

Understanding Fresh Market Standards for Grocery

Adding Value to Your
Fruit and Vegetable
Crops by Selling
Through Retail Markets

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Why Bother with Retail Markets?

- According to USDA figures, fresh produce consumption is increasing:
 - 13lb rise in per capita vegetable demand
 - 50lb rise in per capita fruit demand
- Yet imports are taking a large share of this new demand; 50% in fruit and 25% in vegetables.

Why Bother with Retail Markets?

- Demand for local and regional foods is increasing:
 - estimated at \$5.0 billion and increasing at least 10% annually.
 - consumers want more information about their food; who grew it, how and where it comes from?
 - retailers and food service are looking to “green” their operations. This includes buying more local food.
 - local production can provide a higher level of food security for consumers and retailers.

Why Bother with Retail Markets?

- Unfortunately, higher demand for fresh produce has not meant higher prices to growers.
- Moving “up” the supply chain can mean higher prices...
- But you have to add “value” in the form of packing, branding, quality and document that food safety requirements are being met.

What Standard's are Important to Fresh Grocer's?

- Food Safety
 - GAP (Good Agricultural Practices)
 - GHP (Good Handling Practices)
 - HACCP (Hazard Analysis and Critical Control Point)
 - State, County and Local Health Regulations

What Standard's are Important to Fresh Grocer's?

- Labeling and Packaging
 - Brand
 - Certifications
 - PLU's (Price Look UP)
 - UPC's (Universal Price Code)
 - Standardized Pack Sizes

What Standard's are Important to Fresh Grocer's?

- Quality Control
 - Cooling
 - Sorting
 - Cleaning
 - Packing
 - Storage
 - Shipping

How Do I Implement a Food Safety Program?

- “An ounce of prevention is worth a pound of cure – *Benjamin Franklin*”
- *Prevention of food contamination is far more effective than removal.*
- The Center for Disease Control and Prevention estimates there are 76 million cases each year of food poisoning.
- Approximately 12% of those illnesses are traced back to fresh produce.
- Some fresh grocers are requiring certification to reduce the risks of food contaminations.

How Do I Implement a Food Safety Program?

- GAP & GHP are a series of on-farm practices designed to increase food safety, improve record keeping and build trust with buyers.
- The practices were developed through FDA & USDA collaboration into a comprehensive program that includes assessment, training and certification.

How Do I Implement a Food Safety Program?

- USDA or 3rd party auditors inspect grower operations, looking for potential risks.
- For a copy of the GAP/GHP Audit Verification Checklist go to:
www.ams.usda.gov/fv/fpbgapghp.htm
- Materials for the program *Food Safety Begins on the Farm* can be found at:
www.gaps.cornell.edu

Sources of Contamination

- Soil
- Irrigation and Spray Water
- Animal Manure
- Wild animals & birds
- Pets
- Field Workers
- Ice
- Cooling Units
- Equipment
- Transport vehicles
- Stored Produce
- Wash & Rinse Water

How Do I Implement a Food Safety Program?

- Develop a *Farm Food Safety Plan*.
- Training employees about the importance of food safety and how to eliminate or control sources of contamination is key.
- Record keeping will help reduce or eliminate your liability if a food borne contamination occurs.
- Know what, if any, certifications or record keeping is required by your buyers before the crop is planted.

How Do I Develop Labeling and Packaging?

- First decide if your farm, orchard, ranch or co-op needs to have its own identity; i.e. a brand.
- Branding helps consumers ask for your products at the retail level and helps the grocer promote your product as local; i.e. *Michigan Tender Tips Asparagus*
- Your brand can be supported by various certifications; Select Michigan, Food Alliance Midwest, FamilyFarmed.org, MAEAP or USDA Organic.

How Do I Develop Labeling and Packaging?

- Brands that become known for high quality, flavor or unique varieties can usually get higher prices, more shelf price and increased outlets.
- If you decide to brand your products, make sure to work with a graphic artist or designer that has experience with food labeling. Use the resources of the MSU Product Center to help you as well.
- It's important to involve your buyer in the packaging and labeling decisions before starting the presses.

How Do I Develop Labeling and Packaging?

- PLU codes are used on bulk or loose produce.
- They include a standardized four or five-digit number as part of label identifying the farm and the country or state of origin. For example, the code an heirloom tomato is “3423”.
- Adding PLU labels inside the package is very important to the grocer.
- PLU codes can be found at:
www.plucodes.com.

How Do I Develop Labeling and Packaging?

- UPC codes are managed by the Produce Marketing Association (PMA) and are used on pre-packaged items.
- It is extremely important that you have the correct PLU or UPC prior to having labels or packaging printed. Incorrect labeling or packaging can cause your produce to be rejected by the grocer.

How Do I Implement Good Quality Control?

- To the fresh grocer, good quality goes beyond appearance and taste; it means longer shelf life.
- Locally grown products have a distinct advantage; because they are grown closer to market they can be harvested closer to the peak of ripeness.
- Selling direct from the farm to the grocer can cut transportation and distribution by as much as (10) days in the Midwest.

How Do I Implement Good Quality Control?

- But to keep that advantage, the local grower has to cool, handle and transport produce properly.
- Taking the field heat out of produce and keeping it cold are the most important elements of ensuring quality at the grocery store.
- On-farm cooling, refrigeration and ice making equipment are needed to start the “cold chain”
- Once produce has been cooled to the proper temperature, transportation in refrigerated vans or trucks is necessary to keep the cold chain intact.

How Do I Implement Good Quality Control?

- A newly released farmer guide to selling, handling and packing produce describes in detail how quality control can be accomplished at the farm level. Copies of the guide are available for review.
- The sponsors of today's session will be holding workshops April 3rd to cover produce handling & cooling in depth.

What Else Should I Know About Selling Fresh Produce?

- The Perishable Agricultural Commodities Act (PACA) governs the trade of fresh and frozen produce.
- PACA is particularly important for growers in settling payment, grade and delivery disputes.
- Growers should make sure that their buyers are PACA licensed.
- More information on PACA and the list of licensed traders can be found at www.ams.gov/fv/paca.

Questions and Comments?
