

DELI BUSINESS

MARKETING MERCHANDISING MANAGEMENT PROCUREMENT

DEC./JAN. 2012 \$14.95

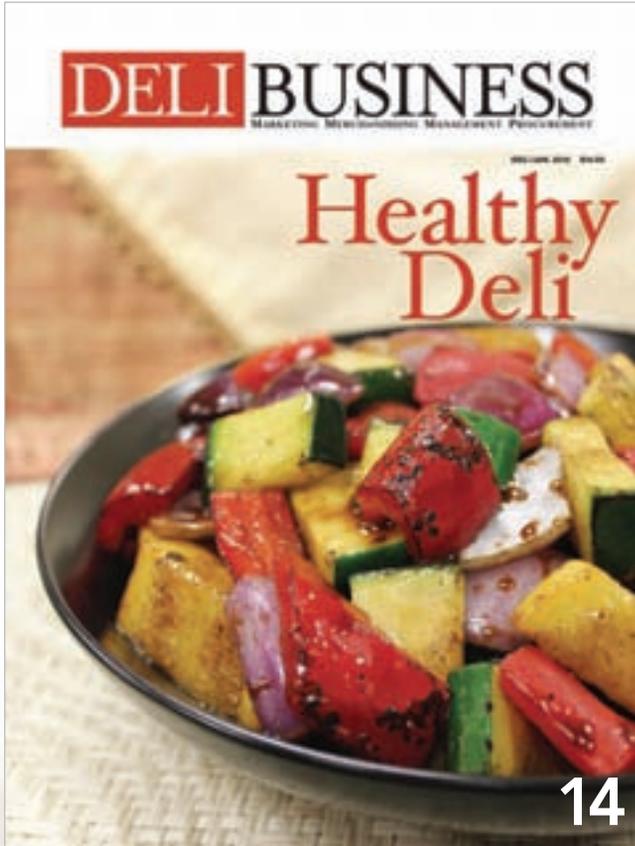
Healthy Deli



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New Products



CRISP FOOD CONTAINERS

Anchor Packaging, St. Louis, MO, announces the addition of a second, smaller, version of its Crisp Food Container, sized to hold four pieces of chicken or a variety of other fried food products. The Crisp Food Containers use through-the-closure ventilation, along with raised airflow channels in the base of the container, combined with venting in the anti-fog lid, to ensure that fried foods remain crispy. The unique design of this packaging system retains internal temperatures better than other containers in use for fried foods. It is designed to withstand up to 230°F when placed in warming unit displays and under heat lamps. Made of polypropylene (#5PP), they are microwave-safe, dishwasher-safe, and consumer reusable and recyclable. www.anchorpac.com



TAILGATE READY BRISKET

Sadler's Smokehouse, Ltd., Henderson, TX, now offers its popular Tailgate Ready Beef Brisket with its new Sadler's Smoky Sweet BBQ Sauce packet in every package, for added value and convenience. Tailgate Ready Beef Brisket, first introduced in 2010, is carefully selected, trimmed and seasoned, then pit-smoked for hours over hickory and other natural hard woods the same way Sadler's has prepared its meats for more than 60 years. With a suggested retail price of \$7.99 per pound, each package is about 40 ounces and serves 8 to 10 people. All Sadler's meats are fully cooked and feature innovative packaging designed for easy heating in the oven, microwave or on the grill.

www.sadlerssmokehouse.com



PRIVATE-LABEL DELI OPTIONS

Haliburton International Foods, Inc., Ontario, CA, announces its entry into the retail market as a manufacturer for private-label brands with many new-to-the-industry products for the wall or service deli. Wall deli items include salsas, hummus, dips and spreads. In addition, Haliburton manufactures a line of restaurant quality, true center-of-the-plate individually quick frozen fire roasted vegetables with the fresh flavor, vibrant color and firm texture of freshly roasted vegetables that perform brilliantly as a side dish, in salads, on top of pizzas, and as accompaniment to any entrée — and they can be certified ready-to-eat.

www.haliburton.com



FOOD PACKAGING FOR FOODSERVICE

Inline Plastics Corp., Shelton, CT, has introduced a new line of upscale containers for foodservice. The Visibly Fresh product line, which consists of rigid, crystal clear plastic containers with an upscale design and minimal ribbing, promotes more attractive product merchandising and highlights the quality of the food. The line of eight containers in four popular footprints provides opportunities to package an endless variety of foods and food combinations. Visibly Fresh packaging ranges from single-serve sizes for snack applications up to dinner-size portions. Visibly Fresh containers are manufactured from 100% recyclable PET material. The line uses existing industry-leading Safe-T-Fresh tamper-resistant packaging. www.inlineplastics.com



