



SNACK+TM

FRESH VEGETABLE SNACKS

WHITEPAPER

June 2019 | Pure Flavor®



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EXECUTIVE SUMMARY

Fresh produce is a significant source of revenue generation for retailers and is purchased by nearly all households (98%). It is also known that shoppers spend more money in store when produce is included in the transaction (\$60 with produce vs \$47 without), yet with 50% of trips to the grocery store not including produce there remains a significant opportunity to position produce to consumers through products that suit their variety of lifestyle needs.

Consumer lifestyles are becoming busier and more on-the-go than ever, vegetable grower marketing strategies must align to key produce industry convenience trends to ensure products developed and launched are positioned to satisfy these demands.

As consumers are increasingly interested in healthy options that fit with their busy, on-the-go lifestyle, the demand for Value-Added veggies (pre-cut, diced or mixed veggies) has grown to \$1.43B in 2018 a 9.8% growth, year over year.

Pure Flavor® offers a portfolio of convenience veggie products across Tomatoes, Peppers and Cucumbers that are segmented by demographic and key uses to support consumer needs whether at home or on-the-go.

The newly developed Pure Flavor® SNACK+™ fresh vegetable snack pack is offered in 8 oz and 15 oz formats, includes a mix of Grape Tomatoes, Mini Peppers and Mini Cucumbers and is branded to appeal to consumers who's positive attitudes towards health and wellness are translating into a higher percentage of their grocery spend going towards fresh produce.

OPPORTUNITY

Consumers are increasingly interested in healthy and fresh food options outside the home. However, find it difficult to access convenient products that meet the demands of their on-the-go lifestyle and desire to eat healthy.

FreshFacts® on Retail, United Fresh & Neilson, 2019
Power of Produce Report by 210 Analytics for the Food Marketing Institute, Produce Retailer, 2018

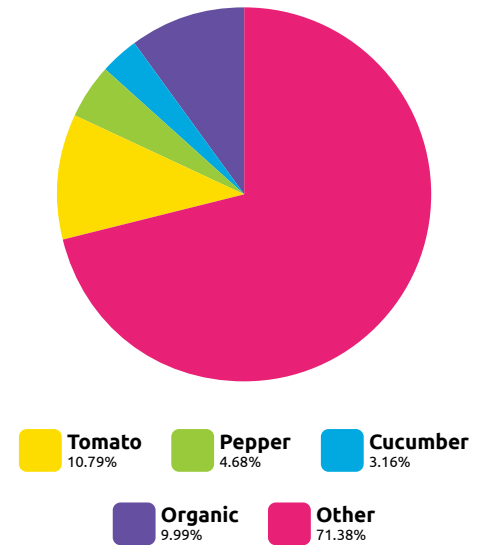
BACKGROUND

Fresh produce is a significant source of revenue generation for retailers and is purchased by nearly all households (98%). The Produce department is the top driver of grocery store preference, it has now overtaken price. In order to meet consumer demands retailers and vegetable growers must understand consumer needs in this segment to develop and bring to market offerings that solve consumer pain points.

Vegetables accounted for \$29.02B in sales in 2018, 2.5% year over year growth. Annually 80% of households purchase Tomatoes, \$3.4B in 2018, a 2% year over year growth. In 2018 Peppers accounted for \$1.5B in sales, a 5% year over year growth with 84% of households purchasing annually and Cucumbers represented \$1.02B in sales in 2018, a 3.2% year over year growth with 60% of households purchasing annually.

