



Case Study Analysis of Marketing Potential for Local Producer to Independent Grocer In Jackson, Lenawee, Monroe, Washtenaw and Wayne Counties

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Executive Summary

While the literature on the food and grocery industry is extensive, very little work has been done on the benefits of grocers purchasing directly from farmers. As manufacturing jobs continue to decline in Michigan, it is increasingly important to create avenues of economic growth in other industries throughout the state. One area for expansion is small to medium farmers selling directly to grocers. In effort to better understand the opportunities and barriers involved in the exchange between farmers and grocers, the following case study has been conducted.

The five county area of Jackson, Lenawee, Monroe, Washtenaw and Wayne Counties has been the focus of this study. Individual interviews and phone conversations were conducted with independent grocers and small local chains to gain a better understanding of existing purchasing practices.

Understanding the Grocery Industry

The average consumer makes at least two trips to the supermarket each week, while a family of four spends just over one hundred dollars a week on groceries. Thus explaining why total supermarket sales in 2005 were predicted to be at least \$478.9 billion dollars.¹ As new competitors such as Wal-Mart and Target become established in the supermarket industry, it has become increasingly important for existing companies to evaluate costs, earn customer loyalty and build upon their already strong foundation. However, even with an increase in competition, in 2005 “independent retailers posted the largest gains in overall and same-store sales at 4.73 percent and 4.56 percent respectively”² Smaller grocers have maintained their strong customer service principles, while larger retailers have adopted new technology, allowing them to remain competitive.

Grocery Giants

The grocery industry has a long history in the United States, with major chains dating back to the late 1800s. Throughout the years, mergers and acquisitions have propelled supermarket giants to the top of the list. Based on 2004 grocery sales, four out of the top five grocery retailers, Wal-Mart, Kroger, Albertson’s and Costco operate in the five county area.

While Wal-Mart is a relatively new player in the grocery industry, the impact has been significant with total sales of grocery products in 2004 exceeding

¹ Food Marketing Institute. Facts and Figures. *Supermarket Facts Industry Overview 2005*. Retrieved July 21, 2006, from http://www.fmi.org/facts_figs/superfact.htm

² Food Marketing Institute. News. *Independent and Large Chain Retailers Lead Strong Sales Growth; Energy and Credit Card Costs Top Industry Issue Agenda, According to ‘Food Retailing Industry Speaks 2006’*. Retrieved July 12, 2006 from <http://www.fmi.org/media/mediatest.cfm?id=813>



\$115 billion.³ Founded by Sam Walton in Rogers, Arkansas in 1962, Wal-Mart Supercenters, first opened in 1988, has grown to include over 1,300 stores. There are currently two Wal-Mart Supercenters in the five counties; one is located in Jackson (Jackson County) and the other in Adrian (Lenawee County.) Fortunately, the market share is small, as Forbes Magazine reported in June 2003. In spite of Wal-Mart holding the position of number one grocer, it held only 15% of the grocery market and the Supercenter concept is having difficulty penetrating large cities where 68% of the food dollar is spent. As a result, Kroger, Safeway, Ahold and Albertsons hold over 70% of the market share in metropolitan areas.⁴

Kroger, established in 1883 by Barney Kroger of Cincinnati, Ohio boasted sales of \$60.6 billion in 2005 and is the second largest grocery chain in the nation. The Kroger family, consisting of over 2,500 stores in thirty-one states, is made up of a number of supermarkets, warehouses, department stores, convenience stores, and several jewelers. The Kroger brand, of which there are over 8,000 products, comprises 24% of sales for the grocery chain.⁵ There are presently four Kroger stores in Ann Arbor and one store in Ypsilanti.

SUPERVALU began in the 1870s as a distributor to grocery stores and has grown to become the third largest supermarket chain with over 2,500 stores. Earlier this summer SUPERVALU acquired Albertsons, a grocery chain with sales that exceeded \$38 billion in 2004.⁶ In addition to supplying SUPERVALU stores which includes, Cub Foods, Scott's Foods, Shop 'n Save, **Save-A-Lot** and Acme Markets, Bristol Farms, Jewel, Shaw's Supermarkets, Star Markets and Albertsons, the grocery retailer also supplies to a number of independent grocers.⁷ Save-A-Lot stores that are part of the SUPERVALU family are found in Wayne County (4 stores) and Washtenaw County (1 store).