NEW SIZE BURRATA

Maplebrook Fine Cheese, Bennington, VT, has introduced a unique 2-ounce Burrata, also known as Burratini. The Burratini is packaged with four pieces in containers of sea salt brine. The 2-ounce Burrata was developed based on suggestions from chefs who wanted to create dishes with a single, whole Burrata ball. Maplebrook's Burrata team went to work, testing a variety of configurations that would ensure meeting Maplebrook's standards for flavor, texture, aesthetics, and shelf life. Burrata is a recent addition to Maplebrook's line of handmade cheeses, including hand-stretched Mozzarella, hand-dipped Ricotta, cherry-wood smoked Mozzarella, whole-milk Feta, and more.

www.maplebrookvt.com



PRESLICED UNCURED TURKEY BOLOGNA & SALAMI

Plainville Farms, New Oxford, PA, a leader in antibiotic-free (ABF), vegetarian fed, all-natural, humanely raised poultry, has added pre-sliced uncured turkey bologna and pre-sliced uncured turkey salami to its deli line. Both are flavored with all-natural ingredients and have no nitrates, MSG, phosphates or carrageenan. The resealable 7-ounce packages each have a suggested retail of \$3.99. These two new SKUs join other popular Plainville Farms pre-sliced deli meat offerings including oven roasted turkey breast, honey turkey breast, hickory smoked turkey breast, oven roasted chicken breast, honey maple uncured ham and Virginia brand uncured ham.

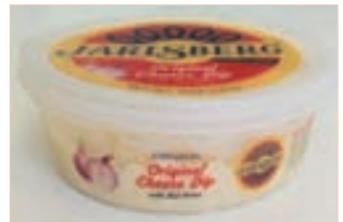
www.plainvillefarms.com



CRUISER BOWL CONTAINER AND LID LINE

D&W Fine Pack, Fountain Inn, SC, has launched its new Cruiser Bowl container and lid line, available in 10 sizes for portion control and with Power Seal lids to protect against leaks and spills. For use in hot or cold applications, they are microwavable, reusable and top-rack dishwasher safe. Clear lids are available vented and non-vented. The line is well suited for packaging healthier options, such as deli salads, soups, fresh-cut fruit and oatmeal, as well as comfort foods, such as mashed potatoes and macaroni and cheese. Cruiser Bowls are made with D&W's exclusive C-Green material, talc-filled polypropylene engineered to reduce the overall use of plastic resin while maintaining product integrity, quality and durability.

www.dwfinepack.com



JARLSBERG ORIGINAL CHEESE DIP

Norseland, Inc., Stamford, CT, part of TINE SA, Norway's largest producer, distributor and exporter of dairy products, is pleased to introduce Jarlsberg Original Cheese Dip. Jarlsberg, with its unique mellow-nutty flavor, is the main ingredient and is combined with red onion and mayonnaise to create a hearty, deliciously addictive dip that's perfect for instant entertaining and casual get-togethers. It travels well, too, for picnics and tailgating, or can simply be used to enhance any number of recipes. The 8-ounce microwavable container makes it super convenient for quick, easy usage, has a guaranteed 45-day shelf life from shipping, and bears Jarlsberg's distinctive bold yellow, red and blue colors and logo.

www.norseland.com

DELI WATCH is a regular feature of DELI BUSINESS. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Editor, Deli Business, P.O. Box 810217 • Boca Raton, FL 33481-0217 • Phone: 561-994-1118 • Fax: 561-994-1610 • E-mail: DeliBusiness@phoenixmedianet.com



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This is PART I of a 2-part series on healthy deli foods.
PART 2 — Consumer Research — will appear in the Feb/Mar issue.

Healthy Deli

PART I

There are opportunities, but retailers need to exercise caution

BY BOB JOHNSON

The desire to eat good-for-you, nutritious foods is one of the great trends of our time, but what that means for retail deli sales isn't obvious.

"Healthfulness is one of the mega trends in food, and we're trying to find out how that translates at the deli," says Sharon Olson, principal of Olson Communications, Chicago, IL. "It may or may not be true that people are looking for healthier food at the deli. In our survey of casual dining establishments such as Chili's, Applebee's and Outback, there was a direct opposite relationship between what people said they thought was healthy and what they thought they would eat. In restaurants people talk and behave differently."

