

A newsletter for the cranberry growers of Clement Pappas & Co., Inc.



Peter Pappas

Clement Pappas & Co. Inc. A Three Generation Commitment

Peter Pappas

Clement Pappas is a family owned business that was founded over 60 years ago by my father, Clement Pappas. The family's history in food production dates back to 1921 when Clement, his two brothers and another partner acquired land in South Jersey and commenced farming. Soon thereafter they built a canning plant from the ground up using second hand lumber and mixing their own concrete and began processing tomatoes and squash. Looking to expand their product line and extend their season they started to can other locally grown fruits and vegetables, including cranberries in the early 1930's.

Differences in operating philosophies led to a split among the brothers with Clement departing, acquiring another cannery in 1942 and founding our existing company. Within a few years the remaining two

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The Cranberry Connection

A Publication of
Clement Pappas & Co., Inc.

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Clement Pappas Wins Major Award

John Graham

Vice President of Sales and Marketing

It is with great pride to be able to report that Clement Pappas has been awarded the **2005 Category Colonel** for Shelf



Stable Juices from PL Buyer magazine. This award recognizes Clement Pappas commitment to Private Label and as a partner with our customers and within the industry.

What is especially satisfying is that the Category Colonel is voted on by our customers.

Clement Pappas has been recognized as a company that put in extra effort in making our customers private label programs successful.

The voting was judged on:

1. Overall commitment to private label product quality
2. Clement Pappas' knowledge of our customer's business
3. Superior skills in helping our customers drive their store brand volume, profits, and competitive differentiation.

Everyone at Clement Pappas can take great pride in this accomplishment since it is truly a team effort in satisfying our customers. Your work is a testament to Clement Pappas commitment to our products and our customers and carrying out our duties with Quality, Integrity and Accomplishment in mind.

Congratulations to all in winning this award.



Clement Pappas & Co. Inc.

A Three Generation Commitment

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brothers split and yet a third Pappas entity was begun. For approximately the next twenty years all three Pappas owned canneries competed with one another in the tomato products and cranberry sauce business.

The seasonal food processing industry in the Middle Atlantic States went through a tremendous shake out in the three decades following WW 2. Clement Pappas was one of a handful of survivors and the only Pappas entity that was able to make the transition to a year around operation, primarily by evolving into the bottling of juice beverages.

The impetus for changing the business model came from my brother Dean and I who succeeded our father upon his untimely illness and death in the 1960's. We recognized the need to move away from a dependency on local crops as South Jersey and surrounding areas were rapidly losing their ability to compete with larger scale and more efficient production both in the Midwest and California. We were rewarded for making a transition to the growing juice market segment which enabled us to build our business in very significant ways over the past 30+ years. We achieved this growth by constantly adding new products and packaging to meet customers needs. Concurrently, we began to add plants that were strategically located to provide a combination of outstanding service and cost efficiency to our customers who were also expanding geographically.



Dean and I are fortunate to have worked in harmony for many years and to have had parents who provided us with the foundation (values, education and example) on which to build. In addition to having a strong management team we are also very fortunate to have children (young adults) who share the values and work ethic of their grandparents and have a strong desire to participate in the future growth of our family business.


To date Dean and I each have a son who is currently working at CPC. The oldest, Clement, began his career with the company approximately six years ago after earning an undergraduate engineering degree and then moving on to join a "Big Five" accounting firm where he worked for close to three years in their business consulting practice. He started his career at CPC in operations and has progressed to VP of manufacturing after having successfully led the construction and start up of our newest plant in California.

The second oldest, Dimitri, obtained an undergraduate liberal arts degree, spent a year working in an urban economic development program and went on to earn a law degree. He joined CPC in the Spring of 2005 as our Corporate Counsel after gaining approximately two years of experience performing a variety of corporate, real estate and contract work for a leading Philadelphia law

firm. Dimitri continues to do legal work for the firm and is currently the interim head of the Finance Department during our search for a full time Chief Financial officer.

