



Standards and Expectations of North Carolina Food Buyers

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Introduction:

This report provides the results of the research study *Local Food Harvest Handling Guide*, a project conducted by the Local Food Research Center of ASAP (Appalachian Sustainable Agriculture Project) with partners from around the state – North Carolina Cooperative Extension, North Carolina A&T, the North Carolina Farm Bureau, NCDCA – and funded by the North Carolina Department of Agriculture through the USDA’s Specialty Crop Block Grant program.

The purpose of the project was to identify the communication and infrastructure barriers that prevent local specialty crop producers from meeting the standards and expectations of North Carolina food buyers. Project activities included: (1) an initial buyer survey to determine key specialty crops that buyers have the most trouble sourcing locally and identify the main barriers to their purchase (e.g. size, ripeness, appearance, packaging), (2) interviews with targeted buyers to gather more detailed information on precise specification and needs, and (3) a final report summarizing the findings from both the survey and interviews, including a section on suggested strategies to bridge the gap between specialty crop producers and North Carolina buyers.¹

The study found high demand for local food by North Carolina food businesses and identified the challenges these businesses encounter in trying to source from local producers due to sizing, packaging, and other quality standard issues.

Summary of Findings: Business Surveys and Interviews

From February 14 to March 9, 2012, ASAP conducted an electronic survey of 90 North Carolina food businesses; 25 responded for a response rate of 21%. The mix of buyers included grocers, school districts, universities, restaurants, major employers, distributors, wholesalers, and buying clubs; the majority of respondents represented small, independently owned food businesses. The purpose of the survey was to identify the obstacles buyers face when sourcing fresh fruits and vegetables from local specialty crop producers.

In the survey, 95.2% of buyers reported purchasing fresh fruits and vegetables that are grown locally with 68.4% further reporting no barriers to sourcing local produce.² All buyers surveyed

¹ The summaries of the initial buyer survey and interviews with targeted buyers have been appended to the end of this report.

² The majority of businesses studied in this project do not define “local” by North Carolina political boundaries, but instead used radially based definitions that overflow into states adjacent to North Carolina.

said that they were interested in increasing the amount of local produce they will purchase in the coming year. On average, the surveyed buyers reported purchasing 60% of their produce from local farms in summer and 44% of their total produce from local sources in winter. When asked what types of barriers exist that prevent them from purchasing more locally grown produce, the buyers indicated difficulties with inconsistent count and sizing of local product, along with non-standard packaging. Respondents further cited inconsistent volume (81.3%), price (50%), and communication with producers (37.5%) as problems that further limited their ability to source locally. These barriers were specifically relevant when trying to source local potatoes, lettuce, greens, and mushrooms. Overall, the survey revealed high interest in local purchasing, high reported rates of current purchasing of local fresh produce—on average these businesses reported that they purchase half of all their yearly produce from local sources—and minimal barriers to local purchasing.

Following the electronic survey of North Carolina food buyers, ASAP and project partners conducted telephone interviews with seven additional North Carolina buyers. Larger retailers and wholesalers/distributors—buyers known to have stricter sourcing requirements and therefore potentially greater obstacles to sourcing from local producers—were targeted for these interviews. The interviews, like the survey, were intended to identify the obstacles larger buyers face when sourcing local specialty crops, with a specific focus on packaging and quality issues.

Like the participants in the electronic survey, the larger scale North Carolina buyers were very interested in local specialty crops, with 100% reporting that they already purchase fresh fruits and vegetables that are grown locally. The larger scale buyers were also very interested in increasing the amount of local produce they will purchase in the coming year. However, the rate at which these larger buyers purchase local specialty crops and the barriers they face when trying to source locally are significantly different from those reported in the electronic survey of smaller buyers.

The buyers interviewed reported that only 24-25% of their summer produce purchases, and only up to 8% of their winter produce purchases, come from local sources. These figures are much lower than the 60% and 44% reported by the businesses who participated in the online survey. In addition, the larger buyers faced more barriers when sourcing local specialty crops. All seven reported difficulties in sourcing local produce items due to quality and packaging standards. The most frequently cited barriers include the quality and packaging standards required by the company, inconsistent quality of local produce, and the short shelf life of local fresh produce. These buyers noted particular difficulty in sourcing local berries, a product mentioned by three of the seven interviewees. In addition to quality and packaging standards, the buyers indicated lack of consistent product volume when in season (57%), difficulty finding

local producers (43%), difficulty finding sufficient quality product (43%), and lack of adequate communication with producers (43%) as significant barriers to local produce purchasing. Therefore, while the larger scale North Carolina buyers professed high motivation to purchase local fresh produce, they experience far more obstacles when trying to source these products than their smaller-scale counterparts from the online survey.