³ Food Marketing Institute. Facts and Figures. Top U.S. Supermarket & Grocery Chains (By 2004 Grocery Sales). Retrieved July 21, 2006, from http://www.fmi.org/facts_figs/faq/top_retailers.htm

⁴ Tatge, Martk. (2003). As A Grocer, Wal-Mart Is No Category Killer. Forbes.com Retrieved July 26, 2006 from http://www.forbes.com/2003/06/30/cz_mt_0630walmart_print.html

⁵ Kroger. Kroger's Corporate Home on the Web. Retrieved July 24, 2006 from <http://www.thekrogerco.com>

⁶ Food Marketing Institute. Facts and Figures. Top U.S. Supermarket & Grocery Chains (By 2004 Grocery Sales). Retrieved July 21, 2006, from http://www.fmi.org/facts_figs/faq/top_retailers.htm

⁷ SUPERVALU. SUPERVALU History. Retrieved July 24, 2006 from <http://www.supervalu.com/sv-webapp/about/history.jsp>

The fifth largest grocery chain⁸, based on 2004 sales, Costco Wholesale offers products in a warehouse setting at reduced prices to consumers who are members of the club. As of July 2006, the company had 481 warehouses (stores), with two locations in Livonia (Wayne County). In 2005 the company revenue exceeded \$51 billion with membership of 47 million cardholders.⁹

Smaller Grocery Chains

Local grocery chain, Meijer, Inc. was ranked number 14 in a list of the top 25 grocery chains with nearly \$8 billion in grocery sales, based on 2004 sales



data.¹⁰ What started out as a small grocery store in Greenville, Michigan, has grown into a grocery chain with over 170 stores in Illinois, Indiana, Kentucky, Michigan and Ohio. Maintaining ties to the community, Meijer has rolled out its *Homegrown Freshness from Family Farm to Family Store* campaign, featuring local

farmers. Meijer visits farms in each of the five states, working with farmers to address issues of quality, food safety, packaging and cooling, as well as reviewing what worked well and what failed in the previous growing season. As a result to its commitment to the community, "Meijer is the largest purchaser of local produce in the markets we serve."¹¹

While Meijer stores are located throughout the five counties, grocery chain Farmer Jack has closed all of its stores except those located in the Metro Detroit Area. The parent company of Farmer Jack, The Great Atlantic and Pacific Tea Company (A&P), was established in 1859, and operates just over 400 stores across the country including A&P, Waldbaums, A&P Super Foodmart, The Food Emporium, Super Fresh, **Farmer Jack**, Sav-A-Center and Food Basics. With over sixty Farmer Jack stores in the Metro Detroit region, two are in the city of Detroit, at least eighteen stores are in Wayne County and two are located in Monroe County.¹² The eleventh largest grocery chain in the nation, A&P posts an annual sales volume of nearly \$11 billion.¹³

⁸ Food Marketing Institute. Facts and Figures. Top U.S. Supermarket & Grocery Chains (By 2004 Grocery Sales). Retrieved July 21, 2006, from http://www.fmi.org/facts_figs/faq/top_retailers.htm

⁹ Costco. Investor Relations. Company Profile. Retrieved on July 25, 2006 from <http://phx.corporate-ir.net/phoenix.zhtml?c=83830&p=irol-homeprofile>

¹⁰ Food Marketing Institute. Facts and Figures. Top U.S. Supermarket & Grocery Chains (By 2004 Grocery Sales). Retrieved July 21, 2006, from http://www.fmi.org/facts_figs/faq/top_retailers.htm

¹¹ Meijer. What Homegrown means to you. Retrieved on July 27, 2006 from <http://www.meijer.com/food/localgrowers.asp>

¹² Farmer Jack. Locations. Retrieved on July 27, 2006, from <http://www.farmerjack.com/locations.asp?display=all>

¹³ The Great Atlantic & Pacific Tea Co. Our Company. Retrieved on July 24, 2006, from <http://www.aptea.com/company.asp>

Although chain grocery stores pepper the landscape of the five counties, there are a number of independent grocers and small chains as well. While grocers like Barney Kroger, and Hendrick Meijer worked to grow their companies into successful chains with increased buying power, other grocers were uniting together to form cooperatives.

