

# Pecans: More Than A Holiday Ingredient

As consumers learn more about the nutritious values of pecans, it's prime time for retailers to take advantage of pecan merchandising. **BY TARA LYNNE GROTH**



Packages that allow consumers to see the product clearly add perceived value to their purchase.

**P**ecans are a staple ingredient in holiday desserts, but their festive reputation is crossing over into the mainstream. Known for typical delights like pies and turtle cookies, pecans are now becoming a healthy part of other meals in dishes like pecan-encrusted trout and as nutritious toppings for salads. Since the ancient nuts have a new life, consumers are choosing to stock up on pecans in their own lives. How are grocers taking advantage of this trend in year-round pecan popularity? As pecans continue to saturate the market into everyday meals and leave their holiday associations behind, retailers can focus on convenience, cut and health benefits.

## Show More Of The Pecans

Positioning pecans in the produce section is not too difficult, and the placement pays off. Brian Gadwah, produce category manager for Delhaize America, a Salisbury, NC-based organization that provides category management for 1,600 grocery stores along the East Coast, sees a better profitability for pecans in

the produce section. "Everyone wants fresh, healthy food," says Gadwah. "And they want to see what they buy."

Gadwah, who has been working in the produce industry for almost 10 years, believes it has something to do with the packaging. When pecans are in the produce section, the packages allow consumers to see more of the product, which adds more perceived value to their purchase, and consumers can see that the pecans were packed fresh. A simple cellophane tray or clear plastic tub works better than the concealed packages typically found in the grocery aisle. There haven't been any issues with shrinkage when using this type of packaging either.

Some of the plastic tub containers also appeal to eco-conscious consumers, who make decisions based more on sustainability and choose fresh products with limited packaging, or packaging such as the clear plastic containers that they can re-use or recycle. These materials are also lightweight and cheap to ship for suppliers and retailers.

Even though clear packaging seems to be

more attractive from a profit standpoint, Robert Knight, pecan grower and owner of Knight Creek Farm in Sapulpa, OK, warns packagers about light. "Pecan oil becomes rancid after a while," Knight says. "And that is caused by light." However, if clear packages are increasing sales and moving products faster, grocers shouldn't have to be too concerned about rancid nuts.

## Know Where It Grows

How do pecans get more attention in the produce section? Traceability is a steadfast trend in every industry. Consumers like to know where their food comes from. According to the Agricultural Marketing Resource Center, Arizona is one of the top producers of pecans. This is where senior produce buyer, Jack Armstrong of Bashas', a Chandler, AZ-based chain of grocery stores in the Southwest, works. Even though at certain times of the year Bashas' sources its pecans from Texas, Georgia or other areas of the country, Bashas' uses "local" labels for the majority of its pecan inventory to show consumers the products are

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from the Arizona area. Consumers associate a higher value in locally sourced products. When a product purchase supports a local farmer, consumers feel connected to it on a community level.

"People are willing to pay for a quality product," says Armstrong. With a foothold in the produce industry since 1970, Armstrong has watched pecan prices go up over the past four years, but local pecans are a commodity that people want.

The annual increase in pecan prices consistently surprises retailers when it comes to sales. Delhaize's Gadwah agrees, "Pecan prices went up more so than any other nut."

### Pecans In Produce Equals Profit

Temperatures need to be constant for pecans to thrive. A cool temperature is ideal for the nut, but grocers find pecans are resilient and have a long shelf-life. Store location and weather can be factors though, and certain

climates require custom display strategies. Sherry Ibarra, office and store manager of San Saba Pecans, an international supplier of shelled pecans in Las Cruces, NM, has been trying to educate grocers for years about the benefits of a refrigerated area. "In our gift shop, all of the pecans are in cold storage, even in-shell nuts," Ibarra says. She explains that the longer pecans are kept in their shell, the faster they dry out since the shell absorbs the oil.

In Mt. Olive, NC, another pecan supplier, Carolina Nut Cracker, also promotes cooling systems. "Poly plastic bags sealed in the refrigerator will keep the nuts good for a long period of time," says co-owner Jody Britt. He stresses the importance of clear packaging, as well. "Grocery stores are our main market and pecans sell themselves," Britt says.

Allowing customers to see the product may be difficult if the nuts are kept in a closed refrigerated case. Armstrong explains that due to temperature changes, different display setups are used depending on the store location and the season. Some stores have a refrigerator table, waterfall or spillover. Most of the time, the display is on a dry table, or built with the boxes the pecans were shipped in, he notes.

According to Gadwah, Delhaize America stores up and down the Eastern Seaboard, such as Food Lion and Harvey's, have different displays depending on their region as well. "In the Northeast, pecans are a relatively dormant category," he reports. To tap into this inconsistent market, around the holidays, Delhaize America merchandises in-shell pecans with other nuts in large 4- or 12-ft. bins throughout their grocery chains. "It is a big celebrated category," Gadwah says. The stores typically keep the displays prominent from mid-October until year's end.

