



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

A New Look for Supermarket Produce Sections

Catherine Greene
(202) 786-1888

Health food stores, produce markets, and big-city food shops have traditionally carried unusual items like fresh-cut herbs, exotic fruits and vegetables, and organically grown produce. Now, however, many of these items can be found in America's major supermarkets. Specialty fruit and vegetable displays form a fundamental part of the new up-scale image of many produce sections. Supermarkets are expanding these sections in response to the growing demand for unusual items and to assure their customers the store has "everything."

Increased demand for specialty produce dovetails with the general increase in fruit and vegetable consumption in recent years. Americans consumed 427 pounds of fruits and vegetables per capita in 1987, a 12-percent rise since 1972, with much of the increase coming from fresh produce. Several reasons account for consumer interest in specialty items. Americans have become more health conscious, eating lots of fresh fruits and vegetables as part of a well-balanced diet. Consequently, we want a huge selection of produce. In addition, Americans are exposed to a greater variety of foods. We travel more frequently, finding new foods, and often wanting to prepare such items at home. Unusual fruits and vegetables are appearing on restaurant menus. Also influencing our diets are recent immigrants from the Caribbean, Central America, and Southeast Asia who have brought their native foods with them.

To address this growing interest, supermarkets are rushing to add colorful, delectable, and unusual items to their produce sections. A recent Food Marketing Institute survey showed that the number of items carried in produce

departments more than doubled to 150 between the mid-1970's and the early 1980's. Today, the total is over 250 items, including new packs and sizes of traditional fruits and vegetables as well as exotic and specialty produce.

Chain supermarkets lead in offering sections devoted to unusual produce and specialty items, according to *Progressive Grocer's* 1987 Home Testing Institute (HTI) survey. Only 29 percent of the independent supermarkets offered a gourmet section, while almost half of the chain supermarkets did so in 1987. Twenty-one percent of the independent supermarkets and 38 percent of the

chains had nutrition and health sections. Twenty-one percent of the independents and 67 percent of the chains provided floral sections, often as part of the produce area.

Consumer Awareness Varies

Consumers have tried, or at least seen, many of the new specialty fruits and vegetables, according to a 1987 nationwide survey conducted for *The Packer*. The survey revealed that the most frequently tried specialty fresh vegetables were alfalfa and bean sprouts (71 percent of the respondents), snow peas (58 percent), pearl onions (61 percent), parsnips (45 percent), leeks (37 percent), baby



Immigrants from the Caribbean, Central America, and Southeast Asia have introduced fruits and vegetables from their native lands.

The author is an agricultural economist with the Fruits, Vegetables, Sweeteners, and Tobacco Branch, Commodity Economics Division.

vegetables (34 percent), Chinese cabbage (32 percent), and shallots (32 percent). About one-third of the respondents had also seen or heard of less widely known specialty vegetables like Belgian endive, bok choy, celeriac, daikon (white radish), kohlrabi, parsley root, and sunchokes (Jerusalem artichoke).

The most frequently tried specialty fresh fruits were pomegranates (48 percent), persimmons (38 percent), kumquats (33 percent), quince (18 percent), and guavas (16 percent). However, at least one-third of the respondents had seen or heard of breadfruit, passion fruit, plantains, prickly (cactus) pear, and red bananas. Asian pears, carambolas (star fruit), cherimoyas, sapotes, radicchio, and rappini were nearly unknown.

Fresh herbs were in widespread use among the survey respondents. At least two-thirds had tried fresh chives, dill, garlic, mint, and parsley. Over half had tried fresh basil, oregano, and sage, and at least one-third had tried fresh ginger root, horseradish root, rosemary, tarragon, and thyme. Among the 16 fresh herbs examined, only cilantro (Chinese parsley) was unfamiliar to a majority of the respondents.

The survey revealed that consumers in the western United States were more likely to have tried specialty produce and fresh herbs. One contributing factor is the West's large Asian and Hispanic populations, with their interests in exotic produce. Also, California is the largest vegetable-producing State and likely raises the most specialties.

The survey also indicated that upper-income consumers ate more specialties. They may be better informed about the variety of produce available and better able to afford the premium prices that specialties sometimes command.

Specialty Supplies Soar

Although USDA does not survey acreage and production of specialty

vegetables, some State agencies do. Reports from Arizona, California, Florida, Hawaii, and Maryland indicate that harvested acreage of specialty vegetables has been increasing since 1981, sometimes dramatically (*table 1*). In Arizona, harvested acreage of bok

choy climbed steadily from 34 acres in 1981 to 136 acres in 1986, almost 300 percent. Arizona acreage of Boston and romaine lettuce rose by 168 and 288 percent, respectively.