More of the third Pappas generation is on the way, including one with a Masters in food management, another working toward a Ph.D. in food science and the youngest a college senior who is still weighing his next options.

Over the past several years all of the family members have been participating in a business continuity and leadership succession process that includes informational and interactive family meetings as well as career counseling for the next generation. We utilize external resources in these activities including a family business specialist along with our outside board members.


While remarkable changes have taken place in both the complexity of our business and the industry as a whole, it is evident that the rate of change is accelerating and that it will become increasingly difficult to look very far out and predict what the future holds. In many ways there is a real parallel between what happened in the transition from my father's generation to ours and with the situation today: namely, the opportunity for an infusion of new energy, capabilities and vision to propel CPC forward successfully into the future. While there is no certainty we are very committed to position the business and the next generation of family to meet the new challenges ahead. 

The Ruby Slipper



A new picking machine (see photo), used in Wisconsin the last couple of years, greatly improves the ability to harvest cranberries quickly and efficiently. The “Ruby Slipper” cranberry harvester is an implement that is pulled behind a tractor and rakes the berries off the vines. According to Wisconsin grower Butch Gardner, an operator with this implement, can pick a 3.5 acre cranberry bed in 30 minutes. One operator with the new \$7,000- \$9,000 (depending on width) implement replaces two operators and two \$30,000 cranberry beating machines. Besides labor and machinery, there are

additional savings in fuel. The machine is pulled through the bed at approximately six miles per hour, compared to the typical beater which is driven about 1.5 miles an hour. Butch believes that 45-50 horsepower tractor is sufficient to pull the picker. Workload is increased because of the speed that the machine moves through the bed and increases with increased crop load and vine growth.

Dan Brockman, a Wisconsin grower and inventor of the Ruby Slipper has patented the design and sold those rights to BDT Inc., a Wisconsin Rapids manufacturing company. As harvesting efficiencies improve with implements such as the Ruby Slipper, this will undoubtedly increase pressure to improve efficiencies in other aspects of the harvest operation including fruit receiving and cleaning. 

Market Observations


Shawn O’Connell, Marketing Manager, Clement Pappas & Co.

Note: For each Cranberry Connection newsletter, I attempt to get information on the current cranberry market from someone in our Marketing/ Sales group. Invariably, I seek information from Shawn O’Connell, whose job it is to continuously track and research the juice market. The following are Shawn’s latest comments. It is important to keep market observations in perspective. The following observations are only a “snapshot”. A real understanding of the market comes with multiple observations over time. My goal is to offer brief market observations in each newsletter and allow readers to draw their own conclusions. ~Brooke Peterson

Cranberry Juice Cocktail - A very flat category over the past five years. Growth continues to come from the Lite segment of the category. The category leader Ocean Spray is showing positive sales due to Lite juices. Ocean Spray is also showing growth from the smaller 48 oz. size which may be a contributing factor to slumping 64 oz. sales. Private Label is also flat with growth coming from Lite sales as well.



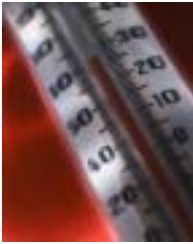
100% Cranberry Juice - 100% Cranberry Juice is in a slow steady decline with current sales down 5.5%. Northland the category leader, is down 7.6%. Private Label has become the number 2 brand with sales up 30.1% and Ocean Spray has moved down to the third spot with sales down almost 30%.

Cranberry Sauce - Prior to this year’s holiday season the category is down slightly continuing a slow decline over the last five years. Ocean Spray is down 4.6% while Private Label is up 1.6%. 



