, Algona, WA. The products were distributed nationwide and in Canada. The firm initiated recall began on Mar. 2, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with Salmonella."

Approximately 320 packages of Tortilla Soup Mix are being recalled by **HOMEMADE GOURMET**, Canton, TX. The prod-

ucts were distributed nationwide. The firm initiated recall began on Mar. 3, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with Salmonella."

Follow Your Heart brand products are being recalled by **EARTH ISLAND**, Chatsworth, CA. The products were distributed in California. The firm initiated recall began on Mar. 3, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with Salmonella."

Black pepper is being recalled by **MINCING OVERSEAS SPICE COMPANY**, Dayton, NJ. The products were distributed in Florida, Iowa, Illinois, Indiana, Massachusetts, Oklahoma, New Jersey, New York, Pennsylvania, Rhode Island, Texas and Wisconsin. The firm initiated recall began on Mar. 5, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with Salmonella."

Black Pepper is being recalled by **DUTCH VALLEY FOOD DISTRIBUTORS**, Myerstown, PA, in conjunction with the **MINCING OVERSEAS SPICE CO.**'s recall. The products were distributed nationwide. The firm initiated recall began on Mar. 9, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with Salmonella."

Wegmans Food You Feel Good About Seafood Sauce is being recalled by **ED ROLLER, INC.**, Rochester, NY. The products were distributed in New York, Pennsylvania, New Jersey, Virginia and Maryland. The firm initiated recall began on Mar. 5, and is ongoing. **Reason For Recall:** "The products contain undeclared soy and anchovies."

Old Apple Tree Tomme cheese is being recalled by **THE ESTRELLA FAMILY CREAMERY**, Montesano, WA. The products were distributed in Washington. The firm initiated recall began on Mar. 5, and is ongoing. **Reason For Recall:** "The products have the potential to be contaminated with Listeria monocytogenes."

Approximately 186-lbs. of Baken-ets Fried Pork Skins are being recalled by **RUDOLPH FOODS CO.**, San Bernardino, CA. The products were distributed in Arizona, California, New Mexico and Texas. The firm initiated recall began on Mar. 5, and is ongoing. **Reason For Recall:** "The Hot'N Spicy version of the product was packaged in a Traditional bag."

FDA is expanding its report on manufacturers who are voluntarily recalling products containing hydrolyzed vegetable protein in association with **BASIC FOOD FLAVORS INC.** Salmonella outbreak. Companies include: **T. MARZETTI COMPANY, CASTELLA IMPORTS, RESER'S FINE FOODS, INC., CONCORD FOODS, WINDSOR FOODS, RUIZ FOODS, HERR FOODS, GNS FOODS, CREATIVE CONTRACT PACKAGING CORP., MCCORMICK & CO., FRESH FOOD CONCEPTS, INC., NATIONAL PRETZEL COMPANY** and **NESTLE PROFESSIONAL NORTH AMERICA.**

FROM FDA'S Mar. 3 ENFORCEMENT REPORT

Turkish Pinenut Kernels are being recalled by **RED RIVER FOODS, INC.**, Richmond, VA and were manufactured by **KERMES TARIM URUNLERI DIS. TIC. LTD. STI.**, Kozak, Turkey. The products were distributed in Texas. The firm initiated recall began on Jan. 11, and is ongoing. **Reason For Recall:** "The products are contaminated with Salmonella."

Harris Teeter Farmers Market Pine Nuts are being recalled by **HINES NUT CO.**, Dallas, TX. The products were distributed in North Carolina. The firm initiated recall began on Jan. 14, and is ongoing. **Reason For Recall:** "The products are contaminated with Salmonella."

SlimFast products are being recalled by **UNILEVER UNITED STATES, INC.**, Englewood, NJ and were manufactured by **UNILEVER COVINGTON**, Covington, TN. The products were distributed nationwide and internationally. The firm initiated recall began on Dec. 3, 2009, and is ongoing. **Reason For Recall:** "The products may be contaminated with Bacillus cereus."

Coconut Royelle Spread is being recalled by **BEST BRANDS CORP.**, Minnetonka, MN and was manufactured by **BEST BRANDS, INC.**, Dallas, TX. The products were distributed in Arkansas, Louisiana and Texas. The firm initiated recall began on Sept. 11, 2009, and is ongoing. **Reason For Recall:** "The products may have been inadequately acidified to control the growth of pathogens."

Cafe Frazee All Natural Coffee Frappe is being recalled by **ICE CREAMS & COFFEE BEANS, INC.**, Ravenel, SC. The products were distributed in Florida, Georgia, Kentucky and South Carolina. The firm initiated recall began on Dec. 7, 2009, and is ongoing. **Reason For Recall:** "The products may have been inadequately acidified to control the growth of pathogens."

Plum Organics brand Apple & Carrot Portable Pouch Baby Food is being recalled by **THE NEST COLLECTIVE, INC.**, Emeryville, CA and was manufactured by **SUPER-PUFFT SNACK CORP.**, Mississauga, Canada. The products were distributed nationwide. The firm initiated recall began on Oct. 19, 2009, and is ongoing. **Reason For Recall:** "The products may have been inadequately acidified to control the growth of pathogens, particularly Clostridium botulinum."

Orthodox Union's Recently Certified Kosher Products

Company	Brand	Items	Cert.
Zhejiang Shundi Foods Co., Ltd	We Go	Aritchoke	OU
		Beans	OU
		Black Fungus	OU
		Carrot	OU
		Chives	OU
		Leek	OU
		Onion	OU
		Parsley	OU
		Pumpkin	OU
		Red Bell Pepper	OU
		Shitake	OU
		Tomato	OU
		Green Asparagus	OU
		Mushroom	OU
		Pea Pod	OU
Yaya Foods Group	Citrus Valley	Potato	OU
		Spring Onion	OU
		White Asparagus	OU
		Apple Juice From Concentrate	OU
		Grapefruit Juice From Concentrate	OU
		Orange Juice From Concentrate	OU
		Pineapple Juice From Concentrate	OU

MARKETS

PRODUCE

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USDA OFFERS TO BUY FRESH PRODUCE

Shipments between May 3 - June 9, 2010

	Case Size	Cases
Fresh Pears, D'Anjou	45-lbs.	90,000

Shipments between July 13-31, 2010

Fresh Russet Potatoes	50-lb. carton	3,200
Fresh Russet Potatoes	5/10-lb. bags	8,000
Fresh Round White Potatoes	5/10-lb. bags	2,400

Shipments between May 16 - June 15, 2010

	Case Size	Pounds
Fresh Potatoes for Dehydration	Bulk	1,880,000
Fresh Potatoes for Processing	Bulk	6,360,000

Shipments between July 1 - Aug. 31, 2010

Fresh Potatoes for Dehydration	Bulk	3,400,000
Fresh Potatoes for Processing	Bulk	19,720,000

For more information contact USDA at 202-720-4517.

USDA - Agriculture Secretary Tom Vilsack pledged additional funding to assist California agricultural producers struggling with drought-related water cutoffs. USDA would provide \$10 million through a special drought initiative under the Environmental Quality Incentives Program.

TARIFFS - Brazil will raise tariffs on 102 U.S.-made products, including pears and potatoes, for 365 days in retaliation for subsidies paid to U.S. cotton producers, according to Trade Minister Miguel Jorge. Acting on authorization by **WTO**, Brazil will raise levies to between 14% and 100%, according to a list published in the government's Official Gazette, reported *Bloomberg.com* (Mar. 8).

TOMATOES - Florida fresh tomato shortages are causing restaurant chains including **WENDY'S** to stop including tomatoes in sandwiches unless requested, while **SUBWAY** is using different varieties to keep supplies up. **PUBLIX SUPER MARKETS INC.** is paying more to import tomatoes from Mexico, and **SUPERVALU INC.** is holding price increases to customers on its fresh tomatoes to less than 5%. The cold temperatures that dented citrus production also destroyed roughly 70% of the tomato crop in Florida, which is the largest source of U.S.-grown fresh tomatoes this time of year. Reggie Brown, executive vice president of **FLORIDA TOMATO GROWERS EXCHANGE**, stated that a 25-lb. box of tomatoes is trading for \$30, compared with \$6.45 a year ago. Prices of fresh tomatoes are expected to fall sharply by April as farmers in southern Florida begin harvesting a new tomato crop, the condition of which so far appears to be normal. Still, Florida growers worry that they will have permanently lost even more market share to Mexican-grown tomatoes by then, reported *The Wall Street Journal* (Mar. 3).

Meanwhile, **USDA** is adopting an interim final rule that decreased the assessment rate established for the **FLORIDA TOMATO COMMITTEE** for the 2009-10 and subsequent fiscal periods from \$0.0375 to \$0.0275 per 25-lb. carton of tomatoes handled.

ONIONS - Bad winter weather in Mexico and Texas should keep onion supplies very tight well into spring, according to grower-shippers. With much of the Mexican winter crop wiped out by cold, wet weather, product that normally would be exported to the U.S. is staying in Mexico, stated Don Ed Holmes, owner of **THE ONION HOUSE**. On Mar. 9, the USDA reported prices of \$34-\$36 for 50-lb. sacks of jumbo and medium yellow grano onions from Mexico, up from \$8-\$10 last year at the same time, reported *The Packer Online* (Mar. 9).

