



Trends and Opportunities Impacting Chilean Grape Sales in North America

Karen Brux
CFFA Managing Director, North America

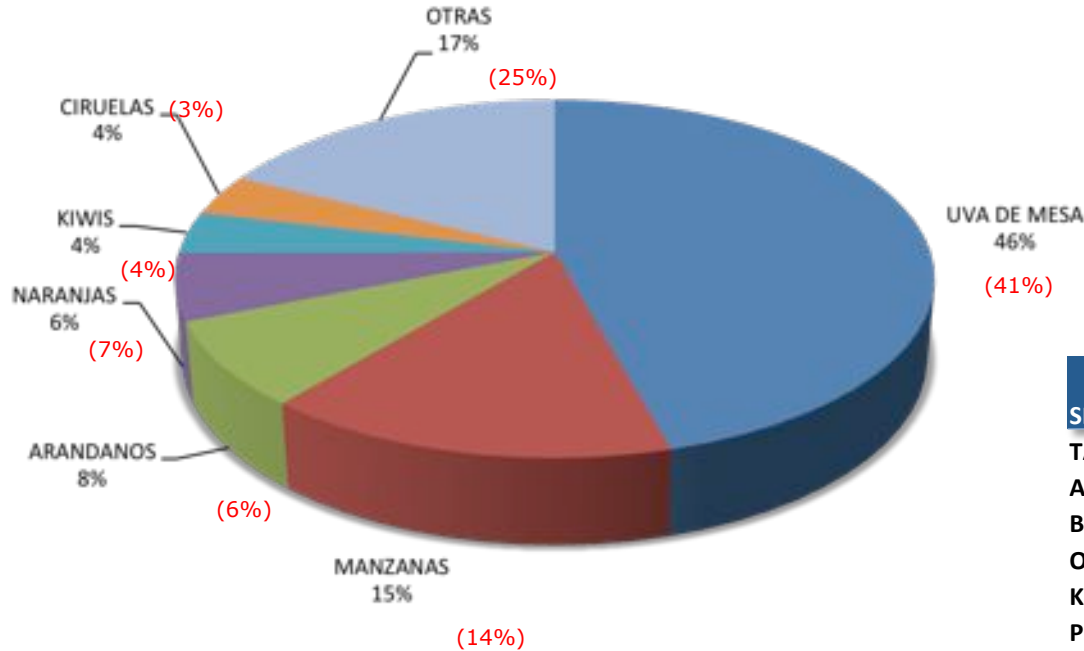




Agenda

- Background on the Table Grape Market
- North America Retail Environment
- Trends in Produce Industry
- CFFA Grape Marketing Program

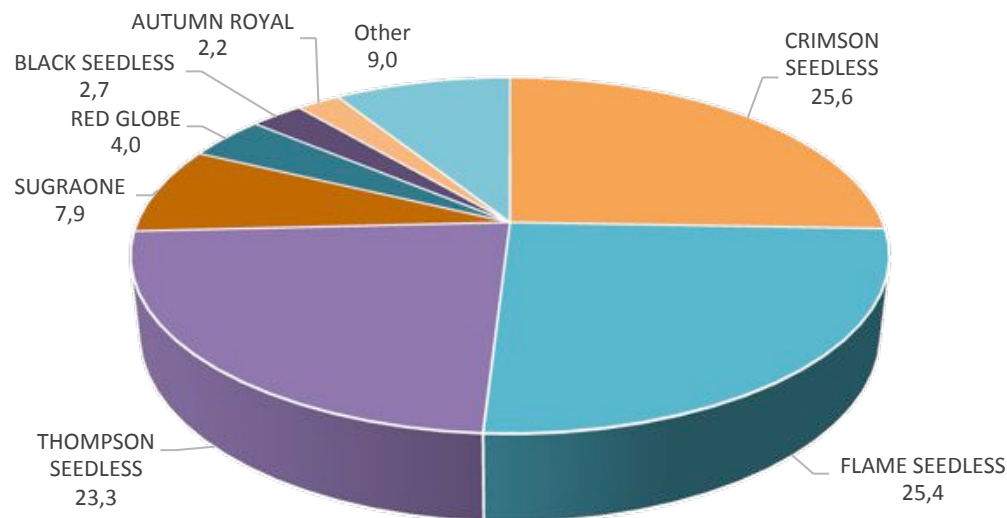
FRESH FRUIT EXPORTS TO THE US - TONS



Red = 2011/12
Black = 2012/13


SPECIES	TEMPORADAS		VAR. %
	2011-2012	2012-2013	
TABLE GRAPES	358.377	391.844	9.3
APPLES	121.813	132.049	8.4
BLUEBERRIES	55.357	66.500	20.1
ORANGES	61.201	52.092	-14.9
KIWIS	30.366	32.543	7.2
PLUMS	24.973	31.802	27.3
CLEMENTINES	33.315	31.636	-5.0
NECTARINES	23.924	22.435	-6.2
MANDARINES	15.801	21.052	33.2
PEACHES	17.764	17.047	-4.0
PEARS	15.326	16.766	9.4
AVOCADOS	61.037	15.589	-74.5
LEMONS	20.206	10.341	-48.8
CHERRIES	15.735	8.022	-49.0
POMEGRANATES	2.875	2.267	-21.1
OTHERS	5.870	5.427	-7.5
TOTAL	863.938	857.412	-0.8

TOP VARIETIES EXPORTED TO THE US



VARIETY	SEASON 2009-2010	SEASON 2010-2011	SEASON 2011-2012	SEASON 2012-2013	SEASON 2013-2014	VARIATION 2014 - 2013
CRIMSON SEEDLESS	105.872	91.440	89.614	87.851	81.160	- 7,62
FLAME SEEDLESS	101.733	112.034	99.027	83.751	80.517	- 3,86
THOMPSON SEEDLESS	111.729	90.271	71.445	88.208	73.816	- 16,32
SUGRAONE	37.047	40.090	33.855	34.613	25.189	- 27,23
RED GLOBE	19.095	13.611	14.486	12.482	12.619	1,10
BLACK SEEDLESS	8.523	8.460	8.041	6.396	8.550	33,68
AUTUMN ROYAL	7.905	6.924	6.495	6.820	7.048	3,34
Other	34.006	34.367	35.414	72.080	28.489	- 60,48
TOTAL	425910	397197	358377	392201	317388	-19




Top 20 Food Retailers and Wholesalers in 2014

1	Walmart		11	C&S	
2	Kroger		12	H-E-B	
3	Costco		13	Sobeys	
4	Target		14	Delhaize	
5	Safeway		15	Dollar General	
6	Loblaws		16	Supervalu	
7	Publix		17	Meijer Inc.	
8	Ahold		18	Wakefern Food Corp	
9	7-Eleven		19	Whole Foods	
10	Albertsons		20	BJ's Wholesale	