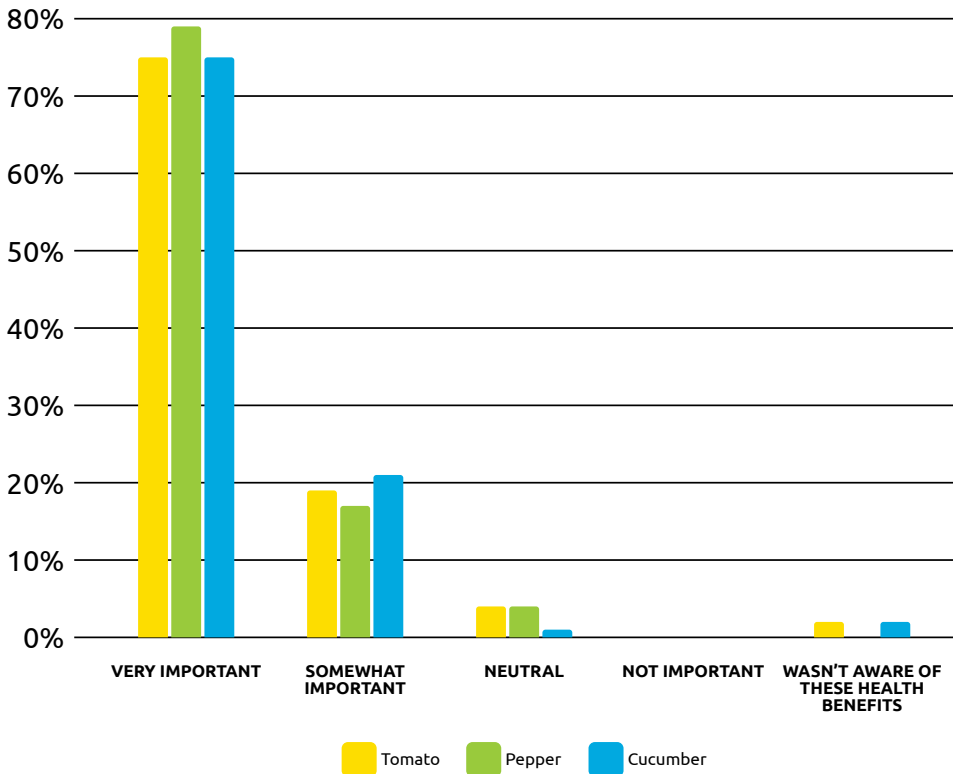
A strong majority of consumers across key demographics have the desire to eat healthier and live a more active lifestyle. Approximately 70% of Generation X are using self-care, including fitness, exercise and healthy eating, to enhance their wellbeing. A strong majority of Millennials (74%) want products that appeal to their individual health needs and reflect their proactive attitudes towards healthy living. While 82% of Baby Boomers are willing to change their health and nutrition habits to maintain wellbeing to avoid illness later in life.

% of Industry Sales by Commodity



The Packer Fresh Trends Magazine 2018, Farm Journal Media

How important are the health benefits of Grape Tomatoes, Mini Peppers, and Mini Cucumbers to you?



A majority of respondents (over 70%) identified the key health benefits offered by Grape Tomatoes, Mini Cucumbers and Mini Peppers was very important to them:

Grape Tomato health benefits: a good source of iron for a healthy count of red blood cells, vitamin C to keep your immune system strong, and lycopene which is associated with a reduction in cardiovascular disease.

Mini Pepper health benefits: a good source of iron for a healthy count of red blood cells, vitamin B6 to reduce the risk of heart disease, and vitamin C to keep your immune system strong.

Mini Cucumber health benefits: a good source of iron for a healthy count of red blood cells, sodium and fat-free to reduce the risk of heart disease, and Cholesterol-free to keep your arteries free of buildup, reducing the chance of blood clots, stroke, and heart attack.

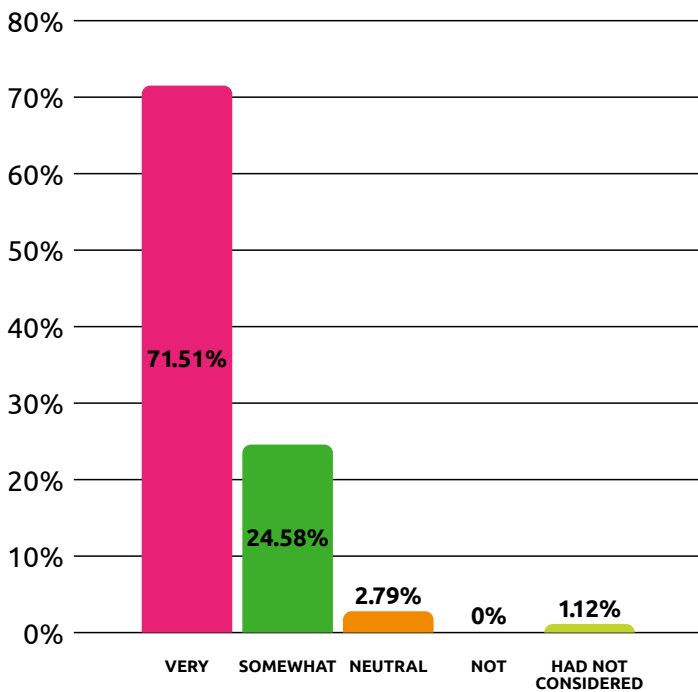
SNACK+™ data gathered by Pure Flavor®, n=180