Commodity	Source	Movement	Trading	Prices	Details
Avocados	Mexican Crossing Thru TX	Same	Moderate	48s, 60s, and 70s higher	With the Chilean volume winding down, Mexico shippers are expecting a stronger market. Cartons 2-layer Hass 32s mostly \$22.25-23.25, 36s mostly \$23.25, 40s mostly \$24.25-25.25, 48s mostly \$24.25-25.25, 60s \$23.25-24.25, 70s mostly \$19.25-20.25 and 84s mostly \$16.25; Organic 48s \$28.25-29.25, 60s mostly \$26.25-27.25 and 70s \$24.25-25.25.
Cabbage	North, Central & South FL	Same	Active	Round Green higher	Production continues to be slightly below normal. 50-lb. carton Round Green type medium \$14.00, small \$12.00, Red type \$18.00; 45-lb. sacks Savoy type \$14.00-16.00. Quality variable.
	Lower Rio Grande Valley, TX	Expected to increase due to greater retail demand	Early fairly active, late very active	↑	Round Green type 50-lb. cartons medium mostly \$12.00, sacks extra large mostly \$8.00-8.40; Red type 50-lb. cartons med. mostly \$16.00. Quality variable.
Cucumbers	Mexico Crossing Thru AZ	Same	Pickles and Long Seedless fairly slow, others active	Seedless lower	1 1/9 bushel cartons medium mostly \$22.95, large mostly \$18.95; cartons 24s \$9.95, 36s mostly \$10.95-11.95; Cartons film wrapped Long Seedless Greenhouse 12s mostly \$4.95-5.00, 16s \$5.00-6.00; 1 1/9 bushel crates Pickles 150-200s \$12.95-14.35, 200-300s and 300-400s \$14.95-16.35. Organic 25-lb. cartons medium \$24.85. Quality generally good.

Commodity	Source	Movement	Trading	Prices	Details
Kiwifruit	<i>Italy</i>	Same	Moderate	Same	Ports of Entry: Philadelphia area and New York City area. 9 kg (19.8 lb) containers loose Hayward 23-27 size \$20.00-22.00, 30-33 size mostly \$20.00, 36 size mostly \$18.00, 39 size \$16.00-18.00, 42 size \$15.00-16.00. Quality good.
Lettuce, Romaine	<i>Western AZ</i>	Same	Slow at higher prices; late Hearts fairly active, others active	↑	Cartons 24s mostly \$9.35-10.05; Hearts 12 3-count packages mostly \$10.06-11.50, carton film lined 48s mostly \$10.55-12.50. Quality variable.
	<i>Imperial, Coachella, and Palo Verde, CA</i>	Same	Moderate	↑	Cartons 24s mostly \$7.50-8.45; Hearts 12-3 count packages mostly \$9.25-10.00. Quality generally good.
Potatoes	The top shipping states, in order, were Idaho, Colorado, Wisconsin, Red River Valley, and Columbia Basin, WA/ Umatilla Basin, OR. Shipments (without imports) for the month of February were 7,646,000 cwt, a 10% increase from February 2009 shipments of 6,956,000 cwt.				
Potatoes	<i>Twin Falls, Burley District, & Western Idaho</i>	Same	Carton 40-60s very active, others moderate	Burbank cartons and Norkotah cartons 40-70s slightly higher	Russet Burbank U.S. One 2-in. or 4-oz. minimum baled 5 10-lb. film bags non size A \$2.75-3.25, 50-lb. cartons 40-70s \$5.50-6.00, 80s mostly \$5.00-5.50, 90-100s \$4.50. Russet Norkotah U.S. One 2-in. or 4-oz. minimum, baled 5 10-lb. film bags non size A \$2.75-3.25, 50-lb. cartons 40-60s mostly \$5.00-5.50, 70s \$4.50-5.50, 80s \$4.50, 90-100s \$4.00-4.50. Shipments for the week ending Mar. 6 were 63% Burbanks, 29% Norkotahs, 1.6% Westerns, 1% Round Reds, and 2% Yellow Type.
Tomatoes	<i>South FL</i>	Same	Very active for light supplies	↑	Production will continue to be below normal until the end of March. 25-lb. cartons loose Mature Greens 85% U.S. One or Better 5x6 size \$31.95, 6x6 size \$31.95 6x7 size \$29.95; U.S. Two 5x6 size \$29.95, 6x6 size \$29.95, 6x7 size \$27.95.
	<i>Mexico Crossing Thru AZ</i>	Same	Early very ctive, late active	↑	Carton/flats Vine Ripes 2 layer 4x4-5x6s mostly \$26.95. Greenhouse flats Vine Ripes 1-layer 22-32s mostly \$16.95, 35s \$14.95-16.95, 39s mostly \$12.95-14.95. Quality and condition variable.

CANADA - APHIS is adopting as final an interim rule amending the foreign quarantine and user fee regulations by removing the exemptions from inspection for imported fruits and vegetables grown in Canada and the exemptions from user fees for commercial vessels, commercial trucks, commercial railroad cars, commercial aircraft and international air passengers entering the U.S. from Canada.

AVOCADOS (CHILE) - The Chilean avocado industry was mostly unaffected by the earthquake, according to **CHILEAN HASS AVOCADO COMMITTEE**. On Mar. 8, the committee reported that the Port of Valparaiso, from which most Chilean avocados are shipped, was operating at near 100% capacity, and that packing facilities and highways out of avocado-growing regions were in good shape, reported *The Packer Online* (Mar. 8).

GRAPES (CHILE) - Groups representing businesses, ports, and labor will petition **USDA** to allow continued shipment of seedless grapes from Chile to flow into ports of the Delaware River next month. Normally, imports of table grapes from Chile are restricted after Apr. 10 in order to permit grape crops from Mexico and Southern California to make their way to U.S. consumers, reported *The Philadelphia Inquirer* (Mar. 9).

CANNED VEGETABLES

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Annual Production of Selected Canned Vegetables

(Source: ERS)

	2009	2008	% Chg.
(1,000 short tons)			
Sweet Corn	1,510.4	1,355.8	11.4%
Snap Beans	591.2	523.4	13.0%
Green Peas	542.6	567.1	-4.3%
Cucumbers	190.3	143.6	32.5%
Asparagus	5.1	7.1	-28.2%
Lima Beans	4.5	5.0	-10.0%
Spinach	9.6	13.5	-28.9%
TOTAL	2,853.7	2,615.5	9.1%

The biggest fall in production in the selected canned vegetables was seen by canned spinach with a decline of 29% to

9,600 shorts tons produced in 2009. Meanwhile, canned corn, the largest canned vegetable besides canned tomatoes, saw an 11% increase from 2008's levels to 1.5 million short tons.

All prices f.o.b. Midwest unless otherwise noted.

ASPARAGUS - Foodservice prices of 6/10 canned asparagus are between \$39.70-\$39.85. Private label prices of 24/300 cases are between \$21.40-\$21.60.

BEETS - Foodservice 6/10 cases are between \$17.00-\$17.35. Prices of beets in 24/300 cases, sliced and whole, are between \$11.55-\$11.70.

CARROTS, SLICED - Private label prices of canned 24/300 cases of sliced carrots are between \$11.45-\$11.55. Foodservice 6/10 cases are between \$15.50-\$15.80.

CORN, WHOLE KERNEL - Foodservice prices of 6/10 whole kernel corn are between \$18.10- \$18.20.

Private label prices of canned 24/300 cases of whole kernel corn are between \$11.55-\$11.70.

CORN, CREAMED - Foodservice 6/10 creamed corn is selling between \$17.65-\$17.80. Private label 24/300 creamed corn is between \$11.55-\$11.70.

GREEN BEANS - Foodservice 6/10 canned green beans are between \$17.70-\$17.80, f.o.b. Mid-Atlantic. Private label pricing for 24//300 Fancy Cut 4s are between \$11.55-\$11.70 per case. French cut 24/300 is being priced around \$11.65.

LIMA BEANS - Foodservice 6/10 cases are between \$22.50-\$22.65 per case. Retail prices of 24/300 cases are between \$14.40-\$14.55.

MIXED VEGETABLES - Foodservice 6/10 mixed vegetables are between \$17.15-\$17.35 per case, f.o.b. Northeast.

Private label prices of canned 24/300 mixed vegetables are between \$11.55-\$11.70 per case.

PEAS - Foodservice 6/10 peas are priced between \$19.15-\$19.30 per case. Private label prices of 24/300 cases of canned peas are between \$11.90-\$12.10 per case.

PEAS & CARROTS - Foodservice prices of 6/10 canned peas and carrots are between \$21.95-\$22.15. Private label 24/300s are priced between \$12.70-\$12.80.

PEPPERS - Foodservice 6/10 size of roasted red peppers are selling around \$35.00, f.o.b. Mid-Atlantic.

POTATOES - Foodservice prices of 6/10 canned whole potatoes are selling between \$20.15-\$20.35.

Private label 24/300 cases of whole and sliced potatoes are priced between \$11.55-\$11.70.

