



UW-Madison
**Center for Integrated
Agricultural Systems**

Selling certified organic produce to retail produce markets in the Upper Midwest

A report prepared for the
Center for Integrated Agricultural Systems,
University of Wisconsin-Madison

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Table of contents

Report insights	1
Retail produce marketing: The big picture in a few words	2
Who are the players?	2
Where do buyers purchase their produce?	2
How do they display produce?	2
Who buys organic produce?	3
What buyers think about	4
Price	4
Quality	4
Grower-buyer relationship	4
Seasonal variation in availability	5
Problems buyers have had with local growers	5
The challenges of marketing cooperatively	6
Cultivating cooperation among growers	6
Creating a new organizational structure	6
Standardizing the product	7
Standardizing packaging and labeling of produce	7
Next steps: How to approach retail produce buyers	9
Recommendations and conclusions	10
Appendix A: How the study was carried out	12
Appendix B: Store profiles and characteristics	14
Appendix C: Survey of produce buyers	15

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CDS is a non-profit organization founded in 1986 which provides professional business consulting for cooperatives and communities throughout the Upper Midwest. Much of CDS's research and consulting supports value-added agriculture and sustainable food systems.

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The Alliance is a non-profit organization founded in 1995. The mission of the Organic Alliance is to encourage an ecologically and socially responsible agriculture which reflects humankind's obligation to protect the health of the planet for future generations. The Organic Alliance was created for three main purposes: increase organic market share through heightened consumer demand; increase organic food supply; and ultimately reduce the use of pesticides in agriculture.

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Report insights

Small-scale growers of certified organic vegetables and fruits use a variety of marketing options: farm stands, farmers' markets, community supported agriculture (CSA), and wholesale marketing of goods through local specialty groceries and natural foods cooperatives. Sales to retail supermarkets is another opportunity for producers of certified organic produce. While many retail supermarket buyers take advantage of the rich and steady year-round supply of organic produce from California, some also buy organic produce from local growers.

The study was commissioned by a group of certified organic produce growers in southern Wisconsin, together with the Center for Integrated Agricultural Systems at the University of Wisconsin-Madison, and the Organic Alliance, a project of Cooperative Development Services, based in Madison, Wisconsin.

This study asks whether local organic produce growers in the Upper Midwest should consider entering the retail market. To answer this question, we interviewed 21 retail produce buyers in two urban areas of the Upper Midwest: Minneapolis/St. Paul, Minnesota and Madison, Wisconsin.

Produce buyers cited numerous reasons for carrying local, organic produce. Organic produce is generally considered to be of good quality. It also appeals to some customers who want to help protect the earth by buying organic. Buyers saw numerous advantages to locally raised produce:

- Locally grown product is preferred by customers; people love it.
- Some customers stores want to support local farmers.
- Product can be "super" fresh.
- Local producers can get product to store faster than those shipping from long distances.

The study identifies the various sources of produce for retail produce buyers and discusses issues of price and quality. Buyers' views of their relationship with growers, changing sources of product through the year, reasons why some stores don't carry organic produce, and problems buyers have had when buying from local growers are also discussed.

Many buyers expressed a preference for negotiating business arrangements with a single representative from a growers' group or cooperative. The report describes the challenges of selecting a representative, standardizing products, and packaging and labeling for growers who plan to transport and/or market their produce cooperatively.

For growers who are ready to sell through the retail market there are suggestions that include how to approach a buyer, design an availability sheet of products, project a professional image, and build confidence with retail produce buyers.

Finally, the report offers some general conclusions and recommendations to producers who want to market cooperatively to retail stores. This report, and the recommendations within, are based on suggestions and concerns expressed by 21 retail produce buyers in the Upper Midwest.

This study asks whether local organic produce growers in the Upper Midwest should consider entering the retail market.

Besides buying directly from growers, supermarket produce buyers also work with wholesalers, distributors, brokers, and agents to get the produce they need.

Retail produce marketing: The big picture in a few words

Who are the players?

