



NEWS FROM SUNKIST

March 6, 2018

IN THE NEWS: KEY HEADLINES

[Understanding the millennial mindset](#) [Charlotte Atchley, Nico Roesler and Anna Wiber, Food Business News]

Food Business News reports that millennials are looking for healthier brands that are also price-conscious. Millennials also want to support companies that reflect their own values: companies that are giving back to the environment and/or communities and those supporting an ethical supply chain. Millennials are looking for healthy food, which they often equate to simple ingredients they recognize, non-G.M.O. and organic.

[Fad Or Fundamental? What's Next For Health & Wellness In 2018](#) [Nielsen]

According to a study by Nielsen, consumers desire to live healthier lives and choose better-for-you foods and beverages over conventional products. Notably, 7% of households in the U.S. follow a high protein diet. Furthermore, researchers also noticed that sales of plant-based options are growing steadily, with a 14.1% growth in plant-based diet and nutrition products. Also sales of products that contain non-caloric sweeteners and free from artificial sweeteners grew 16% last year.

VARIETAL UPDATE

ORANGES

Navels have good availability on all sizes 40's to 113's, with sizes peaking 72/88/56. Fruit is available through late May-early July. **Organic Navels** are available with good volumes through late April-early May sizes 72/56/88.

Cara Cara Navels are available, with good volumes through early May. Fruit quality and flavor continues to be excellent. **Organic Cara Caras** have limited volumes for the next several weeks.

Blood oranges have good volumes through April. The fruit has great flavor and interior/exterior blush.

LEMONS

Lemon demand gradually increasing. Significant industry supplies are available.

Meyer, Organic, Seedless and **Zebra®** (pink variegated) lemons demand remains steady.

LIMES

Currently the lime market is experiencing a supply decline. Price increased approximately 80% during the past 5 weeks.

MANDARINS & TANGERINES

Sunkist Delite™ Mandarins are sweet and juicy and fruit is eating exceptional. Sizes are peaking 24/28/32 followed by 21 thru 36. **Organic Mandarins** are available and sizes are peaking 28/32/36 followed by 24.

Gold Nugget variety Mandarins have excellent color and flavor. Sizes are peaking MAM/COL/JMB followed by SCL. **Ojai Pixie Tangerines** will be harvest shortly with sizes peaking on JMB/LGE/MAM.

TANGELOS

Minneola tangelos are in good supply, with sizes at 48/56/64/80. Minneolas have a deep orange exterior and great juice content.

GRAPEFRUIT

Texas grapefruit have good volumes available with sizes peaking at 36/40/48. **California Star Ruby grapefruit** harvest is planned for early March, with fruit projected to peak at 36/40/32 mostly Sunkist Grade.

PUMMELOS

The **Pummelo** season is wrapping up. There will be limited availability the next couple weeks peaking 14/18/23.

SPECIAL BULLETINS

SECRETARY SONNY PERDUE VISITS SUNKIST PACKINGHOUSE

The US Secretary of Agriculture, Sonny Perdue, toured the Porterville Citrus packinghouse and citrus groves on a recent trip to California. Over a plate of Sunkist® Cara Cara and Blood oranges, growers and the Secretary discussed issues important to California citrus. Topics included Federal water allocations; the need to maintain market access to key export markets; foreign competition; crop insurance; and the importance of funding citrus health research. As a result of Congress failure to address immigration reform in a comprehensive proposal, growers shared the impacts on day-to-day business operations and on farmworkers. The Secretary appeared open to the discussion and to learning more about the on-the-ground impact Federal policies have on our ability to compete. Sunkist plans on continuing the dialogue with the Secretary and his staff as the President's budget and trade policies are debated over the next year.



2018 BULK CITRUS EXHIBITS DUE MARCH 16

Due to the new Asian citrus psyllid regional quarantine for bulk citrus movement, all citrus growers, packers/processors and transporters must complete a 2018 Asian citrus psyllid exhibit form and return to the California Department of Food and Agriculture (CDFA) no later than March 16, 2018.

The two-page original compliance agreement that lists your compliance agreement number, and your and CDFA's signature, will remain in place. Copies of exhibits along with instructions for completing and submitting the paperwork may be found at the following here:

<https://www.cdfa.ca.gov/plant/pe/InteriorExclusion/grower-packer-hauler-information.html>.

SUNKIST GROWERS ANNOUNCES BILLION-DOLLAR MEMBER PAYMENTS FOR FOURTH CONSECUTIVE YEAR AT ANNUAL MEETING

Sunkist Growers held the cooperative's 124th annual meeting on February 21, summarizing the organization's strong 2017 season performance and seating the 26-member Board of Directors for the upcoming year.

"Careful and well-orchestrated management of last year's crops, along with coordinated sales and marketing strategies, allowed us to achieve steady movement and strong pricing in 2017," said Sunkist President & CEO Russell Hanlin. "Last season's performance resulted in record member payments of nearly \$1.2 billion dollars, the highest in our history."