PUMPKIN - Foodservice 6/10 cases are between \$29.80-\$29.90. Private label 24/300 cases of canned pumpkin are between \$13.85-\$14.00.

SAUERKRAUT - Foodservice 6/10 cases are between \$14.50-\$14.60 per case, and 12/2.5-lb. are around \$11.00. Private label 24/300 cases of sauerkraut are priced around \$10.95-\$11.00 per case.

USDA OFFERS TO BUY CANNED VEGETABLES*

Deliveries Between Aug. 16 - Nov. 15, 2010

	Case Size	Cases
Green Beans	6/10	235,296
Corn, Whole Kernel	6/10	158,688
Peas	6/10	37,392

For Service-Disabled Veteran Small Business Set-Aside ONLY

Corn, Whole Kernel	6/10	45,600
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Deliveries Between Aug. 16 - Oct. 15, 2010

For Service-Disabled Veteran Small Business Set-Aside ONLY

Peas	6/10	13,680
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Deliveries Between Sept. 1 - Nov. 15, 2010

Carrots	6/10	43,776
Sweet Potatoes, Syrup	6/10	38,304
Sweet Potatoes, Mashed	6/10	5,472

*Sodium content for all canned vegetables is 'low sodium,' 36-mg. To 140-mg. per serving (1/2 cup) as defined by FDA.

For more information, contact USDA at (202)720-4517.

SPINACH - Foodservice 6/10 cases are between \$17.00-\$17.30.

WAX BEANS - Foodservice prices of 6/10 canned wax beans are between \$19.60-\$19.80. Private label wax beans are between \$10.85-\$11.05.

DRY PACK BEANS (f.o.b. Mid-Atlantic)

(6/10) Fancy Light Kidney Beans in Sauce - Around \$18.00

(6/10) Fancy Light Kidney Beans in Brine - Around \$17.75

(6/10) Chickpeas - Around \$17.50

(6/10) Fancy Black Beans in Brine - Around \$17.00

TOMATO PRODUCTS

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WPTC FORECAST as of Mar. 4 - Chile - Since the crop started with a delay of approximately two weeks, only 30% of the production was already packed by the time of the earthquake. Because of the magnitude of this earthquake, a proportion of this product collapsed, but it should be above 50%. On Mar. 3, two of the three main plants are running at full capacity again, which is about 70% of the total capacity. The Council expects to see a reduction of about 20% to 30% in the harvest of the remaining volumes due to some water problems at the farms and also some areas with difficult access.

ARGENTINA - The crop forecast can be raised from 360,000 metric tons (MT) to 400,000 MT because of dry weather conditions at harvest time and good yields. Europe - Volume and price negotiations are finishing. The Italian press widely reported the agreement of 70 euros per MT reached for the North of Italy.

CTGA - While there has been some movement in the latest processor offers, the Association claims that it is still well below levels that the average grower in California needs to be sustainable. The **CTGA** realizes that a price reduction from last year's price of \$80 needed to take place this year, which is reflected in its latest offer of \$72 per ton (10% lower than 2009).

Growing costs have decreased slightly from last year, but not at a level that would make offers in the mid to low \$60's near breakeven for the average grower, the Association claims.

CANNED TOMATOES - Foodservice 6/10 canned tomatoes choice whole peeled are selling between \$16.45 and \$16.60 and standard whole peeled are between \$15.90-\$16.10, f.o.b. Mid-Atlantic.

DICED TOMATOES - Foodservice 6/10 canned diced tomatoes in juice are selling between \$17.45-\$17.55, f.o.b. Mid-Atlantic. Retail 24/300 size diced tomatoes are selling for between \$11.95-\$12.15, f.o.b. Mid-Atlantic. 55 Gal. Drums are selling between 22-24 cents per pound, and 300 Gal. Bins are at 20-22 cents per pound, both f.o.b. California.

CRUSHED TOMATOES - Foodservice 6/10 canned crushed tomatoes with no basil are selling for around \$16.25, f.o.b. Mid-Atlantic.

SAUCE - Foodservice 6/10 canned tomato sauce is selling between \$15.85-\$16.10, while retail 24/300 size is selling between \$9.75-\$9.90, both f.o.b. Mid-Atlantic.

PASTE - Foodservice 6/10 canned tomato paste is selling between \$31.35-\$31.55, f.o.b. Mid-Atlantic. Hot break 31% NTSS (Brix) paste in 55 Gal. Drum is between 47-49 cents per pound, f.o.b. California, and 300 Gal. Bins are between 45-47 cents per pound, f.o.b. West Coast.

USDA OFFERS TO BUY CANNED TOMATO PRODUCTS*

Shipments between Aug. 16 - Nov. 15, 2010

Accepting 8(a) Offers

	Container Size	Cases
Tomato Paste	55-gal.	1,224
Tomato Paste	6/10	17,328
Diced Tomatoes	6/10	72,048
Salsa	6/10	101,232
Tomato Paste in Bulk for Processing	Totes	1,540
Tomato Sauce	6/10	46,512
Spaghetti Sauce, Meatless	6/10	87,584

For Service-Disabled Veteran Small Business Set-Aside ONLY*

Tomato Paste	6/10	12,768
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For Small Business Set-Aside ONLY

Spaghetti Sauce	6/10	38,080
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* Sodium content is "low sodium," 36-mg. - 140-mg. per serving (1/2 cup) as defined by FDA.

For more information contact USDA at 202-720-4517.

CHILI SAUCE - Foodservice 6/10 chili sauce is priced between \$21.45-\$21.65, f.o.b. Mid-Atlantic.

TOMATO JUICE - Foodservice 12/46-oz. juice is selling for around \$15.50, f.o.b. Mid-Atlantic.

KETCHUP - Foodservice 6/10 Fancy ketchup is selling for around \$18.00, and 6/10 Extra Standard ketchup is between \$17.65-\$17.80, both f.o.b. Mid-Atlantic.

STEWED - Foodservice 6/10 stewed tomatoes are selling between \$19.40-\$19.55, while retail 24/300 is selling around \$12.00, f.o.b. Mid-Atlantic.

PIZZA SAUCE - Foodservice 6/10 pizza sauce is selling around \$16.25, while 6/10 heavy pizza sauce is around \$17.25, both prices f.o.b. Mid-Atlantic. Retail 24/300 size pizza sauce is selling around \$10.00, f.o.b. Mid-Atlantic.

FROZEN VEGETABLES

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IN THE NEWS...

AMERICAN FROZEN FOOD INSTITUTE President and CEO Kraig R. Naasz issued a statement urging Washington to resolve a U.S.-Mexico cross border trucking disagreement and normalize trade relations with Mexico. Mr. Naasz claimed that a 20% tariff on U.S. frozen potato products caused the estimated value of exports to Mexico to decline 51% from the previous year to \$31.5 million, while Canadian exports to Mexico increased 55% during the year-long dispute.

ASPARAGUS - Foodservice 6/2.5-lb. cuts are priced between \$1.70-\$1.80, and 6/2.5-lb. spears are around \$2.78, f.o.b. Northwest. Retail spears in 12/12-oz. poly bags are between \$18.65-\$18.75, f.o.b. Northwest.

BROCCOLI - Foodservice packs of broccoli spears are priced between 87 to 89 cents per pound, while 12/10-oz. retail packs of broccoli spears are between \$9.30 and \$9.45, both f.o.b. Northwest.

BRUSSELS SPROUTS - Frozen Brussels sprouts in 12/16-oz. poly packs are priced between \$14.25 and \$14.30, while foodservice 20-lb. cartons are around \$1.05 per pound, both f.o.b. Northwest.

CARROTS - Foodservice 20-lb. whole baby carrots are priced between 60 to 65 cents, while 20-lb. diced carrots are trading around 43 cents. Retail size 12/16-oz. of whole babies are priced around \$12.10. All prices f.o.b. Northwest.

CAULIFLOWER - Foodservice cauliflower is priced between \$1.15 and \$1.20 per pound while retail 12/16-oz. bags are selling between \$13.99 and \$14.09, f.o.b. Northwest.

COB CORN - Cob corn, 96-ear are priced between \$15.40 and \$15.60, f.o.b. Midwest.

CORN - Cut corn in 12/16-oz packs are priced between for \$11.72 and \$11.76, f.o.b. Northwest, and 12/2.5-lb. cartons are priced between 67 and 75 cents per pound, f.o.b. Northwest. 20-lb. cartons are being priced around 66 cents per pound, f.o.b. Northwest.

EDAMAME - Foodservice packs of edamame are priced between \$1.19-\$1.25, f.o.b. Northwest

GREEN BEANS - Retail size 12/16-oz cut and French cut green bean packs are priced between \$11.70 and \$11.80. Retail whole green beans are around \$14.00, f.o.b. Midwest. Foodservice 20-lb. cartons of regular cut beans are around 67 cents per pound, with whole beans around 83 cents, f.o.b. Northwest.

MIXED VEGETABLES - Frozen mixed vegetables in retail 12/16-oz. polybags are priced between \$11.72-\$11.78. Foodservice 12/2.5-lb.cases are selling for around 71 cents per pound, and 20-lb. cases are priced between 70-73 cents per pound, all prices f.o.b. Northwest.