Besides buying directly from growers, supermarket produce buyers also work with wholesalers, distributors, brokers, and agents to get the produce they need. These are the players involved with produce purchases for stores:

- *Wholesaler*: Buys from various places; takes legal or physical possession of products; resells, usually to a distributor.
- *Distributor*: Sells to end user (such as a retailer or restaurant).
- *Broker*: Locates produce and takes a percentage of the sales; doesn't take possession of product.
- *Sourcing agent*: Works as the "eyes and ears" for a buyer. They talk with growers, go and check out the fields and the products, and send price and availability of product to a buyer. Usually is paid a straight fee for a season or year.

Where do buyers purchase their produce?

There are a few generalizations concerning the sources of produce for the 21 retail produce buyers interviewed for this study:

- Most buyers get produce from more than one source.
- Most buy at least some produce directly from both local and California growers. Many buyers have relied on the same growers for years.
- Buyers from supermarket chains usually buy at least some produce from a corporate warehouse.

Note that for some supermarket chains, there is no in-store buyer because a regional buyer selects and sends produce to stores. In other cases, the in-store produce manager may be the buyer, but he or she may be required to buy a certain percentage of their produce from the corporate warehouse. Some buy a few seasonal items directly from growers to supplement warehouse produce. Others may have considerable resistance from store management if they want to buy from sources other than the warehouse. They may have to justify to management that they can obtain certain items for a better price or better quality than is available through the corporate warehouse.

How do they display produce?

Stores vary in ways in which organic produce is displayed or featured. For the most part, the produce manager of the store makes decisions on the following:

Separating versus integrating organic produce: Some stores display organic items side-by-side with conventional items, in the same section. Many buyers who were interviewed stated that when they first started selling organic produce, they had it in a separate section of the produce department, yet they discovered that organic produce sells better when integrated with conventional produce. In fact, more than one buyer pointed out that stores often make a mistake when they first sell organic produce by placing it in a separate section, often an area that receives little traffic. The result is that sales are low and some buyers and consumers then have the impression that organic produce has a shorter shelf life.

Signs for organic produce: Produce buyers often claim that signs are an important part of organic produce sales. There is a great diversity of sign styles in produce departments. A number of stores distinguish organic from conventional produce with a sign that has a distinctive background color. For example, organic items may be labeled with green signs, while conventional produce has a white background on its signs. In other cases, there is simply a small sign on the display or a sticker directly on the product indicating it is organic. Most buyers state that they only use an organic sign if the grower is certified. Some use a transitional label where appropriate.

Stores may identify certain items as homegrown or local which can further distinguish some organic produce (although not all homegrown or local produce may be organic). In natural foods cooperatives and stores it is common to list the name and location of the farm on the sign that identifies the item. Some stores further feature local farms with large color photos of growers—usually with attractive, on-farm backgrounds. Some store buyers will devote resources from their advertising budget for photos, attractive signs, and literature to feature the farms and growers; others leave it up to individual growers to provide a sign or additional information. Buyers who specialize in organic produce concurred that clear labeling and attractive signs are an important part of marketing organic products.

Buyers who specialize in organic produce concurred that clear labeling and attractive signs are an important part of marketing organic products.

Who buys organic produce?

There were 21 buyers interviewed, representing 19 stores and two wholesalers/distributors. Of the 21 businesses interviewed:

Four do not carry organic produce. Of the four who do not carry organic produce:

- Three are mainstream supermarkets; one is a discount supermarket.
- Some saw their niche as low price, and recognized that customers seeking organic produce shopped elsewhere.

Seventeen (17) carry organic produce. Of these 17 businesses:

- All bought from regional or local growers.
- Organic produce ranged from less than one percent of produce inventory to around 80 percent of produce sold during the months of September and October 1997.

(See Appendix B: Store profiles and characteristics.)

Quality was the most important issue cited by all buyers.

What buyers think about

Buyers described the following as important to their work with growers:

Price

The price of local, organic produce relative to other organic or conventional produce varies throughout the year, so one cannot conclude that such produce is either more or less expensive. Some producers, during certain times of the season, offer local, organic goods at a lower price than conventional produce. When local, organic produce is higher priced than conventional or California organic produce there are varied reactions to it. Some buyers prefer the local produce because it is fresher and sells well—even at a higher price. In other cases, the local, organic price can be too high, and a buyer won't carry it.

In general, the specialty stores featuring natural and organic foods tend to care less about price than other buyers as long as the quality is good. Their niche is to provide local, organic produce, when available.

