

Pecans Gaining Ground

Promoting versatility and health benefits throughout the year can increase sales.

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As production and demand increase, pecan sales are becoming a larger retail category. While the holiday season accounts for the majority of sales, consumption is expanding and opportunities abound to drive sales during other times of the year.

Marketers not only are pitching pecans' versatility and their health benefits, but they're also trying to get produce executives to look beyond two time-old obstacles — that pecans can only be used in baking and that they only can be merchandised during the fourth quarter.

"Pecans are becoming a more important retail category," says Daniel Zedan, owner and president of Nature's Finest Foods, Ltd., a Batavia, IL, marketing and consulting group. "They are an extremely healthy nut. Pecans have a great flavor profile."

Zuppardo's Family Supermarket in Metairie, LA, sells more than 100 cases of pecans per week during the holidays, erecting large displays next to dried fruits and ingredients for making fruit cakes. But the New Orleans retailer also promotes pecans from spring to winter. "We have good success throughout the year," says Joey Zuppardo, co-owner. "We keep them in stock year-round, though there are peak times for them."

A decade ago, retailers would clean-up on their holiday inventory and only market pecans late in the year. But pecans have become a top-five item when it comes to nuts, dried fruits and trail mixes, says Paul Rich, vice president of sales for Durham-Ellis Pecan Co., based in Comanche, TX. "People use them for snacks, and they're still baking during the other nine months of the year," he says.

Will McGehee, partner with Genuine



Georgia Group, LLC, in Fort Valley, GA, agrees, saying snacking is the category that the pecan industry is "attacking."

"We are always looking for ways to cross-merchandise the pecans with meal-solution ingredients to encourage healthy cooking, but the snacking category is our main target for new consumer," says McGehee. "We want kids to eat them in car rides and in the bleachers at ballgames. We want moms to pull them out of their purses in waiting rooms and in the park."

SALES INCREASING

Pecan sales are steadily increasing for Truly Good Foods, a Charlotte, NC-based snack supplier. "[Pecans] have been one of our best-selling produce items for a number of years," says Chad Hartman, director of marketing. "The healthy attributes are a big help when considering the steady growth. We are finding consumers are trying to find more reasons to use pecans, in cereal and yogurt toppings, as salad toppers and in baking."

Still, consumer research conducted on behalf of the American Pecan Council in Fort Worth, TX, revealed low knowledge of pecans. The research demonstrated that the top-of-mind recall of pecans, at 15 percent, was significantly lower than other nuts.

Many consumers didn't consider pecans as a nut but as a baking ingredient, says Alexander Ott, the Council's executive director. Pecans

were most associated with pies, sweets and indulgent desserts, while other nuts were more likely to be linked to snacking and nutrition. The Council wants to broaden the appeal for pecans as an everyday snack or versatile cooking ingredient. Through *American Pecans*, *The Original Supernut* brand positioning, the council wants to increase domestic consumption. "This is the first national campaign for pecans and a consumer education initiative to get Americans to think about pecans in a new way," says Ott.

The industry should market pecans' versatility, advises Lucas Schmidt, sales director of New Aces Pecan Co., in Las Cruces, NM. "The more ways we can show people how to use pecans, the more they will choose to buy them and include them in their regular diet and grocery shopping," he says.

RETAIL BIGGEST CHANNEL

Supermarkets represent the biggest sales channel for pecans, says Zedan. Retail channels account for about 60 percent of U.S. sales, he says. About 36 percent of pecan pounds are sold on display in stores during the year, according to Brendan Honan, marketing chair for the National Pecan Shellers Association in Atlanta. Because 47 percent of pecans are sold on display during the holiday sales period, it is even more important to erect displays, he says.

In dollars, 10-ounce-or-smaller sizes represent 50 percent of the sales, while larger



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packages — those bigger than 20 ounces — constitute 21 percent of sales, says Honan. Pieces, or chopped pecans, represent more than 30 percent of the overall pecan category, according to the Council.

Junior Mammoth Halves at Truly Good Foods sell best and are a larger pecan for consumers who bake or snack, says Hartman. An effective display will feature one-third pieces and two-thirds halves, he says. “Bakers are probably our No. 1 user, but we are seeing growing consumption in spiced/sweetened and as salad toppers,” says Hartman.