PEAS - Frozen peas in 12/16-oz. poly bags are priced between \$11.70 and \$11.85, and 12/2.5-lb. cases are priced around 77 cents per pound, f.o.b. Northwest. 20-lb. cartons are priced between 75-78 cents per pound, f.o.b. Northwest.

PEAS & CARROTS - Frozen peas and carrots in 12/16-oz. polybags are priced between \$11.73 and \$11.77. Foodservice 12/2.5-lb. are selling between 63-66 cents per pound, and 20-lb. cases are between 63-65 cents per pound, all f.o.b. Northwest.

POTATOES - Diced redskin potatoes in 4/5-lb. sizes and diced all purpose potatoes in 6/5-lb. sizes are between 71 and 75 cents, f.o.b. Northwest.

SPINACH - Retail size 12/16-oz. packs of chopped spinach are around \$14.60, f.o.b. Midwest, while 12/10-oz. packs of chopped spinach are selling around \$8.00, f.o.b. Northwest. 20-lb. cartons of foodservice chopped spinach are around 97 cents, f.o.b. Northwest.

CANNED FRUITS

Analyst: Robert Kraly

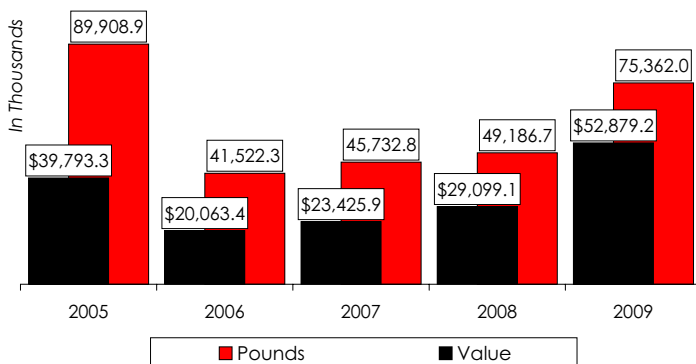
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PEACHES - Domestic Foodservice pricing for 6/10 canned peaches is between \$24.50 and \$25.50, 24/300 is between \$17.50 - \$18.00 and 12/2.5 is \$14.00, all prices are f.o.b. California.

USDA PURCHASES OF CANNED CLINGSTONE PEACHES, 2005-2009

(Source: Agricultural Marketing Service)



FRUIT MIX - Foodservice pricing for 12/2.5 canned fruit mix is \$11.75. Pricing for 24/300 is \$15.25 and for 6/10 is \$23.25 for both heavy and light syrup. Prices are f.o.b. California.

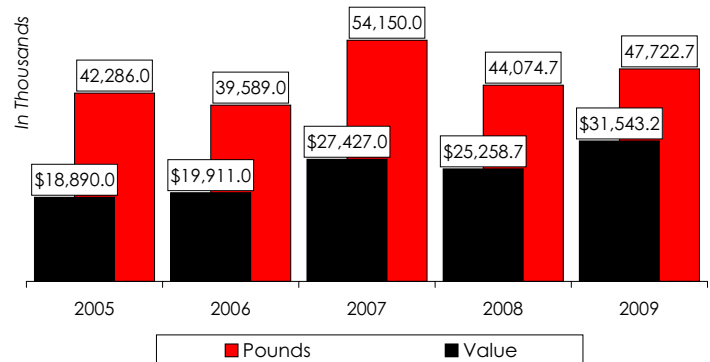
FRUIT COCKTAIL - Foodservice pricing for 6/10 canned fruit cocktail in heavy syrup is \$28.00 and \$27.00 for light syrup. Pricing for 24/300 is \$16.25-\$16.50. Pricing for 12/2.5 is \$13.00-\$13.25. All prices are f.o.b. California.

APRICOTS - Foodservice pricing for 6/10 canned apricots is \$23.25 f.o.b. California.

PEARS - Domestic foodservice pricing for 6/10 canned Bartlett pears is \$23.00 - \$23.25, 24/300 is \$17.75, and 12/2.5 is \$12.75, all prices are f.o.b. California.

USDA PURCHASES OF CANNED PEARS, 2005-2009

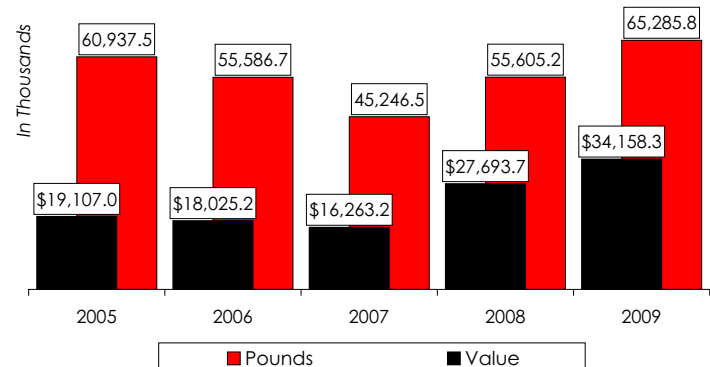
(Source: Agricultural Marketing Service)



APPLES - Foodservice pricing for 6/10 canned apple slices are around \$28.00. Meanwhile, prices for 6/10 canned applesauce are close to \$20.00, while 24/300 is between \$14.25 - \$14.75, f.o.b. California.

USDA PURCHASES OF CANNED APPLESAUCE, 2005-2009

(Source: Agricultural Marketing Service)



PROCESSED FISH

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TUNA - Prices for imported canned tuna in 6/66.5-oz. cases are between \$60.00 for chunk white, \$32.00 - \$36.00 for skipjack, \$37.00 - \$41.00 for yellowfin, \$41.00 - \$48.00 for tongol, and \$65.00 - \$69.00 for albacore, ex-warehouse New Jersey.

SALMON - Prices for private label canned salmon are between \$54.00 - \$56.00 for Red, 24/Halves (7.5-oz.), \$75.00 - \$80.00 for Red, 24/Talls (14.75-oz.), \$25.00 - \$30.00 for Pink, 24/Halves (7.5-oz.) and \$39.00 - \$40.00 for Pink, 24/Talls (14.75-oz.), f.o.b. Seattle, Washington.

CLAMS - Whole baby clams in 12/10-oz. cases are priced between \$23.00- \$25.00, ex-warehouse New York.

IN THE NEWS...

The **ALASKA SEAFOOD MARKETING INSTITUTE** choose **GLOBAL TRUST CERTIFICATION LTD.** to perform an independent, third-party certification of Alaska's fisheries management systems. Under the agreed model, each major Alaska fishery will be assessed for conformance to the **UNITED NATIONS FOOD AND AGRICULTURE ORGANIZATION** (FAO) Code of Conduct for Responsible Fisheries and the FAO Guidelines for Ecolabelling Fishery Products. The substantive requirements of the FAO Codes are the world's most widely recognized sustainability principles. Alaska intends to certify the management structure of its major commercial fisheries; salmon, shellfish, groundfish and halibut and black cod. The first fishery certification is scheduled to be completed in 2011.

SHRIMP - Canned shrimp prices for tiny shrimp are between \$19.00 - \$24.00, \$26.00 - \$29.00 for imported small, \$32.00 - \$36.00 for imported medium, \$33.00 - \$35.00 for imported small deveined and \$38.00 - \$43.00 for imported medium deveined, ex-warehouse New York.

Meanwhile, prices for headless shell-on shrimp from China were: 16/20 \$4.65, 21/25 \$3.70, 26/30 \$3.50, 36/40 \$3.15, and 51/60 \$2.85, for IQF whites.

Gulf White: Under/12 \$7.80, Un/15 \$6.35, 16/20 \$5.55, 21/25 \$4.30, 26/30 \$3.70. Gulf brown: Under/10 \$9.60, Un/12 \$7.75, Under/15 \$6.25, 16/20 \$4.85, 21/25 \$4.15, 26/30 \$3.85, 31/35 \$2.85, 36/40 \$2.50, 41/50 \$2.50, 51/60 \$2.45, 61/70 \$2.40.

Indonesia black tiger: 16/20 \$5.45, 21/25 \$4.80, 26/30 \$4.10, 31/40 \$3.60.

Mexico west coast white: No.1 Under/10 \$10.70, Un/12 \$8.70, Un/15 \$6.90, 16/20 \$5.20, 21/25 \$4.50, 26/30 \$3.80, 31/35 3.10, 36/40 \$2.80, (farm) 16/20 \$4.80, 21/25 \$4.10, 26/30 \$3.70, 31/35 \$3.25, 36/40 \$2.80, 41/50 \$2.70. Mexico west coast brown: No.1 Under/10 \$9.80, Un/12 \$8.00, Un/15 \$6.00, 16/20 \$5.00, 21/25 \$4.30, 26/30 \$4.10, 31/35 \$3.80, 36/40 \$3.00.

Central & South America: white: 16/20 \$4.95, 21/25 \$4.00. White (farm): 26/30 \$3.75, 31/35 \$3.20, 36/40 \$2.75, 41/50 \$2.55, 51/60 \$2.50, 61/70 \$2.35, 71/90 \$2.20, 91/110 \$2.05.