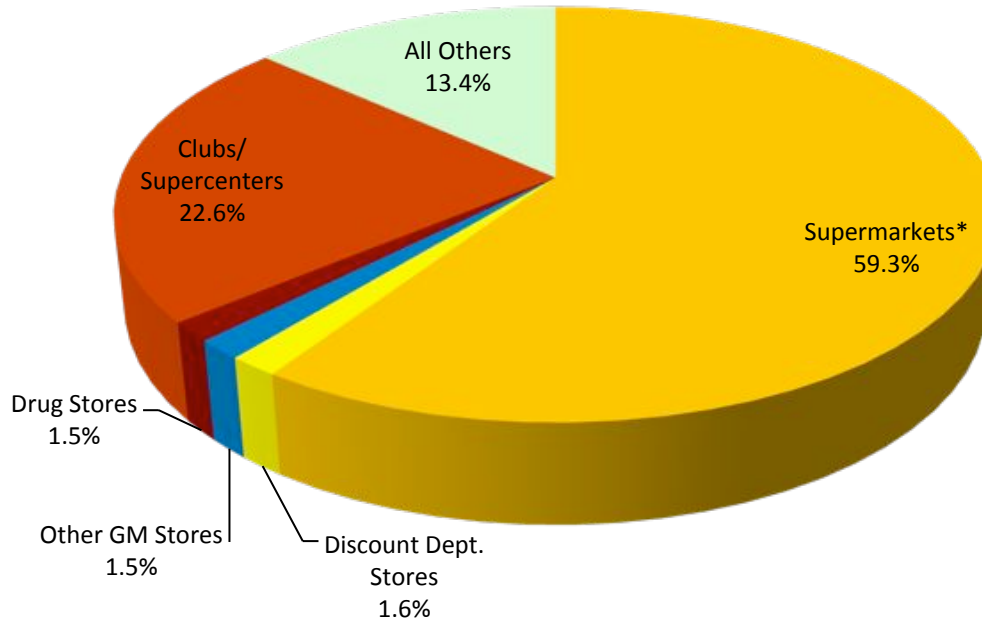
- Albertsons new to the list this year.
- Supervalu dropped to number 16 from number 6
- Metro (Quebec) didn't make it on the top 20 list this year

Source: <http://supermarketnews.com/2014-top-75-clickable-list>

2014 Top 20 Small Chains and Independents

1	PAQ		11	Jerry's Enterprises	
2	Lowe's Market		12	Festival Foods	
3	Northgate Gonzalez Market		13	Homeland Stores	
4	Redner's Markets		14	Foodland Supermarket	
5	Cardenas Markets		15	Dierbergs Markets	
6	Rouses Enterprises		16	Lewis Food Town	
7	Vallarta Supermarkets		17	Harps Food Stores	
8	Fairway Market		18	Cosentino's Food Stores	
9	Niemann Foods		19	Roche Bros. Supermarkets	
10	King Kullen Grocery Co.		20	Lund Food Holdings	

Grocery Market Share

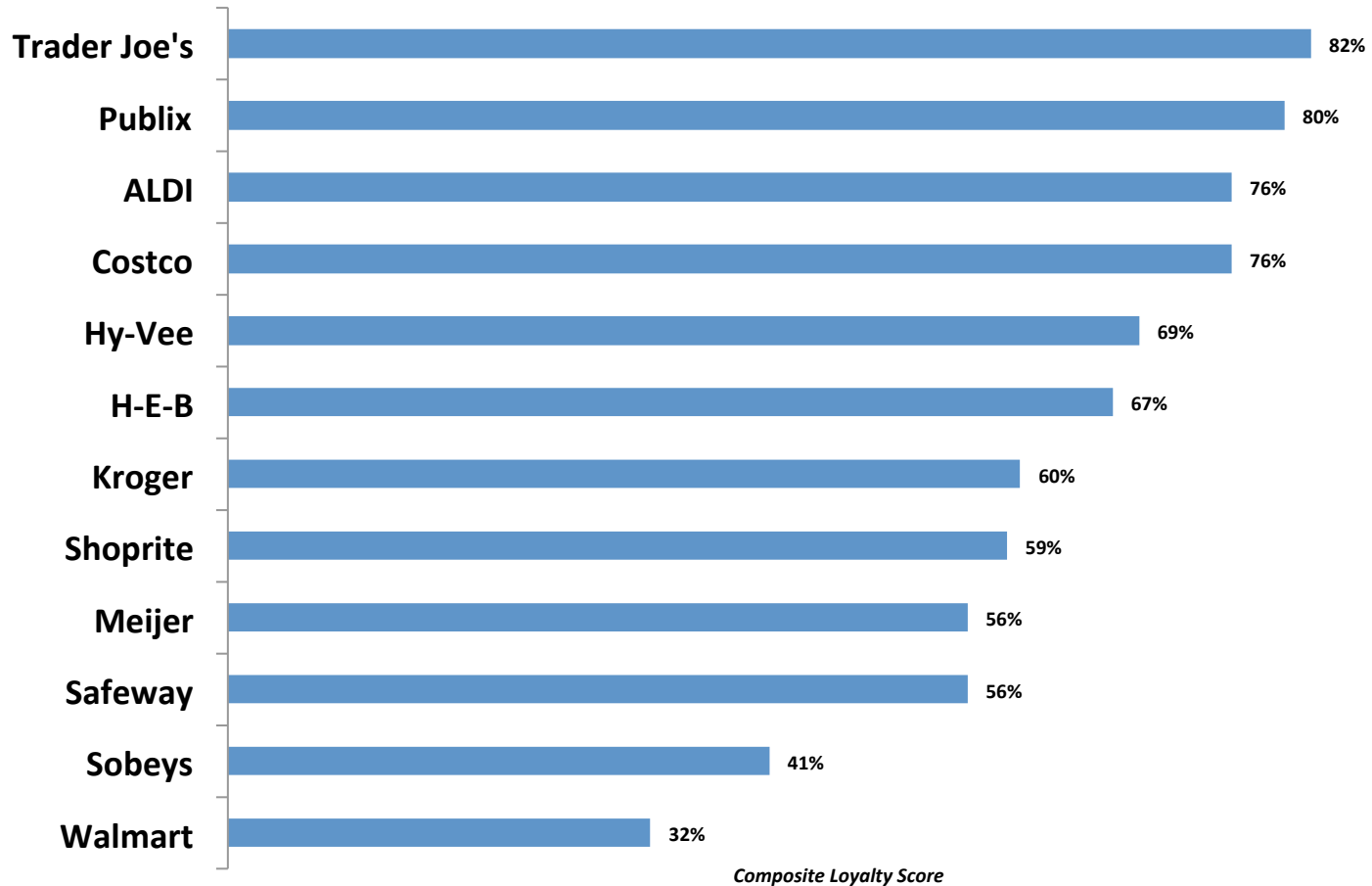


U.S. GROCERY MARKET SHARES					
	1997	2002	2007	2011	2012
Supermarkets*	72.3%	66.0%	60.2%	58.9%	59.3%
Discount dept. stores	2.3%	2.2%	2.1%	1.7%	1.6%
Drug Stores	1.2%	1.2%	1.5%	1.5%	1.5%
Other GM stores	N/A	0.7%	1.4%	1.5%	1.5%
Clubs and supercenters	9.1%	15.6%	22.0%	23.2%	22.6%
All others	15.1%	14.3%	12.7%	13.2%	13.4%

