

February 20, 2017

VARIETAL UPDATE

ORANGES

Despite recent storms, orange movement remains strong. **Navel oranges** are at peak of season color and flavor, allowing us to start accepting orders for "Peak of Season" packaging that indicates to consumers that this is a fantastic time to buy Sunkist Navels. **Organic Navels** have good availability with sizes peaking on 88/72/56.

Cara Cara Navel oranges continue to be available in good supply, with steady demand. Export demand continues to grow. Sizing is peaking on 88/72/113/56. **Organic Cara Caras** are finished for the season.

Blood oranges have good availability, with an excellent internal and external blush and delicious flavor. Sizes are peaking at 113/88/138 with a good range of sizes overall. The **Organic blood orange** season has finished.

LEMONS

With Lent fast approaching on March 1, lemons are currently being shipped from all districts to meet increasing demand.

Specialty lemons are also increasing in demand – including **Organic, Seedless, Meyer** and **Zebra® (pink variegated) lemons**. All are available now, with intermittent supplies of Zebra lemons.

LIMES

Sunkist is shipping limes along with lemons in Ventura County, CA. In addition, we are shipping limes from Hidalgo County, TX and Lancaster County, PA.

MANDARINS & TANGERINES

Sunkist Smiles® mandarin supplies have been limited due to the rain, but movement remains steady, with sizes peaking on 24/21/28 followed by 32. Fruit has great color and is eating superb. **Organic Mandarins** have finished shipping for the season.

Gold Nugget variety mandarins start shipping this week. These sweet, easy-to-peel mandarins are now in production with sizes peaking on JMB/MAM/LGE.

Ojai Pixie tangerines will also start shipping this week, with sizing to peak on LGE/MED/SML. We are expecting a record crop of this intensely sweet seasonal favorite, so we'll be keen on promotional opportunities for this variety.

TANGELOS

Minneola tangelo shipping has been disrupted by recent storms, but movement is expected to normalize after some dry days. Sizes are currently peaking on 100/125/150, but are expected to grow a bit as the

season progresses. Fruit is eating fantastic with great sugar to acid ratio. **Organic Minneola tangelos** are 100% harvested with sales wrapping up this week and next.

GRAPEFRUIT

California Star Ruby grapefruit is maturing nicely with good sizes developing, harvest is expected as early as the end of February or the beginning of March.

PUMMELOS

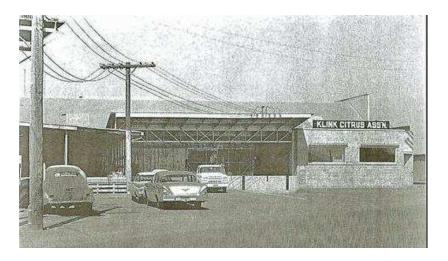
Pummelo supplies are limited as the season is winding down, and should come to a close next week.

SPECIAL BULLETINS

KLINK CITRUS ASSOCIATION CELEBRATES CENTENNIAL

This year Klink Citrus Association will mark its 100th anniversary, a tremendous milestone for the organization and community. According to local grower, historian and author Laura McLain Spalding, the town of Ivanhoe was originally named Klink after a railroad employee who worked on a railroad siding and switch in the area.

Many events have occurred in Klink's history, but the fire in December 1975 was one of the most memorable in the area and resulted in the present day orange house. Klink Citrus Association will commemorate its centennial at their annual meeting on February 23 at the Visalia Country Club.



FGS ANNUAL MEETING SET FOR MARCH 15 IN VALENCIA

Mark Gillette, Chairman of the Board of Fruit Growers Supply Company, has formally announced that the Company's 110th Annual Meeting will be held at 10:30am Wednesday, March 15 at the Sunkist Building in Valencia, CA.

The business meeting will include reports of the cooperative for the previous year and election of directors for the ensuing year. Growers are invited to attend this meeting with their elected grower representatives, however, space is extremely limited. Seating may be reserved only by informing Susan Wills, Corporate Secretary, at (818) 379-7663 or <u>susan.wills@fruitgrowers.com</u> before March 1, 2017.

SALES & MARKETING UPDATE

SOUTHEASTERN GROCERS' CITRUS FESTIVAL WOOS WINTER SHOPPERS

Citrus lovers in seven Southern states had a feast for the eyes in January at BI-LO and Winn-Dixie stores during their annual *Citrus Festival*. Sunkist Minneolas, Lemons, Meyer Lemons, Seedless Lemons, Cara Cara, Moro and Navel Oranges and Organic Navels were the stars of the festival, and over 3,200 Sunkist quarter bins in multiple varieties were prominently displayed throughout the chains. Consumers could also learn about the flavor profiles of each variety in a full page article in their glossy, in-store magazine (*see below*), and social media was abuzz with citrus talk on the Southeastern Grocers (SEG) website and Facebook page. Print ads and a video, hosted by Australian celebrity chef Curtis Stone and posted on their website, completed the advertising campaign for the festival and drove consumer awareness. Sunkist was able to increase sales by 13 loads over last January, so the event was a huge success.



READER'S DIGEST GIVES SUNKIST LEMON LOVE

As a result of Sunkist's peak season media outreach, *Reader's Digest* posted an article on February 14 about lemons – calling this variety the "magic ingredient that reduces your sodium intake AND boosts flavor" in the title. The article focused on Sunkist's S'alternative[®] research that was conducted in partnership with culinary school Johnson & Wales.