Many researchers have noted the difference between how consumers eat at home and how they eat when they go out. "Most consumers say they eat more healthy when preparing food at home; for many, this seems to be tied to the oversized portions offered at many restaurants. Forty percent of consumers say they eat healthfully at home, while only 18 percent say they eat healthfully away from home," according to the Unilever Sandwich Pro summary of the 2010 Technomic *Healthy Eating Consumer Trend Report*. "Although most consumers do not follow a specific diet, the vast majority of consumers indicate that health is a priority for them and they try to eat healthy most of the time."

According to Sandwich Pro's data, foods consumers associate

-NEW-
DELI CUP PROGRAM



16 oz. Deli Cup

The Private Brand Cup Program is Here!

We are offering a full line of wall deli items such as Salsas, Dips and Spreads, served in 8 oz, 12 oz and 16 oz deli cups. For the service-deli segment, we manufacture items such as fire roasted vegetable blends, pasta blends and rice blends including our fire-grilled shrimp. For more information about how to fire up your deli sales, e-mail Bobby Ray at bray@haliburton.net.



HALBURTON
INTERNATIONAL FOODS

with being healthy are, in order, raw vegetables, fruit, super fruits, fish, seafood, herbs, soy products, regular yogurt, cooked vegetables and egg whites. Foods consumers associate with being unhealthy are bacon, sausage, pork, cheese and beef.

This healthy-food split personality is at the heart of the question of whether good nutrition is an opportunity or a trap for the deli. "We think most consumers experience a 'feel good' mood about choosing higher-quality foods they consider to be healthier for their families," says Forrest Senter, national sales manager for Whole Harvest Foods, Warsaw, NC. "At the same time, an indulgent side rationalizes it's OK to break their healthy eating rules on occasion." Whole Harvest produces trans fat-free vegetable cooking oils without using harsh chemicals.

Rationalizations aside, producers of healthy food options generally report improved sales to the deli, and that suggests there are opportunities. According to Steve Dzisiak, commercial leader for oils at Dow Agro Sciences, Indianapolis, IN, "Health is driving the food industry in all the different categories. The fastest growing and most profitable segment of food companies is the better-for-you category.

"It's hard to change what people eat, but we can make what people eat healthier," he continues. "We're going to see a doubling of our healthier oil this year. From about four years ago we're up about threefold, and it will keep growing at least double digits."

Although the category is growing, most producers, ironically, advise against merchandising healthy food primarily for its nutritional value.

Field Roast Grain Meat Co., Seattle, WA, makes a line of grain-based meat analogs that contain grains and vegetables — rather than soy — and oils that have been pressed without using chemicals. They're high in fiber, through the roof in protein and entirely free of cholesterol. But president and founder David Lee advises against emphasizing health in merchandising the products.

"Flavor is important because health by itself is not going to make a product," Lee says. "Promoting on health will tell some people, 'Don't eat this.' We're all about flavor and mouthfeel with fresh vegetables, and we use salt and oil. We sell more of our products to meat eaters than to vegetarians. Carnivores are eating less meat and more vegetarian foods."

Field Roast Grain Meat is sold in Whole Foods and Wegmans in New York, and Lee believes the company could penetrate more conventional stores when decision makers open up to the latest trends. "We've been growing 40 percent annually for the last three

years. We've been going to Whole Foods and natural foods delis for years. Our business there grew years ago, but it's been kind of flat only because we've been too busy to push it. We haven't cracked mass markets yet, but we think we can be in stores like Kroger and Safeway," Lee continues.

Consensus says healthy food alternatives must taste good to succeed at the retail level. "If it doesn't taste good, it won't sell," notes Jeffrey Siegel, CEO, Farm Ridge Foods,



PHOTO COURTESY OF HALIBURTON INTERNATIONAL FOODS, INC.

Commack, NY. "I think freshness is more important to the consumer; that's more important, as well as taste."

It isn't necessary to emphasize the details of a product's higher nutritional value because consumers already get the general idea. "If consumers see grilled chicken with broccoli and watercress, they know it's a good product without knowing if it's high in sodium, cholesterol or calories," Siegel adds.