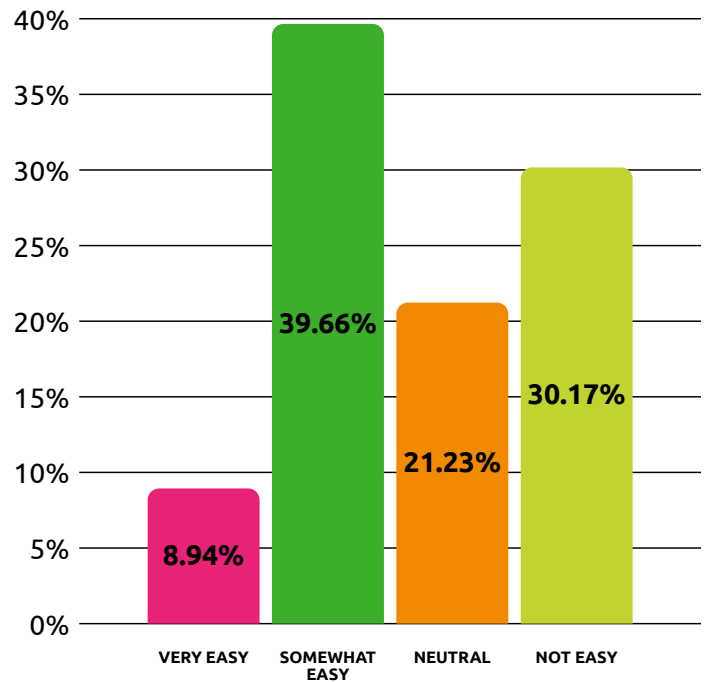
Although nearly all households purchase fresh vegetables annually, consumer satisfaction with the availability of convenient healthy snacking options is low - only 9% of respondents selected it was "very easy" to find healthy snacking options when on-the-go. While 39% noted it was "somewhat easy" and 30% felt it was "not easy".

The data identifying it is difficult to find healthy snacking options while on-the-go, paired with the majority of consumers (71.5%) stating convenience in a healthy snacking option is very important and that they are not fully satisfied with current store offerings highlights the opportunity to develop innovative and convenient products, carried by retailers to better serve consumer needs.

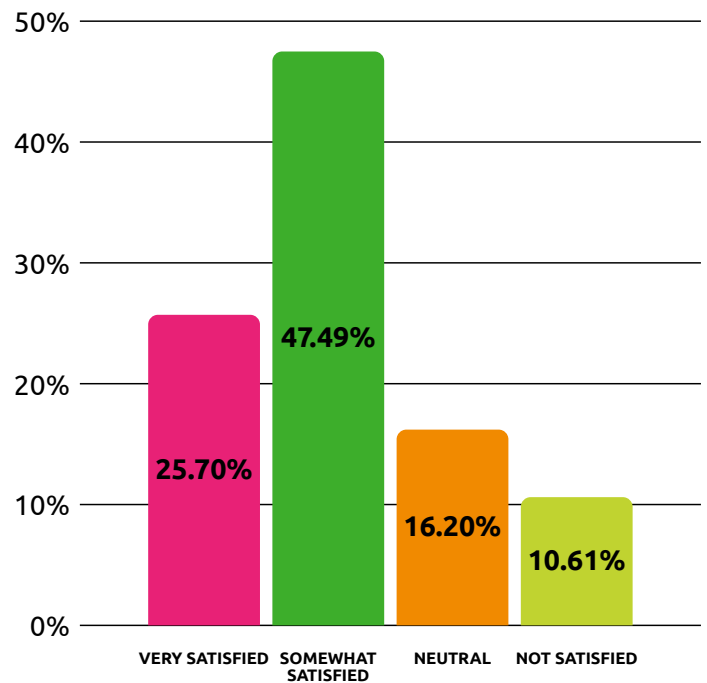
How important is convenience in a healthy snack option to you?



How easy is it to find healthy snacking options when you're on-the-go?



How satisfied are you with the availability of healthy snack options at your local grocery store?