* Includes limited-assortment stores and natural retailers, but not c-stores.
 Source :DSR Marketing System, May 2013.



2014 Ranking of Favorite Grocery Store Chains



Composite Loyalty Score

Source: <http://www.marketforce.com/press-releases/item/market-force-study-finds-trader-joes-is-consumers-favorite-grocery-store/>



Trends/Movements Impacting the Produce Industry

- Changing Retail Formats
- Retailers: The Emergence of the Sophisticated Marketer
- The Story Behind the Produce
- Social Media
- Supermarket Dietitians
- Changing Demographics

Changing Retail Formats

- By the end of 2013, Target, the country's 2nd largest discount retailer, had introduced its Pfresh format to 1,245 of 1793 stores in the U.S.
- Dollar General, the nation's largest small-box discount retailer, is now selling fresh produce
- Chains like Whole Foods, Fresh Market, and Aldi experiencing strong growth, while chains like Costco are ramping up their organic offerings and posing strong competition



Changing Retail Formats

- Online produce sales slowly ramping up as AmazonFresh launches in Southern California, San Francisco and Seattle; Google Express now in the game
- Traditional supermarkets like Harris Teeter offering “click and connect” options where you can order online and pick up at designated time.



Save time and shop online at harristeeter.com

3 EASY WAYS TO PAY

new customers	unlimited shopping	unlimited shopping
\$4.95	\$16.95	\$99.95
FEE WAIVED	per month	per year

Not available at all locations



Changing Retail Formats

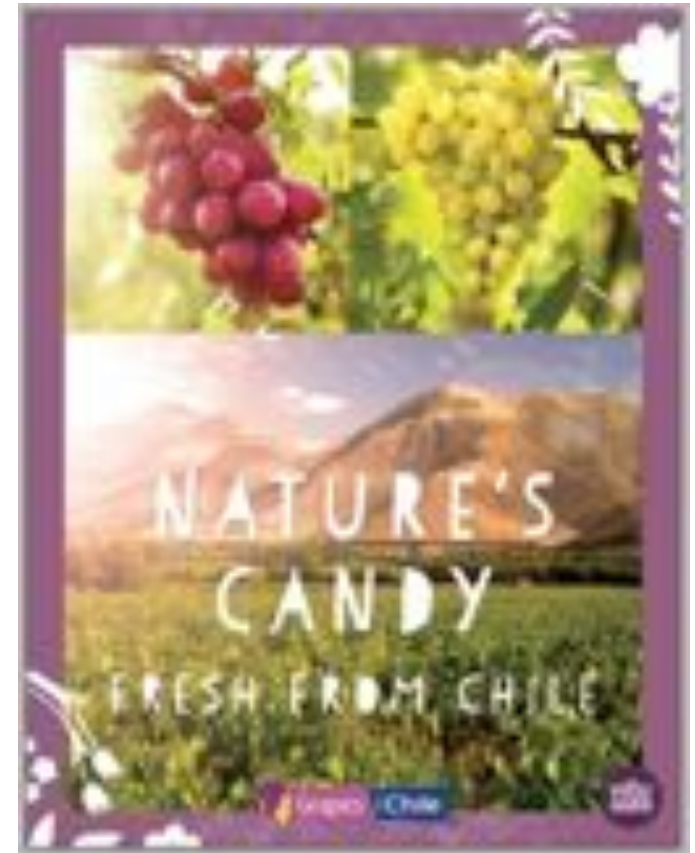
- Peapod has more than 100 virtual stores at rail stations across the U.S. Download the Peapod app, scan the QR codes, and shop



Growing Sophistication of Retail Marketing

Retailers are:

- Designing and producing their own point of sale materials or customizing POSM from suppliers
- Launching banner-wide initiatives and requesting supplier buy-in
- Working with suppliers on programs unique to their stores to better target their customers and differentiate themselves from the competition



There is no one-size-fits all approach when working with retailers. The most successful marketers are creative, flexible, resourceful and knowledgeable about how each of their customers operates.

The Story Behind the Produce

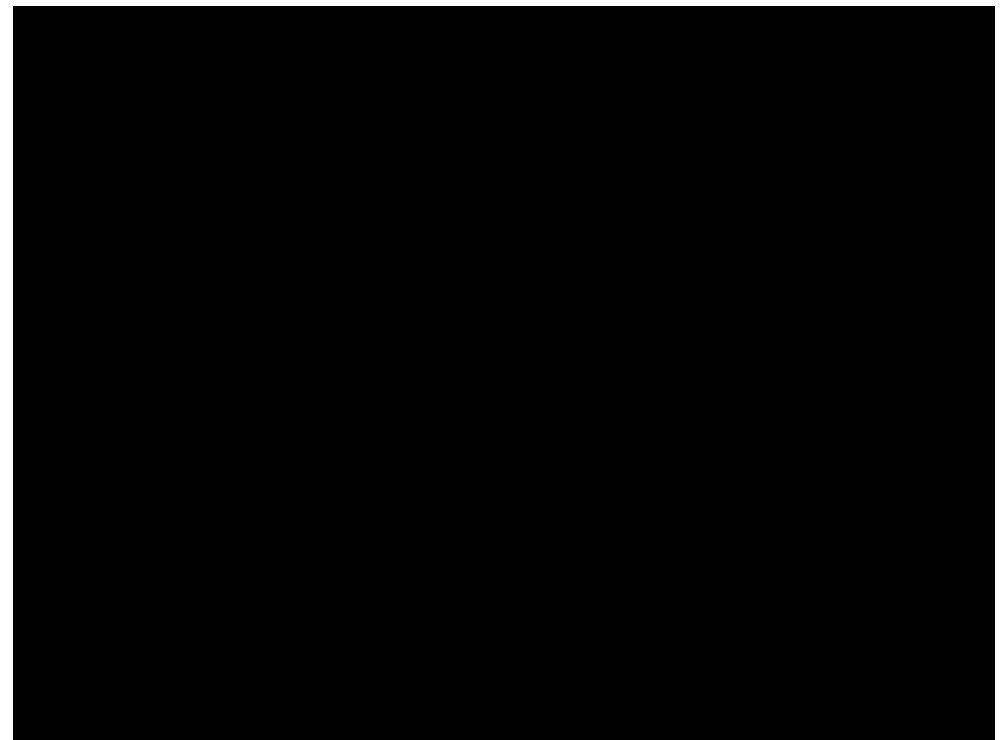
“The task we face as an industry is finding the best way to tell our story. Whether the vehicle is posters with grower stories or scanned QR codes that lead to a YouTube video, **it’s important that consumers feel as though they’re supporting a “family” farm, even if it isn’t in their backyard.** Transparency will net both trust and sales. The story must also talk about freshness and food safety but, perhaps most importantly, include real people telling that story.”