The results from the survey and interviews show that demand for locally sourced fresh produce is high and growing among North Carolina food businesses. However, the results also clearly demonstrate the disconnect between the expectations of buyers and the capacity of local specialty crop producers to meet those expectations. This research project confirms a need for improved communication between North Carolina buyers and specialty crop producers. Specifically, there is a need for clarifying the industry standards for fresh produce to producers and a need for assistance in connecting qualified producers to buyers. In addition, there is a clear necessity for continued training and technical assistance for farmers to meet North Carolina business industry standards and requirements.

Bridging the Gap: Formulating Strategies to Connect Specialty Crop Producers to Buyers

When asked what types of support would be most helpful in overcoming the barriers to increased local food purchasing by North Carolina businesses, participants of the survey and interviews named training and technical assistance for farmers and help in finding qualified local growers as their top needs.

Training and Technical Assistance

To access the opportunities in local markets, farmers need skills, resources, and support in multiple areas to succeed. According to the North Carolina businesses surveyed, the areas where producers need the most help include trainings in post-harvest handling practices to prolong the shelf life of products; education on product liability insurance, the different levels of insurance available, and resources for finding the best insurers for their farm business; and education on the necessity of GAP certification, how to become GAP certified, and the opportunities that this certification can bring when trying to tap into new and larger markets. As the local food market in North Carolina develops and more producers seek to expand their market opportunities, the need for accessible and accurate information on meeting industry standards will become even more vital.

It should be noted that while farmers can benefit from trainings on meeting the market quality standards, buyers too might benefit from information and trainings on the qualities and benefits of specialty crops grown for local markets.

Connect Producers and Buyers

Even when producers can meet industry production standards, there remains the obstacle of connecting qualified producers with buyers. In the interview of targeted businesses, six of the seven participants said that they would like help finding local product. The structure of the current system often leaves procurement specialists disengaged from the local farming community, and they require assistance and resources to connect with qualified local growers. These connections form the basis of a productive and sustainable relationship between grower and buyer. Some type of connection assistance should be considered as a means of facilitating the lasting grower-buyer relationship in order to fulfill demand for locally grown specialty crops.

There are tools that have been developed to connect buyers with growers. ASAP annually produces the *Mixing Bowl*, a grower and buyer directory. Other regions in the state could benefit from this type of directory. To be successful, it is important that the directory be maintained and compiled by individuals familiar with local conditions. Directories that depend on buyers and growers to maintain their own data can quickly become inaccurate and obsolete.

Other strategies for connecting growers and buyers include events that invite growers and buyers to meet one another in a pressure-free environment. Conferences that attract farmers should also invite local buyers and coordinate time for buyers to sit down with producers to explore opportunities. Farm field trips for buyers are also an effective way to allow farmers to meet potential buyers. Local agencies and organizations that understand the local specialty crops market should be encouraged to facilitate the matching of suitable farmers with appropriate markets.



Local Food Harvest Handling Guide:

Summary of North Carolina Food Business Survey & Interviews of Targeted North Carolina Businesses

As a part of the *Local Food Harvest Handling Guide* project, ASAP collaborated with partners from around the state—North Carolina Cooperative Extension, North Carolina A&T, the North Carolina Farm Bureau, NCDA, farmers, and representatives from key wholesale and retail markets—to conduct preliminary research on the standards and requirements of specific markets in North Carolina for key specialty crops. The research was primarily conducted through surveys and interviews with North Carolina industry representatives through an electronic survey of area businesses followed by targeted interviews of selected large-scale buyers. The purpose of the survey and interviews was to identify the obstacles buyers face when sourcing fresh fruit and vegetable products from local farmers and distributors, and to use that information to formulate strategies to bridge the gap between farmers and buyers.