CRABMEAT - Prices for 12/6-oz. canned crabmeat is between \$40.00 - \$42.00. White crabmeat is priced between \$18.00 - \$22.00, \$14.00 - \$17.00 for pink crabmeat. Jumbo lump crabmeat is no longer readily available, ex-warehouse New York.

MACKEREL - Canned mackerel from Chile/Ecuador is priced between \$30.00- \$34.00 for 24/15-oz., ex-warehouse New York.

OYSTERS - Canned whole oysters in 12/8-oz. cases are priced between \$19.00 - \$21.00, while smoked oysters in 24/3.75-oz. cases are priced at \$26.00 - \$28.00, ex-warehouse New York.

DRIED VEGETABLES

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USDA - USDA purchased 47,500 (12/1-lb.) cases of dehydrated potato flakes for distribution to needy family and other domestic food assistance programs. The entire bid was awarded to **PACK RYT INC.** Deliveries are to be made from Apr. 1 through June 30, 2010. For more information contact USDA at 202-720-4517.

DRIED BEANS - Market activity continues to be very slow, with majority of the movement being either government purchases or previous contracted orders. A two tied dealer values remain due to moisture and color with higher moisture beans selling at the lower end of the range and pre-rain beans moving at the upper side. Growers began inquiring about New Crop contracts but warehouses have been hesitant to commit. Pintos were mostly steady at both the dealer and grower levels.

DRIED BEAN PRICES

Per cwt. f.o.b. area indicated

	Current Week	Year Ago
Pinto		
Colorado	\$39.00 - \$41.00	\$39.00 - \$40.00
North Dakota	\$31.00 - \$34.00	\$30.00 - \$32.00
Great Northern		
Nebraska	\$40.00 - \$42.00	Not Established
Idaho	Not Established	Not Established
Small White		
Idaho	Not Established	Not Established
Light Red Kidney		
New York	Not Established	\$54.00 - \$56.00
Nebraska	\$44.00 - \$45.00	Not Established
Michigan	\$43.00 - \$44.00	Not Established
Dark Red Kidney		
Michigan	Not Established	\$58.00 - \$59.00
Minnesota	Not Established	\$57.00 - \$58.00
Pink		
Idaho	\$45.00 - \$45.00	\$50.00 - \$52.00
Small Red		
Idaho	\$43.00 - \$45.00	\$50.00 - \$52.00
Black		
Michigan	\$47.00 - \$48.00	\$43.00 - \$45.00
New York	Not Established	\$44.00 - \$45.00
Cranberry		
Michigan	Not Established	Not Established
Pea Beans		
Michigan	\$42.00 - \$44.00	\$33.00 - \$35.00
Garbanzos		
Washington	\$38.00 - \$40.00	\$37.00 - \$38.00

CALIFORNIA BEANS - Trading activity was very slow. Demand was very light. Baby Limas, Large Limas, Blackeyes and Garbanzos were not established.

CALIFORNIA DRIED BEAN PRICES

	Current Week	Year Ago
Per cwt. (f.o.b.)		
Baby Lima	Not Established	Not Established
Large Lima	Not Established	Not Established
Blackeye	Not Established	Not Established

PEAS & LENTILS - Trading activity was slow. Demand was light. Split Green Peas and Yellow Peas were steady. Whole

Green Peas, Whole Yellow Peas, and Austrian Winter Peas were not established. Brewer Lentils and Pardina Lentils were steady. ND Peas and Lentils were not established.

DRIED PEA AND LENTIL PRICES

	Current Week	Year Ago
<i>Per cwt. (f.o.b.)</i>		
Green Split Peas	\$21.00 - \$21.50	\$25.00 - \$25.50
Green Whole Peas	Not Established	\$27.00 - \$28.00
Yellow Split Peas	\$18.50 - \$18.75	\$30.00 - \$31.00
Yellow Whole Peas	Not Established	\$26.00 - \$27.00
Lentils	\$36.00 - \$37.00	\$37.00 - \$39.00
Pardina	\$36.00 - \$37.00	\$37.00 - \$39.00

DRIED FRUITS & NUTS

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PEANUTS - Peanut prices received by farmers for all farmer stock peanuts averaged 20.5 cents per pound for the week ending Feb. 27. The price per pound decreased 0.5 cent from the previous week. Marketings of all farmer stock peanuts for the week ending Feb. 27 totaled 93.3 million-lbs., up 48.1 million-lbs. from the previous week.

The average price of Runner type peanuts was 20.1 cents per pound for the week ending Feb. 27, up 0.2 cent from the previous week. Marketings of Runner type peanuts were 76.3 million-lbs., up 39.0 million-lbs. from the previous week.

ALMONDS - U.S. export of almonds for 2009 totaled 1.153 billion-lbs, a 22% increase over 2008. Inshell almonds increase 38%, while shelled almonds increased 17%. However, value only increased 1% over the year prior, indicating a decrease in prices when compared to 2008.

**U.S. EXPORTS OF ALMONDS
JAN. 1 - DEC. 31, 2009**

(Source: Bureau of Census)

	Pounds (1,000)	% Chge. Last Yr.	Dollars (\$1,000)	% Chge. Last Yr.
INSHELL				
India	89,089	5.2%	\$138,844	-1.4%
Hong Kong	85,270	133.6%	\$112,317	111.7%
Turkey	28,825	53.2%	\$43,601	40.6%
Japan	10,079	-17.1%	\$17,390	5.6%
Other	83,636	33.9%	\$119,003	4.3%
Inshell Total	296,899	38.4%	\$431,155	21.3%
SHELLED				
Spain	149,438	6.8%	\$211,107	-17.2%
Germany	98,465	-2.1%	\$145,078	-22.1%
Canada	44,286	6.4%	\$86,228	-5.5%
Japan	42,423	3.0%	\$78,487	-10.1%
Italy	35,815	-5.2%	\$53,941	-27.0%
Other	485,962	30.5%	\$849,689	8.3%
Shelled Total	856,389	16.8%	\$1,424,530	-3.6%
Grand Total	1,153,288	21.7%	\$1,855,685	1.2%

Prices for nonpareil 23/25s almonds are around \$2.75 per pounds, f.o.b. California.

BRAZIL NUTS - Prices for Brazil nut have been quoted between \$2.90 and \$2.95 per pounds, f.o.b. New York.

CASHEWS - Prices for cashews out of India are between \$3.15 - \$3.20 for 240s, \$2.90-\$3.10 for 320s and \$2.67-2.80 for W450s, f.o.b. New York.

PISTACHIOS - U.S. export of inshell pistachios in 2009 totaled 238.7 million-lbs, a 21% increase over 2008. Hong Kong imported the largest amount of inshellpistachios followed by Belgium and the Netherlands. Total value of all exported pistachios in 2009 totaled \$604.8 million a 25% increase over 2008.

**U.S. EXPORTS OF PISTACHIOS
JAN. 1 - DEC. 31, 2009**

(Source: Bureau of Census)

	Pounds (1,000)	% Chge. Last Yr.	Dollars (\$1,000)	% Chge. Last Yr.
INSHELL				
Belgium	40,410	25.8%	\$97,596	47.1%
China	22,905	-16.4%	\$55,347	1.0%
Hong Kong	53,414	132.5%	\$129,409	156.9%
Netherlands	24,185	23.5%	\$59,805	38.1%
Spain	9,148	20.8%	\$21,243	31.4%
Other	88,651	1.4%	\$210,693	11.3%
Inshell Total	238,713	21.1%	\$574,093	36.6%
SHELLED				
Netherlands	734	-83.5%	\$1,900	-81.6%
Germany	1,552	4.6%	\$4,208	-5.9%
Hong Kong	487	-84.3%	\$1,103	-80.0%
UK	922	-39.7%	\$2,915	-35.9%
Japan	821	-57.1%	\$2,321	-52.3%
Other	6,693	-59.5%	\$19,368	-48.6%
Shelled Total	11,209	-56.7%	\$30,712	-50.3%
Grand Total	249,922	12.1%	604,805	25.4%

Prices for 22/26 California pistachios are around \$5.25 per pound.

APRICOTS - Turkish whole dried apricots #3/4 in 28-lb. packs are priced at \$1.85 per pound, Turkish dried diced apricots in 28-lb. pack are \$2.15 per pound, ex-warehouse New Jersey.

PRUNES - Chilean Jumbo Prunes, pitted/unpitted 10/20 ct. in 22-lb. packs are priced between \$2.45 - \$1.85 per pound. Iranian golden prunes, unpitted in 22-lb. packs are priced at \$2.50 per pound, ex-warehouse New Jersey.

FIGS - Turkish diced figs in 22-lb. pack are \$1.50 per pound. RTE Turkish Garland figs, New Crop, in 24x8-oz. pack size are priced around \$42.00 per case, ex-warehouse New Jersey.

DATES - Pakistani diced dates in 30-lb. cases are \$1.35 per pound, ex-warehouse New Jersey.

PINEAPPLES - Thai sweet pineapple rings in 4x5-kg. pack are \$1.35 per pound, ex-warehouse New Jersey.

APPLES - U.S. Apple Rings, No SO2 are trading around \$3.50-lb. in 25-lb. pack sizes.