California harvested acreage of Santa Claus, Casaba, and Crenshaw melons in-

Table 1. Only a Few States Report Fresh Specialty Vegetable Acreage

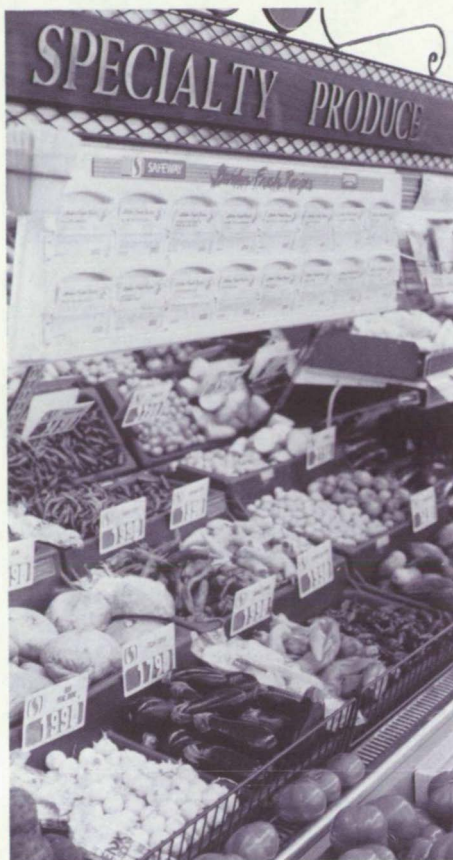
State and commodity	1981	1982	1983	1984	1985	1986
<i>Acres</i>						
Arizona						
Bok choy	34	49	43	71	93	136
Endive	93	87	67	79	84	72
Escarole	46	48	38	47	61	46
Boston lettuce	105	91	131	172	255	281
Romaine lettuce	279	259	490	755	794	1,083
Leaf lettuce	600	550	681	824	1,028	1,678
Parsley	158	146	144	135	131	114
California¹						
Santa Claus and Casaba melons	1,100	1,700	1,400	1,800	1,700	2,300
Crenshaw melon	900	950	1,200	1,400	1,400	1,500
Persian melon	450	500	450	400	550	600
Misc. vegetables ²	101,400	105,500	108,700	120,000	127,500	133,000
Florida						
Escarole and endive	6,200	5,300	5,600	5,700	5,700	5,500
Tropical vegetables ³	11,500	11,400	11,000	8,500	11,100	11,900
Hawaii						
Chinese cabbage	na	330	370	400	370	350
Daikon	na	180	190	200	260	260
Lotus root	na	35	35	30	35	35
Romaine lettuce	na	115	140	135	150	160
Watercress	na	25	30	35	35	30
Bitter melon	na	16	20	25	20	30
Oriental squash	na	35	40	50	35	30
Chinese peas	na	10	15	15	15	15
Taro	na	350	370	370	400	390

na = not available. ¹The California Agricultural Statistics Service compiles a County Commissioner Report, which reports acreage of specialty vegetables in detail, in addition to the State Summary. ²Includes artichokes, green lima beans for processing, cabbage, cucumbers, garlic, green onions, oriental vegetables, bell peppers, watermelons, and others. ³Includes boniato (sweet potato), calabaza (pumpkin), malanga (dasheen, jautia), and cassava (also called crantz, yucca, tapioca).

Source: State Agricultural Statistics Services, annual State summaries, selected States, various issues.

creased 90 percent between 1981 and 1986. Hawaiian oriental vegetable acreage expanded after 1982. Daikon, Chinese peas, and bitter melon acreage rose by 44, 50, and 87 percent, respectively. Harvested acreage of chili peppers in Maryland more than tripled from 1984 to 1986. In Florida, however, tropical vegetable acreage (primarily boniato, calabaza, and malanga) remained fairly constant.

Along with acreage increases, U.S. supplies of specialty vegetables have risen dramatically since the early 1980's, from both domestic and imported sources. Romaine, red and green leaf, and other fancy lettuce varieties make up the bulk of domestic specialty shipments, followed by greens (like swiss chard and arugula), escarole and endive, miscellaneous oriental vegetables, chili