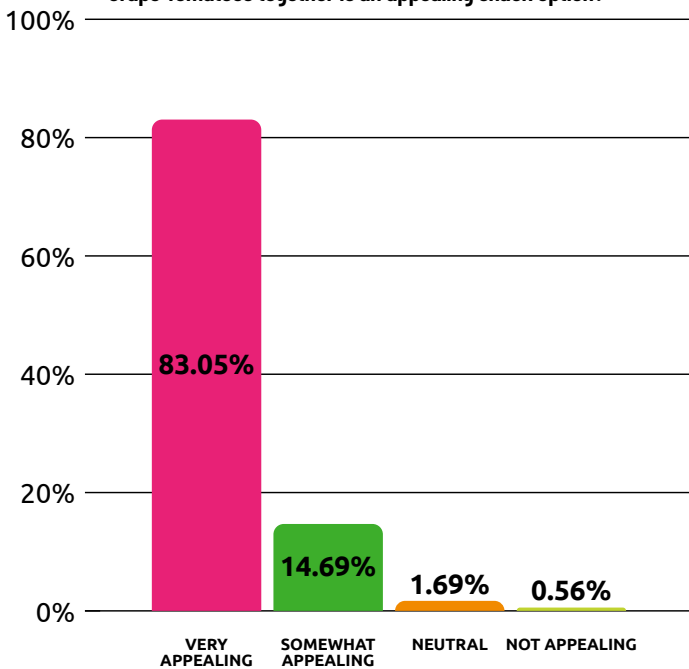
SNACK+™ data gathered by Pure Flavor®, n=180



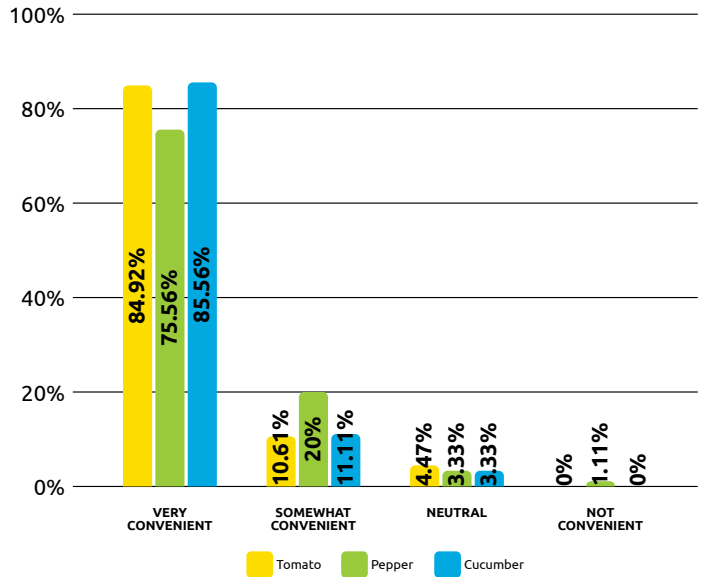
Respondents overwhelmingly agreed (75-85%) that Grape Tomatoes, Mini Peppers and Mini Cucumbers are an appealing and convenient snacking option. This was true across all generations, income levels, and households with 1-3 children in the home.

Life situations were also assessed to best understand where and when consumers have the greatest need and find this combination of vegetables the most appealing. Many opportunities were identified with “while on-the-go”, “at work”, “at school”, “after a workout” and in the “evening” rising to the top.

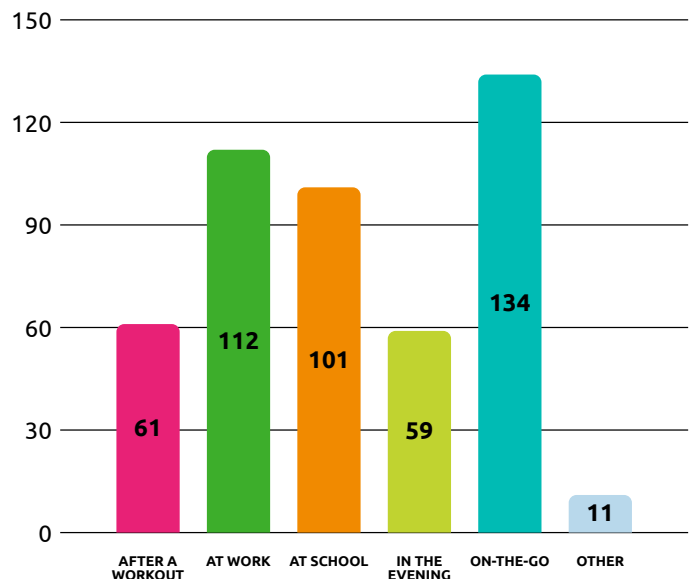
Do you think a pre-packaged container of Mini Peppers, Mini Cucumbers, and Grape Tomatoes together is an appealing snack option?



Do you think a pre-packaged container of Mini Peppers, Mini Cucumbers, and Grape Tomatoes together is a convenient snacking option?