BLUEBERRIES - U.S. Dried Blueberries are trading at \$5.95-lb. in 10-lb. pack sizes.

CRANBERRIES - Dried Cranberries are trading at \$2.75-lb. in 25-lb. pack sizes.

FROZEN FRUITS

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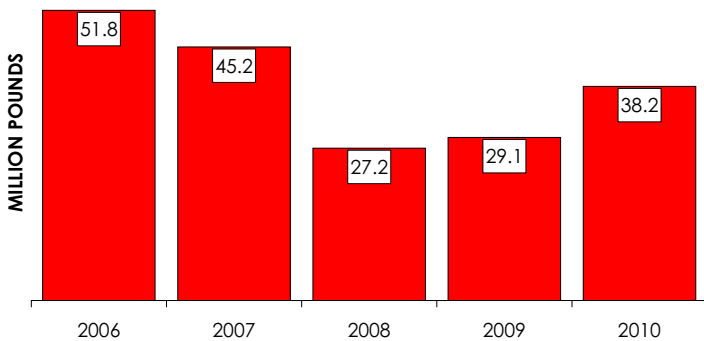
STRAWBERRIES – IQF Large California strawberries in 30-lb cartons are priced at 71 cents per pound. Sliced California 4+1 in 6/6.5-lb. cartons are 68 cents per pound, f.o.b. California. Sliced Northwest 4+1 in 30-lb. pails are priced at 75 cents per pound, f.o.b. Northwest.

BLUEBERRIES – IQF cultivated blueberry prices out of Michigan are quoted at or around 75 cents per pound. 2010 Cultivated Chilean blueberries in 30-lbs. cases are priced at 76 cents per pound, f.o.b. West Coast. Northwest blueberries are priced close to 72 cents per pound.

RASPBERRIES – IQF Whole domestic raspberries are priced around \$1.70 per pound coming out of the Northwest. Meanwhile, IQF Chilean red raspberries are priced at \$1.57 per pound, ex-dock East Coast.

FROZEN RED RASPBERRY COLD STORAGE STOCKS - FEB. 1

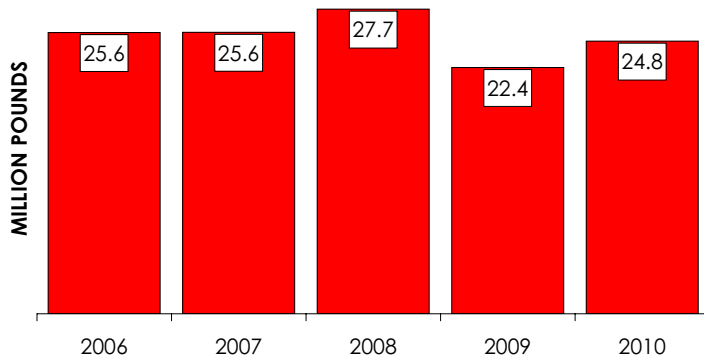
(Source: USDA)



BLACKBERRIES – IQF Whole Marions are priced at around 87 cents f.o.b. Northwest. Meanwhile, 2010 IQF Whole Chilean blackberries are priced at 58 cents per pound, f.o.b. East Coast.

FROZEN BLACKBERRY COLD STORAGE STOCKS - FEB. 1

(Source: USDA)



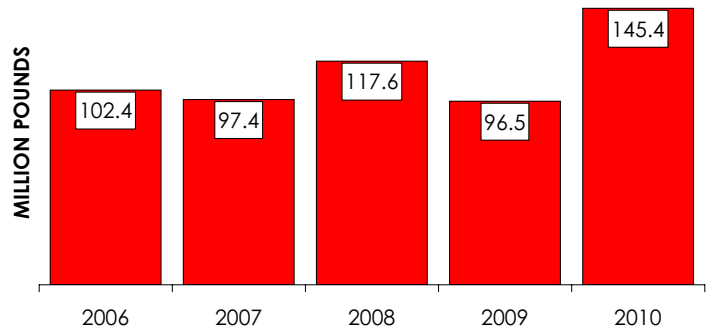
BOYSENBERRIES – IQF whole Boysenberries in 30-lb. cartons are priced at \$1.15 per pound, f.o.b. Northwest.

CRANBERRIES – IQF Whole cranberries in 40-lb. cases are priced at around 70 cents per pound, f.o.b. Wisconsin.

CHERRIES – AMS is inviting comments on proposed changes to the handling regulation currently prescribed for cherries under the Washington cherry marketing order. The rule would add quality and pack requirements for Rainier cherries and other lightly colored sweet cherry varieties that are designated as “premium” when handled. Comments must be received by May 7.

FROZEN TART CHERRIES COLD STORAGE STOCKS - FEB. 1

(Source: USDA)



IQF tart cherries in are priced at \$0.89 - \$0.90 per pound, f.o.b. Michigan. RTP Cherries 5+1 in 30-lb. pails are priced around \$0.85 - \$0.87 per pound, f.o.b. Michigan.

JUICES & CONCENTRATES

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GRAPE – White grape from Argentina is priced around \$7.85-\$8.00 per gallon, ex-dock. Concord Grape is priced around \$14.00 per gallon, f.o.b. west coast.

CRANBERRY CONCENTRATE – Concentrate is priced at \$25.00 per gallon, f.o.b. West coast.

LEMON – Prices from South Africa and Argentina are expected to be around \$17.50 per gallon for 400 gpl.

PEAR – Pear concentrate 70 Brix/Gallon from Argentina is priced around \$6.50 - \$7.00, ex-dock New York.

ORANGE JUICE – The Florida all orange forecast, at 131 million boxes, is up 2% from the previous forecast but down 19% from last season’s final utilization, according to the latest **USDA** Crop Production Report. Early, midseason and navel varieties in Florida are forecast at 68.0 million, up 3% from Feb. 1 but 20% lower than last season. The Florida Valencia orange forecast, at 63.0 million boxes, is unchanged from the previous forecast but down 19% from the 2008-09 crop. The forecast of early, midseason and navel oranges is raised due to increased utilization. In response to freezing temperatures in January, growers began harvesting their remaining fruit at an accelerated rate, moving fruit from the grove to the processing plants. Plants reported processing more fruit than normal during January and February.

Florida frozen concentrated orange juice yield forecast for the 2009-10 season is 1.53 gallons per box at 42.0 degrees Brix, down 2% from the Feb. 1 forecast and down 8% from last season's final yield of 1.66 gallons per box. The early-midseason portion is projected at 1.51 gallons per box, down 6% from last season's record yield of 1.60 gallons per box. The Valencia portion is expected to total 1.58 gallons per box, 10% lower than last year's final yield of 1.75 gallons per box.

U.S. RETAIL ORANGE JUICE SALES

(Source: Florida Dept. of Citrus, ACNielsen Homescan Estimates)

(Gallons and Revenues in Millions)	Four Weeks Ending		
	2/20/2010	2/21/2009	% Change
Refrigerated OJ			
Gallons	46.40	47.18	-1.7%
Price/Gal. (\$)	5.51	5.75	-4.2%
Revenues (\$)	255.84	271.19	-5.7%
Frozen OJ			
Gallons	2.95	3.70	-20.3%
Price/Gal. (\$)	4.59	4.66	-1.5%
Revenues (\$)	13.56	17.21	-21.2%
Shelf Stable OJ			
Gallons	0.27	0.41	-34.1%
Price/Gal. (\$)	7.06	6.79	4.0%
Revenues (\$)	1.89	2.79	-32.3%
Total Orange Juice			
Gallons	49.62	51.29	-3.3%
Price/Gal. (\$)	5.47	5.68	-3.7%
Revenues (\$)	271.28	291.19	-6.8%

Total orange juice gallon sales at retail are down 3.3% for the period, but up 2.6% for the season. This is the first period OJ gallon sales are down in almost one year. At retail, frozen concentrate gallon sales were down 20.1% and shelf stable gallon sales were down 35% over last year. Average OJ gallon price is rising, up 2% in a month. OJ gallon sales were down the most in the Northeast and Midwest regions, perhaps due to distribution and consumer spending being affected by the bad weather. Domestic orange juice is now priced around \$1.48 - \$1.50 per pound solids.

U.S. RETAIL GRAPEFRUIT JUICE SALES

(Source: ACNielsen Scantrack Topline Figures)

(Gallons and Revenues in Millions)	Four Weeks Ending		
	2/20/2010	2/21/2009	% Change
Refrigerated GJ			
Gallons	1.05	0.96	9.4%
Price/Gal. (\$)	6.56	6.78	-3.2%
Revenues (\$)	6.88	6.48	6.2%
Frozen GJ			
Gallons	0.03	0.09	-66.7%
Price/Gal. (\$)	4.51	4.18	7.9%
Revenues (\$)	0.13	0.39	-66.7%
Total Grapefruit Juice			
Gallons	1.59	1.69	-5.9%
Price/Gal. (\$)	6.37	6.27	1.6%
Revenues (\$)	10.13	10.60	-4.4%

GRAPEFRUIT - Total grapefruit juice gallon sales at retail are down 5.9% for the period and 5.8% for the season. The aver-

age GJ gallon price has stayed in the \$6.27 - \$6.40 range for over a year. Prices for white grapefruit juice concentrate are firm at \$1.60. Meanwhile, red grapefruit juice concentrate is priced at \$1.40 - \$1.42 per pound solids, f.o.b. Florida.