Sunkist's leadership has been diligently focused on executing key strategic initiatives to maintain industry leadership and competitive returns to grower members. In addition to achieving these objectives, the management of Sunkist and Fruit Growers Supply (FGS) was consolidated to improve fiscal performance and best serve the constituencies of both organizations.

"Sunkist's board and management continue to proactively evaluate opportunities to maximize efficiencies within the organization," said Gerald Denni, who was re-elected as chairman of Sunkist's Board of Directors during the meeting. "The management consolidation of Sunkist and FGS underway has been positive, and we are very optimistic about the synergistic benefits that this shared services model will afford both companies moving forward."

The organization's for-profit businesses also performed well in 2017, supporting positive revenue streams and well-positioning the organization for future growth.

"We have tremendous optimism for the future of the Sunkist cooperative," said Denni. "We have made many positive organizational changes, and also gained significant acreage last year that will further establish Sunkist as the leader in the fresh citrus industry."

The meeting welcomed this year's incoming Director Michael Bozick of Mecca, Calif.

Continuing members of the 2017-18 Board are Craig Armstrong, Thermal, CA.; Nick Bozick, Mecca, CA.; Allen Camp, Ventura, CA.; Steve Cutting, Manhattan Beach, CA.; Donald Dames, Oxnard, CA; Gerald Denni, Strathmore, CA; Norman Evans, Terra Bella, CA; Robert Felts, Visalia, CA; Jim Finch, Ojai, CA; Amy Fukutomi, Oxnard, CA ; Burt Fugate, Santa Maria, CA; Mark Gillette, Dinuba, CA; Robert Grether, Somis, CA; Curt Holmes, Fresno, CA; Richard Jacobsen, Jr., San Francisco, CA; Gary Laux, Porterville, CA; Jim Layes, Riverside, CA; Brad Leichtfuss, Fillmore, CA; Tony Lombardi, Terra Bella, CA; Warren C. Lyall, Pauma Valley, CA; Eric Meling, Ivanhoe, CA; Cecilia Perry, Yuma, AZ; Kevin Riddle, Orosi, CA; Kevin Severns, Orange Cove, CA; and Randy Vogt, Visalia, CA.

Sunkist also honored the service of outgoing Directors Ron Arnott, Mentone, CA and Robert Linderman, Visalia, CA, who will continue to serve as an alternate Director.

SALES & MARKETING UPDATE

SOUTHEASTERN GROCERS DRAWS IN SHOPPERS WITH EVERYTHING CITRUS

The yearly Citrus Event at 635 Winn Dixie, BI-LO and Harvey's stores throughout the southeast kicked off with a colorful citrus ad on 1/24/18 and Sunkist point of sale material dressing up the produce aisle. Each store sported a multi-variety ironman poster urging shoppers to *Discover the Great Flavors of Citrus*, along with a Cara Cara navel quarter bin and Organic, Minneola, Lemon and Moro square bins. Limes, Grapefruit,

Navels, Cara Caras, Moros, Minneolas and Organics had flavor-forward informational clip cards for bulk and bag fruit displays. This citrus promotion continues to increase Sunkist's in-store presence with year-to-date volume up 60% over the prior year. The collaboration grows each season, making Sunkist a favored brand with SEG management and with Winn Dixie, BI-LO and Harvey's consumers.



PRO*ACT PROMOTES SUNKIST SEASONAL VARIETIES TO MEMBERS



Foodservice customer Pro*Act recently featured Sunkist Cara Cara oranges, blood oranges and Gold Nugget variety mandarins to their customer base with a video on their online marketing platform, "The Source Live." In the video, Pro*Act Sourcing Specialist Gabe Romero interviews Jim Phillips, President of Porterville Citrus, in Exeter – highlighting these seasonal varieties and encouraging Pro*Act members to purchase

them.

Watch the video online at <https://www.youtube.com/watch?v=RbfPuYvTY-A>.

TORONTO STAR FEATURES GOLD NUGGET VARIETY MANDARINS

The print and online editions of *The Toronto Star* recently highlighted Gold Nugget variety mandarins to its Canadian readership. The piece, which included an interview with Sunkist grower Richard Pidduck, included a Sunkist recipe as well as educational information about this specialty variety.

Quoting from the piece:

"This California gem, seedless and plump with juice, is considered by many to be the most flavourful mandarin of all. Its bumpy golden skin is easy to peel and high in oil, giving it a shiny



appearance and perfumed aroma, while its balance of sweet and tart flavours is guaranteed to wake up your taste buds on a sleepy winter day.”

Read the entire piece, titled “Gold Nugget mandarin a gem of California sunshine,” online at https://www.thestar.com/life/food_wine/recipes/2018/02/14/gold-nugget-mandarin-a-gem-of-california-sunshine.html.

The daily newspaper has a print circulation of 1.4MM and 1.3MM online unique monthly visitors.