Sections of the report included: Comparison of the North Carolina Food Business Survey to the Interviews of Targeted North Carolina Businesses; Results from the North Carolina Food Business Survey; Results from the Interviews of Targeted North Carolina Businesses

Comparison of the North Carolina Food Business Survey to the Interviews of Targeted North Carolina Businesses

ASAP initially drafted a survey for North Carolina businesses that aimed to identify the obstacles they face when sourcing fresh fruit and vegetable products from local farmers and distributors. When the survey was closed and all data analyzed, it was apparent that the survey participants mainly consisted of smaller, independently owned businesses in North Carolina, and did not include a balanced representation of larger-scale retailers and distributors—businesses likely to experience greater difficulty sourcing from local farms. Therefore, ASAP and project partners developed a list of targeted large-scale buyers to interview in greater depth about the issues they faced around packaging and quality standards when sourcing local produce. The results from the targeted interviews largely supported the results from the surveys; however they included some marked differences including:

- The 25 respondents of the electronic survey gave much wider definitions of “local” in the context of local food than did the targeted large scale buyers. The survey respondents’ definitions ranged from “within a thirty mile radius” to “east coast” while the interviewed businesses largely stuck to the state of North Carolina or a 100mile radius, though one business included a 250 mile radius.
- A much larger share of produce purchases in the electronic survey respondents’ businesses came from local sources compared to interviewed businesses. On average the businesses from the electronic survey sourced 47.5% of all produce purchases from local sources in summer and 25% of produce purchases in winter. Large scale buyers participating in the phone interviews on average sourced only 24-25% of their total produce purchases locally in summer and up to 8% locally in winter.
- The reasons North Carolina buyers choose to purchase fresh produce from local producers was similar across all respondents. Some of the most often cited reasons are to support local farms, support the local economy, and to meet the demand of customers.

- All North Carolina buyers who participated in the survey and interviews said that they are interested in increasing the amount of local produce their company will purchase next year.
- The participants of the electronic survey noted far fewer barriers to sourcing local fresh fruits and vegetables compared to the targeted buyers from the interviews. Electronic survey participants did mention some issues with inconsistent counts and sizing of local product, and that this was more of a problem for local potatoes, lettuce, greens, and mushrooms. Larger buyers from the interviews, however, listed far more barriers with a specific focus on the inability of smaller local producers to meet company quality and packaging standards, volume, and shelf life demands. These buyers specifically mentioned berries as a difficult local item to source, as well as tomatoes, greens, Brussels sprouts, and summer squash.
- In addition to product quality issues, buyers from both the survey and interviews have difficulty sourcing local product due to inadequate communication with producers, delivery timing, and in the case of the large scale buyers, because they do not know where to find local producers.
- Buyers from both the electronic survey and interviews believe the same types of support would be most helpful in addressing the barriers to sourcing local food including: providing training and technical assistance for farmers to help them meet company standards and requirements; facilitating communication around the expectations of buyers when they look for a producer and local small producers when they look for a buyer; helping farmers obtain safety, liability, and GAP certifications; tackling distribution and aggregation challenges related to local product; helping farmers increase and extend production; helping buyers connect with suitable local producers.



North Carolina Food Business Survey Summary

This report summarizes the results of a survey to food buyers in North Carolina. The purpose of the survey was to identify the obstacles buyers face when sourcing fresh fruit and vegetable products from local farmers and help formulate strategies to bridge the gap between farmers and buyers. Appalachian Sustainable Agriculture Project in partnership with North Carolina A&T, North Carolina Cooperative Extension, and the North Carolina Department of Agriculture distributed the survey to buyers in North Carolina that already do some level of local purchasing.

Sections of the report included: Survey Highlights, Survey Results, Appendix A., Appendix B.

Date of Survey: February 14-March 9, 2012

Type of Survey: Electronic survey

Response

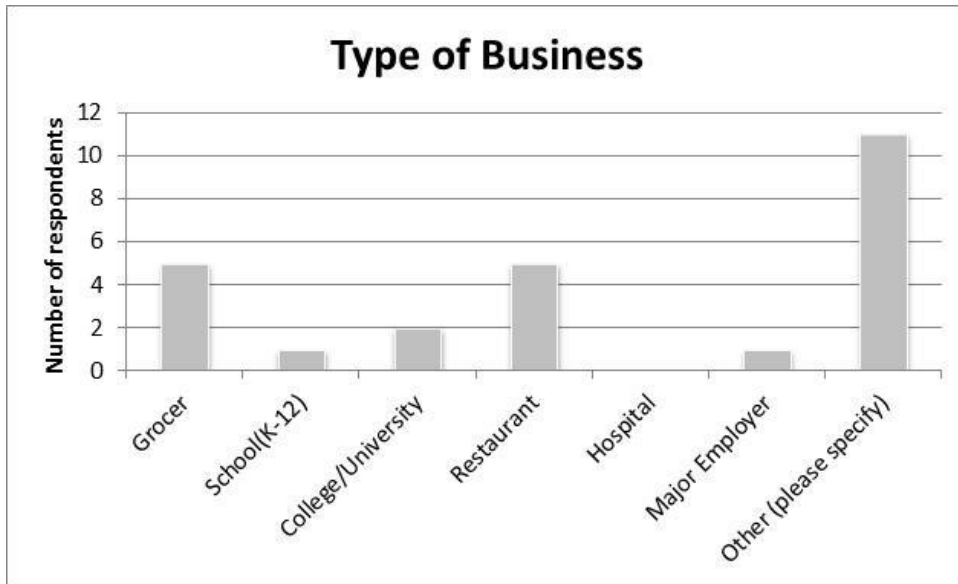
Total Sent Survey: 90
Total Started Survey: 25 (28%)
Total Completed Survey: 19 (21%)