Bryan Silberman, PMA President



How Can We Tell Our Story?

- In-Store Signage
- Printed Collateral that talks about Chile's unique geography growing conditions and role in fresh produce market
- Grower/Orchard Videos



Social Media: What are Produce Companies Doing?

A lot. The question is no longer “Who is engaging in social media?” The question is “Who’s Not?”



Social Media: Twitter and Facebook

48 million Twitter users in the U.S.

 **Harris Teeter** @HarrisTeeter · 20 Feb 2012
 Through tomorrow, you can scoop up your wellness choice **Chilean Red Seedless Grapes** for only \$1.29/lb. #sale #savings #freshproduce
 Expand Reply Retweet Favorite More

Canadian Living @canadianliving · Mar 31
 If you're looking for a guilt-free snack, look no further. Try frozen #grapes!
 Expand Reply Retweet Favorite More

— Canadian Living

Guilt-free snack: frozen grapes
 By Canadian Living @canadianliving
 If you haven't had frozen grapes before, I urge you to add a bunch of grapes to your next grocery list! Frozen grapes are one of my favourite guilt-free sweet treats, especially as [...]



View on web

Market Supermarkets
 Chilean Snacks and Cheeses

Ingredients:
 4 Chilean sausages cut into 2-1/2 inch pieces
 1/4 pound fresh Chilean red seedless grapes
 1/4 pound fresh Chilean green seedless grapes ... See More



Like Comment Share

Sheldon Hy-Vee
 February 22, 2012

Chile Red Seedless Grapes, get them for only 99¢/lb now and Thursday. In the ad for \$1.99/lb, use this coupon to get an extra 40¢ of savings!



Hy-Vee Sheldon Hy-Vee's Super Coupon LU #539

Chile Red Seedless Grapes
99¢/lb
 Regularly priced \$1.99/lb

Like Comment Share

Facebook: 152 million daily active users in N.A.

Social Media: Blogs and Pinterest

Blogs: 31 million bloggers in the U.S. as of July 2012

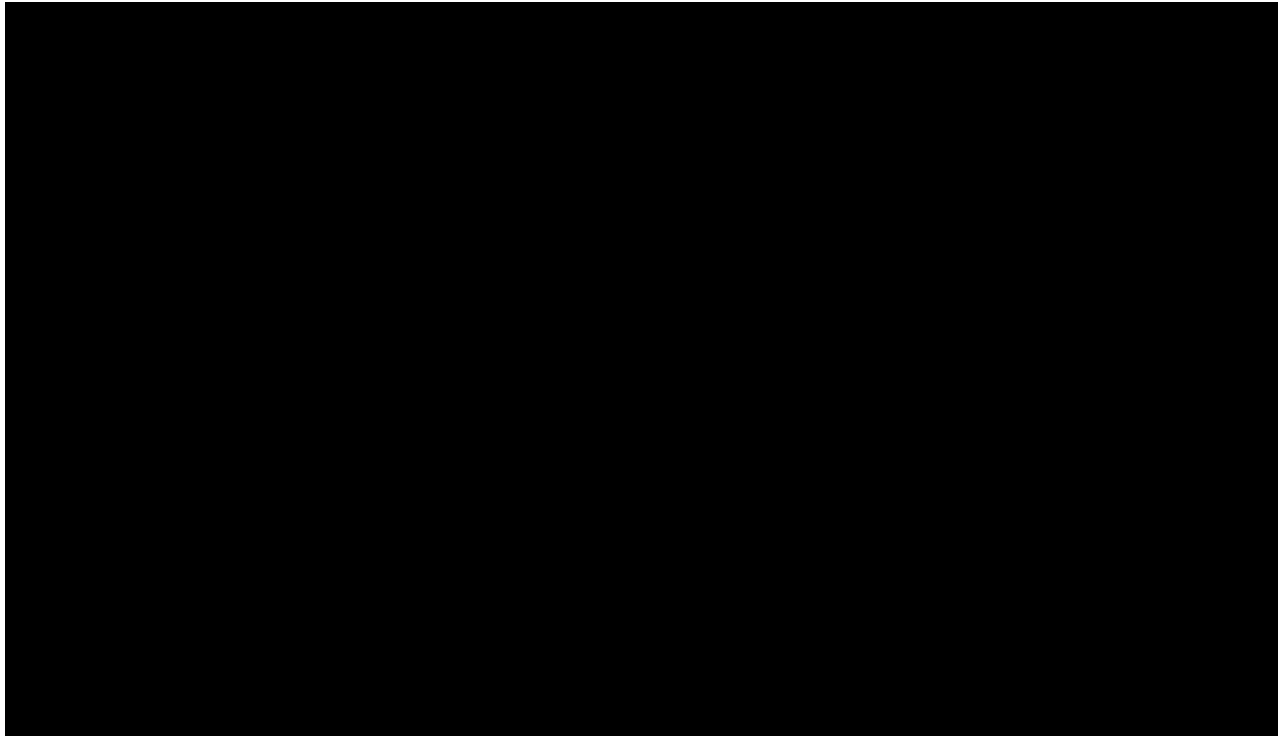


Pinterest: 53 million monthly unique users

Social Media: Videos

Retailers are increasingly taking advantage of videos to educate on new products, communicate usages and connect their customers with the food they sell.