Independent Grocers

In the early 1900s, the independent neighborhood grocer was something communities had come to depend on, however, the increase in competition and rising cost of goods made it difficult for many to survive. As a result, cooperatives formed, allowing grocers to join together to increase their buying power and marketing capabilities. One such organization, Independent Grocers Alliance (IGA) was formed in 1926 by an accountant for a wholesale distributor who recognized the “opportunity for his clients to supply independents under a banner that would keep them competitive in the changing marketplace.”¹⁴ By the end of World War II the cooperative formed by J. Frank Grimes was as large as A & P with 350 stores in New York alone. Eighty years later, IGA consists of more than 3,500 independent grocers across the United States, and serves a number of countries overseas, with worldwide sales exceeding \$19 billion per year.¹⁵



Similar to IGA is Grand Rapids based Spartan Stores, an organization in Michigan that has been established for nearly eighty-nine years. The company was formed by one hundred independent grocers uniting together to fight the pressure felt by national chains, and has evolved into the 10th largest grocery distributor in the nation. The Spartan family includes 68 supermarkets and 19 deep-discount drugstores that are owned and operated by Spartan Stores, in addition to more than 350 independent grocery stores that sell the Spartan brand. Not only does Spartan Stores supply grocers with quality, low cost goods, it also provides marketing materials, technical assistance and knowledge to its members.¹⁶

¹⁴ IGA. History of IGA. Retrieved on July 21, 2006 from <http://www.iga.com/aboutIGA/history.asp>

¹⁵ IGA. History of IGA. Retrieved on July 21, 2006 from <http://www.iga.com/aboutIGA/history.asp>

¹⁶ Spartan Stores. Company History. Retrieved on July 21, 2006 from <http://www.spartanstores.com/internet.nsf/nav/AboutSpartanStores,CompanyHistory?OpenDocument&category=Company%20History>

Grocer Classification

Throughout interviews with grocers in the five counties it became evident that they classify themselves into three categories, of which there are several sub categories. These categories are as follows:

- ❑ **Chains** – companies with many stores and influential purchasing power. For example: Kroger and Meijer.
- ❑ **Independent Grocers** – owner of one or two stores, affiliated with a cooperative group to lower purchasing costs.
- ❑ **Mom & Pop Shops** – owner of one or two stores without cooperative affiliation.

In a more formal classification, the Food Marketing Institute identifies the following as types of stores:

- ❑ **Grocery Store** – “Any retail store selling a line of dry grocery, canned goods or nonfood items plus some perishable items.
- ❑ **Supermarket** – Any full-line self-service grocery store generating a sales volume of \$2 million or more annually
- ❑ **Convenience Store** – Any full-line self-service grocery store offering limited line of high-convenience items. Open long hours and provides easy access. The majority sell gasoline with an annual sales of \$2 million or more.
- ❑ **Independent** – An operator of fewer than 11 retail stores
- ❑ **Chain** – An operator of 11 or more retail stores”¹⁷

In effort to provide a comprehensive overview of the opportunities available to farmers through grocery retail outlets, nine grocers in the five counties were contacted, as well as, organizations involved in the food industry. Names and addresses for grocers in the five counties were based off of the list obtained from CS Mott Group. The list of nearly 950 grocers was then narrowed down to include independent grocers, as well as, local small chains Busch’s (based in Ann Arbor, Michigan) and Polly’s Country Market (based in Jackson, Michigan).

Small Local Chain

Case Study I: Polly’s Country Markets (Jackson, Lenawee, Washtenaw Counties)

Polly’s Country Market is a grocery chain based out of Jackson, Michigan with twelve stores in Jackson, Lenawee and Washtenaw Counties. “Five generations are now a part of a grocery business legacy that dates back to 1873, when

¹⁷ Food Marketing Institute. Facts and Figures. *Supermarket Facts Industry Overview 2005*. Retrieved July 21, 2006, from http://www.fmi.org/facts_figs/superfact.htm

Frederick Augusta Kennedy opened the first-ever store on Pearl Street in Jackson. It was this same entrepreneurial spirit that motivated his son, Frank, to open his own store (Polly's) in 1934."¹⁸ For generations, Polly's has prided themselves on being the neighborhood grocer and strong supporters of the community. As such, each year Polly's purchases pork and lamb from the Jackson and Lenawee County fairs for sale in their twelve stores.

The company has tried several times to purchase produce directly from the farmer, however, there have been several barriers. These include: lack of availability, inconsistency in items and insufficient product to meet demand.