When asked the price they pay for a particular item, buyers would not respond—except for what they paid during a particular week of the year for a particular shipment. Produce buying is a fast-paced business, with prices often fluctuating rapidly. The prices buyers pay are affected by the sources (and their costs), the volume, the varieties they buy, the time of the season they are buying, and by the market price of goods. Buyers tend to review availability or price sheets from growers or wholesalers (see Next steps on page 9) each week to compare offerings from different sources and make their selections.

Quality

Quality was the most important issue cited by all buyers. However, some balance their concern about quality with price; a buyer at a discount supermarket may have to opt for the least expensive product available. In another example, excellent quality organic garlic was rejected by one buyer because it was priced four dollars higher per pound than conventional garlic, and the buyer concluded that consumers would not be willing to pay the difference.

Among buyers of locally raised, organic produce, most are convinced that it can be of superior quality compared to conventional or trucked-in produce. There were some exceptions. Buyers claimed that some products which require relatively sophisticated post-harvest handling methods are better handled by California organic growers. These methods have been adopted by some of the large-scale organic growers in California, and less often by local growers.

Grower-buyer relationship

Buyers tend to have their own preferences regarding various aspects of the grower-buyer relationship.

Some buyers offer contracts to growers for a specific harvest or crop; others will draw up a contract for the entire season during a sit-down planning session with the grower often held in January. Prices can be set for the season or may change during the season. There are even cases where a buyer wants exclusivity in sales: he or she will buy a grower's entire crop of some particular item and will commit to it at the beginning of the season.

With or without contracts, most buyers rely on established relationships with growers—often relationships they have had for years, and in some cases

for decades. Buyers seek products from these growers first and go to another grower only if they need more product than can be provided by their known and proven growers.

Many retail produce buyers emphasize the importance of a quality relationship with growers. The longer a buyer was in the business, the stronger his or her ties were to growers, and the more important these relationships were to the buyers. Among the qualities most often mentioned by buyers as important to the grower-buyer relationship were:

- **Honesty and integrity:** Most buyers recognize that these are essential for a satisfying business relationship for both parties. More than a few buyers cited examples of both growers and buyers whose business practices were not honest and resulted in a bad business arrangement for the other party.

- **Communication:** Most buyers who deal directly with growers have a preference for open lines of communication. Buyers tend to understand the challenges faced by growers, and want to hear about potential problems rather than to discover them on their own. One buyer gave an example of a grower who delivered produce in a condition that was riper than what is typical without letting him know in advance. If the grower calls to notify the buyer of the condition of the produce, the buyer can compensate for the extra ripeness by rotating that shipment more rapidly than usual from the cooler to the sales floor to avoid spoilage. By not communicating to the buyer about the extra ripe produce, the grower risked loss of produce through spoilage, and also risked losing some level of trust in his or her relationship with the buyer.

- **Cultivation of the relationship:** One buyer articulated the relationship between buyer and grower as a partnership. He said that he likes to treat his relationships with growers as people he plans to work with for his entire career. Some buyers, particularly those with natural foods cooperatives, will go out and visit the farms to understand more about the operation and to strengthen their relationship with growers.

Seasonal variation in availability

Seasonal variation in availability of produce was not an issue for any of the buyers interviewed. Almost all of them (there was one exception) buy locally during the growing season in the Upper Midwest. Many will fill their orders with certain products from local or regional growers, and then supplement their needs with produce from California or elsewhere. In the winter season they purchase goods from California and overseas to fulfill their produce needs, and then decrease purchases from those accounts as the local growing season begins.

Problems buyers have had with local growers

Buyers described problems they'd had previously when buying local or organic produce:

- Inconsistent quality of product.
- Growers not delivering when promised.
- Product not always available when buyer needs it.
- Growers do inadequate job of grading and sizing product.

The longer a buyer was in the business, the stronger his or her ties were to growers, and the more important these relationships were to the buyers.

The challenges of marketing cooperatively

Retail produce buyers were told that the study had been commissioned by a group of local, organic producers who were considering cooperating to market and transport their produce to retail markets. Buyers mentioned several challenges for producers considering such cooperative efforts.

