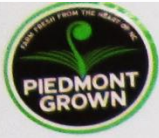


2-24-2014 – Piedmont Grown Conference – Breakout 2A Panel

“Selling to Retailers and Other Commercial Accounts”



PANEL!

SELLING to RETAILERS and OTHER COMMERCIAL ACCOUNTS

- Rebecca - moderator NC Growing Together
- Ariel, Lowe's Foods
- Trish, Foster Caviness
- Dani - Piedmont Grown farmer selling to Lowe's Foods & local restaurants

INTRODUCTIONS

CONNECT small growers to a marketing & distribution network

REBECCA - NC Growing Together, PANEL MODERATOR

ARIEL - NCSD good friend at Lowe's Foods Account Rep - Local Foods

DANI - Direct trade vendor to Lowe's Foods (William's building) - started in an incubator from Carolina's Harvest

TRISH - Foster Caviness Director - food truck, no commercial, no retail, no wholesale, no farm, no grower - trying to be more commercial, no retail, no wholesale, no farm, no grower - trying to be more commercial, no retail, no wholesale, no farm, no grower

⇒ HELP MAKE CONNECTIONS AMONG

AUDIENCE Q & A on TOPIC

What type of margin? 20% planning, accounting, etc.

ARIEL - retailer will add 95-10% multiply by 1.8 (typical markup) = 171% = RETAIL

can you need more liquidity? cost, can you justify?

go talk to local growers - specific manager, if not what you need? call ARIEL the best person to talk to

is there a price premium for local? ARIEL - yes, if you have quality/quantity documented - Act of magic room

example: 100 lbs of produce @ \$1.00 = \$100.00

Display treatment?

Low's has a local table (they share their table, etc.) - look at demand with ideas for product

display pricing at all times - include manager assigned to any and share it right away

do have to see your own market data

Direct to Store (display & some times) - have to set up your own display

display in a lot of ways

display in a lot of ways

display in a lot of ways

Adjusting your pricing strategy?

DANI - Yes, definitely increasing

Restaurants in Charlotte area

EMERIE - Mike asked, lots of discussions of how much/week, at what price

TRISH - I understand your point

ARIEL - helpful to see samples in season plan with produce manager, esp. if you have a history

How do you price, shelf life, etc. figure in?

TRISH - with food want pay more for "local" but yes if specialty product (cucumber vs cucumber) - trying to educate chefs

TRISH - yes, appreciate as "freshly local" less helpful so when you have information on it & put it all from heart is critical

ARIEL - looks like at least always shelf life (check tags)

How handle meat & eggs?

TRISH - will sell 10oz + 10oz eggs at Foster Caviness

ARIEL - have not purchased eggs yet but 2 meat pilots in Raleigh - stay updated thru email

TRISH - produce has a higher comfort level

TRISH - Extension trying to help them build interest from Day 1 meat

TRISH - want to know from shoppers!

Formal "request"?

table set up at restaurant - can send text, tell stores about growers, see the list, start making the connection

ARIEL - offer to do demo, set up of show sheets/ be willing to engage with shoppers in the store

ARIEL - we just seeing a sign

Waste foods in activity remains near 0 eggs especially quality??

DANI - This is up to get the volume of waste, some have a local food stream to help in re-experience

DANI - can do just one store, for volume or

DANI - would like to see more of a produce plan

DANI - found a niche that make it a niche replace is EXCELLENT!

Challenge: Restaurants want eggs - are all local

DANI - see how the farmers are a big barrier to market - no one has a market - no one has a market - no one has a market

TRISH - with this you have a high level of plan from - difficult to plan from - difficult to plan from - difficult to plan from

TRISH - many different shades of green

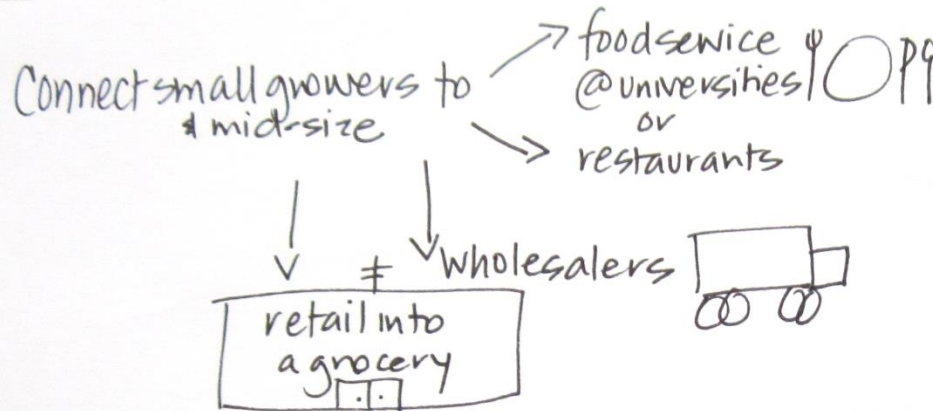
TRISH - many different shades of green

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www.growingtogether.org Thank You!

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- o Will be differences in pricing
 - o Top Sellers: berries fruits
 - o Do require visit + \$1 million liability
 - o Not required GAP
 - o Need bar code or PLU for accounting
- Corn
-
- HONEY or CORN

REBECCA - NC Growing Together; PANEL MODERATOR

- 50 Direct purchases - add'l farms
- Family owned chain
- MDI sister company - 50 farms

ARIEL - NCSU grad now at Lowe's Foods Account Rep - Local Foods (106 stores)
NC + Myrtle Beach
+ Olemons Store tour today

DANI - Direct sale vendor to Lowe's Foods (William at local store)
- started in an Incubator farm (arrabas Farm)
↳ certified organic + meat birds/broilers

TRISH - Foster Caviness Director Food Safety, an Growing Together Project
(wholesale) Friends of Farmers program - high volume warehouse
- distribute entire NC + little VA/SC
- 96% of business is institutions... Ft Bragg, universities, etc.
-> GAP certification is a challenge/will be required future

⇒ HELP MAKE CONNECTIONS AMONG

“Selling to Retailers and Other Commercial Accounts”

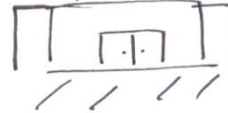
“What type of margins?”
Packaging, distribution, etc.



