Report On Retailing and Local Food in Orange and Chatham County 2009

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How Can Grocery Stores Help Build Local Food Economies?

1. How do residents relate stores to their community?
   - How do consumer definitions of local match-up with retailer definitions?

2. What are the opportunities and shared interests among stores, growers, and shoppers?
   - What interests can be tapped to make local food more inclusive?

1. What are some examples of how growers and stores work together?
Consumer Research

- Research Sample
  - 41 respondents
  - (Orange, Chatham, Buncombe)
  - Stratified sample across towns
    - (Hillsborough, Chapel Hill, Carrboro, Siler City, Pittsboro, Moncure, Fairview)
  - Diversify to include historically marginalized communities
    - (13 African American, 5 Latino, 1 Native American)

- Research Method
  - Interviews lasting between 20 and 40 minutes
  - Open-ended questions along with checklist of local purchasing
Mapping Community and Food Economy

Places that are part of weekly routine:

Places the define community:

Places that are part of the food economy:

Food places that define community:
Consumer Views on Food and Community: Mapping one’s hometown

golden coral

casa

San ford

asheboro

futbol

trabajo

warmth
Cultural Assets within Community Food Systems:
Places mapped as Community Defining
Cultural Assets within Community Food Systems: Places mapped as part of weekly routine
Cultural Assets: the town’s food economy
Cultural Assets: Food enterprises that define community
Consumer Definitions of Local Food

Consumers cite one or more of four characteristics to qualify food as local:

1. Pertaining to hometown/county/state
2. Connections
3. Better or fresher quality
4. Small-scale and sustainable production
“Local food comes from a radius of 30 miles from my house.”
- F, Carrboro, South Asian

"Really in the perimeter of this community. But honestly, I think if it’s within a few hours of you know or within the state …, I would define it as local, especially as it relates to the global food economy."
- F, 48, Carrboro, White

“Local food, it's the food they sell here…McDonalds, what one goes and eats sometimes, Burger King.”
- 37, M, Siler City, Latino
Connections

- “Homegrown.”
  - 60, F, Chatham County, African American

- “From here, eaten here, produced here.”
  - 45, F, Hillsborough, White

- “Somebody that I know is local. A place that I either know or could go and know.”
  - 28, M, Pittsboro, White

- “[One of the reasons I support local farms is] to have a working landscape, where people are actually working on the farms.”
  - 57, F, Fairview, White
Quality and local food

- "From the farmer. It’s healthy and tasty, and had time to grow and ripen naturally."
  - 72, F, Pittsboro, African American

- “You can almost taste the dirt of where [local fruits and vegetables] come from.”
  - 33, M, Hillsborough, Native American

- “Anytime you get a locally produced food of any sort, it’s going to be fresher because it has less travel, like a home grown tomato, mm. Eating a fish on the day it’s caught, you know you can’t beat these things.”
  - 23, M, Chapel Hill, White
Production and local food

● "Fresh, not with the stuff that you spray on, pesticides."
  ■ 65, F, Moncure, African American

● "Locally grown things are grown with more love than other things that are all business”
  ■ 46, F, Siler City, Latina
Consumer Interest in Food Retailing:

*Interviewer: “What is your favorite store?....”*

Gosh, Wal-Mart.

*Why is it your favorite?*

Because it’s the only thing I have! It’s the closest, by the time I get to Pittsboro to the market, my kids will die in hunger.
Consumer Interest in Food Retailing:

The desire for grocery stores to serve as connectors…

“Honestly I would like Harris Teeter to be, like kinda like Weaver Street to be more a part of the community. I know it’s a chain grocery store but they could incorporate more local foods … if they could become more like part of the community that would be really interesting and exciting. Like tables at Weaver Street, simple things like tables where you can buy your food and go outside and eat it.”

“Food Lion is a whole different thing, you know. When they put the sign up about schools only, I got really mad. That bulletin board is a source for Friends of the Library, for Food for Fairview…for the Fairview community. They’re kind of a central hub. And it really irritated me that they did that. … It’s a corporate decision without really understanding that Food Lion is an important part of this community.”
Retailer Research

● Research Sample
  ○ 24 respondents
  ○ Represented 22 businesses with 38 retail outlets
    ■ corporate chains
    ■ independent groceries
    ■ corner store/country store
    ■ tiendas

● Research Method
  ○ Interviews lasting between 20 and 40 minutes
  ○ Open-ended questions
  ○ Checklist of marketing practices
Retailer Definitions of Local: 1, Corner Store
Retailer Definitions of Local: 2, Chain
Retailer Definitions of Local: 3, Chain
Retailer Definitions of Local: 4, Independent Grocery
Retailer Definitions of Local: 5, Chain
Retailer Definitions of Local: 6, Corner store
Of 22 businesses, 12 could offer us either a formal or informal definition of local food.