2005 Fruit Color

Brooke Peterson



There is no such thing as a “normal” year in agriculture and this year the cranberry crop supported that notion. The notable exception to this year’s crop in most areas was probably the color in the fruit, or more specifically, lack thereof. There are a number of factors that contribute to the color of a cranberry including the genetics of the variety, weather, crop load, and nutrition and vine growth. In years like this year when whole regions experience below “normal” color development, weather is the obvious culprit. What were the weather factors that conspired to make this year so notably bad in color? In Wisconsin, where color was especially poor this year, the first thing that can be said is the main variety is Stevens which is well known to not color well under less than ideal conditions. The weather in Wisconsin’s cranberry country was generally cool during the spring and then ideal for pollination in early summer. The pollination period in June was followed by a warm dry summer and, most importantly, a warm dry fall with night time temperatures well above average. Massachusetts had less than a normal crop, which often means better color. Not this year. Again, weather was the main culprit.

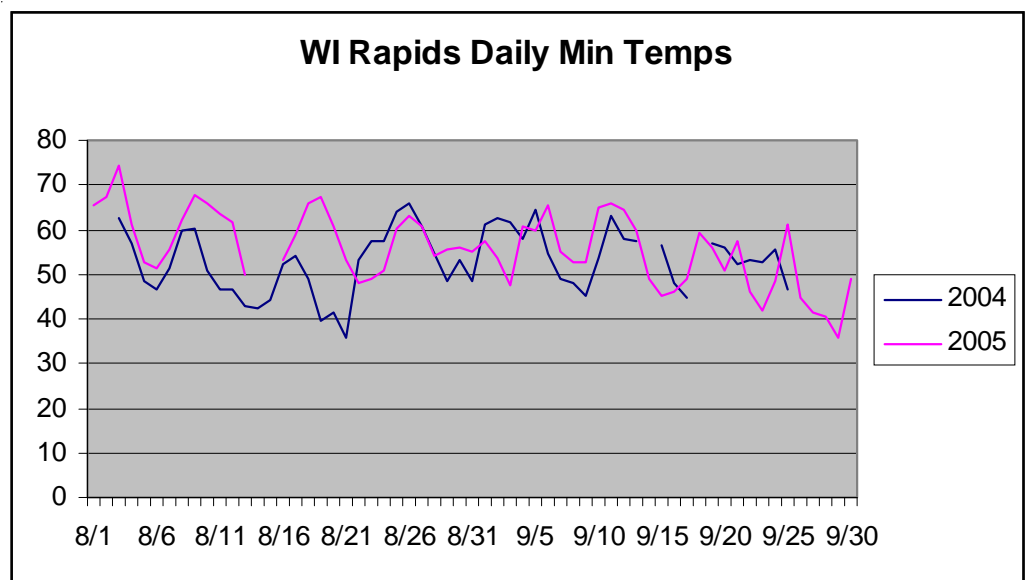
A comparison of the 2004 and 2005 daily minimum temperatures during August and September for the Wisconsin Rapids area shows that the average daily minimum temperature, during that period, averaged 4 degrees warmer in 2005 than in 2004. The warmer 2005 temperatures (particularly the daily minimums) likely accounts for the tremendous difference in fruit color between the two seasons. (See Chart)

Since we don’t control the weather, at least to any significant degree, what are the options, looking forward, to improve red color?

Besides the weather, the other major determinant of red color is genetics. Long term, it makes sense to plant high yielding varieties that also obtain good color. ‘HyRed’ is an early, high fruit color cranberry hybrid meeting this description.

However, current economics dictate that growers are not

going to remove high yielding beds of present varieties simply to get a better coloring strain. Changing varieties is the single easiest and surest way to improve color, and take the pressure out of waiting to harvest, but is one that will be years in making. Genetics aside, controlling excess vine growth, by avoiding the application of too much fertilizer (especially nitrogen) is another way to improve color. Since red color develops later in the season delaying harvest is another obvious tactic. Over the last several years, the average harvest date has been creeping later and later in an attempt to improve color. Of course, this only works to a point and some year, an early fall freeze is going to remind growers why they like to get the crop off earlier. Increased efficiencies and capacities at the receiving station and in the harvest operation allow postponing the harvest. The advent of the “Ruby Slipper” picking machine is an example of such a technology. Again, economics will dictate the proper balance between technology and capacity in the harvest operation and receiving station. These economics will be reviewed again for next season. Finally, thanks to everyone for trying to maximize color in a year with minimal help from Mother Nature. ☺



New Web Site



In the beginning of the summer Clement Pappas launched its new web site. Still at www.clementpappas.com the new



web site has been designed to be more maneuverable with easy to find sections. The new web site also has been updated

with vibrant color and photography

to show Clement Pappas commitment to keeping up with technology

and being the industry leader in private label juice and cranberry sauce.



