

California

FARMER

Tomato can abide drought see page 13

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Sunkist's futurist

By DON DALE

HES a former tomato farmer. He's a business expert. He sees into the future. He's the man with the plan. But what he's currently famous for is strawberries.

Jeff Gargiulo is Sunkist's CEO, guiding light and prophet. Hired four years ago to the top job in the 6,000-grower/member citrus marketing cooperative, he's been very forthright about nudging the brand into the future. By all accounts, his efforts are paying off.

That includes strawberries. Who would have thought the top citrus marketer in the world would try to sell a soft, red fruit? Why not, Gargiulo asks.

Strawberry weapon

The strawberry is a secret weapon in the citrus industry. It provides a way to sell more oranges and lemons.

"It's a way to talk to the customer," explains Gargiulo, a mild-mannered man open to visitors at Sunkist's modern offices in Sherman Oaks. Talking to the customer is what he wants the co-op to do more of because citrus sales have declined in recent years.

Gargiulo took flak from some members when he suggested the co-op sell strawberries, and he really heard about it from the strawberry industry, but he says the modern world is all about keeping your brand out there. The Sunkist stamp on berries is just one more way to remind consumers to look for that same brand on citrus. It's also a way to keep the label front and center year-round.



LEADERSHIP AND DEVELOPMENT: Jeff Gargiulo has led the development of the California Citrus Growers Association to align the citrus industry in the West to grow the brand category.

Key Points

- Gargiulo nudges 100-year-old Sunkist brand into the future.
- Sunkist-stamped berries remind consumers of citrus brand.
- Importing navel oranges allows for year-round marketing.

He expects to sell about 1.5 million flats next year.

Key to oranges

Year-round marketing is also the reason Sunkist has entered into U.S. marketing agreements with citrus growers from places as far away as South Africa and Australia. It's all about navel oranges. During the summer

in the past, when U.S. growers were out of navels, the sales of the most popular eating orange have not gone to Sunkist.

Share of stomach

That has changed as the co-op began importing summer navels, and it has led to a bigger share of stomach, as Gargiulo likes to call it.

Already providing 55% of fresh oranges sold in the United States (and almost 80% of fresh lemons), now the co-op is offering navels year-round. That not only leads to a cut of the take on off-season navels — which would be imported anyway — but also leads back

to that Sunkist label.

"We're trying to fill in the gaps with customers," Gargiulo says, noting that the co-op has created a separate business entity, Global Sourcing LLC, that handles all noncore business such as imports and strawberries. "We have to make sure the product is in the right place at the right time."

Sunkist members have been a little resistant to moves such as importing summer navels. "There's an element of fear that they'll be replaced by foreign competition."

Gargiulo says growers must recognize what it takes to keep Sunkist fruit prominent in the

Jeff Gargiulo to leave job

AT press time Sunkist Growers announced Jeff Gargiulo has decided not to renew his contract and will leave the company in June after five years as president and CEO. This will conclude a second stint of an initial three-year contract.

During his tenure, Gargiulo spearheaded the reorganization of several Sunkist divisions while turning the focus of the organization toward leveraging the Sunkist brand. He helped develop strategies for global sourcing and diversified products, including the introduction of Sunkist's precut fruit program and its berry marketing program.

Gargiulo is owner of Gargiulo Vineyards in Napa.

Sunkist will begin a search for a new CEO.

■ **Read more about the Sunkist organization on page 6.**

produce aisles. Being a student of marketing, he uses terms like "linkage" and "alignment" to make sure the company's marketers get the concept of connecting all the elements from the orange grove to the consumer's kitchen.

Sunkist members seem to be forgiving Gargiulo, and he has given the co-op a very progressive look. Sunkist is well over 100 years old, and the old brand suddenly has a new look.

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