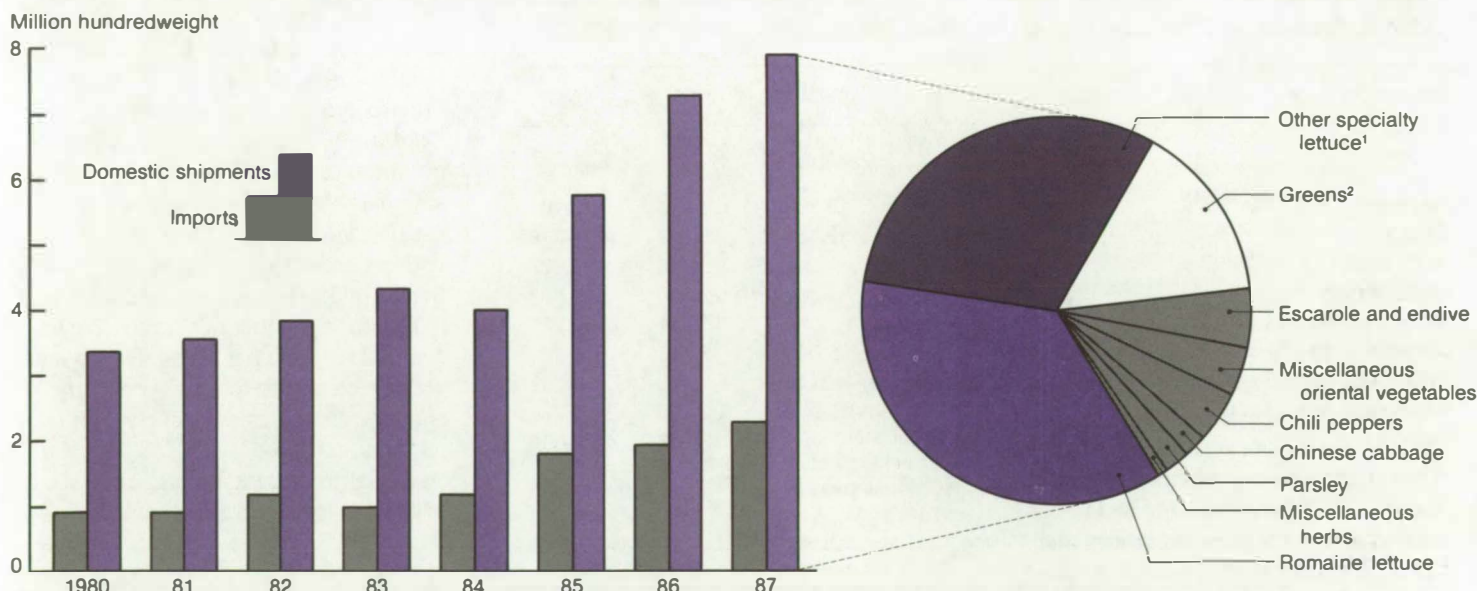
Specialties lend a new, upscale image to many produce sections.

peppers, Chinese cabbage, parsley, and miscellaneous herbs (figure 1).

While shipments of iceberg lettuce and tomatoes, major traditional vegetables, have been growing about 3 percent annually since 1980, specialties have skyrocketed. Domestic shipments of chili peppers grew 30 percent annually between 1980 and 1987. Tropical vegetable supplies (mostly imported) grew 28 percent during this period. Fancy lettuce (Boston and leaf) shipments gained 27 percent.

Although shipment information, which is collected by USDA's Market News Service, reflects only a sampling of supplies available from foreign or domestic sources, foreign trade statistics from the Bureau of the Census show that imports of specialty produce also support

Figure 1. U.S. Specialty Vegetable Supplies Are Increasing



¹Boston, bibb, red and green leaf lettuce. ²Includes arrugula, beet tops, borage, broccolirabe, cabbagesprouts, chicoria, collards, dandelion greens, field cress, hanover salad, kale, kohlrabi, mustard greens, rappini, sorrel, soup greens, swiss chard, and turnip greens.

Source: Catherine R. Greene and Shannon Reid Hamm, "Specialty Vegetables and Flowers: Alternatives for Small Growers," *Vegetables and Specialties Situation and Outlook Report*, TVS-244, ERS, USDA, February 1988.

the trend toward increasing consumption. Imports of dasheens, endive, snow peas, chili peppers, red and yellow Holland peppers, chayotes, fiddlehead ferns, and jicama have all increased since 1980 (table 2).

Supplies of specialty fruits have increased in a similar fashion in recent years, and kiwi fruit is perhaps the path-breaking item. They were first planted in the United States in 1967, and only 100 acres had been planted by 1970. However, by 1987, kiwi fruit was raised on nearly 8,700 acres in California by more than 1,200 growers and distributed by 45 fresh-market handlers. Kiwi fruit consumption has increased from 0.15 pounds per capita in 1983 to 0.28 pounds in 1987.

Marketing Specialties

Consumers and retailers agree on the importance of an interesting and attractive fresh produce department. In the

1987 HTI survey, customers rated a good produce department fourth in importance out of 44 supermarket characteristics, following cleanliness, complete price labeling, and low prices. It rated ahead of good meat and dairy departments, convenient store location, and frequent specials.

