

LETTUCE

These fees can range from \$10,000 to a small retailer, according to one USDA report, to \$2 million to get into one of the country's largest chains.

The business of marketing these salads has become almost as sophisticated as that of packaged foods, and just as secretive, given the intense competition between Dole and Fresh Express—which both claim to be No. 1 (Dole by units sold, Fresh Express by dollar sales). Dole says that each year it introduces new blends, such as the baby spinach salad it will introduce this fall, while discontinuing slower-moving items so the number of items on supermarket shelves remains fairly constant.

But Dole Fresh Vegetable President Eric Schwartz acknowledges having more ambitious plans in development.

"We're still looking at other ways to get our name on products in supermarkets."

Loveless of Fresh Express said the company plans to begin selling cut-up packaged fruit this fall, and he hinted at main-dish salads with meat and seafood or other items that might eventually be sold.

Some growers and brokers believe that the growth of these convenience products will continue to eat up more space in the produce aisle, leaving less room for inexpensive bulk fruits and vegetables.

Consumption Is Up

Although to some extent they may be right, economists say, those convenience products also are growing the market.

The popularity of bagged salads has helped boost per-capita lettuce consumption in recent years to an all-time high last year of 33 pounds, just as the introduction of "baby" carrots as packaged produce lifted carrot sales dramatically in the 1990s.

Brown of Stater Bros. said he is expanding the size of the produce aisle in his new stores 25% to accommodate the growing number of items. In old stores, the chain is adjusting racks and fixtures to shoehorn in 450 fresh and packaged items.

"Produce is the No. 1 reason why people choose a supermarket," Brown said. "If we don't do it right, we have no reason for being," he said, noting the intense competition from discounters such as **Wal-Mart Stores Inc.** and **Costco Wholesale Corp.**

Items such as bagged salad and baby carrots, which have become lucrative products, were initially developed as a way to use produce that would have been discarded because it was the wrong size or shape.

Trimmed down, cleaned up and bagged, these products look no different to consumers from the leaves of the fully formed heads harvested for the bulk-produce section.

And unlike bulk lettuce, which is rinsed and wrapped in the field, lettuce for bagged salad moves through an impressive germ-killing gantlet.

Moving along a conveyor belt at Dole's plant here, for example, the loose salad first passes through a water and chlorine rinse, much like a car wash. Then it is shot across the plant in a huge liquid-filled tube before getting a third hose-down.

It's tumbled in 250-pound metal drums to dry before being spit out in pre-measured amounts into its packaging, with most of the air sucked out and nitrogen added.

The system isn't perfect, analysts say. It leaves some room for contamination, and not all greens can endure the rigors of the assembly line and weeks in an oxygen-free bag.

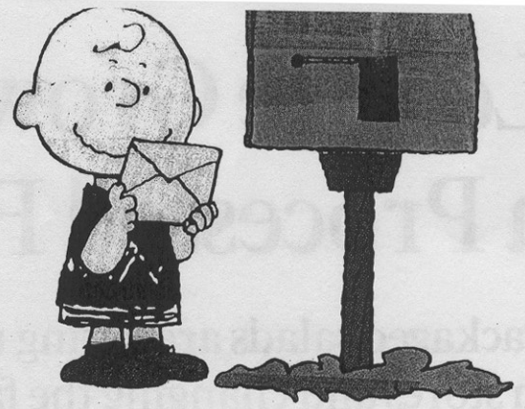
Arugula, for instance, still won't work for bagged salad, according to Dole research.

"It just doesn't hold up," said Gil Oetzel, Dole's project manager for research.

Still, about 110 products are turned out of this plant, including iceberg and endive, and special romaine and leaf lettuce blends.

Not everyone is willing to be just a spoke in the Salinas processing hub. Basil Mills, a grower-shipper in this valley for 45 years, still holds back about half of his production to sell on the bulk market.

"We're at the mercy of the market," Mills said. But, he said, he prefers gambling on a bigger profit. "Year to year [the lettuce market] can be bad or good. But if over time it didn't turn a good profit, most of us wouldn't stay in this business."



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