SUNKIST PROMOTES CITRUS SEASON TO CANADIAN MEDIA



On February 13, Sunkist invited prominent media and social influencers to an event in Toronto highlighting the versatility of citrus. The event, attended by 34 media, including *Hello!*, *FASHION* magazine and the Marilyn Denis Show, showcased citrus culinary, nutrition and beauty tips while promoting the Sunkist brand.

The event inspired media attendees to make the most out of citrus season, many of which are working on stories as a result of the activation.

CONSUMER NEWS & TREND UPDATE

In this section of the grower newsletter, Sunkist summarizes consumer and industry new stories that the sales and marketing teams are following to inform the positioning of our brand and citrus portfolio.

FOOD INDUSTRY NEWS AND TRENDS

[Our Whole Foods sales are increasing despite Amazon price cuts: Top health food supplier](#) [Berkeley Lovelace Jr., CNBC]

Despite Amazon's price cuts at Whole Foods, the CEO of a top food supplier told CNBC that his company has seen sales “increase dramatically.”

[Amazon is giving select Prime members a five percent discount at Whole Foods now](#) [Jennifer Calfas, Money]

Money reports that Amazon Prime members with Visa rewards cards will now get five percent back when they use the cards to purchase groceries at Whole Foods. Customers with the non-Prime version of the card will get three percent back at the grocery chain. This step is made to entice Amazon's most loyal customers to shop for groceries at Whole Foods.

[Instacart raises \\$200M and prepares to go up against Amazon Now to deliver Whole Foods products](#) [Elizabeth Crawford, Food Navigator]

Food Navigator reports that a \$200 million investment from a series E fundraise could help Instacart hold its own against Amazon's decision last week to test two-hour delivery of Whole Foods products through its Prime Now service in four cities.

[Kashi's Certified Transitional program shows paying more for ingredients switching to organic adds brand value](#) [Elizabeth Crawford, Food Navigator]

Food Navigator reports on the steady growth of Kashi's Certified Transitional program, assisting farmers to transition from conventional to organic farming, in the past two years. This growth along with positive consumer and retailer response to the protocol, shows how paying more for ingredients from farms in the process of becoming certified organic can also pay off for brands.

FOODSERVICE NEWS

[Is your brand ready to embrace Gen Z's obsession with over-the-top food trends?](#) [Rachel Sanders, Fast Casual]

Fast Casual reports that growing up bombarded by messages touting the dangers of indulgence has created an unintended side effect: Zs are obsessed with all things culinary. Food and beverages are this generation's primary form of indulgence, and they're using eye-catching culinary creations and experiences to express their creativity and distinguish themselves from their peers. While Millennials share this fixation fare, Zs are taking the trend to new heights. Understanding this shift and its relationship to the over-the-top food trends taking over social media — from supersized snacks to tiny food to immersive culinary museums — will be key to companies looking to attract young generations on the hunt for epic eats.

[Starbucks' butterfly pea flower lemonade cold brew changes colors](#) [Taylor Rock, The Daily Meal]

The Daily Meal reports that Starbucks is launching a new drink to welcome the spring season, called the Butterfly Pea Flower Lemonade Cold Brew. This beverage is layered with a combination of espresso, lemonade, and butterfly pea flower tea, a trendy ingredient used in Southeast Asian cuisine known for its vibrant blue hue and color-changing characteristics.

WELLNESS NEWS

[Can Essential Oils Actually Help Fend Off The Signs Of Aging?](#) [Rachel Jacoby Zoldan, Well & Good]

Well & Good reports that essential oils are garnering mega multi-tasking status. Need an attitude adjustment? A few drops of citrus oil could be helpful in boosting your mood. Searching for a hair remedy? Ariana Grande swears that lavender oil helps keep her famous mane shiny. Want to power down? Marie Kondo uses Kuromoji (a Japanese wood-based essential oil) to chill after a long day.

[BMJ 'ultra-processed' food research analyzed by nutritionists](#) [Rod Addy, Food Manufacture]

Food Manufacture reports that leading nutritionists have challenged controversial research linking cancer to consumption of “ultra-processed” food, claiming one of its biggest weaknesses is failure to adequately define what the term “ultra-processed” means.

CITRUS AND INDUSTRY NEWS

[AWG Launches Produce for Kids Campaign](#) [Progressive Grocer]

A year-long healthy eating-focused Produce for Kids campaign with Associated Wholesale Grocers' (AWG) Springfield division is featuring in-store veggie-themed photo opportunities for families, registered dietitian tips for shoppers, and signage callouts near all 17 produce supplier partners' products, including Sunkist's.

[Another early finish for California desert lemons](#) [Fresh Plaza]

This week marks the last week of lemon shipments from the desert regions of California. The transition to the other districts is already underway and it means an early finish to the season for the desert. Warm and dry conditions have resulted in the fruit maturing at a faster pace.

INDUSTRY NEWS RESOURCES

Stay connected to the industry by connecting with these groups, who regularly issue important updates about industry meetings, regulatory matters and more.

[California Citrus Mutual](#)

[California Citrus Quality Council](#)

[Citrus Pest & Disease Prevention Program's Citrus Insider](#)