Meanwhile, Florida's grapefruit production is forecast at 18.8 million boxes, unchanged from the Feb. 1 forecast but 13% below last season. The Florida all white grapefruit forecast is 5.30 million boxes, unchanged from Feb. 1 but down 20% from the previous year. The colored grapefruit forecast, at 13.5 million boxes, is unchanged from the Feb. 1 forecast but 11% lower than last season.

CITRUS CROP INITIAL FORECAST - MAR. 1

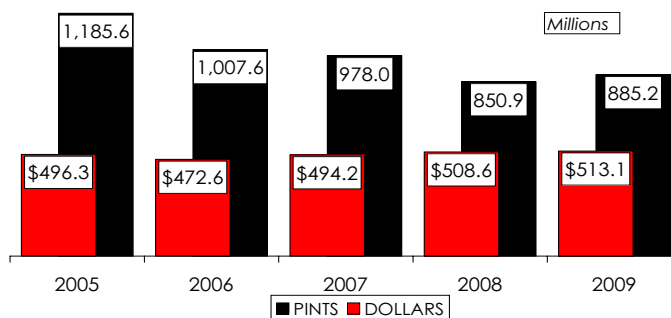
(Source: USDA)

1,000 Boxes:	Estimated		Actual	% Chge.
	2009/10	2008/09		
--ORANGES--				
Florida:				
Early, Midseason & Navel	68,000	84,600	-19.6%	
Valencias	63,000	77,800	-19.0%	
Total	131,000	162,400	-19.3%	
California:				
Early, Midseason & Navel	40,000	34,500	15.9%	
Valencias	17,000	14,000	21.4%	
Total	57,000	48,500	17.5%	
Texas:				
Early, Midseason & Navel	1,310	1,300	0.8%	
Valencias	277	159	74.2%	
Total	1,587	1,459	8.8%	
TOTAL U.S.	189,587	212,609	-10.8%	
--GRAPEFRUIT--				
Florida:				
All	18,800	21,700	-13.4%	
White Seedless	5,300	6,600	-19.7%	
Colored Seedless	13,500	15,100	-10.6%	
Texas	5,490	5,500	-0.2%	
California	4,200	5,600	-25.0%	
TOTAL U.S.	28,490	32,825	-13.2%	
--LEMONS--				
Arizona	2,500	3,000	-16.7%	
California	20,000	22,000	-9.1%	
TOTAL U.S.	22,500	25,000	-10.0%	

APPLE - Apple concentrate from China is priced around \$5.30-\$5.50 per gallon, f.o.b. East Coast.

SUPERMARKET SALES OF BOTTLED APPLE JUICE, 2005-2009

(FI Analysis of Information Resources, Inc. Infoscan Reviews Data)



CEREAL AND GRAINS

SOYBEANS - U.S. soybean ending stocks for 2009/10 are projected at 190 million bushels, down 20 million from last month. Soybean production is estimated at 3.359 billion bushels, down two million from the January estimate as reported in the March Crop Production report. Soybean exports are raised 20 million bushels to a record 1.420 billion reflecting the strong export pace to date. Soybean crush is raised 10 million bushels to 1.730 billion based on a lower projected soybean meal extraction rate. The U.S. season-average soybean price range for 2009/10 is narrowed to \$8.95 to \$9.95 per bushel.

PROJECTED SOYBEAN POSITION SEPT. 1, 2009 - FEB. 28, 2010

Million Bushels	2009/2010	2008/2009	% Chge.
Carryover, Sept. 1	138	205	-32.7%
Production & Imports	3,374	2,980	13.2%
Available Supply	3,512	3,185	10.3%
Domestic Use	3,322	3,047	9.0%
Exports	1,420	1,283	10.7%
Stocks, Feb. 28	190	138	37.7%

WHEAT - U.S. wheat ending stocks for 2009/10 are projected 20 million bushels higher as a reduction in expected food use pushes ending stocks to 1 billion bushels. Projected food use is lowered 20 million bushels based on the latest mill grind data from the U.S. Bureau of Census. High flour extraction rates for a second straight year are reducing the amount of grain needed to produce flour. At the same time, declining per capita consumption is reducing demand for flour and wheat. The projected marketing-year average farm price is raised 5 cents on both ends of the range to \$4.80 to \$5.00 per bushel as prices received by producers remain stronger than expected.

PROJECTED WHEAT POSITION JUNE 1, 2009 - FEB. 28, 2010

Million Bushels	2009/2010	2008/2009	% Chge.
Carryover, June 1	657	306	114.7%
Production & Imports	2,331	2,626	-11.2%
Available Supply	2,988	2,932	1.9%
Domestic Use	1,162	1,260	-7.8%
Exports	825	1,015	-18.7%
Stocks, Feb. 28	1,001	657	52.4%

SORGHUM - Projected farm prices are lowered for sorghum. Global sorghum production is raised 0.6 million tons with increases for Argentina and India outweighing a reduction for Australia.

PROJECTED SORGHUM POSITION SEPT. 1, 2009 - FEB. 28, 2010

Million Bushels	2009/2010	2008/2009	% Chge.
Carryover, Sept. 1	55	53	3.8%
Production & Imports	383	472	-18.9%
Available Supply	438	525	-16.6%
Domestic Use	240	327	-26.6%
Exports	150	143	4.9%
Stocks, Feb. 28	48	55	-12.7%

CORN - Corn production is lowered 20 million bushels based on updated estimates of yields for Illinois and Minnesota, and

harvested area for Michigan. U.S. corn production remains a record at the revised estimate of 13.1 billion bushels. U.S. corn exports are lowered 100 million bushels as larger foreign supplies increase competition. U.S. corn ending stocks for 2009/10 are projected 80 million bushels higher with the downward revision in production more than offset by reduced export prospects. The projected 2009/10 marketing-year average farm price for corn is lowered 20 cents on the top end of the range to \$3.45 to \$3.75 per bushel.

PROJECTED CORN POSITION SEPT. 1, 2009 - FEB. 28, 2010

Million Bushels	2009/2010	2008/2009	% Chge.
Carryover, Sept. 1	1,673	1,624	3.0%
Production & Imports	13,141	12,106	8.5%
Available Supply	14,814	13,729	7.9%
Domestic Use	11,115	10,198	9.0%
Exports	1,900	1,858	2.3%
Stocks, Feb. 28	1,799	1,673	7.5%

BARLEY - U.S. feed grain supplies for 2009/10 are projected slightly lower with a reduction in projected barley imports. The all barley farm price is projected higher at \$4.40 to \$4.60 per bushel compared with \$4.25 to \$4.55 per bushel last month. Farmer marketings of higher priced malting barley make up a larger-than-normal share of total barley sales, compared with feed barley, boosting the weighted average price for all barley.

PROJECTED BARLEY POSITION JUNE 1, 2009 - FEB. 28, 2010

Million Bushels	2009/2010	2008/2009	% Chge.
Carryover, June 1	89	68	30.9%
Production & Imports	247	269	-8.2%
Available Supply	336	337	-0.3%
Domestic Use	220	236	-6.8%
Exports	5	13	-61.5%
Stocks, Feb. 28	111	89	24.7%

RICE - No changes were made on the supply side of the U.S. 2009/10 rice supply and use balance. On the use side, domestic and residual use is unchanged from a month ago; however, all rice exports for 2009/10 are lowered one million cwt to 100 million. Rough exports are raised two million cwt, while combined milled and brown exports (on a rough-equivalent basis) are lowered 3.0 million. Long-grain exports are lowered 1.0 million cwt to 69.0 million, while combined medium- and short-grain exports are unchanged at 31.0 million. All rice ending stocks are projected at 40.8 million cwt, 1.0 million above last month, and up 10.4 million from 2008/09. The 2009/10 long-grain season-average price is projected at \$12.70 to \$13.20 per cwt, down 20 cents on each end of the range from last month.

PROJECTED RICE POSITION AUG. 1, 2009 - FEB. 28, 2010

Million Cwt.	2009/2010	2008/2009	% Chge.
Carryover, Aug. 1	30.4	29.4	3.4%
Production & Imports	240.9	222.9	8.1%
Available Supply	271.3	252.4	7.5%
Domestic Use	130.5	128.4	1.6%
Exports	100.0	93.6	6.8%
Stocks, Feb. 28	40.8	30.4	34.2%

OATS - Projected farm prices are lowered for oats. All other positions remained even with last month's projections.