Although they are a small chain, Polly's achieves lower costs by combining advertising materials for all twelve stores. When a farmer is unable to provide enough product for use in all of the stores, Polly's is unable to advertise locally grown items in their weekly sales flyer and the value is diminished. In the end, the wholesaler that supplies Polly's is able to get

lower prices and can secure larger contracts for produce than individual farmers are able to supply. Recognizing the importance of locally grown, both the meat and produce buyers for Polly's repeatedly ask their supplier, based out of Detroit, to purchase Michigan grown products for their store.

Sean Kennedy of Polly's Country Market suggested that farmers in the five counties wishing to sell to grocery stores create some type of local distribution system. By combining efforts, farmers could ensure enough of the product was available to meet demand of the grocer.

Independent Grocers with Cooperative Affiliation

Case Study II: Franks Shop-Rite (Jackson County)

Throughout interviews with area grocers, the term "pennies make dollars" was repeated time and time again. It was first heard in an interview with Laura Jones of Franks Shop-Rite. Laura's father has owned the store on Michigan Avenue, in Grass Lake for some thirty years, and business is thriving. Recent renovations provide the store with a modern appearance, allowing them to remain competitive in the local market. Although the store is an independent grocery, products are purchased from a large distributor as part of a group, so that they may obtain merchandise at lower costs. Due to the low profit margin in the food industry, they cannot afford to pay more for products, even if it is a little bit because "even pennies add up to dollars." In addition to lower prices, working with a distributor takes less time and time is money.

¹⁸ Polly's Country Market. Company Profile. Retrieved July 28, 2006, from <http://www.country-markets.com>

Laura suggested that local farmers looking to sell products to grocers in the five county region organize and create a delivery system that would enable prices to be kept low. The grocer would then deal with distributor of local products, not individual farmers, enabling them to have more time to focus on the store. If a local distribution system is not feasible, then farmers should take their products to distribution points in Grand Rapids and Detroit. Laura indicated it is important for farmers to realize most grocers aren't going to mess with buying from individual farmers because it is just easier to go through distributor.

That is not to say that Franks Shop-Rite has never sold locally grown products. The few times they have had locally grown produce in the store, it has sold well and customers like the idea that the food came from a nearby farm. However, in this particular instance, the store is doing well and they are not looking for a niche in the market.

Case Study III: Interlakes Market (Lenawee County)

Debbie Renner, has managed Interlakes Market in Onsted, MI for thirteen years, and has successfully increased profits year after year. This has been done through careful management and observing the adage that pennies add up to dollars. By monopolizing every inch of floor space and closely monitoring sales of individual items, Debbie is able to maintain the delicate balance of providing what the customer needs while ensuring a profit is made. As such, the independent grocer is part of the Spartan Stores family based in Grand Rapids, Michigan. Not only is Interlakes Market able to secure lower prices on products as part of the cooperative, but also the store is able to receive marketing benefits as well.

Each month, Debbie travels to Grand Rapids, where advertising for the upcoming month is discussed and sales are determined. By participating in this aspect of the organization, Interlakes Market does not have to spend additional money creating their own ads and flyers, effectively reducing the advertising budget for the store. In the event the store were to purchase from local farmers, the ability to participate in advertising through Spartan Stores would be diminished.

While the store is not prohibited from purchasing directly from local farmers, they have to pay for the delivery truck that comes to the store twice a week regardless of whether or not it is full. With a distribution site in Plymouth, Michigan and a commitment on behalf of Spartan Stores to supply as much Michigan grown product as possible, farmers in the five counties would benefit from selling products directly to Spartan Stores.

Independent Grocery Without Major Supplier

Case Study IV: Danny's Fine Foods (Monroe County)

Danny Vuich, Jr. and his family recognize the importance local products play in providing them with a niche in a competitive market. With two stores nestled next to established residential neighborhoods in Monroe, Michigan, Danny's Fine Foods prides themselves on featuring locally grown products. All of the beef, chicken, pork and lamb sold in the two stores is purchased annually at the Monroe County fair. While the Vuich's recognize they could get meat at a lower price through a distributor, they consider the \$40,000+ spent on purchasing these animals each year as an investment in the community.