- Walmart has asked us for short grower videos that they can post on their Facebook

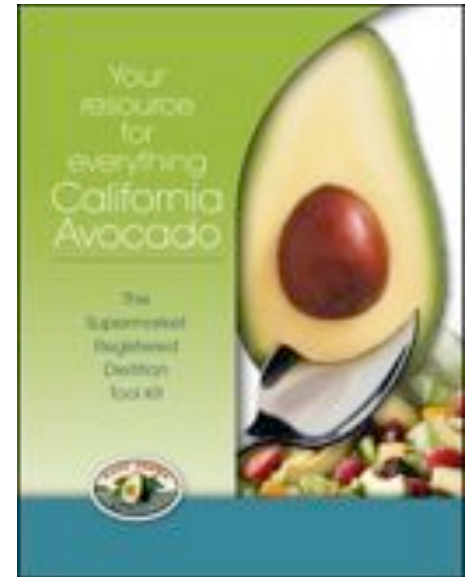


The Next Big Marketing Weapon for Supermarkets: The Dietitian

A rapidly growing force



- 500-600 retail dietitians, and that number is predicted to at least double within two years. One-third of stores have a registered dietitian at retail; 86% of food retailers employ them at a corporate level
- Numerous conferences to connect suppliers with dietitians i.e. Progressive Grocer's Supermarket Dietitian Roundtable, Shopping for Health, Oldways Supermarket Dietitian Symposium
- New Retail Dietitians Business Alliance to educate dietitians on supermarket operations; services that connect food associations and brands to dietitians at more than 50 chains



Fred Myers Video - Maple Roasted Brussels Sprouts with Chilean Grapes



<http://myfreshideas.com/?recipe=maple-roasted-brussels-sprouts>

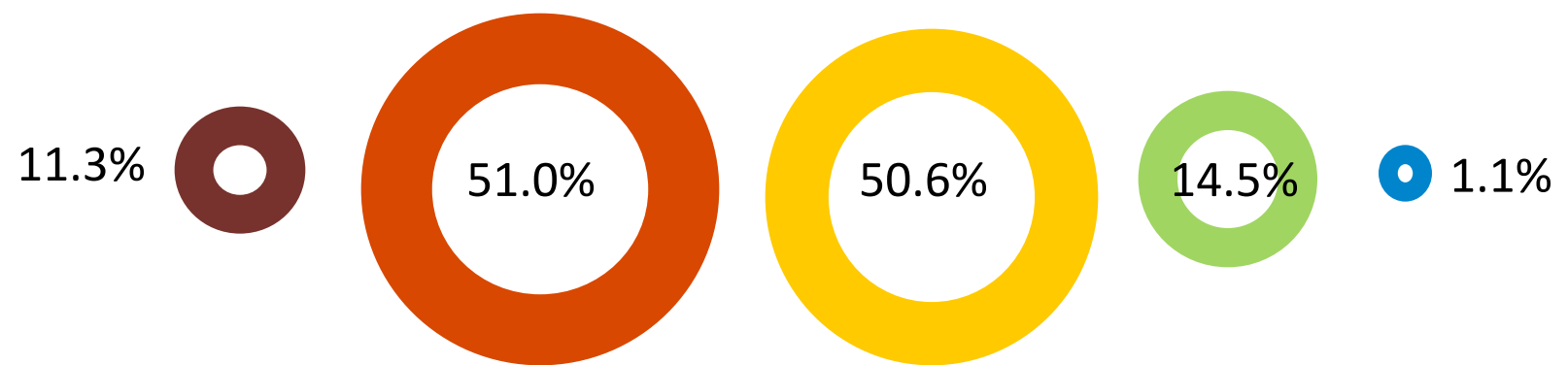


Changing Demographics: Who We Are as a Nation Has Changed

- 70% of U.S. Households have no children under the age of 18
- 28% of U.S. Households are single person households
- The U.S. has the highest percentage of single-parent families among developed countries
- 46% of primary shoppers are men

Vast Majority of Population Growth Coming from Asian American and Hispanic Populations

Growth Rates from 2000-2012

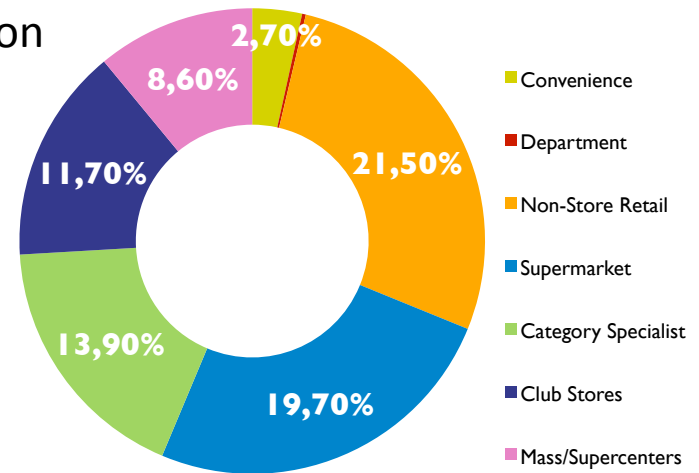


- Total Population
- Asian American
- Hispanic
- African American
- White

Asian Americans

With a low cost of entry and a potentially high return on investment, the Asian American market represents a significant growth opportunity.

- Population of 18.2 million, a 50% increase since 2000; double digit growth over the past decade in 49 of 50 states. Largest sub-group is Chinese.
- Almost 40% of Asian Americans in LA, San Francisco and New York
- 77% prefer to speak native language at home
- Asian American buying power, currently at \$718 billion, estimated to reach \$1 trillion by 2017



Source: Nielsen Pop-Facts
December 2012 update

If Asian Americans were a country, they'd represent the world's 18th largest economy

Hispanics

** There are 50.5 million Hispanics in the U.S.

Projected buying power of \$1.5 Trillion by 2015

“Hispanics are the fastest growing ethnic segment expected to grow 167 percent from 2010 to 2050, compared to 42 percent for the total population.”

Even though immigration is down sharply, Hispanics continue to experience dynamic growth.

Projected U.S. Population Growth From 2010 to 2050



*Includes American Indian, Alaska Native, Hawaiian & Other Pacific Islander
Source: U.S. Census Bureau Population Projections

Promotion Opportunities with Ethnic Retailers

- In-language signage and displays



Promotion Opportunities with Ethnic Retailers

- In-language point of sale



4 of the top 20 independent retailers are Hispanic chains, and the CFFA is working with 3 of them



Grape Trends and Marketing

Packaging

- Gusseted, high graphic standup bags with handles
- Clamshells with high graphic label



New Varieties

- Cotton Candy Grapes



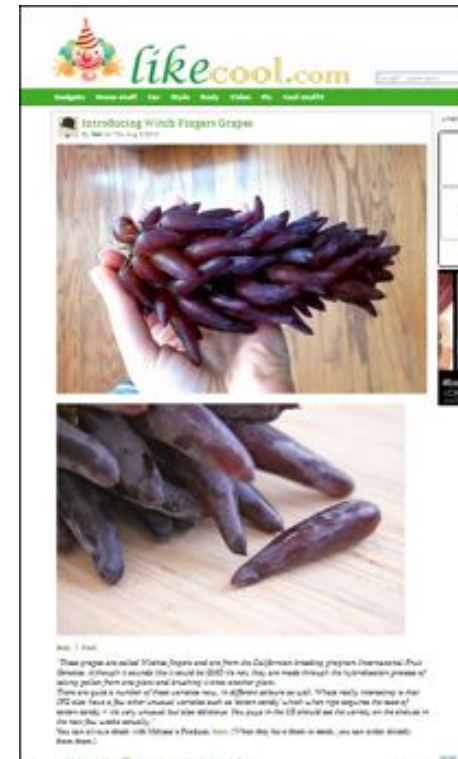
- Witch Finger Grapes



Cotton Candy Grapes featured in Super Market News

October 24, 2013

Nationally circulated weekly trade magazine for the food distribution industry speaks on how to reach out to consumers with new produce items, including our own Cotton Candy Grapes!