Go Picnic of Chicago, IL, has a line of shelf-stable balanced meals that include a protein, a fruit, a whole grain and a sweet treat; they contain no trans fats, MSG, high-fructose corn syrup or artificial flavors or colors. "I use them as snacks for my kids in the car. You can use them at your desk or at the beach," says Lauren Russ, who does public relations for Go Picnic through her firm Connect Communications, Chicago, IL.

They fill the need for a small meal or substantial snack that is portable, convenient and nutritious. "We've definitely seen a lot more interest. They're a healthy, nutritious alternative. I could see them in the deli. They're already in grocery stores, but not in the deli department," Russ says. All of the meals are less than 500 calories, many are gluten free and a few are vegetarian. The key is the ingredients sound enticing. The cheese spread is Asiago, the dried fruits include Mariani dried cranberries and pineapple and the sweets include Brown & Haley

Almond Roca butter crunch toffee.

Mediterranean food is the poster child for successful healthy food in the deli. "We've seen the explosion in popularity of Mediterranean foods led by hummus and also items such as tabouleh, bruschetta and tzatziki," says Bob Ferraro, co-founder and director of sales at Tryst Gourmet, Port Washington, NY. "Hummus in particular has grown from a meager household penetration of around 4 percent at the turn of century to over 20 percent in 2011. It's perhaps one of the fastest growing categories throughout the entire store and has been for many years now."

Tryst has introduced a line of hummus made from alternative beans such as white beans, edamame or yellow lentils, and the novelty is a selling point. "The response was twofold as many consumers liked the health aspect but just as important was the fact that the new items were innovative and creative, offering consumers choice over traditional style hummus. No matter how good things are, it's human nature to want to try new things from time to time," Ferraro adds.

Rotisserie chicken is another healthy deli option. "I think many core deli foods are natural fits for both consumer attitudes of eating healthy and indulging their cravings for good taste and more," Senter says. "A portion-control component for most deli foods links back to 'healthier' and 'waste not'. However, the wide variety of protein offerings of most delis, coupled with the quick and freshly served, sliced- and packed-to-order approach, offers a uniquely convenient, higher-quality shopping experience in the eye of the deli customer. I think rotisserie chicken is a prime example of the trend towards healthier eating."

Foods that are grilled rather than fried can provide healthy, delicious alternatives. "Customers are looking for more authentic and healthy ethnic global flavors. We offer all natural dishes such as Szechwan Fire Grilled Shrimp Stir Fry, Fire Grilled Shrimp Thai Pasta Salad and Oaxaca Rice," says Jorge Aguilar, deli sales manager at Haliburton International Foods, Inc., Ontario, CA.

Flavorful low-salt alternatives can bridge the gap between nutrition and mouth appeal. "While many consumers seek out healthier options, some say food loses its flavor without all the salt and fats," notes Mark Sandridge, CEO, Sandridge Food Corporation, Medina, OH. "The shoppers' ultimate goal is to buy food they and their family can feel good about without sacrificing taste. Offering alternative reduced-sodium options for favorite foods — while maintaining existing taste profiles — is a good start in shifting current sodium consumption behavior."

Many ethnic foods fit the bill of being lower in salt and cholesterol while offering

unique and exciting flavor profiles. “Products that are lower in sodium, lightly dressed and non-mayo-based — such as couscous, bean salads, barley, and quinoa — have grown in popularity. Dishes with ethnic flair and trendy ingredients have also gained favor, including products with dried fruits, nuts, unique proteins, more flavorful greens such as arugula and kale, and roasted vegetables,” Sandridge says.

The split mindset is obvious in the soup category. “There are a couple of conflicting trends going on right now in refrigerated deli soups. Many consumers are absolutely looking for healthier products but there are also many consumers looking only for great tasting, restaurant-quality comfort foods — without regard to their healthiness,” says Levon Kurkjian, vice president of marketing at Kettle Cuisine, Chelsea, MA. That means successful healthy options are also somewhat indulgent.

Consumers may be reading labels in many supermarket departments, but this isn’t as frequent in the deli. “Most deli retailers don’t post nutritional information about what’s in their salads. They don’t post nutritional information about any of their dishes. In supermarket retail, people are looking at the label. They’re looking to eat healthy at home,” Olson of Olson Communications notes.