In addition to featuring locally grown meat, they feature locally grown produce, eggs and milk in their store. The farmers providing the store with local goods are all part of Monroe county, often with farms just outside of town. As a result, Danny's Fine Foods customers typically know the families whose produce they are purchasing and the social fabric of the community is strengthened. Not only is locally grown produce identified in the

store with the farmer's name but Danny's also highlights local products in their weekly advertisement.

Danny typically deals with 5-6 farmers a year to provide the locally grown goods to the store. While he realizes it takes more time to purchase from several farmers, he feels the importance of supporting the community outweighs the inconvenience of obtaining products from multiple sources. With no idea how to find out about area farmers and what they sold, Danny's got involved in buying local products and finding farmers by conducting a little leg work. He simply went to the farmers market, each time making notes about who had the freshest, highest quality produce and then contacted that farmer directly. Although the store purchases a vast amount of fruits and vegetables from local growers, they have been unable to find a strawberry producer in the area. The former producer was unable to sustain their farm and for the last two years, Danny's has been unable to find a replacement.

Another area that is underserved in the store is locally produced alcoholic beverages, however, Danny indicated this is due to a lack of customer interest in such products. Not only does Danny know his customers by name, he also listens to their wants and needs, tailoring his business to meet demand. Danny's Fine Foods continues to be committed to purchasing local products and

anticipates picking up goods at local farms as fuel prices rise, in effort to keep delivery costs down.

Case Study V: The Springs (Lenawee County)

Drive South from Interlakes Market along Onstead highway for about ten minutes and you will discover The Springs owned by Arron Bailey. Located on US Highway 223, this convenience store receives a tremendous amount of business throughout the day. As the owner for the past ten years, and an employee for ten years before that, Arron has a solid understanding of his customers needs. The store enjoys a consistent customer base, and Arron tailors the products sold in the store to meet their demands.

A small market, The Springs tries to feature as many local products as possible, including eggs, seasonings, fruits and vegetables. While the majority of goods sold throughout the day are prepackaged, the store also sells a fair amount of beer and wine and features a specialty wine selection. Most of the grocery items sold are last minute items for dinner, so in effort to keep the freshest fruits and vegetables available, Arron purchases small amounts from nearby farmer. Since most items are purchased last minute, Arron is able to charge a premium, ensuring a profit is made on his grocery items.

Arron is interested in offering more locally produced items and believes his customers recognize the value these goods. When considering local items to order, Arron would prefer a list of farmers and their contact information, so that he may order directly from them. He currently orders using a scanner on the shelves through a wholesaler in Grand Rapids, and is able to track sales of each product on-line.

Case Study VI: Anand Bazaar (Wayne County)

In a phone conversation with store owner, Krishnalal Patel, of Anand Bazaar, he indicated he is very interested in selling locally grown produce in his store. Unfortunately, he is not aware of any farmers growing Indian vegetables. As a result, a supplier in Florida provides him with most of the grocery items for sale in the store. Meanwhile, Indian specialty items come mostly from a distributor in Chicago or New Jersey. Although there is a potential market for locally grown produce in ethnic stores, the potential for meat is very slim. Anand Bazaar does not sell meat, and this practice is consistent with findings with other grocers in Wayne County.

Case Study VII: Andy's Market (Wayne County)

Although the person interviewed over the phone did not wish to give her name, she was willing to offer some insight into a grocery store operating in Wayne County. At Andy's Market, the largest most consistent profit comes from the sale

of liquor. Due to the nature of the community in which the market resides, they do not sell any produce or meat because it is not in demand. The grocery items they do sell are purchased from Sam's Club or a Value Wholesaler and then resold to the customer. They would like to sell fresh products, but it spoils and the store loses money.

Case Study VII: Shannon's Market (Jackson County)

Shannon's Market in Concord frequently purchases corn and strawberries from area farmers however; most of the produce sold through the store is purchased through local distributor, KEYES Market in Jackson. Years ago the store used to have farmers stop by the back door with their produce and they would purchase it, but this hasn't happened for some time. Now the store would be hesitant to purchase from the back door, as most items must be federally inspected.

The biggest obstacle Shannon's Market faces is getting area residents to think of shopping with them before driving to a larger store. As a result, they believe that supporting local farmers would create a niche in the store, differentiating them from their competitors. By purchasing directly from local farmers, patrons will recognize the value and commitment Shannon's makes to the community, resulting in an increase in sales for the store.