BUTTER

BUTTER MARKET, MARCH 11

Cents Per Pound:	3/11/2010	3/3/2010	Chge.
Grade AA	4.4650	1.4300	0.0350

CHEESE

CHEDDAR CHEESE MARKET MARCH 11

Cents Per Pound:	3/11/2010	Chge. Fr. Last Wk.
Barrels	1.2600	-0.0225
Blocks (40-lbs.)	1.2675	-0.0525

EGGS

EGG PRICES TO RETAILERS MARCH 11

(Source: USDA)

Cents per dozen:	Wk. Ending 11-Mar	Wk. Ending 3-Mar	Chge.
Extra Large-NY	141-145	123-127	18.00
Large-NY	139-143	121-125	18.00
Medium-NY	114-118	102-106	12.00
Extra Large-MW	117-119	103-105	14.00
Large-MW	115-117	101-103	14.00
Medium-MW	101-103	90-92	11.00
Extra Large-NC	138.61	124.6	14.01
Large-NC	138.31	123.52	14.79
Medium-NC	120.3	108.3	12.00
Extra Large-CA	156	145	11.00
Large-CA	153	139	14.00
Medium-CA	137	126	11.00
Large-VA	N/A	N/A	N/A
Medium-VA	N/A	N/A	N/A
Small-VA	N/A	N/A	N/A

FROZEN EGG PRICES WEEK ENDING MARCH 5

(Source: USDA)

Carloads/Cents Per Pound:	This Week	Last Week
Whole, Light-Colored	73-75	69-71
White	57-60	55-57
Sugared	85-87	84-86
Salted Yolks	81	80

CHICKEN

PRELIMINARY BROILER PRICES FOR DELIVERY THE WEEK OF MAR. 5

Cents Per Pound:	This Week	Last Week
Chicago	76-81	76-81
Cleveland	Too Few	Too Few
Detroit	Too Few	Too Few
Los Angeles	92	92
New York	81-84	81-84
Philadelphia	Too Few	Too Few
Pittsburgh	Too Few	Too Few
St. Louis	Too Few	Too Few
San Francisco	Too Few	Too Few

Prices are for ready-to-cook, ice Grade A Broilers, (including branded), delivered in truckload quantities

BROILER CHICKS PLACED LAST WEEK AND SIX WEEKS AGO

(Source: USDA)

Broilers placed six weeks ago come on the market next week

	Week Ended 3/6/2010	% Chge. 2009	Week Ended 1/30/2010	% Chge. 2009
1,000 Chicks:				
Alabama	20,701	-1.2%	20,508	5.7%
Arkansas	22,509	7.4%	21,191	5.6%
Delaware	3,625	-29.7%	5,062	11.3%
Georgia	25,869	-2.1%	26,391	-6.6%
Maryland	6,589	30.1%	5,104	-17.7%
Mississippi	17,174	3.6%	15,903	-2.3%
N. Carolina	15,299	1.8%	15,234	-2.1%
Texas	13,254	-0.6%	12,785	-2.8%
Virginia	5,751	17.7%	5,154	10.7%
Others	38,109	-2.8%	38,105	-1.2%
Total 19 States	168,880	0.8%	165,437	-0.7%

CHICKEN PART PRICES TO RETAILERS NEW YORK - MARCH 11

Dollars Per Pound:	This Week	Last Week
Skinned Boneless	\$1.50	\$1.40-1.45
Ribs On	.81-.82	.78-.79
Legs	.52-.53	.52-.53
Leg Quarters	.36-.37	.36-.37
Wings	1.48-1.49	1.48-1.49

FUTURES PRICES

(Source: Wall Street Journal)

As of Mar. 10, 2010:	Cash Price	Mar. Futures	May Futures
Corn, bu.	\$3.36	3.555	3.655
Soybeans, bu.	\$9.30	9.52	9.58
Soybean Meal, ton	\$272.20	258.70	259.20
Soybean Oil, lb.	\$0.38	0.4069	0.4102
Wheat, bu.	\$4.65	4.84	4.91
Hogs, cwt. (carcass)	\$72.50	.7255(Apr)	0.7805
Pork Bellies, lb.	N/A	0.93	0.93
Cattle, cwt.	N/A	.9388(Apr)	.9173(Jun)
Feeder Cattle, cwt.	\$112.88	1.02	1.0543
Orange Juice, lb.	N/A	1.4955	1.4695
Coffee, lb.	\$1.24	1.305	1.3275
Cocoa, ton.	\$3,448	2,838	2,844

COMMODITY PRICES

(Source: Wall Street Journal)

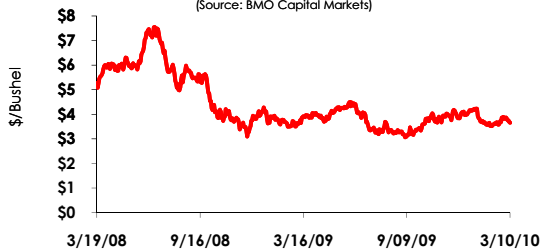
	Week Ended 10-Mar	Week Ended 3-Mar	% Chge. Last Year
Steers, Tex.-Okla. avg. cwt.	N/A	144.00	N/A
Feeder Steers, Okla. City, cwt.	112.88	114.75	10.73
Hogs, Iowa-S. Minn, live avg.,	72.50	68.77	20.17
Hams, 17-20 lbs., Mid-US lb. fob	0.77	0.80	57.14
Pork Bellies, Mid. 12-14 lbs., lb.	N/A	N/A	N/A
Butter, Chi., Grade AA, lb.	1.47	1.43	N/A
Eggs, Chi., Large White, doz	1.13	0.99	38.04
Coffee, Brazilian, lb.	1.24	1.24	26.43
Sugar, cane raw, world, lb.	21.35	23.86	55.39
Flour, Hard Winter, KC, cwt.	13.90	14.45	-13.66
Wheat, KC, Hard, bu	4.65	4.91	-20.72
Corn, No. 2, Cent. IL, bu	3.36	3.57	-3.03
Soybeans, No.1 Yellow,Cent.IL, bu	9.30	9.40	8.40
Soybean Meal, IL, 48% ton	272.20	283.00	-4.15
Soybean Oil, crd. Decatur, IL, lb.	0.38	0.37	40.51
Corn Oil, wet mill, Chgo. lb.	38.50	38.00	30.51
Lard, Chi., lb.	0.33	0.32	73.68
Cocoa, Ivory Cst., metric ton.	3448.00	N/A	27.75



A CLOSER LOOK AT SELECTED COMMODITIES THAT MAY AFFECT YOUR BUSINESS

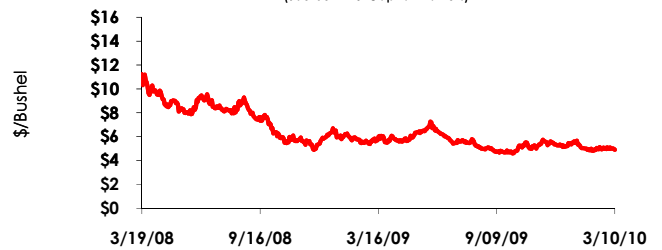
Feed Corn Futures Through Mar. 10

(Source: BMO Capital Markets)



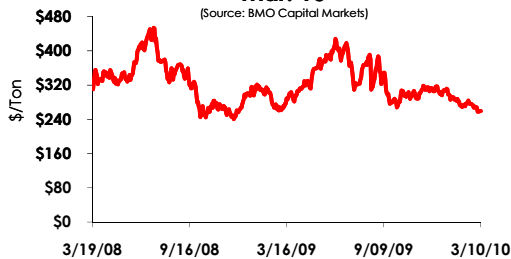
Wheat Futures Through Mar. 10

(Source: BMO Capital Markets)



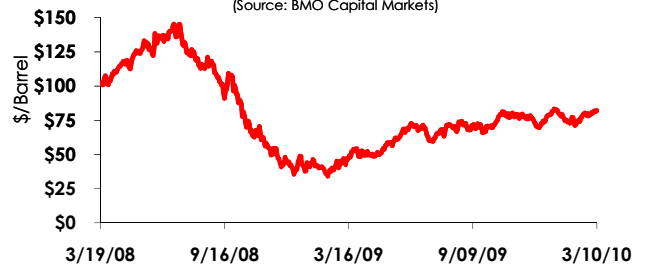
Soybean Meal Futures Through Mar. 10

(Source: BMO Capital Markets)



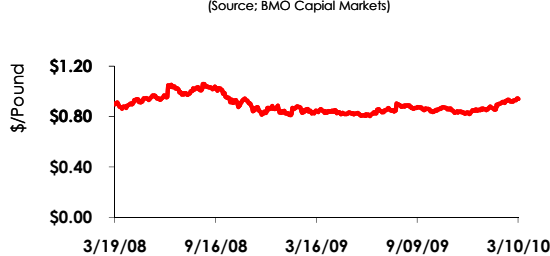
Crude Oil Futures Through Mar. 10

(Source: BMO Capital Markets)



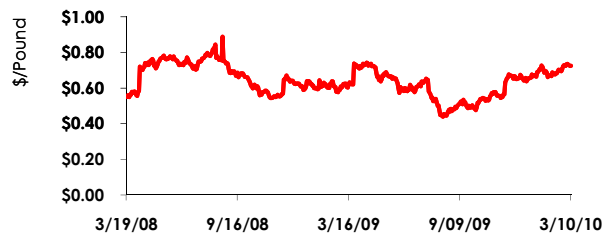
Live Cattle Futures Through Mar. 10

(Source: BMO Capital Markets)



Live Lean Hog Futures Through Mar. 10

(Source: BMO Capital Markets)



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