There are many new sections added to the web site to allow us to show almost every aspect of our manufacturing and sales capabilities as well as the technology and research & development Clement Pappas has to offer. Please take a moment to review the web site and see for yourself! 



Cranberry Study and Cancer


According to an October news release from the Cranberry Institute, and quoted in the October 17, 2005 Beverage.Com website, a compound in cranberries is found to block cancer. Compounds in cranberries, thought to help prevent urinary tract infections, may also fight the development of cancer. The chemicals, called proanthocyanidins, inhibited the growth of human lung, colon and leukaemia cells in culture, without affecting healthy cells. They could also stop cancer from spreading, showed the tests.

The work by Catherine Neto at the University of Massachusetts-Dartmouth and colleagues is important as it is one of the first studies to look closely at the compounds in this fruit that are responsible for anti-cancer activity. *“Anti-cancer activity has been reported in the literature from way back but there is no good real data on the structures [in cranberries],”* Neto told NutraIngredients.com. There are several groups of antioxidant compounds in cranberries that could protect against cancer, she noted, including quercetin and ursolic acid.

But while cranberry extracts have previously been shown to inhibit human cancer cells, in most cases the researchers did not identify the active constituents responsible for such an effect. Moreover, while proanthocyanidins from grapeseed have been linked to cancer inhibition, the structure of these chemicals is significantly different in cranberries compared with other berries.

“Unlike most fruit, cranberries contain PACs with A-type linkages between units, a structural feature identified in cranberry PACs with antibacterial adhesion properties and those with LDL-protective properties,” write Neto and colleagues in the *Journal of the Science of Food and Agriculture* (DOI 10.1002/jsfa.2347). *“Previously published reports have suggested that cranberry proanthocyanidins have anti-cancer properties but there are few data on tumour growth inhibition by well-characterized cranberry proanthocyanidins,”* they note.

The authors isolated a proanthocyanidin-rich fraction of a whole cranberry extract made from fruit donated by US-based Decas Cranberries. The fractions were tested on several tumour cell lines and screened for their effect on tumour proliferation. The study showed significant inhibition of the proliferation of cancer cells, not previously shown with other proanthocyanidins, as well as the blocking of tumour growth.

“The activity was at no less than 100ug/mL concentration,” said Neto. *“It’s hard to say whether you would get these levels distributed to different tissues to the extent where you would have activity in vivo,”* she added. But eating cranberries or taking supplements of extract could be helpful, she believes. *“There are so many compounds in cranberries capable of having some anti-cancer mechanism that when taken together there is potential for benefit,”* she said. There are probably several mechanisms for the cranberry’s anti-cancer action, said Neto, but further work needs to be done to clarify this. *“We’re hoping to follow up with animal models. It’s really important to do this. These compounds are not at all well-known so I think of this [new study] as opening a door.”* 

Upcoming 2006 Events:

Jan 18

UMass Cranberry Management Update
Radisson Plymouth Hotel, Plymouth, MA

Jan 24 & 25

WSCGA Winter Meeting
Chula Vista Resort, Wisconsin Dells, WI

Feb 12 & 13

CMC Winter Meeting
Ritz Carlton Hotel, Arlington, VA

March 9 & 10

CCCGA Winter Meeting
Radisson Plymouth Hotel, Plymouth, MA



Knee deep in red, workers bring in the 2005 cranberry crop at Seneca Red Cranberry in Wisconsin Rapids, WI