Cultivating cooperation among growers

Growers interested in organizing among themselves to cooperatively transport and market organic produce can organize formally as a cooperative or through less formal arrangements.

A group that forms a cooperative will often hire or assign marketing aspects of the business to a manager or marketing specialist who represents the growers and serves as their contact person with buyers. This may be essential for doing business with some supermarket chains and others who buy produce in large volume, and prefer to deal with only one contact person. Busy schedules do not permit buyers the time to negotiate sales agreements with individual producers, so they often work only with distributors, wholesalers, and managers for cooperatives.

Working with grower cooperatives can be an advantage for buyers. They may have easier access to a greater volume and wider variety of produce by making one phone call than with other sources. One buyer referred to this as “one-stop shopping” for buyers.

There are other potential advantages to organizing cooperatively. Centralized marketing can simplify and streamline ordering and paperwork for both growers and buyers. Also, the dynamic for negotiating prices is different for a cooperative manager who represents a group of growers than for one grower dealing alone with the buyer.

Despite these and other advantages, a few buyers felt that losing direct contact with individual growers could be a disadvantage.

Some stores see their niche as connecting growers with consumers, and a few of those buyers felt that receiving information directly from growers about growing conditions, problems on the farm, and other details of production are an important part of marketing locally raised produce to customers. Among buyers with this concern, some were receptive to the idea of growers marketing cooperatively if the representative could provide them with that information; others were not willing to relinquish direct contact with growers.

Creating a new organizational structure

Marketing cooperatively requires greater organizational effort and usually results in a more complex operation than when growers market on their own. A grower marketing alone can make independent decisions regarding production, transport, and marketing, but once a group of growers decides to cooperate, the group then creates (however formal or informal) some level of organization to handle and standardize all aspects of production, transport, and delivery of products.

The new structure required for the cooperative marketing effort is generally negotiated among participants. It is likely that there will be new demands placed on producers. There may be additional costs of centralization and organization. Growers may need to overcome differences in opinion and style, or be willing to overlook such differences. Usually there are some growers who are more willing than others to contribute work and time to the

cooperative process. Conflicts are not uncommon. Open and direct communication is often the most effective means of managing conflict.

Standardizing the product

Marketing produce cooperatively requires that the product be standardized. Growers can accomplish this by reaching agreements on standards for varieties grown, product size, grade, quality, means of certification, price, packaging, and labeling. Often there is a mechanism in place to assure that all producers comply with these standards.

Standardization of product size was not an issue for at least one buyer (from a natural foods cooperative) who was willing to accept good quality produce that has some variation in physical attributes among pieces. There were two reasons: 1) having the same item in various sizes (for example large and small heads of cauliflower) may effectively meet the needs of customers with different sized households; and 2) there was some educational value in allowing consumers to see that produce doesn't necessarily grow in standardized sizes and shapes.

However, most buyers require that each box and shipment contain items of the same size and quality throughout the season. Their rationale is that if a customer is satisfied with a product, they want to be able to return to the store a week or two later and buy the same product again.

Standardizing packaging and labeling of produce

Produce buyers tend to have individual preferences about specifics of packaging and labeling. Growers can review the following issues with buyers when negotiating a sale in order to clarify the buyer's preferences and requirements and grower's practices and limitations.

- **Boxes and packaging:** This is an important area where buyers felt that many local growers could make improvements. Numerous buyers complained about the poor condition of recycled boxes used by some local, organic growers to deliver produce.

Some buyers simply will not accept used boxes and will not save boxes for growers. Other buyers are more accommodating and accept produce in recycled boxes if the boxes are in good condition. This can be negotiated with individual buyers.

- **Price look up (PLU) and other stickers:** Since organic produce is usually priced differently than conventional produce in stores, cashiers at a store's checkout need to be able to distinguish between the organic and conventional items so they can charge a different amount for them. If there are only two varieties of a particular product (for example, organic and conventional broccoli), it may be adequate to have the organic product labeled with a sticker which simply says "Organic." However, labeling requires a more complex system when there are multiple varieties sold. For example, there may be a dozen varieties of apples or tomatoes in a store's produce department at any given time, each with its own price. In these cases, store personnel often distinguish among varieties by using PLU stickers. PLU stickers have a numbered code which distinguishes that variety and its associated price. These codes are standardized nationally. Buyers who require the use of PLU stickers often will expect growers to purchase and place them on individual pieces of produce, but there are exceptions.