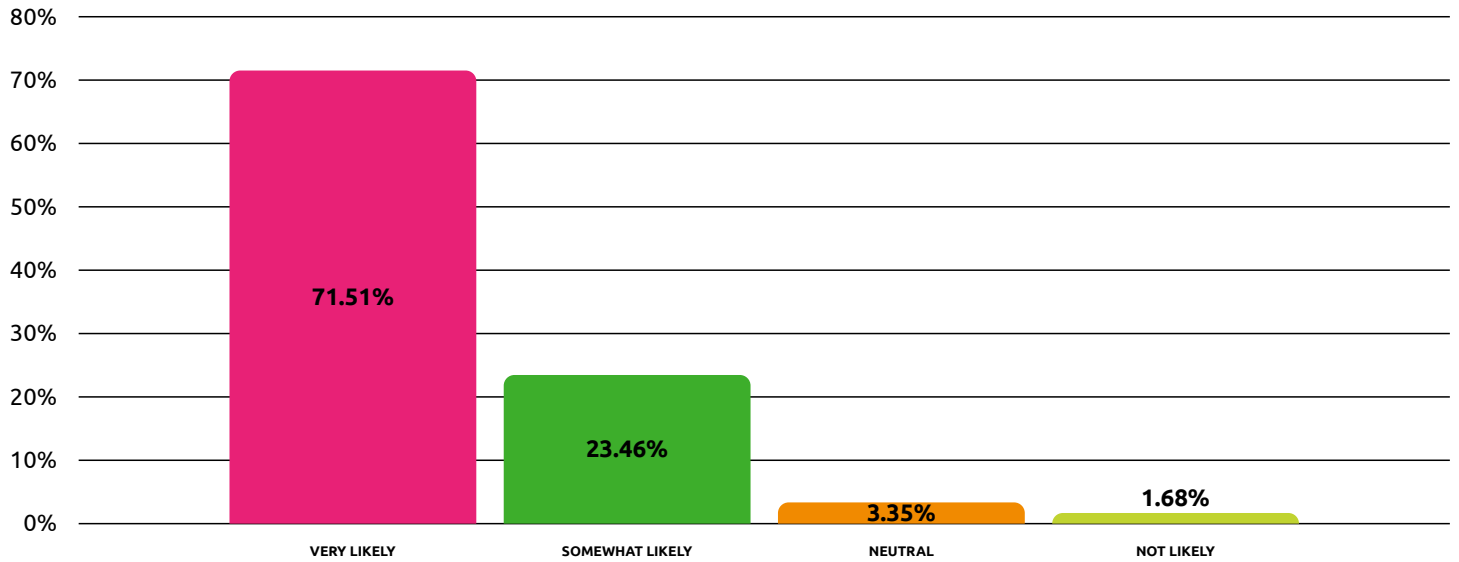
In which situation do you see a pre-packaged container of Mini Peppers, Mini Cucumbers, and Grape Tomatoes being a snacking option you would choose? (Select all that apply)



SNACK+™ data gathered by Pure Flavor®, n=180

SOLUTION

71% of consumers stated they would be very likely to purchase a SNACK+™ fresh vegetable snack pack with Grape Tomatoes, Mini Peppers, and Mini Cucumbers, while 23% responded they would be somewhat likely, indicating a strong intent to purchase.



Pure Flavor®’s product development and strategic marketing team created a combination pack of it’s key snacking commodities; Grape Tomatoes, Mini Peppers, and Mini Cucumbers positioned to satisfy consumers’ desire for convenient and healthy snacking options.

The SNACK+™ fresh vegetable snack pack aligns with the increasing demand for Value-Added veggies, and if merchandised in easy, grab-and-go locations, would provide retailers with the opportunity to increase transactions with produce and grow overall basket value.



FORMATS: 8 oz | 15 oz

| Nutrition Facts | |
|---|--------------------|
| 1 serving per container | |
| Serving size | 8 oz (227g) |
| Amount per serving | |
| Calories | 70 |
| % Daily Value* | |
| Total Fat 0.5g | 1% |
| Saturated Fat 0g | 0% |
| Trans Fat 0g | |
| Cholesterol 0mg | 0% |
| Sodium 5mg | 1% |
| Total Carbohydrate 14g | 5% |
| Dietary Fiber 2g | 7% |
| Total Sugars 9g | |
| Includes 0g Added Sugars 0% | |
| Protein 2g | |
| Vitamin D 0mcg | 0% |
| Calcium 40mg | 3% |
| Iron 2.5mg | 14% |
| Potassium 550mg | 12% |
| * The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice. | |
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