Healthy by Many Other Names

Part of the complexity of merchandising more nutritious products is the lack of a clear and universally accepted definition of healthy. “In the deli there hasn’t been a shift in what the consumers are looking for,” says Farm Ridge’s Siegel. “In the past the deli hasn’t been a successful place to launch nutritional foods. I think part of the problem is the definition of ‘healthy’ keeps changing. Is it low sodium, low cholesterol, low fat, low calorie, good cholesterol?”

Some health metrics are becoming more popular. One trend is the increased popularity of foods that aren’t fried. “In the last couple of years, customers have been searching for non-fried foods in the deli. Rather than purchasing potato wedges, fried chicken and macaroni salad, they’re looking for fire-roasted vegetables, rice, marinades and fresh salsas,” Haliburton’s Aguilar relates.

Another clear trend is whole-grain bread. “The best performing products in the bread category are breads that promote claims that include whole grain, heart healthy and fiber rich,” says Tom McGlade, CEO of Rubschlager Baking Corp., Chicago, IL. “Shoppers’ purchases indicate healthier breads are increasing. According to Nielsen, for the 52 weeks ending July 10, wheat bread sales (\$2.6 billion) surpassed white bread (\$2.5 billion).”

Vegetable-based dishes are also increasing in popularity — if they meet the mouth appeal test. “During this trend towards healthier deli foods, we’ve seen disproportionate growth in vegetarian varieties, broth-based varieties, protein-rich varieties and ethnic cuisine-inspired varieties. Alternatively, some of the heavier cream-based soups have lost share of sales,” Kurkjian says.

Who Do You Serve?

Merchandising healthy foods in the deli is a complex subject and depends on consumer demographics. “We can say that in higher socio-economic areas, healthier deli foods are



more popular. We also have some evidence, while not nearly as strong as the socio-economic factor, that geographically consumers on the two coasts, Colorado and some larger metropolitan cities are more inclined to purchase healthier deli foods and in other parts of the country,” Kurkjian adds.

The demographics of the healthier food market, however, are shifting. “Once upon a time, the typical hummus consumer was a female age 25 to 55, college grad, with a \$50,000 plus income,” explains Tryst’s Ferraro. “But now it’s spread across many demographics. Kids in particular love hummus and now generations of them have grown up around the product. Once upon a time better than 30 percent of all hummus sales in the U.S. were in the Northeast. Now it’s spread significantly including many places where people used to think hummus was something you spread in your garden to help things grow. We still see higher sales along the coasts — East, West, South — but it’s much more even these days. Once upon a time there were very few choices in flavor, quality, pack size, etc., with all leading brands closely priced. Now the category is very diversified with differences in quality, added value, pack size and price. So there’s something for every-

one which I believe has attracted many more income groups to the category.”

The predominant market for deli foods, and for healthier foods, is among middle-income consumers. “A Counter Intelligence study finds the most frequent deli shoppers are people with incomes of \$50,000 to \$74,000,” Sandridge of Sandridge Foods notes. “Demographic studies of types of shoppers show the health-conscious segment — people concerned about nutrition attributes in food — shop the supermarket more times per week than the average consumer.”

These consumers can be found in locales of all sizes. “About 28 percent of health-conscious deli shoppers live in large cities, 27 percent in small cities or towns, 26 percent in suburban areas and 18 percent in rural areas according to research from IDDBA’s *What’s In Store 2012*,” Sandridge continues.

Geography matters in assessing the appeal of healthier options. “There are many upscale retail stores that have a larger variety of deli items, and customers go there for a lunch buffet and pick up items for dinner for their families. We’ve noticed the West Coast wants hotter salsa and the East Coast wants milder salsa, but this has nothing to do with income,” Aguilar says.

Uncharted Territory

Understanding how the healthier eating trend translates to the deli is uncharted territory. When asked if there is more demand for healthy food at the deli, Field Roast’s Lee responds, “The right answer is yes, but the honest answer is I don’t know.”

Part of the difficulty is that consumers are not yet clear about the issues. “We know consumers look at nutritional labels now, whereas five years ago they didn’t. But they may be confused about what they’re looking for,” Farm Ridge’s Siegel says.

Still, some healthy trends have already made headway. “I believe a consumer trend toward healthier food choices was in evidence at least a decade ago. It became more visible with the trans-fat issue and health risks surrounding consumption of foods containing hydrogenated oil,” says Whole Harvest’s Senter.