And Varieties that Might not be New, but are new to many consumers...





New Varieties

During a July 23 meeting with Walmart, they asked:
What's the next new grape variety from Chile? What's
Chile's Cotton Candy?



CFFA Grape Marketing

CFFA Merchandisers

- Allison Myers and Steve Hattendorf work with retailers throughout the U.S. and Canada on promotions for Chilean fresh fruit
- Scope of work includes communicating with key retail personnel, developing in-store promotions ads and social media posts, monitoring movement and relaying all relevant information back to Chile.
- Biweekly reports submitted throughout the main Chilean fruit season.



Retailer Ad Support

produce - always fresh *Lower Prices. Always Friendly.*

<p>Imported Red or Green Seedless Grapes</p> <p>1.99</p>	<p>Bosc or D'Anjou Pears</p> <p>1.49</p>
<p>Sweet Ripe Mangoes</p> <p>4/\$5</p>	<p>Snap Beans</p> <p>1.29</p>
<p>Fresh Cauliflower</p> <p>2/\$1</p>	<p>California Broccoli or Cauliflower</p> <p>2/\$4</p>

marsh

<p>All Red, White and Black Seedless Grapes or Red Grapes with Seeds</p> <p>1.48 / L.B.</p>	<p>Family Pack Assorted Pork Chops</p> <p>1.49 / L.B.</p>
<p>Large Cantaloupes</p> <p>3/\$5</p>	<p>Boneless Pork Tenderloin</p> <p>6.99 / L.B.</p>

YELLOW AND ORANGE LOOK GOOD, TOO. IT'S ALL SO FRESH!

<p>2 FOR 5.00 Strawberries</p>	<p>.99 Navel Oranges</p>
<p>Red Seedless Grapes 2.99</p>	<p>Cantaloupes 3.50</p>
<p>Large Golden Delicious or Royal Gala Apples 1.49</p>	

Ripe Pineapple
Whole or Peeled and Cored for Your Convenience, each **SAVE UP TO 1.50!**

<p>Tree-Ripened Peaches or Nectarines 2.99</p>	<p>Red or White Seedless Grapes 2.99</p>
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OR STRAWBERRIES FROM FLORIDA? EASY ANSWER: BOTH.

<p>3 FOR 5.00 Florida Strawberries</p>	<p>1.99 Red or White Seedless Grapes</p>
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Retailer Ad Support

hen house produce patch

2.49 ^{lb.}
green seedless grapes
Grapes | Chile Chilean

1.29 fresh brussels sprouts full of vitamins C

3.49 Dole Premium Salad Kits 11.3, 14.3-oz., selected varieties

2.07 Naked all natural 100% juice smoothie 8.4, 13-oz., selected varieties

ORGANIC

1.48 green

2.49 premium grade gala apples certified organic

hen house

2.96 Surf & Turf

Decorates, broiled spinach fillet (10oz. salmon & 10oz. chicken fillet)

9.99 Fresh Atlantic salmon fillet

\$2 OFF! All bulk shrimp

3.99 Dole organic seedless mix

1.99 large size, red seedless grapes

DIENBERG'S PRODUCE

2/\$5 Fresh Express Salad Blends

Ballhouse Salad Dressing 2.75

Seedless Grapes **2 lbs./\$5**

2/\$4 HOT TR

99

MY ROUSES

"TWO THINGS: Best Quality, Best Price!" - Anthony J. Rouses, Sr.

OFFICIAL GROCER OF THE NEW ORLEANS PELICANS

We're Getting Ready For The Super Boil!

When it comes to Gulf seafood, we're game for anything. We have fresh, frozen, seasoned, marinated, and our famous hot boiled seafood, along with all your boiling essentials.

Hot Boiled Crawfish now available in our seafood departments while supplies last!

USDA SELECT BEEF **Cut Free!**
Whole Boneless Rib Eyes \$5.97 LB.

MISSISSIPPI FARM RAISED **Fresh Catfish Fillets \$4.99 LB.**

FLU 4046 **Hass Avocados 69¢ EA.**

ROUSES PICK 24 PACK 12 OZ. CANS Bud Light, Miller Lite or Coors Light **\$18.99**

ROUSES **Boneless Center Cut Pork Loin Half \$19.99 LB.**

SWEET PLUMP **Seedless Red Grapes \$1.99 LB.**

Farm raised in environmentally controlled ponds for Rouses customers. Fry some for the big game!

Pick up plenty of fresh avocados to make your favorite guacamole dip for the big game!

"The family of grocers we work with has just invested \$100 million in new packaging & cooling facilities. It's an extraordinary operation." - Jim Rouses, Produce Director

Sweets for your sweet.

