
HEALTHY FOOD RETAIL NETWORKING GROUP

FALL QUARTERLY MEETING

Addressing the Produce Problem: Distribution Efforts from the Field

PANEL DISCUSSION:

Addressing the Produce Problem: Distribution Efforts from the Field

BRIAN GOLDBLATT; GROWNYC SALES AND BUSINESS DEVELOPMENT MANAGER

Greenmarket Co characteristics:

- Seasonally available, locally grown produce
- Fresh food box program
- Healthy retail
- Healthy bodegas

Greenmarket Co. cuts the distribution, simplifying the acquisition of healthy foods for bodega and corner store owners. They operate for a span of 20 weeks throughout the year, typically from the 4th of July to Thanksgiving. Their main challenge: forming a consistent consumer base that will demand the volume that they need to operate both year round and sustainably.

TRAVIS TENCH; ECOSTATION:NY DIRECTOR OF MARKETS

Neighborhood based Bushwick farmer's market. Their main challenge is increasing consumption. The most efficient method of increasing demand that they have implemented is based around the "people like free stuff" ideal. They implemented community engagement events during which they let the residents try items, made dishes and snacks on site, and taught them how to make them themselves. Another challenge they face is distribution from their farm to the bodegas. In some cases the bodega owners can see the farm right across the street, but in others it is much more complicated.

IRA LIVINGSTON; BROOKLYN DPHO CONSULTANT, FOOD RETAIL VISUAL MERCHANDISER

Merchandising is his passion. He walks in, and takes the healthy food that might have been in boxes on the floor and puts it on a stand, which makes all the difference to consumers. There are hotspot locations for express shopping; for instance, right next to the register. Many stores are different from each other, though there might be some similarities, and it is always important to know what will work for each individual store. There is no "one size fits all" solution.

Example at 160 Crescent Deli: produce went from the floor to a pleasing display so that consumers would want to buy it – and they did. It has to be simple changes, don't make the work the consumer work to get your produce. Put it at eye level next time.

Questions

1. How do you deal with a resistant bodega owner?

Simple things: Sometimes they don't want to invest in produce. There is the fear that it simply won't sell, it has a short shelf life, and is just a money waster. Sometimes there is a cultural discrepancy between the shop owners and the customers... you hear a lot of "well *those people* don't eat that so I don't stock it." The key is bringing them together one way or another. It is important to show the shop owners that the produce market can be profitable,

especially now with the 40% markup on produce, and if possible make a personal connection for them. Repetition and perseverance are good strategies: if you are more stubborn eventually you will wear them down (but do it carefully and with a plan). Guidance can be incredibly useful too. Three Sisters example in Brownsville – help them to help themselves by advising them on merchandising, or simply where to put the fridge, etc. Knowing the community; some bodega owners know all their customers on a first name basis. Show them success stories from other stores. They may not want to change but if the competition changes and they don't, they'll understand that they may lose business. A success story in one store can breed demand in resistant one.

It is important to remember that it is a very recent concept. Getting water to eye level in stores is as recent as 2012 – and that was a huge victory.

2. Why do you think they are resistant to produce and why aren't there more businesses distributing healthy foods?

The market for healthy foods is very different. People don't buy healthy food on impulse, they have to actually go out and look for it. Community organizations aren't involved enough. Kids from a school could easily go talk with a bodega owner and ask for healthy foods, but it doesn't really happen. It will take collaboration to create the demand that will attract the businesses.

Pricing is a huge issue as well. We all know it is impossible to control pricing. Yet, the fact of the matter is that people are used to paying supermarket prices for produce. Bodegas have to charge more simply because they don't have the volume that the supermarket orders have. And consumers don't want to pay that.

Healthy foods also need to be more culturally aware and acceptable. Minority groups, for example from the Caribbean, will not be going to the store looking for strawberries. They look for platanos and bananas and pineapples. These specific items, while delicious and healthy are not local. And that jacks up the prices again. That cost gets carried down to the consumer who is more likely than not of a lower income.

3. Perhaps there is the possibility of bringing bodegas together to get the volume they need for the lower prices?

In terms of Greenmarket Co. deliveries, the ideal situation would be to pool all the bodegas together and find one that could serve as a hub to which they would delivery 15 – 20 cases of fresh produce, and then the other bodega owners would just go to their store to pick that up. But they don't have a relationship with each other, nor do they have the time to go out of their stores to build one. Could they have a relationship with a neutral third party? Perhaps.

4. Is the actual demand for healthy foods there and can we work to increase it?

Community engagement events are successful in spurring demand. Letting people try new things or better versions of things they know can be incredibly valuable because the community needs to be the one to raise the demand. Community leaders need to be involved. People with the cultural knowledge of that particular population demographic need to be involved. How do you cook Latino food in a healthy manner? Knowing who knows is extremely important. Cooking demonstrations are effective – if you add an educational component by teaching the people how to replicate the healthy dish that you just cooked in front of them. Youth might be a way in to the community as well.

Perhaps we can improve the cut up fruit model. Fruit cups are very aesthetically pleasing to the consumer, and are also healthy. Yet they are labor intensive. You need someone to clean the fruit, chop it up, put it in a cup, and sell

it. Store owners can't afford to have that set of hands cutting up fruit, because they need to man the grill or the register. Perhaps there is potential to combine this with youth employment programs.

5. Question for Mr. Livingston. What is the timeframe, from the point at which you finish the merchandising of the healthy food items to the time where they start having an effect?

It depends on the store. It is impossible to say an average because stores are all different. In some cases it took a long time, but in some cases the bananas were already gone by the time he finished setting up the display. It really depends on the store owners, the consumers, and even the area. But experience has shown that regular interactions with small volumes of healthy foods are promising.

6. Is Greenmarket Co. self sustaining, or will it always depend on external funding?

The reality is that it isn't self sustaining. The volume of sales that they would need to generate that kind of income would be enormous and they simply don't have it. Greenmarket Co. is in its third year and is closer to being self-sustaining than it ever was, but they still estimate that they are a few years away from it, but it remains a goal for them.

TABLE DISCUSSIONS

How can the Department of Health serve as a neutral third party space for this collaborative bodega delivery system? The idea of a 3rd party food hub is appealing. And how can we tap into unused resources within the communities, such as community kitchens that remain unused throughout the day. We could adapt the hot bread kitchen model. Use youth employment programs. Teach the people about cut food resources – if there is enough volume perhaps the prices can be dragged down a little.

DOH – food handling training. If we had enough hub kitchens, perhaps one in every zip code, the people and store owners could probably just walk over to the hub and pick up what they need. Perhaps local restaurants or a local entrepreneur want to get involved with some kind of catering system. We could hire residents to be cooking instructors, train them, and then as collateral they would turn around and teach the skills to the community once a week in places like food pantries.

How can we mimic a healthy food program at a smaller scale?

How can we increase demand on the consumer side? Can we do things like shelf talks, walking tours, making them aware that these healthy foods are available to them?

We need to work to empower the community members so that these health conversations are two sided.

demand + time = lower cost

Small steps for sustainability – small changes here and there for now, to make greater changes for the long term.

Every organizations needs to contact elected officials, and perhaps as a group we can advocate for one issue a year. It never hurts to ask!