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HEALTH

Will Kids Buy Organic Food In School Vending Machines?

By ELLEN BYRON Staff Reporter of THE WALL STREET JOURNAL

CRANSTON, R.I. -- At first glance, the new vending machine at Cranston High School West doesn't look much different from the others next to it.

But instead of Coke, Pepsi or candy bars, the gleaming machine is stocked with soy chips, rice snack bars, pita chips and low-fat organic yogurt.

On the day of the machine's unveiling last week, the selection caught a few curious glances and a fair share of eye rolling. Students on their way to lunch jammed money into a neighboring snack machine selling Doritos.

Michael Lonardo, a 15-year-old sophomore tries a Vruit brand of apple-carrot juice for the first time, then puckers and reddens. "What is this stuff?" he demands. "I just can't see kids wanting to buy this instead of Mountain Dew. Plus, it'll cost more."

But junior Rebecca Webber, a 16-year-old cross-country runner, is more receptive. "You have to start eating healthy if you want to be productive in classes and in sports," she says. "Plus it's great to see something different around here -- you get sick of the same stuff every day."

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Some of the nation's best-known organic-food companies are scrambling to capitalize on the antijunkfood movement in some schools. Stonyfield Farm, a Londonderry, N.H., organic-yogurt maker, last week put health-food vending machines in three Rhode Island high schools in a pilot program, and plans

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to install more machines in California by year end. In a separate program, White Wave Inc., maker of Silk soy milk, recently installed vending machines selling soy milk for a dollar in three Los Angelesarea high schools, and in Texas installed 50 machines selling dairy and soy milk.

The companies and the schools say they hope these machines will help improve school nutrition, but will teenagers actually eat this stuff?

Some schools have removed their regular vending machines after complaints from nutrition-conscious parents. In California, the White Wave soy-milk machines were installed after the Los Angeles Unified School District banned soda machines from their schools. But in Rhode Island, Stonyfield went head-to-head with machines selling soda, chips and candy, to see how they could compete with items including organic carrots and spinach dip, raisins and all-natural juices. A few of Stonyfield's partner food companies, including PowerBar and Earthbound Farm, agreed to cut profit margins to keep items at \$1.50 or less.

It's too early to judge the results, but price will be a big factor, says Rocco Parente, the vendor who will stock the Stonyfield machines at Cranston East and Toll Gate High School in Warwick, R.I. In his 30 years in the business he has filled countless cigarette and candy machines. "These teenagers could be walking around with \$150 sneakers," he says, "but you don't know how much they have in their pockets -- will they really shell out more than a dollar for oatmeal-raisin energy bars?"

While Stonyfield and White Wave are relatively small operations, they have deep-pocketed backing: France's **Groupe Danone** owns a 40% stake in Stonyfield, and White Wave is a unit of Dallas-based **Dean Foods**. So if the market develops they could ramp up quickly. "This could be the tip of the iceberg," says Gary Hirshberg, CEO of Stonyfield.



Senior Ryan Russo, at Toll Gate High School in Warwick, R.I., checks out a machine's health-food fare.

In the pilot programs, the vending machines are provided to schools at no charge, and the companies say they will give profits to the schools and the machine operators. And since the soda companies' exclusive contracts usually don't designate soy milk as a direct competitor, they appear to have a clear path to expanding.

It's "a staggeringly large opportunity," says Steve Demos, president of White Wave. "In essence, you build the habit of drinking soy milk when they're young, they stay with it when they're older, and then they probably will pass it on to their children." White Wave says the soy-milk machines in Los Angeles-area schools are selling an average of 200 cartons a week. It plans to install more machines in California in coming weeks.

Whether health food can generate cash is another test of the program. Coke and Pepsi offer lucrative contracts to schools. Cranston High School East, for example, has 11 soda and snack machines, bringing

in \$40,000 from its contract with a bottler for **Coca-Cola** Co., money used to buy textbooks, computers, and rewards for student achievements, such as movie tickets. Principal Donald Frederick is glad he's offering a healthy alternative, but sees little reason to bar the old machines. "If we don't sell junk food, these kids are going to buy it elsewhere," he says.

Stonyfield, the schools and Mr. Parente report positive initial response to the new machines. But students at all three high schools have one common complaint: that the machine charges a nickel for the plastic spoons used to eat the yogurt.

Stonyfield and the machine operators say they lowered the yogurt's price to 95 cents so the leftover nickel could buy the spoon. But frugal students aren't impressed, prompting Stonyfield to look for a way to provide the spoons free of charge.

Meanwhile, some teens have their own ideas for saving five cents: "Why wouldn't you just eat it straight from the cup?" one student asks. "Or use your hands?" offers another.

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