Retailers have focused on enhancing their produce departments as a way of enticing new customers and offsetting the recent decline in the percentage of consumers' income spent on food for home consumption. In the 1987 HTI survey, 97 percent of the supermarket chain executives polled said that the emphasis on perishables was growing. This emphasis was seen as the most important way to draw customers, and was ahead of other tactics, such as specials, cut-throat pricing, and television advertising.

Specialty produce displays glamorize not only the produce department, but the entire supermarket, and assure consumers

that exotic treats are available whenever they want them. However, ideas vary on how best to display these items. One technique is to cluster them into a separate section in the produce department. This emphasizes the great variety of specialties available. The other technique is to cross-merchandise them with high-value staples. Placing jicama next to lettuce for example, may suggest that both are salad ingredients.

Successful marketing depends on educating produce department employees and cashiers on the characteristics of these items. This allows them to answer questions and provide consumers with more information. Stores are experimenting with signs, videotapes, books on specialties, brochures, and recipes to increase customer awareness. Retailers also have to absorb the costs associated with the higher "shrink" or unsold produce that often occurs with specialties.

Challenges of Organic Retailing

Organically grown produce, also an expanding part of produce departments, involves a different set of retailing challenges. Like other specialty vegetables, organic produce is grown primarily in California. It also commands a price premium because of higher production and marketing costs. Organic produce is usually defined as produce grown without chemical fertilizers and pesticides on land which has been chemically free for a number of years. Consumer demand for such items has risen in recent years because of increasing concern about pesticide residues in conventional production.

In California, total organic sales at the wholesale level increased from \$1 million in 1977 to \$50 million in 1987, and

Table 2. Imports of Specialty Vegetables Rose Substantially Since 1980

Commodity	1980	1982	1984	1986	1987
<i>Metric tons</i>					
Dasheens	12,574	17,424	19,366	21,898	18,101
Endive	1,126	1,498	2,554	3,268	3,378
Snow peas	na	na	na	5,746	7,687
Chili peppers	na	na	na	27,190	28,598
Other peppers	na	na	na	81,861	90,233
Chayote	2,373	3,953	5,047	5,657	5,701
Fiddlehead fern	34	28	33	48	52
Bamboo shoots	10,714	12,188	15,902	23,406	29,322
Jicama	2,335	6,207	7,782	8,495	8,886

na = not available.

Source: Catherine R. Greene and Shannon Reid Hamm, "Specialty Vegetables and Flowers: Alternatives for Small Growers."

there are now approximately 900 growers with 30,000 acres. Most of the organic produce is still sold through small retail outlets in this country, but organic wholesalers and shippers have begun to target supermarkets. For example, a Texas Department of Agriculture program to market and promote organic produce, begun in 1987, works with major retail chains as well as traditional organic foodstores. In California, an estimated 28 percent of all organic growers sell directly to the consumer.

The biggest challenge that supermarkets face is finding sufficient quantities and ensuring their organic status. Several States with organic producers, including Texas and Washington, have begun certification programs. These programs guarantee organic status by using some combination of routine inspections, approved soil amendment and pest control regulations, and record-keeping by growers.

Supermarket retailers display organic produce much like other specialty produce, using signs, other educational materials, and clustering items together.

Cashiers are usually educated on how to differentiate between organically and conventionally grown produce. In addition, separate water baths are used for each type. Another challenge for supermarkets is promoting organic items without implying that conventionally grown produce is less desirable.

Food as Fashion

America's growing interest in fresh produce has prompted a renaissance of farmers' markets during this decade. Some estimates of the number of currently operating farmers' markets and produce stands are as high as 20,000. However, the vast majority of produce is still sold through conventional supermarkets.

While pre-cut vegetables, microwave-ready produce, and other innovations are gaining popularity, it is exotic fruits and vegetables which have caused the most excitement. Produce managers are beginning to emphasize interesting, fashionable, and high-quality produce, rather than just aiming for volume sales of traditional items. The number of

specialty produce items available will continue to grow, but the array may change as some items become widely used and new ones are introduced. ■

References

- "55th Annual Report of the Grocery Industry." *Progressive Grocer*, Vol. 67 No. 4, April 1988, Part II.
- Cook, Roberta L. "Marketing Organic Commodities in California: Structure and Obstacles to Expansion." Presented paper, Western Economic Association Meetings, Los Angeles, California, July 2, 1988.
- Fresh Trends 1987, Report 2: Fresh Vegetables/Specialty Vegetables/Herbs*. Market Facts, Inc., and Vance Research Service. Vance Publishing Corporation, Lincolnshire, Illinois, 1987.
- Greene, Catherine R. and Shannon Reid Hamm. "Specialty Vegetables and Flowers: Alternatives for Small Growers." *Vegetables and Specialties Situation and Outlook Report*, TVS-244. ERS, USDA, February 1988.