Marketing produce cooperatively requires that the product be standardized.

Many buyers encourage the use of "Organic" stickers by growers whose farms are certified organic. Some growers have "Organic" and a PLU number printed onto the same label.

Other stickers that buyers found useful for marketing local organic produce were those which distinguish produce as regionally raised. These included "Wisconsin," "Minnesota Organic," and "Homegrown."

- **Box labeling and shipping information:** Buyers had varied preferences, but some had very strong feelings about what information needs to be conveyed in writing to them from growers. Some insist that each box be labeled with a minimum of information: farm name, date of harvest, field, and identification of harvester.

Additional information may be required by some buyers for the transport of produce. Some buyers strictly adhere to the need for a completed passing sheet which indicates the transport service used, what is on the truck, the temperature of the produce when loaded, and a breakdown of product by pallet.

- **Sizing of produce:** Sizing standards are established by the United States Department of Agriculture. Some buyers felt that a number of small-scale, local growers do not attend to sizing with adequate precision. Standardized sizing is important to buyers so that their staff can create displays that stay together and are attractive.

Next steps: How to approach retail produce buyers

Most buyers agree that a growers' cooperative or group of growers can best initiate discussion with them by doing the following:

- **Prepare an availability sheet.** This is a sheet which lists available products and prices. The sheet may be multiple pages long, but it should be easy to read and neatly organized. The sheet should duplicate well so that when sent to a grower by fax it is clearly legible. Be certain that you have product to back up anything that is on your list to avoid raising the expectations of the buyer and then not being able to deliver.
- **Educate yourself about the market.** Talk to other growers' cooperatives and individual growers who are operating in the market that you have targeted. Ask about costs of transportation, prices paid by different buyers, and what it's like working with individual buyers. Have your representative do his or her homework by getting a sense of the potential volume that a particular buyer handles. If your production volume is minimal in comparison, go elsewhere for the first year or so. Build up your reputation, organization, and skills within a smaller market.
- **Send the availability sheet to selected buyers.** Once you have decided from your research which buyers to approach, prepare or revise the availability sheet, and send it to your prospective buyers. Most buyers want the availability sheet to be their first point of contact with growers. You can send the availability sheet to the buyer by fax. Give them a few days to review what you have sent, then follow up with a telephone call to see if they are interested in what you have to offer.
- **Project a professional image.** As mentioned previously, a good growers' manager or representative (called a rep) is well informed about on-farm production, supply, and the condition of the produce. The rep projects confidence about the group's ability to deliver product as promised. All products and containers that come from the cooperative convey this same professional image.
- **Clarify the details of the business arrangement.** If a buyer wants to buy product from your cooperative, make sure you understand the details of the sale. Be careful not to occupy too much of the buyer's time, but clarify the product, volume, size, price, delivery dates, and labeling requirements. Some buyers have a drafted set of written requirements for growers. Ask if one is available.
- **Maintain open and honest lines of communication.** Let the buyer know if you will have problems with a delivery or with meeting the terms of a particular deal. Most buyers would rather have direct information and advance notice so they can look elsewhere if a source cannot supply adequate product.

Recommendations and conclusions

Based on findings from this case study, the following issues are important for growers who want to cooperatively market their certified organic produce to retail markets:

1) Assess the available marketing options to identify which would best benefit growers wanting to break into retail markets. Individual growers will probably benefit from finding new cooperative marketing arrangements which assure volume and diversity of product and standardization. Possible new arrangements include:

- A) working with a broker or wholesaler;
- B) working with an existing cooperative; and
- C) forming a cooperative marketing group.

2) Coordinate plans for production among growers to assure volume and diversity. Start with small-to-medium growth in the first year's growing season by entering the market with crops that are widely used in large volume (tomatoes and potatoes, for example). This is a conservative way of breaking into new markets. Buyers may be unlikely to buy products from new growers' organizations without having seen their product before, so increasing production dramatically without an assured market may be risky. However, when looking to supplement production from a known grower, a buyer may be willing to try a smaller volume of a local product from a new group.