2.99 Peaches or Nectarines

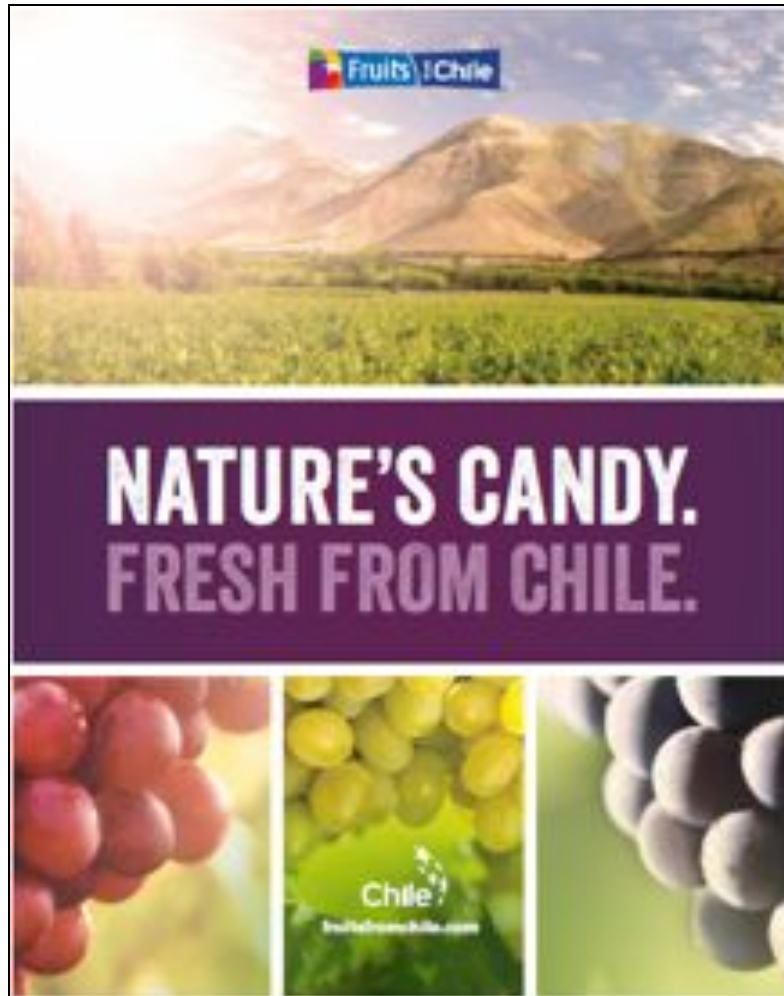
Two Size Flavor, High in Vitamin C

2.99 Red Seedless Grapes

Or Red Grapes, Seedless and Charming. The Natural Touch.

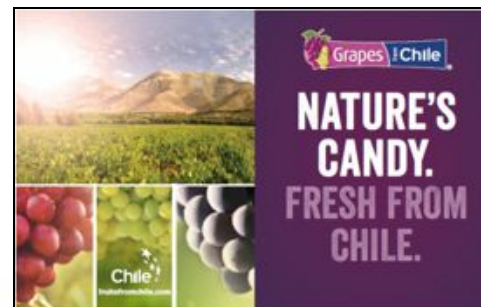
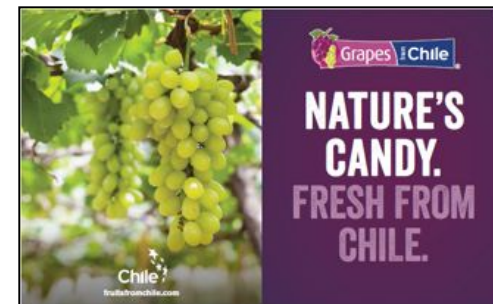
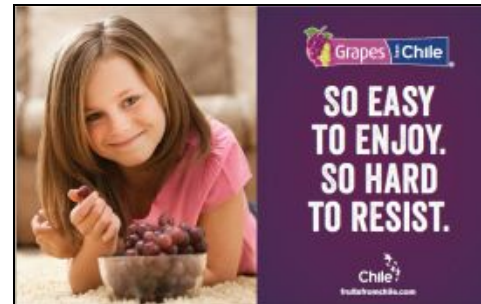
POS Materials

Ironman Poster



Grape Dangler

POS Cards



How Do Consumers Eat Grapes?

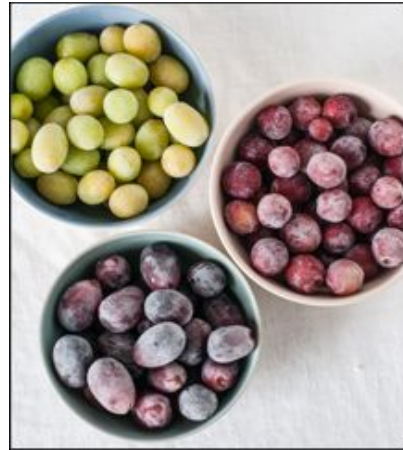


WAYS CONSUMERS USE GRAPES

AS A SNACK	93%
AS A DESERT	28%
AS A SALAD	24%
AS AN INGREDIENT IN A RECIPE	19%
AS AN APPETIZER	15%
AS A SIDE DISH	15%
AS A MAIN DISH	4%

New Photography

Snacking Ideas and Mini-Meals



Chilean Grapes and Chorizo



Easy Usage Ideas

Altitude Salad



Roasted Grape Granola Yogurt Bowl



Brie with Grape Salsa and Tortillas



Grapes, Maple Roasted Brussels Sprouts and Pecans



PiscoSmash



Chilean Green Grape Salsa



Black Grape Cocktail



Social Media: Blog and Facebook Posts



Presley's Pantry
¡Viva food!

Muscat Grape And Watermelon Water: Agua De Uvas Y Sandia

Subscribe to my YouTube channel!

Developing recipes here as well!

¡Rica Vida

Proudly Associated:

- Whole Foods
- Idaho Potatoes

There is no other way to describe this drink other than "Delicious, that's good." These were the first drinks out of my favorite season and I ground like a mad dog. Let me remind a little and tell you the back story. I started with frozen grapes. Then you can make a frozen grape! The frozen grapes are just washed grapes, with a very small and rich flavor. These grapes come all the way from Chile and range in color from light green to deep red and with just the right amount of tart, with a softer sweetness. Really they are a lovely grape that need to be shared. The only pain is that we only available for a short time at Whole Foods Market in my lovely California, from now they are available April 20th, with those folks in mind I knew that I was only able to appreciate their beautifulness for a short period of time. So, the other day I was at Whole Foods Market buying some mango and a pile of those when I spotted the muscat grapes. I made a serious tea-time for them and started to think up 50+ flavor ideas. "What? Why are you buying so many grapes?" I came back at five with "I'll say. The flavor is terrific and that if the muscat grapes and mango can have some and have a healthy tea right now, and they taste great in salads, and I've been wanting to make agua de uvas. We don't like heat, and gets me a little bit of heat. I'd like to read them instead of water. Let's it where the heat? I definitely don't want to be in the house, add a little to a salad I made over



Yum 456

Roasted Brussels Sprouts and Grapes

brussels sprouts, soy sauce, olive oil, red grapes and balsamic vinegar

Steamy Kitchen ★★★★★

25 mins, 5 ingredients



Yum 57

Arugula, Red Grape, and Shaved Manchego Salad with A...

sliced almonds, Ravoring, purple onion, arugula, grapes, manchego cheese and 4 MORE

Katyn's Kitchen ★★★★★

25 mins, 10 ingredients



My PB+J

Home about products My PB+J My site

Facebook Profile Picture: Sugar Squad (page) (page) (page)

CONTACT US

WE LOVE TO SHARE

Developing recipes here as well!