The range of healthy options should keep expanding since this trend has legs. According to Sandridge, “This trend for healthier food has been around for many years and has recently become even more prevalent. This could be due to the growing obesity rates as well as current, stricter sodium-intake recommendations by the American Heart Association and USDA. It isn’t a fleeting trend, either. As the industry becomes further attuned to the use of preservatives, additional healthy, pure products will emerge.”

DB

with premium, high-quality deli roast beef items reflecting what the customer wants. In fact, in 2011, two of our larger accounts raised the quality level for their private-brand programs; more confirmation of what the majority of consumers is demanding. Our overall sales of premium deli roast beef items have remained very strong. Our customer list is growing.

"The more upscale and all-natural pre-sliced product suppliers — including our company — are also having their products high-pressure pasteurized to offer a premium, low-sodium, healthy product with a great shelf life," he adds. "Our sister company, SafePac, is offering this process to many of these suppliers. All of our Giordano deli meats are pasteurized at SafePac."

The economy, while hurting some consumers deeply, has created an opportunity to reposition upscale items as affordable luxuries. "In a trend of the last three or four years, consumers have purchased downstream because of economic challenges," says Jim Dickman, CEO, Charlie's Pride, Vernon, CA. "But there's a distinct group of consumers looking to shake off the economic doldrums. They're looking for distinct items with great flavor." Charlie's Pride offers roast beef, corned beef, pastrami, and even prime rib with au jus for the service deli.

"We're pursuing marketing new and innovative products to folks with greater discretionary funds," Dickman continues. "We're seeing more call for private-label and branded

Sandwich Programs

The future of the deli meat category may well lie in its shift to become part of the prepared foods category. Programs that capitalize on one of deli meats' most fundamental uses — in sandwiches — open the door to increased volume and increased profit. Where previous generations tended to buy sliced-to-order deli meats to make sandwiches at home, today's consumers are apt to purchase a sandwich, either made-to-order or premade.

According to *What's in Store 2011* from the International Dairy-Deli-Bakery Association (IDDBA), based in Madison, WI, sandwiches are the third top-ranking item in the prepared foods category.

The future of the deli meat category can be seen in a positive light because, contends Eric Le Blanc, director of sales development, Tyson Foods, Inc. - Consumer Products, Springdale, AR. "Balancing any concern for the future should be a healthy appreciation for the depth of America's love affair with the sandwich. Not only have manufacturers brought a great range of flavors to deli meats, but an explosion of artisan breads and bold condiments has also made the sandwich more exciting than ever."

The 2010 *Sandwich Consumer Trend Report* from Chicago, IL-based Technomic, Inc., indicates that the most important factor influencing sandwich purchase is the quality of meat.

"A sandwich program can be a very profitable extension of deli meat sales for the retailer if the presentation resembles what a sandwich chain offers," says Bruce Belack, executive vice president, sales and marketing, Vincent Giordano Corp., Philadelphia, PA. "Great signage, custom-made sandwiches with high-quality meats and bread are the key!" **DB**

upscale, superior products. We've done a bang-up job with American Kobe beef products. That may seem counterintuitive [because of the economy], but these products are doing very well. So we've introduced more super-premium products.

"We see gradual economic changes in a positive direction and we want to encourage the trend for upscale products," he explains. "It's surfacing in many industries; they're beginning to see opportunities. We position the products as affordable luxury. We've always touted to retailers our terrific service, on-time delivery and super-premium product. At the end of the day, it's a terrific value."

Consumers whose jobs are secure are beginning to open the purse strings again. "Recent reports show that upscale retailers such as Dillard's are experiencing sound sales growth," says Tyson's Le Blanc. "This and a variety of other evidence indicate

that the economic slowdown is not having the same impact on higher income households as it is on lower income households. You see this in deli meat, as in other categories, as a bifurcation in the marketplace: Consumers either purchase very inexpensive value items or purchase super-premium products. The middle of the road is a very tough place to be right now."

Necessary Strategic Shifts

Retailers looking to maintain a strong deli meat position need to think beyond sale pricing. To do this, they need to have a strong handle on their demographics and to be able — and willing — to try new approaches.

"As always, good decisions will be based on good data," notes Le Blanc. "Retailers who have a good understanding of their customer base will be able to make sound strategic decisions based on their ability to pay and their perceptions of value. If the industry as a whole runs up-market in order to offset lower volume, we ultimately pay a price in the form of lower incidence — number of shoppers who purchase the category — and lower frequency. Trying to recover and build the business in the future with low incidence and low frequency will be a serious challenge. Smart retailers will modify their assortment