3) Market through a single representative. Buyers from supermarket chains (and particularly those in the upscale market) will work only with one representative of the group of growers. Growers' representatives are knowledgeable about products, farms, availability, and prices, have a professional manner, and are willing to communicate directly and openly with buyers to address a variety of issues which need to be negotiated. A representative can best serve the interests of the growers if he or she is well organized, responsive to the needs of buyers, and able to defend the multiple interests of the growers who he or she represents.

4) Develop standards for production. Growers need to assure consistent quality, adequate volume, and continuous harvest. They need to come to a series of agreements which ensure that their production meets the needs of buyers with whom they negotiate purchase agreements. This may require changes in varieties grown, production methods, and harvest practices to ensure adequate volume and standardization for the market. Some groups also establish a means of assuring compliance among members through rules and checks on standards.

5) Coordinate transportation. A transportation plan must make good business sense for all involved. Growers need to develop a plan and finance it in a way that fits within their marketing plan and budget and assures timely delivery of product to market.

6) Consider developing a label. A label can help project an image of a group of farms in a way that identifies them under a single image for buyers and consumers. It also offers an identity for producers as they work together to seek a common and shared image. A label can offer an advantage if buyers and retail customers are satisfied with the product; a label can be a disadvantage and barrier to future sales if the buyer or consumers are dissatisfied.

7) Examine the feasibility of developing stickers. Ideally, a sticker would have the PLU number, be labeled "Organic," and perhaps even indicate the name of the cooperative. In order to sell to the upscale stores, such a sticker will be necessary or highly desirable. Some buyers are willing to pay a premium for produce that has PLU stickers and other labeling, thus defraying or covering the additional costs to growers of providing them.

8) Offer excellent service to match excellent product. While a cooperative needs to serve the interests of its members first, buyers need to feel that growers are willing to provide them with what they need. The market for good quality, certified organic produce is becoming increasingly competitive. California organic growers have moved into Mexico where land and labor are cheaper and the growing season is longer. Buyers have an easy and reliable source of produce with growers from California and Mexico with whom they already work and they trust to provide consistent quality and service. While buyers recognize that regionally raised organic produce is about as good quality as they can get, local growers could make their products more competitive by matching the services met by larger growers.

Appendix A: How the study was carried out

What was the purpose of the study? This study was designed to explore select portions of the Madison, Wisconsin, and Minneapolis-St. Paul, Minnesota, (Twin Cities) markets to help Wisconsin growers identify:

- 1) market opportunities for regionally raised, certified organic produce;
- 2) buyers' needs and concerns about buying certified organic produce from local growers; and
- 3) next steps for growers in initiating a marketing relationship with individual buyers.

The study was commissioned by a group of certified organic produce growers in southern Wisconsin, together with the Center for Integrated Agricultural Systems at the University of Wisconsin-Madison, and the Organic Alliance, a project of Cooperative Development Services, based in Madison, Wisconsin.

The group of growers who commissioned the study consisted of two cooperatives that market certified organic produce through retail and wholesale channels in Madison, the Twin Cities, and Chicago. There were also six individual growers who raise and market certified organic produce directly through community supported agriculture (CSA) arrangements, farmers' markets, retail establishments, and regional distributors. Growers invested in the study for two reasons: 1) they were interested in identifying new potential markets; and 2) they were interested in exploring the possibility of cooperative marketing and/or transport with other growers. Most individual producers wanted to devote less time to marketing, transportation, and sales issues so that they could concentrate on production. For some, their low volume of production prohibited them from entering the retail market alone on a competitive basis, and so they sought to explore cooperative marketing opportunities.

Which retail markets were targeted? Growers had identified Madison and the Twin Cities as potential future markets. Most growers were already marketing in the Madison area, and a few were selling their produce to natural foods cooperatives or distributors in the Twin Cities (within a four-hour drive for all growers).

In the Twin Cities, budgetary restrictions limited the survey to a small, select group of businesses in order to get a general sense of the market for a potential future in-depth study. An attempt was made to survey businesses from the breadth of categories among those with potential for buying certified organic produce: upscale supermarkets, mainstream supermarkets, discount supermarkets, natural foods stores or cooperatives, and wholesalers or distributors. At least one interview was conducted for each of these business categories in the Twin Cities.