Industry Insight

Interview: Associated Food and Petroleum Dealers (Wayne County)

To gain a better understanding of the Wayne County grocery market, an interview was conducted with Dan Reeves of Associated Food and Petroleum Dealers, Inc. The Associated Food and Petroleum Dealers of Michigan is a statewide organization that represents the food and beverage industry by aiding in the exchange of ideas, promoting the industry and working on legislation.¹⁹ Dan indicated that there are only two chain grocery stores in the city of Detroit, and that 75-80% of grocery sales for independent grocers comes from those receiving state assistance. As a result, the grocers are very busy the first ten days of the month and slow the remaining twenty. Due to the nature of their business, independent grocers in Wayne County sell large amounts of prepackaged goods and very little fresh fruits or vegetables. Some frequent Eastern Market for produce and meat, as they are able to purchase just enough to meet demand. Meanwhile other smaller markets in Wayne County avoid produce all together. It is important to note that a number of grocers in the county have meat cutters, who do their own packaging.

¹⁹ Associated Food Dealers of Michigan. About Us. Retrieved on July 24, 2006 from <http://www.afdom.org/page.cfm/2/>

The inconsistency in the marketplace, has forced a number of suppliers to pull out of the region. Simultaneously, community gardens are springing up across the county, supplying neighborhoods with fresh produce. Fortunately, the independent grocers understand the market and are able to tailor their stores to meet the needs of the community. The flexibility of the grocery store owner, combined with the loyalty of the customers, has led to successful independent grocers in Wayne County. While it may be difficult for local farmers to supply grocers in this area, they may have more success in targeting higher end, specialty markets that would like to feature locally grown products.

Producers Perspective

Rosanne Bloomer of Bur Oaks Farm produces soynut and popcorn snack products. Using a distributor, these products are sold to various grocery and health food stores in the five counties. In spite of a solid distribution system, the snack products are frequently cut from store orders when new buyers take over, even if the product is selling very well. When companies have high turnover, this can happen as often as every two or three months. As a result, countless hours must be spent reestablishing relationships and reinforcing the value of locally grown products.

Opportunities

As fuel prices continue to increase and the cost of goods rise, it will become increasingly important for grocers to purchase locally. In a highly competitive market place, a number of large chains are adjusting their purchasing practices to include buying local products. The *Homegrown Freshness from Family Farm to Family Store* campaign at Meijer places an emphasis on knowing where food comes from and shows community support. Most recently, Whole Foods announced in July 2006 that each store will be required to have relationships with at least four local farmers. In addition, Whole Foods will “give \$10 million a year in low-interest loans to help small, local farmers and producers of grass-fed and humanely raised meat, poultry and dairy animals.”²⁰ As Wal-Mart begins selling organic products in it’s Supercenters, Whole Foods’ decision to support local agriculture creates a niche for their stores.

While chain grocers are looking to fill a niche in a highly competitive market and have moved to buying more local goods, independent grocers already have a strong market share with their neighborhood values and excellent customer service. As a result, it may be more difficult for farmers to sell directly to independent grocers with cooperative affiliation. However, increased fuel costs may force independent grocers to receive fewer deliveries, creating an opportunity for farmers to sell directly to this group.

²⁰ Ness, Carol. “Whole Foods, taking flack, thinks local.” San Francisco Chronicle. Retrieved on July 26, 2006 from <http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/07/26/FDG3NK2LMV1.DTL&type=printable>

The largest area for growth in the farm to grocer relationship appears to be with independent grocers without cooperative affiliation. These grocers are very closely tied to their communities and are more receptive to the idea of purchasing directly from the farmer. Three out of four of the grocers interviewed in this category indicated they were already purchasing from farmers in their area, or that they would like to purchase directly from farmers.

Conclusion

The grocery market is highly competitive and constantly evolving industry that has been established since the late 1800s. As a result, strong distribution systems have been created for both chains and independent grocers working with a cooperative. These groups have designed systems that provide the lowest prices on products and reduced advertising costs to remain competitive in the market place. While grocery chains have a technological advantage, independent grocers have maintained an emphasis on community and customer service. Farmers selling directly to grocers have the greatest opportunity for economic benefit in establishing relationships with independent grocers who do not have a cooperative affiliation. These grocers have the greatest flexibility in purchasing practices and recognize the economic impact buying directly from a farmer has on the community.

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