Regardless of the steady increase in price, retailers find just having pecans in the produce section is the key for profitability. Basim Armstrong says, "Over the past couple of years we've oversold. I was shocked. I didn't think customers would pay that kind of money, but the need is there." He doesn't see sales slowing down any time soon.

### People Choose Pecans

The same strong demand exists for growers as retailers. Stone Pecan Groves, a pecan grower in Thomasville, GA, has a long history with the nut. Tom Stone, owner and third generation pecan grower, is experiencing a soaring demand right now that is nearly exceeding production.

In the past, nuts had a stigma of being fattening. Stone explains research released in



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**“No one has time anymore to shell their own pecans. We ship very few in-shell pecans now. Chopped or halved pecans in 12-oz. bags are the most convenient.”**

— Tom Stone, Stone Pecan Groves

nt years shows the type of fat in nuts is a itious kind, associated with curbing tite and assisting weight loss. They're great sources of calcium. “Out of any of nut, pecans have the most antioxi-s and they're known to lower esterol,” reports Stone.

Pecans have become the nut of choice,” gnizes Armstrong. He’s seen sales increase, when the price of pecans is relatively nsive.

With pecan exports gaining popularity, he shortage of water supply in some areas nd the country, and some wildfires, too, s didn't yield as much as they could have, t is driving the prices up more,” explains ht of Knight Creek Farm. “Marketing is problem, but growing is a challenge.”

With demand for pecans running up the charts and technological shifts taking in American society over the past few les, growers have changed their packaging shipping methods. “No one has time ore to shell their own pecans,” says Stone.

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rmstrong agrees, “The No. 1 most lar cut is the halves.” Consumers are ng for convenience and time-saving es. When it comes time to prepare a r salad, it's easier to toss in a couple of d pecans than to shell and chop them. ame convenience applies for baking, ally around the holidays.

#### Something You Need In A Nut

one has witnessed the pecan reputation e considerably. Pecans are becoming ar in a variety of dishes, and not just es. He recently saw pizza offered with

pecans as one of the toppings. Because of a health-conscious society, consumers will opt for any simple way to increase the nutritional value of their meals.

“The nice thing about pecans is that they're so versatile,” says Jon Krueger, communications specialist for the National Pecan Shellers Organization (NPSO), based in Atlanta, GA. The NPSO created consumer brochures around this very theme, which are distributed to member companies to help market the nut.

Krueger says pecans can be positioned as a snack on their own.

Retailers selling pecans in the produce section are enjoying the nuts' crossover into year-round meals and snacks, especially as pecans become an increasingly familiar product to consumers. According to Delhaize's Gadwah, “Consumers know more about pecans now. Consumers are sprinkling them on cereals and salads, and many manufacturers are putting them in candies.”

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Ibarra with San Saba Pecans says now that people know how good pecans are for them, they're putting the nuts on everything. "Cookies are a given, but people are adding pecans to their yogurt — and perfect for the produce section — on their salads, too."

"Pecans are showing up more in ice creams and they are now the nut of choice at fast food stores and chain restaurants," says Stone of Stone Pecan Groves. Reminding consumers about the healthfulness of pecans on packaging

reinforces their positive reputation.

One of the first people to mention amending packages to boast the heart-healthy benefits is Duke Lane, Jr., chairman of the Atlanta-based Georgia Pecan Commission. Lane shares that the American Heart Association may soon be adding its seal of approval to packages. "Pecans beat almonds, pistachios and just about any other nut when it comes to lowering cholesterol," Lane says. "Pecans are everything that people need for heart health —

**"Pecans beat almonds, pistachios and just about any other nut when it comes to lowering cholesterol. Pecans are everything that people need for heart health — especially for baby boomers."**

— Tom Stone, Stone Pecan Groves

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especially for baby boomers." The Georgia Pecan Commission is creating a new advisory board, which includes highly reputable registered dieticians who are selecting pecan recipes that not only taste good, but also have reduced levels of sugar and fat.

Pecans don't lack in nutrition, either. The nuts have over 19 vitamins and minerals, are full of fiber and one serving provides more heart-healthy benefits than a serving of olive oil. Stone reports that research shows the high concentration of antioxidants helps increase levels of vitamin E while decreasing levels of "bad" cholesterol. Since focusing efforts on the health benefits of pecans, he's been pleased that the consumption level is almost exceeding production.

It's not just U.S. consumers who know the right choice when it comes to nuts. Production levels are also being influenced by export demand. The past few years showed a high demand from China as well. In an April 2010 article in *The Wall Street Journal*, it was reported China was responsible for purchasing a quarter of U.S. pecan crops. However, since so many pecans are being exported, there are less available to U.S. consumers, causing an increase in prices.

For consumers in the produce section gathering products to make a salad, a prominent display of pecans and a promotion of their health benefits make a buying decision simple. Retailers need only remind consumers of the health benefits and use packaging that promotes prime pecan visibility. And, if the pecans are locally sourced, or better yet, chopped or halved in small convenient bags, the deal is in the bag.