- **Formal (7):**
  - Published standard OR
  - Definition is used by store to select or market or track goods

- **Informal (5):**
  - Respondent said they had no real definition OR
  - The definition varied by season and product and did not seem consistently applied OR
  - They tried to define “local” for our sake in the interview

**Modal Definition:** North Carolina + portions of neighboring states
Consumers have higher hopes for the qualities and impact of local food

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Retailer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distance</strong></td>
<td>County, 30-50 miles, state</td>
<td>State + portions of other states</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td>Special value-due to seasonality, way it is grown</td>
<td>Standard value-due to stores’ regular high standards</td>
</tr>
<tr>
<td><strong>Connections</strong></td>
<td>Food that builds ties to neighbors and shapes hometown landscape</td>
<td>Circulate money locally, promote local growers</td>
</tr>
<tr>
<td><strong>Type of Production</strong></td>
<td>Small, sustainable</td>
<td>Not specified</td>
</tr>
</tbody>
</table>
Alternative strategies for retailing local food

<table>
<thead>
<tr>
<th></th>
<th>Build on commonalities in retailer and consumer views</th>
<th>Exploit gap between consumer and mainstream retailer views</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distance</strong></td>
<td>Use distribution facilities of chains to solve small grower transportation issues</td>
<td>Seek out and promote growers within environs of store clientele</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td>Promote differences of local food, charge more</td>
</tr>
<tr>
<td><strong>Connections</strong></td>
<td>Develop marketing materials for local products, promote farms, promote store’s commitment to community</td>
<td>Develop community events, message boards, gathering spots, farmers’ visibility</td>
</tr>
<tr>
<td><strong>Type of Production</strong></td>
<td></td>
<td>Promote common values of grower and store and their commitment to local</td>
</tr>
</tbody>
</table>
Building Partnerships

“And that's something that I much rather start small with a farmer, and have a successful relationship for both of us and then grow the business rather than either one of us overextend and then have to back away and have it not end well.” (Chain)

“We have grocery store standards. So if the product is not good enough, if the quality is too poor, if it's packaged in a way that we can't sell it easily, if it's inconsistent, [we can’t take it]. I mean we understand seasonality, that's different than inconsistency.”
Step-by-Step Partnerships

Case 3: Jackson Farms and Nature’s Grocer Case Study

Million dollar insurance policy

Paperwork to Regional Office

Farm inspection

Approved as vendor

Selling Pasture-raised pork

.5 acres of asparagus planted (requested by store)

Selling eggs as specialty item (15-20 dozen per week)
**Case 2: Sammy’s Case Study:**

- **Subsistence farming of vegetables and eggs**
- **Selling milk and cheese to friends from 4 goats**
- **Bought more goats; expanded consumer base**
- **Reconnected with owner of Sammy’s**
- **Selling twice a week in Sammy’s parking lot**
- **Community Supported Agriculture Marketing**
- **Wholesale produce to Sammys**
Step-by-Step Partnerships

Harry’s Case Study:

- Began raising laying hens
- Landscaping business
- Growing trees and shrubbery for landscaping needs
- Approached Harry’s for retail outlet
- Original partnership grows, Scaling up production (150 hens)
- Producer and retailer work to find supplemental supplier to address production shortfalls
- Develop loyalty through customer demand for quality eggs

Step-by-Step Partnerships
Opportunities and conditions for working with retailers

- No insurance
- Corner store
- Non-certified product; approved as vendor
  - Co-marketing
  - Wholesale
  - Consignment
- Certified product

Insurance/certified product

- Go to chain headquarters
- Make pitch directly to store purchaser
- Corner store
- Independent full-service grocery store
- Full disclosure/affidavit
- Chain
  - 3rd party auditor
  - Central purchasing
  - Store-specific vendor
  - Distribution organization
  - Distribution organization
  - Direct sales to store
Independent Stores as Entrepreneurial Partners

- “I’m looking for the young people that have a sense of need for creating an economy based off of local farms. Because you’re not going to sell it to Weaver Street. And you’re certainly not going to sell it to Whole Foods. And you’re not going to get into the Carrboro Farmers Market. So where does this leave everybody? No place to go but here.” (Corner Store)

- “The big companies are the problem. Not the little independents. Most of those guys you can just pick up the phone and say, I’m out of this. And their goal is my goal and that is to keep product available to customers. The really cool part of that is that I may run out of meat at 10 o’clock, but by noon I’ll have the cooler full.” (Corner Store)
Final observations

● The more you take care of the term “local,” the more it will take care of you
  ○ Consumers prepared to see a lot of value in local
  ○ Collaborate among partners to set and uphold standard

● Opportunities at different scales
  ○ Find champions hidden in large systems
  ○ Make entrepreneurial connections within local niche
    ■ Matching start-up for start-up, generational
Research Team