"The recommended daily intake of sodium is less than 2,300 milligrams, but most Americans consume far more each day. This simple food swap could help you use less salt without sacrificing flavor.



Put down the saltshaker, and pick up a lemon! The key to reducing the salt content in home cooking could be as simple as adding lemon juice or lemon zest to your dish.

The American Heart Association recommends cooking with citrus, vinegar, or other spices to reduce the amount of salt needed for flavoring, but Sunkist Growers and researchers from Johnson & Wales University in Providence, Rhode Island found a solid link after conducting a small taste test study."

The piece outlines the research and also promotes usage ideas for lemons and Meyer lemons, featuring tips from **Sunkist Director of Communications Joan Wickham**.

Read the article online here. The *Reader's Digest* website has over 3.4 million unique monthly visitors.

CARA CARAS TOUTED IN NUTRITION NEWSLETTER

A popular consumer nutrition newsletter published by Sunkist's contact at the Center for Science in the Public Interest, recently featured Cara Cara oranges in a back cover feature, touting the flavor and nutritional profile of this seasonal variety.



are among the few fruits that promise a little in-season sunshine.

The author writes, "Cara Caras may be the perfect oranges: intensely sweet, lower in acidity, juicy, no seeds. And that drop-dead gorgeous pink-grapefruit color. Then there's the 1 ½ days' worth of Vitamin C, 30 percent of a day's Vitamin A (regular Navels have just 2 percent) and 15 percent of a day's folate, for just 80 calories."

The article also directs readers to visit Sunkist's website for more information about Cara Caras.

About 640,000 consumers subscribe to the Nutrition Action Newsletter.

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

Elon's brother Kimbal Musk has a plan to challenge TGI Friday's and Applebee's in the battle for millennials in middle America [Leanna Garfield, Business Insider]

Business Insider reports that Kimbal Musk (the younger brother of Elon) wants to revolutionize the way America eats — this time, with affordable and nutritious food.

Whole Foods is closing nine stores after a year of sluggish sales [Reuters]

Reuters reports that Whole Foods Market is closing some stores and increasing use of customer data to improve results after cutting its full-year sales and profit forecasts after posting its sixth straight quarter of same-store sales declines.

USDA's latest data on food trends [Marion Nestle, Food Politics]

Food Politics reports that the USDA just issued a report on trends in per capita food availability from 1970 to 2014. The bottom line shows that calories from all food groups increased, fats and oils and the meat group most of all, dairy and fruits and vegetables the least.

FOODSERVICE NEWS

7 Flavor Trends from Fancy Food Show 2017 [Annelies Zijderveld, FSR Magazine]

FSR Magazine reports that specialty buyers and retailers converged in San Francisco for the Winter Fancy Food show to see what's hot and what's not. Chefs, caterers, food and beverage directors, and others working in hospitality were in attendance to learn about upcoming trends, place orders onsite and explore flavors to incorporate into menus. The article includes a few flavor trends from this year's show and a peek into restaurant menus already including them in innovative ways.

Study: Millennials to Continue Shaping the Food Industry [QSR Magazine]

QSR Magazine reports that in a study examining dining experiences of millennial consumers (18 to 34 year olds), Y-Pulse was able to dig deep into what drives the same consumer to very different types of food experiences outside the home. To craft the survey, the Y-Pulse team engaged with foodservice experts who regularly participate in trends surveys, but also included creative experts who work in important lifestyle industries such as fashion, architecture and fine arts. What emerged from the study was a richly detailed and insightful picture of dining trends driven by the younger, modern consumer (18 to 34 years old), as well as the degree that they diverge from overall consumer preferences.

4 Reasons Vegetables Are Hot Right Now [Jill Failla, Restaurant Business]

Restaurant Business reports that restaurateurs are buzzing about everything from trash vegetables to meatlike produce preparations to cauliflower burgers—all of which point to heightened interest in vegetables among concepts at all price and service levels. The article shares four consumer insights that help shed light on this year's veg-centric trends, pulled from Technomic's new 2017 Seafood & Vegetarian Consumer Trend Report.

WELLNESS NEWS

Reducing sodium, retaining taste [Donna Berry, Food Business News]

Food Business News reports that during the past decade, processors have been actively investigating ingredient technologies to reduce the amount of added sodium in meat and poultry products to assist consumers with reducing intake of this essential mineral, which when consumed in excess, may have negative health implications. This is challenging for many products since sodium is a component of numerous ingredients that provide functionality, flavor and even safety to meat and poultry. The science supporting the relationship between sodium reduction and health is clear. When sodium intake increases, blood pressure increases, and high blood pressure is a major risk factor for heart disease and stroke, two leading causes of death in the U.S.

U.S. high school kids abandoning sweetened sodas [E.J. Mundell, Health Day]

Health Day reports that when it comes to American teens' diets, new research finds that more high school kids are saying no to sodas and other sweetened beverages.

CITRUS AND INDUSTRY NEWS

9 reasons you should be eating more citrus [Kristin Canning, TIME]

TIME reports that citrus is packed with good-for-you nutrients and flavor, making them a great addition to a healthy diet. The article includes nine reasons why consumers should be adding more citrus to your plate which include being a good source of fiber, potassium and helping with weight loss.

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