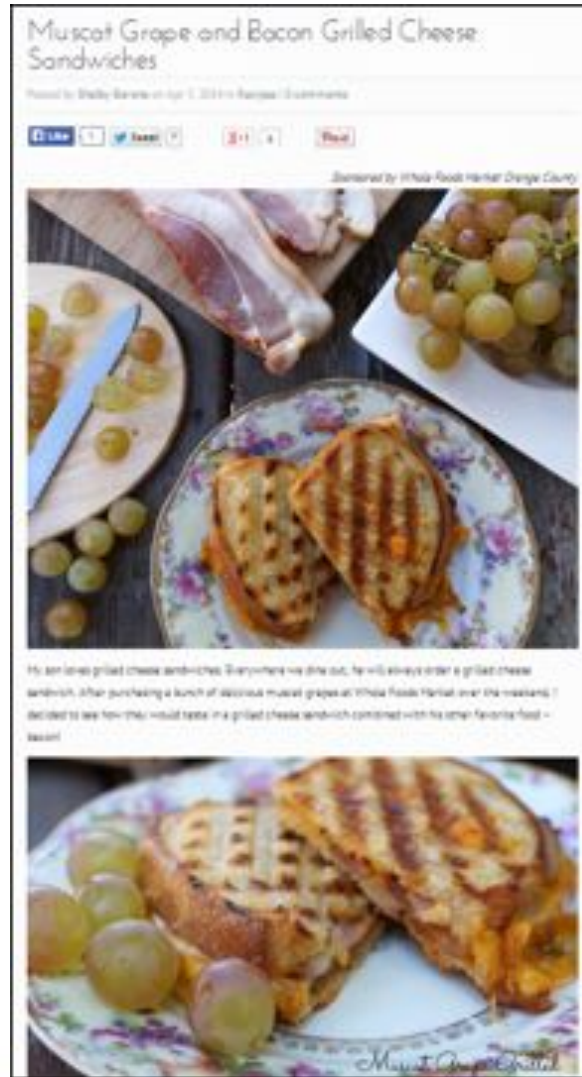
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Social Media: Blog and Facebook Posts



Chilean Great Grape Giveaway



- 17 Retail Chains (298 Stores) Participated
- Cost under \$25,000 with one chain showing a 125% sales increase

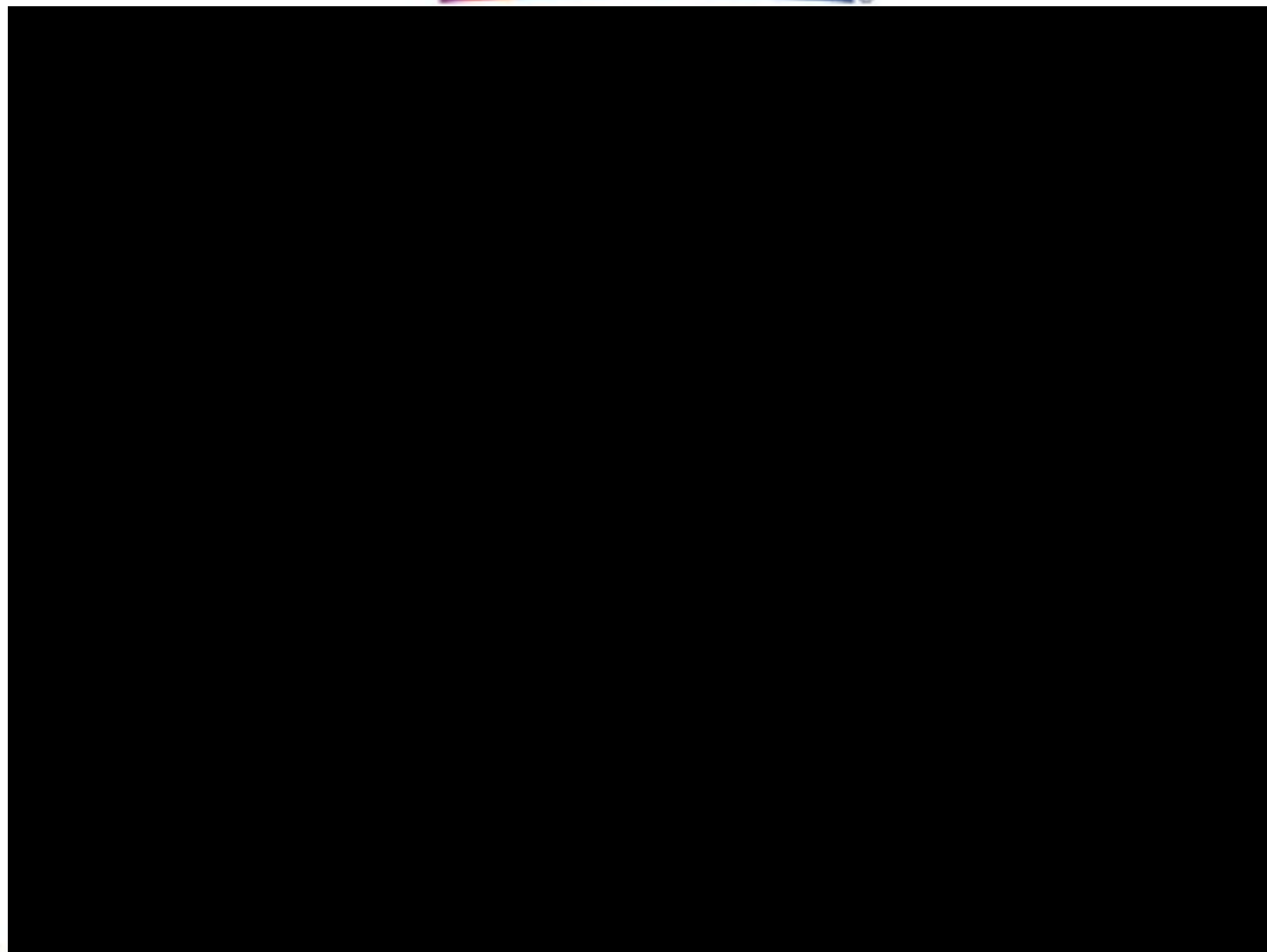
Retailers participating in “The Great Grape Giveaway”



Great Grape Giveaway Retail Display Photos









Summary

- Grapes are an important category for retailers; new varieties, innovative packing, promotion support and consistent supply/volume will continue to drive growth
- Health and wellness are important retail initiatives; the communication of our nutritional story will generate increased exposure
- New retail formats, as well as ethnic retail chains, offer new promotion opportunities for Chilean grapes. Targeted marketing programs are key to our success.
- Retail marketing has become more sophisticated; the more we can take advantage of communication channels like social media, the more successful we'll be.

THANK YOU