Graduate Research Assistants
- Erin Kimrey (CCCC)
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- Mari Howe

Pilot Interviews and Fieldwork Team
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- Kurt Davies

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Coding and Analysis
- Jonah Leslie
- Amanda Carroll
- Maura Baldiga
- Greg Webb
- Giovanna Alegretti
Research Support

- UNC-Chapel Hill, Office of Economic and Business Development
- Center for Urban and Regional Studies
- Research Laboratories in Archaeology
- Student Undergraduate Research Fellowship
Appendix 1: Retailer Definitions of Local

**Formal**
1. Within approximately 250 miles
2. Within six-hours by car from store
3. Five states region of North Carolina, South Carolina, Tennessee and Georgia
4. North Carolina, South Carolina and a bit of southern Virginia
5. North Carolina, and southern Virginia
6. Two tiered definition: (a) North Carolina (formal, company-defined) (b) the county where the store is located and surrounding counties (informal, store-defined)
7. Two tiered definition: (a) twenty-mile radius [produce] and (b) North Carolina

**Informal**
1. North Carolina and approximately within fifty miles from the North Carolina border
2. The Carolinas
3. North Carolina, southern Virginia and northern South Carolina
4. North Carolina
5. The South
## Appendix 2: Retailer Tracking and Sales

Estimated dollar volume of purchases from local vendors.

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Est. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer 1</td>
<td>$ 407,000</td>
</tr>
<tr>
<td>Retailer 2</td>
<td>$ 17,500</td>
</tr>
<tr>
<td>Retailer 3</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>Retailer 4</td>
<td></td>
</tr>
<tr>
<td>Retailer 5</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>Retailer 6</td>
<td></td>
</tr>
<tr>
<td>Retailer 7</td>
<td>$ 17,500</td>
</tr>
<tr>
<td>Retailer 8</td>
<td>$ 7,500</td>
</tr>
<tr>
<td>Retailer 9</td>
<td></td>
</tr>
<tr>
<td>Retailer 1</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>Retailer 11</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3: Retailer Tracking and Sales

Estimated number of vendors per category.

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Fruit and Vegetables</th>
<th>Meat and poultry</th>
<th>Liquid milk</th>
<th>Cheese</th>
<th>Eggs</th>
<th>Wine and beer</th>
<th>Prepared foods</th>
<th>Other (e.g. soap, supplements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer 1</td>
<td>30</td>
<td>10</td>
<td>2</td>
<td>8</td>
<td>30</td>
<td>12</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Retailer 2</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Retailer 3</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Retailer 4</td>
<td>3</td>
<td>(respondent could only report on produce)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retailer 5</td>
<td>25</td>
<td>6</td>
<td>3</td>
<td>8</td>
<td>4</td>
<td>19</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Retailer 6</td>
<td>15</td>
<td>(respondent could only report on produce)</td>
<td></td>
<td></td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Retailer 7</td>
<td>10</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Retailer 8</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Retailer 9</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Retailer 1</td>
<td>20</td>
<td>(respondent could only report on produce)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retailer 1</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>12</td>
<td>0</td>
</tr>
</tbody>
</table>
## Appendix 4: Retailer Promotion of Local Food

### Checklist #1: How often do you use the following means to promote local food?

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Website description of local buying commitments</th>
<th>Website promotion of seasonal local products</th>
<th>Newspaper circular or weekly email promoting specials on local products</th>
<th>Use of social networking site</th>
<th>Use of text messaging</th>
<th>Total Score for Advertising and Electronic Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer 1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Retailer 2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Retailer 3</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Retailer 4</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Retailer 5</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Retailer 6</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Retailer 7</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Retailer 8</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>9</td>
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<tr>
<td>Retailer 9</td>
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<td>1</td>
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<td>1</td>
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</tr>
<tr>
<td>Retailer 1</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Retailer 1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
# Retailer Promotion of Local Food

## Checklist #1: How often do you use the following means to promote local food?

<table>
<thead>
<tr>
<th>Retailer</th>
<th>In-store special events for a farmer or product</th>
<th>Point of sales signage for local products</th>
<th>Point of sale signage promoting producer</th>
<th>Press releases and Public Relations involving local suppliers</th>
<th>Sponsorship of community food or farm event</th>
<th>Total Score for In-Store, Event, and Farm Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer 1</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>14</td>
</tr>
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<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
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<td>17</td>
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</tr>
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<td>1</td>
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<td>6</td>
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<td>2</td>
<td>1</td>
<td>1</td>
<td>7</td>
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</table>
Retailer Promotion of Local Food

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Local Champion Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer 1</td>
<td>25</td>
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<tr>
<td>Retailer 2</td>
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<tr>
<td>Retailer 10</td>
<td>33</td>
</tr>
<tr>
<td>Retailer 11</td>
<td>12</td>
</tr>
</tbody>
</table>

Different types of retailers share an interest in local food.