



# FruitSmart®

The Smart Choice...Naturally

Fruit Ingredient Supplier and Processor

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## Featured Inventory:

- 65° & 68° Apricot Juice Concentrate
- 65° Red Raspberry Juice Concentrate
- 28° Red Raspberry Puree Concentrate
- OU Concord Grape Essence
- FruitBasics® - Cranberry Fiber
- FruitBasics® - Cranberry Seed Powder
- Red Raspberry Seeds

## FruitSmart® Hosts Clean Energy and Environment Project



**2 Million Btu's of Fruit Power!**

With the start-up of a biomass gasifier installed at our Whitstran facility, Wednesday, November 8<sup>th</sup> marked the beginning of FruitSmart®'s venture in renewable energy...the "Clean Energy & Environment Project", an innovative and timely demonstration of managing environmental impacts and costs while deriving useful fuels, heat, and power to reduce or reverse the adverse consequences of increasing fossil-fuel and electricity costs.

FruitSmart® is hosting and participating in this project, which is being conducted in partnership with the Port of Benton County (who is funding the majority of the project by matching grant given by the

State of Washington), The Center for Strategic Alliance (owner of the biomass gasifier), Pacific Northwest National Laboratory, and REL Associates.

Over recent weeks, FruitSmart® and its partners have gathered over 50 tons of local agricultural byproducts (from mint, hops, wood, and straw, as well as FruitSmart®'s own fruit processing) and transported them to local mills for conversion into pellets according to a dozen different recipes that mixed the different types of biomass to boost energy value and reduce emissions from combustion of the biofuels. (Note that over two million tons of agricultural wastes (*continued on page 2*)

**"Biomass gasification, a century old technology, is viewed today as an alternative to conventional fuel. In the gasification process, wood, charcoal and other biomass materials are gasified to produce so-called "producer gas" for power or electricity generation. Gasification systems consist of a gasifier unit, purification system and energy converters - burner or engine."**

Source: [www.wikipedia.org](http://www.wikipedia.org)

## FruitSmart® Introduces Director of Operations



The FruitSmart® Team is very pleased to introduce Terry G. Chambers as Director of Operations for our new Prosser facility, which is scheduled to be open in December.

Terry brings a wealth of experience and professionalism to this new role, having served in the fruit processing industry for over two decades.

Terry began his career in the early 1980's at Milne Fruit Products/Ocean Spray in Prosser, WA where he advanced to the position of Plant Manager. He then served as Director of Operations at Johnson Concentrates in Sunnyside, WA, before moving on to become a part of the Welch's team in Grandview, WA. Terry has spent the last five years as Senior Operations Manager-West Coast, where he managed Welch's two west coast plants, processing and shipping to bottling facilities nationwide and to industrial and international customers as well.

Terry has strong experience in working with inter-

national customers and suppliers in the Pacific Rim, Europe, and South America. His experience with fruit processing encompasses nearly all fruit types, including apples, grapes, berry fruits, soft fruits, and stone fruits. He also has extensive experience in product formulation, R&D, multi-ingredient blends, premixes, and value added products.

Terry states that he "is excited to be joining the FruitSmart® Team and helping to build a business focused on producing high value products including nutraceutical and cosmeceutical ingredients and blends, in both dry and liquid form. The extremely strong FruitSmart® Team is very well positioned to meet the immediate and future needs of its customers. Its ability to react quickly to customers' requests and product development is what will set FruitSmart® apart from others in the industry. Its business approach to developing "partnerships" vs. the typical producer/customer relationships is unique."

We are fortunate to welcome Terry aboard!

**"A journey of a thousand miles begins with a single step."**

~ Lao-tzu, Chinese philosopher (604 BC - 531 BC)



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## FruitSmart® Hosts Clean Energy and Environment Project *(continued from page 1)*



*Biomass gasifier in operation at FruitSmart®'s Whitstran facility*

are generated annually in the five counties closest to FruitSmart®.) Glycerin donated by Seattle Biodiesel was also blended in half of the biopellets in order to improve their physical integrity and heating value.

The gasification of the pellets (thermal conversion of the solid materials to gaseous fuel containing

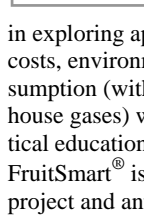
approximately 180 Btu/cf) commenced on November 8th, resulting in the production of up to two million Btu/hr. This gaseous fuel, also known as "producer gas", is then routed to an air-to-air heat exchanger which ignites the fuel and channels the hot combustion gases through tubes suspended in the air intake of FruitSmart®'s fluidized bed dryer. Through routine operations thus far, the producer gas has delivered about one-half of the energy needed to dry the fruit fibers and seeds (that is, 65 of the needed 135 degrees-F temperature rise) with propane providing the remaining temperature boost. Near-term goals are to increase the bio-energy contribution to 75 percent of the dryer's heat requirements, thereby cutting propane consumption by a similar ratio.

The residuals from this gasification are carbon pellets which have sufficient active surface areas to serve as filtering agents that can be used by water-

treatment utilities or others to remove contaminants from liquids or gases.

Present indications are that the gasifier output will exceed the input needs of the dryer; so plans are being made to direct any excess gas to an available engine generator set, which will convert the surplus producer gas into electricity for transmission via the grid to utilities interested in the purchase and distribution of "green" power.

*Waste glycerin from Seattle Biodiesel*



Not only is this project an exercise in optimizing the environmental, energy, efficiency, and economic characteristics of the applications of this new technology, it is also tied to education with the recruitment of Washington State University students to operate the gasifier, test and analyze its performance properties, and model configurations of the gasifier with other technologies (for example, biodiesel production and fuel cells) and services (for example, integrated energy and environmental services for individual businesses or industrial parks).

The Clean Energy & Environment Project represents an important step in exploring appropriate means to reduce operating costs, environmental impact, and fossil-fuel consumption (with its attendant production of greenhouse gases) while enhancing product quality, practical education, and business vitality and growth. FruitSmart® is pleased to host and participate in this project and anticipates favorable reports and related assessments in the Spring of 2007.

*We hope your Thanksgiving Holiday was a joyful one!*



## Cranberry Market Update

The market for cranberry concentrate continues to be somewhat unsettled. The supply/demand equation seems to indicate pricing for 50° Cranberry Juice Concentrate should be in the high \$30's to mid-\$40's per gallon, but we are seeing some business done in the mid-\$30's per gallon right now.

Our expectation is that the market will firm over the next 3 - 8 months once the lower cost supply is sold out.

We are excited about our continued relationship with Cape Blanco Cranberries and look forward to discussing your high quality Oregon fruit requirements. We will have pricing and availability in late December once harvest is complete.

### *What's hot:*

#### **Hard to find and expensive fruit products**

##### **Blueberry:**

The market continues to be red hot with very limited availability.

##### **Passion Fruit:**

Supply has been limited and it will remain in short supply until early Spring

##### **Plum:**

Limited quantities of plum concentrate were produced in the United States this year. We will be dependant on Chile for supply.

##### **Peach Puree:**

Limited production coupled with fewer producers has made good quality product hard to find. We have single strength puree available currently.