In Madison, the survey was more comprehensive. A list of businesses was obtained from the telephone directory. All produce buyers from the major supermarkets and specialty markets in each of the categories were surveyed. One major chain and some assorted businesses were excluded from the study because they did not have in-store buyers. Since the study aimed to identify buyers' needs and concerns, those businesses with centralized or non-local buyers could not provide the information needed for the study and so were excluded from the survey.

An attempt was made to secure an interview with all buyers—even if they indicated that they currently did not purchase organic produce.

How were the interviews conducted? An initial telephone call was made to each produce buyer to introduce the interviewer, explain the purpose of the study, briefly describe the producers and organizations who commissioned the study, and to set up an appointment for an in-store interview. Calls were generally made one to two weeks before the interview.

Personal interviews were conducted in the stores or offices whenever possible. Three interviews were conducted by telephone. The interviewer used a written set of questions and provided each buyer with a written copy of the questions at the interview. Most interviews were conducted in a back office at the grocery store. Buyers usually provided a tour of their produce departments pointing out locally raised produce, displays, signs, or other characteristics of the department and its operations relevant to the interview. In a few cases, produce managers were interviewed while at work—setting up displays in the produce department. One produce manager preferred not to be interviewed. A large supermarket chain chose not to participate in the study.

When first called, many produce buyers were extremely accommodating and interested in cooperating in the study, while others were less interested. Many were very difficult to reach by telephone. Particularly in the Twin Cities, the pace of work in the produce business seemed to increase with higher volumes of produce. Once it became clear that participating in the study might benefit their business by introducing them to a new group of growers, most buyers were accommodating. However, none of them had much time to devote to the calls or the interview.

Appendix B: Store profiles and characteristics

Interviews were conducted with produce buyers from the following businesses in the Twin Cities, MN (TC) and Madison, WI (MAD):

Upscale Supermarket Chains

- Byerly's (TC)
- Kowalski's (TC)
- Lund's (TC)

Mainstream Supermarket Chains

- Cops Food Center-Whitney Way (MAD)
- Cops Food Center-Shopko Drive (MAD)
- Fauerbach Fine Foods (MAD)
- Holiday (TC)
- Rainbow (TC)
- Sentry Foods-East (MAD)
- Sentry Foods-Hilldale (MAD)

Natural Foods Stores and Cooperatives

- The Wedge (TC)
- Magic Mill-East (MAD)
- Magic Mill-West (MAD)
- Mifflin Street Cooperative (MAD)
- Whole Foods (MAD)
- Williamson Street Cooperative (MAD)

Discount Supermarkets

- Cub Foods-East (MAD)
- Woodman's-East (MAD)
- Woodman's-West (MAD)

Wholesalers/Distributors

- J & J Produce (TC)
- Roots and Fruits (TC)

Appendix C: Survey of produce buyers

September-October 1997

- 1) Do you currently carry organic produce?
- 2) If CURRENTLY BUYING ORGANIC: What items?

From the region (Minnesota/Wisconsin)? If not, from where?

If NOT CURRENTLY BUYING ORGANIC: Would you consider buying organic produce from a farmer-owned wholesaler from the Midwest?

- 3) IF NOT INTERESTED IN BUYING ORGANIC: What are your concerns about carrying organic produce provided by a Midwest farmer-owned wholesaler?

- 4) IF YOU WOULD CONSIDER BUYING, what types of regionally-raised organic produce interest you?

a) And in what quantities?

b) Some produce may be available only between May and November. Would you be willing to work with this seasonal variability?

c) In general, wholesale prices for organic produce are higher than for conventionally-grown produce. How would these wholesale prices affect your interest in carrying organic produce?

d) Do you have any other concerns about buying organic produce from a regional, farmer's cooperative or farmer-owned wholesaler?

e) What do you see as the pros and cons of the farmer-owned wholesaler having its own label? What about the option of the wholesaler carrying the labels of different regional produce farmers?

- 5) What are your needs regarding the following:

a) PLU stickers

b) Other labeling (on produce or boxes)

c) Box type or other packing/shipping concerns

d) Grading and sizing requirements

- 6) What would be the next step if a farmer's cooperative would consider planning their 1998 planting schedule to meet some of your needs for regionally raised organic produce next year?