~~MARKET~~ - retailer will add 35-45%
ARIEL - multiply by 1.8 to put on shopper hat... willing to pay that?

* - can you meet the delivery costs; can you justify?
30¢ x 1.8 = RETAIL

- go talk to local Lowe's produce manager; if not what you need, call ~~TRAVEL~~ ARIEL
↳ each store has the kit/paperwork to do local



Vs. Earth Fare/Whole Foods has to go to corporate
- can be setup in about 1 month
- NEED/WANT certified organic

Is there a price premium for local?



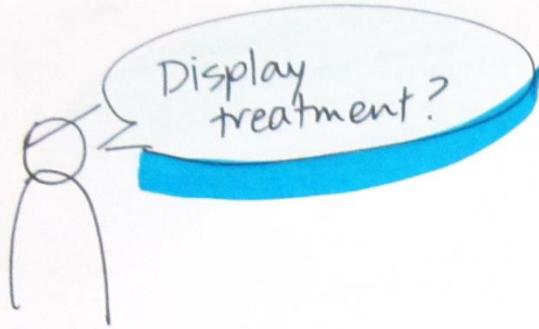
ARIEL - Yes... if barcode on it and a unique variety/documented
- A bit of wiggle room....

Very interested!
Ariel * will command a higher price

example
PLU: Field Grown Tomato

CA vs. NC
DISTINCT ITEM STATUS

“Selling to Retailers and Other Commercial Accounts”



Display treatment?

Yes - Lowe's has a Local table (any state that touches NC)
- could go forward with ideas for own
Freshhand Foods doing pilots at Lowe's
→ talked to manager & designed a logo divider & map of farms
→ have to be your own merchandiser
↳ Direct to Store (beer, chip & tomatoes) have to setup your own displays



Big selling items?

DANI - Had conversations on pricing vs. farmer's market
↳ sometimes worth it? sometimes not?
- fall lettuce ... went every week (they would call ... tell if could sell more/sold out)
- Our stuff required store handling / more steps to add barcodes, etc. so delayed getting to the shelf
- didn't require a lot of volume
- William could take 10lbs tomatoes: ok if not available week to week
ARIEL - hard to get credit back to

www.growingtogether.org
→ vendor setup packet
→ source of info for marketing signs

“Selling to Retailers and Other Commercial Accounts”

Adjusting your planting this year

DANI:
- Yes, definitely increasing
- Restaurant in Charlotte wants Encore Mix salad; lots of discussions of how much/week, at what price.

EEK! I have kale...
Oh no... I already have ordered kale

PLANNING and PLANTING
C.R.I.T.I.C.A.L.

How do frigs space, shelf life, etc figure in?

ARIEL: helpful to see samples in season plan with produce manager, esp. if you have a history

TRISH - Institutional won't pay more for "local" but yes if specialty product (cucumber is cucumber) today
↳ trying to educate chefs
↳ gets aggregated so "freshly picked" less helpful so having refrigeration on site & pull out farm heat is critical

ARIEL - Lowe's needs at least 3 days shelf life (ok to stage in box)

“Selling to Retailers and Other Commercial Accounts”

The whiteboard features three stick figures on the left side, each with a speech bubble. The top figure asks 'How handle meat & eggs?'. The middle figure says 'I want eggs!' and holds a small sign that says 'Egg'. The bottom figure asks 'Farmer recognition'. To the right of each speech bubble is handwritten text providing context and advice. The text is written in black ink on a white background.

How handle meat & eggs?

TRISH - will sell 15 doz & 30 doz eggs at Foster Caviness

ARIEL - have not purchased eggs yet but 2 meat pilots in Raleigh
↳ stay updated thru Growing Together

I want eggs!

Produce has a higher comfort level"
↳ Extension trying to help them build interest from egg & meat
↳ want to hear from shoppers!

Farmer recognition

Trish - Table set-up at restaurant - can sell direct, tell stories about growers, see the logo, start making the connection
↳ always invite the farms

- Ariel: offer to do demos/ be part of store events/ be willing to engage with shoppers in the store vs. just seeing a sign

“Selling to Retailers and Other Commercial Accounts”

☺ - Whole Foods is actively recruiting meat & eggs... especially quality ☺☺

DANI - they co-op to get the volume plus each store has a Local Food liason to help with paperwork

Audience [

- > can do just one store; low volume OK
- > would love mozzarella & pasture pork

DANI - found a niche that matches a marketplace IS EXCELLENT!

challenge: Restaurants won't pay more for local ...

Audience Member: We've found Chatham Co. restaurants will pay more vs.

Dani - one of four chef-owners comes to Farmer's market & we talked to him about \$s; he will take our product with him as he expands

☺ Many different shades of green... ☺☺

TRISH: institutions have a tight budget to plan from... difficult to pay more. 90% of Foster Cariness is institution but high quality egg & produce
-> HAS TO BE RIGHT FIT!

Moderator:

VS Foods sells into independently owned restaurants. very difficult to get into supply chain. CONSTRAINED BY THE MARKET