

The new president of Wonderful Citrus says the company is poised for a bright future, despite the U.S. citrus sector having faced a challenging last couple of years.

Zak Laffite took over the role from David Krause in January, having worked across various areas of the company over the last 15 years, including leadership roles in operations, sales, and supply chain management, giving him a deep understanding of the business.

Speaking to FreshFruitPortal.com, he said it's "really an honor and a pleasure to have this opportunity".

"I'm really excited about starting this new role at Wonderful Citrus. I've been here 15 years, I've grown up in the company, and I'm very fond of the people the organization, and the ownership," he said.

"The citrus industry's not in an easy place right now. The category's been down this year and there no shortage of challenges, but we've assembled a fantastic team and it's exciting to see everybody react to the call to action and rally around what's really a strong organization with great products and great brands."

Asked what future direction Wonderful Citrus - already the leading player in many citrus categories - will take over the coming years, Laffite said: "I think for us we're more focused on being better than being bigger from here on out."

While the company's 'one-stop citrus stop' strategy was originally focused around product offering, over time it has expanded to encompass more areas including service and partnerships, he explained.

"I think that we're always trying to be innovative, we're always trying to look for the next best thing, and that's just in the nature of who we are as an organization," he said, adding that this market intermission in growth opportunities is a good moment to focus on improving in areas that are increasingly valued by consumers.

"There are opportunities for us to create differentiation through new products like seedless lemons, or finding new mandarin varieties that perform well at different times of the year. So it's not really about growing the platform now, it's about trying to create differentiation and trying to be leaders in a space other than brand and product offering."

He added that people development and sustainability are two of Wonderful's top priorities.

Seedless lemon program to grow exponentially

The company's latest brand, Wonderful Seedless Lemons, launched in November last year, promising to inject excitement into the lemon market and address sky-high demand for a more convenient variety.

The rollout has been on a small-scale due to limited availability as the trees begin to produce their first fruit, but Laffite said that the program would grow exponentially over the next couple of years and beyond.

"At this point, we consider we would be one of the top players on conventional lemons and we feel that seedless lemons will match one-for-one our lemon offering. Of course, that's on a very long horizon, but it just illustrates how ambitiously we are thinking about seedless lemons," he said.

Wonderful Citrus has carried out significant plantings of the new variety in all its established lemon growing regions, including Mexico and three areas in California, in order to offer a year-round supply.

Marketing-wise, he said the company would take lessons from its seedless mandarin brand, Wonderful Halos, which has a market share in excess of 50%.

"There are many lessons over the years from Halos about what works in the citrus category for marketing and we plan to put those in play," he said.

"It's a different product obviously - you think about lemons more as a condiment or something for drinks or food rather than fresh consumption or food, but we do think that the virtues and the difference and the superior quality that this product offers lend itself to similar tactics to what we saw in Halos, from a branding perspective."

Wonderful aims to thrive despite citrus industry challenges

The last couple of years have not been easy for the California citrus industry. Last season saw an oversupplied market in several commodities amid heavy domestic production and significant spill-over from imports, leading to substantial challenges for many.

This year, Laffite said Wonderful's citrus crop is generally lighter across the board, including in Texas and California, due to an alternate bearing year.

"The consumption that we see through IRI [market research data] is that the citrus category is down about 7% in dollars through the first week of January, so we're seeing some deflation," he said.

"It's rewarding companies that are really doubling down on quality and differentiation. This is the sort of environment that we expect to thrive in, where things aren't going to be easy - not that they ever are, but there's going to be a little bit more headwinds for the category in the short-term."

More generally, he said that the recent success of some categories or varieties - such as mandarins and lemons - in global markets could lead to disproportionate plantings which may potentially create an oversupply in the future.

"I'm not saying it's a certainty, but it's a risk," he said. "I think differentiation on who you are as an organization really comes into play."

He added that the citrus industry may be facing some headwinds today, but it continues to be a big part of the produce section and a strong player in the produce industry.

"It's evolved quite a bit from where it was 10 or 15 years ago. Nothing stays stationary - if you look at what's happening in the apple and grape industries there are new varieties coming in," he said.

"Citrus doesn't have the flexibility to put varieties into market place as quickly as those industries do, but I think we can expect to evolve. For Wonderful, this company's grown so much and evolved in the last 15 years, and our ownership and management team is still very focused on responding to whatever the market and our consumers want.

"I think that we're poised for a very bright future based on our brands, our products and the team that we have. The category may not be in as great a place as it was three years ago, but I think consumers continue to love citrus, and if we focus on quality and doing right, I think that's going to continue to be a successful strategy for us."