Best sellers for Valdosta, GA-based South Georgia Pecan Co., are typically 12- to 16-ounce packages of pecan halves or pieces. But snack-sized packages are growing in popularity, says Hannah Russell, sales and marketing. When prominently displayed in the produce department with other nuts, “freshness resonates with consumers, which helps move more volume,” she says.

Most of the sales by Sahuarita, AZ’s Green Valley Pecan Co., are 8- and 16-ounce bags. A way to promote year-long purchases is to promote recipes. “We work with retailers to do promotions during the learner months,” says Garrett Ferguson, director of sales. “We offer

a recipe to use pecans in a healthy way during different times of the year.”

Value-added pecans provide flexibility and value. McGehee says Genuine Georgia is seeing a drop in the average size of packaging as consumers discover the versatility and healthful benefits of pecans. Smaller packs help sell the product at lower retails, which encourages multiple purchases, he says.

CROSS MERCHANDISING

“Pecans are very under-marketed as a salad topper,” says Schmidt. “Pecans and other tree nuts should be displayed in the produce section next to salads because they are a great source of shelf-stable protein and so many people these days are looking for vegetarian and vegan dinner options, even if they don’t follow those diets strictly.”

During the start of the New Year, when people begin making health resolutions, retailers should stress pecans’ health benefits, along with taste. “Promote pecans as a very convenient nut with great flavor,” Zedan says. “Promote the flavor and that pecans last longer. Their shelf life is better than some of their competitors, which means you can buy and enjoy them longer.”

Zuppardo’s Family Supermarket sells shelled and in-shell pecans for those who want to shell the nuts themselves. Zuppardo says, “Pecans dress up every dish.”

The best way to merchandise pecans is in high-impulse areas in locations where quick snacking decisions are made. “Produce depart-

ments are a natural home for them,” says McGehee of Genuine Georgia. “They also do well in the health food aisles and at checkout kiosks. A high-graphic shipper is a perfect way to get the message out to consumers.”

BULK VS. PACKAGED

Merchandising in bulk or packaged work well, says Truly Good Foods’ Hartman. “Put them in a highly visible area, along with other nuts,” he says. “Standalone pecans will not cut it, but if you merchandise them with other snack or baking nuts, you will create higher awareness and somewhat of a destination.”

Visibility is critical, says Durham-Ellis’ Rich. He recommends displaying pecans on large gondola merchandising tables and in pallet modules. Rich notes some retailers construct displays by stacking boxes on top of each other and making island displays.

“Don’t make it too hard for shoppers to find them,” says Rich. “[Retailers] shouldn’t put pecans where watermelons are in the summertime, but they still need to make them visible and try to sell the product.”

Georgia produces the most pecans, followed by New Mexico, Texas, Arizona, Oklahoma, Louisiana and California, according to the U.S. Department of Agriculture. “Consumption follows production, and the southern half of the U.S. leads in consumption,” says McGehee. “But there is a huge opportunity for West Coast and northern retailers to jump on board. The growth potential is huge on the West Coast, the upper Midwest and the Northeast.” **pb**



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■ SIZINGS HELP SELL

Daniel Zedan, owner and president of Nature’s Finest Foods, Ltd., a Batavia, IL, marketing and consulting group, recommends retailers promote pecans’ numerous sizes.

Generally, almonds and walnuts are sold in only one or two sizes of pieces, or are marketed in halves and pieces mixed together. Pecans, however, are marketed in eight different sizes of halves and eight different sizes of pieces, he says. “You can buy pecans in just about any size you want,” says Zedan. “It makes it more convenient and more readily usable than the other items.”

Garrett Ferguson, director of sales at Green Valley Pecan Co. in Sahuarita, AZ, recommends retailers try to connect pecans to shoppers with current health and farm-to-table trends. “Those two trends

do very well with pecans, as well as a lot of other tree nuts,” he says. Some retailers have erected displays showing where the pecans are grown. Ferguson recommends showing a beautiful pecan orchard in displays. “To get them to eat year-round, the ways we market must be unique,” says Ferguson.

Retailers are increasing their pecan promotions as shoppers consistently buy their favorite produce items throughout the year as opposed to their baking buys, which tend to be more seasonal, says Lucas Schmidt, sales director of New Aces Pecan Co. in Las Cruces, NM. “We need to take the focus off ‘the pie’ and educate on how many other everyday uses there are for pecans,” he says. “Pecans can be eaten at every meal. They are nutrient-dense and fill you up.” **pb**