Survey Highlights

- 95.2% of respondents say their business purchases fresh fruits and vegetables that are grown locally
- On average businesses purchase 60% of their summer produce from local farms
- All businesses said they were moderately or very interested in increasing the amount of local produce they purchase next year
- 68.4% of businesses report no barriers to sourcing local produce
- The majority of respondents noted no difficulties in sourcing local produce, but those who did have difficulties cited “inconsistent count/sizing” and “non-standard packaging” as the greatest barrier
- Other than quality and packing standards, the biggest barriers to sourcing local produce are consistent volume (81.3%), price (50%), and communication with producers (37.5%).

Survey Results

1. What type of business are you? (14 responses)



All responses to "other please specify:"
Broker for farmers
Buying Club coordinator
Consumer
Consumer
Distributor
Distributor
Freight, wholesaler
Grower
Individual
Local Food Program
Modified CSA

2. Is your business: (16 responses)

	Response Percent	Response Count
Independently owned	79.0%	15
Franchise	0%	0
Part of a regional chain	5.3%	1
Part of a national chain	0%	0
A cooperative*	5.3%	1
Non-profit*	5.3%	1
Buying club*	5.3%	1

*Starred items were fill in responses to the "other (please specify)" option

3. What is your role in the company? (choose all that apply) (19 responses)

	<i>Response Percent</i>	<i>Response Count</i>
Owner	26.3%	5
Manager	26.3%	5
Produce buyer	42.1%	8
Chef	21.1%	4
School Nutrition Director	5.3%	1
Foodservice Director	10.5%	2
Program Director*	5.3%	1
Coordinator*	5.3%	1
Crop Coordinator/Buyer*	5.3%	1

*Starred items were fill in responses to the “other (please specify)” option

4. Do you purchase food for more than one location? (21 responses)

Yes: 33.3% (7)

No: 66.7% (14)

If “yes” how many?

	<i>Response Count</i>
2 locations	2
10 locations	2
50 locations	1

5. How does your business define "local" in the context of local food? (20 responses)

<i>Category of response</i>	<i>All responses</i>
<i>Radius of miles</i>	We get as much as possible from within a thirty mile radius of the restaurant.
	Within 75 miles
	Within 100 miles.
	100 miles
	Operationally - within 100 miles Conceptually - within 150 miles
	250 mile radius
	Actually, to us, local is any food purchased within a 250 mile radius.
	It is a little vague at the moment, not well defined. I would say within approx. 250 mile radius, including NC, SC, and VA.
<i>Region/Counties</i>	Any products raised and purchased with-in a 300 mile radius
	1st choice--county 2nd state 3rd east coast
	As close to customer as practical, all of NC and within 3 hours of Asheville mostly. Will source regionally as necessary, as far as Georgia, SC but am very clear with customer about source. Have a couple of items which come from Calif but only to maintain consistent supply in offseason of staple items.
	ASAP county region, or 100 miles
	Grown within the county & surrounding counties, but as wide as 100 mile radius. Also, locally produced foods such as breads, trail mixes, etc.
<i>State</i>	Grown in NC, or better, grown in the Piedmont
	NC
	Our service only uses products that are grown in NC
	Within the state of NC
	Anything from NC can be labeled local. Anything from ours or a surrounding county would be labeled by which county it came from. If it is not from a nearby county, it would just say NC grown.
<i>Other</i>	Food that is grown or raised on farms within driving distance to my restaurant.
	Not determined

6. Does your business purchase fresh fruits and vegetables that are grown **LOCALLY?** (21 responses)

Yes: 95.2% (20)

No: 4.8% (1)

7. What percentage of your produce purchases comes from **LOCAL farms?** (17 responses)

	<i>In Spring</i>	<i>In Summer</i>	<i>In Fall</i>	<i>In Winter</i>
Average	49%	60%	54%	44%
Minimum	8%	14%	9%	2%
Maximum	100%	100%	100%	100%
Median	30%	47.5%	40%	25%

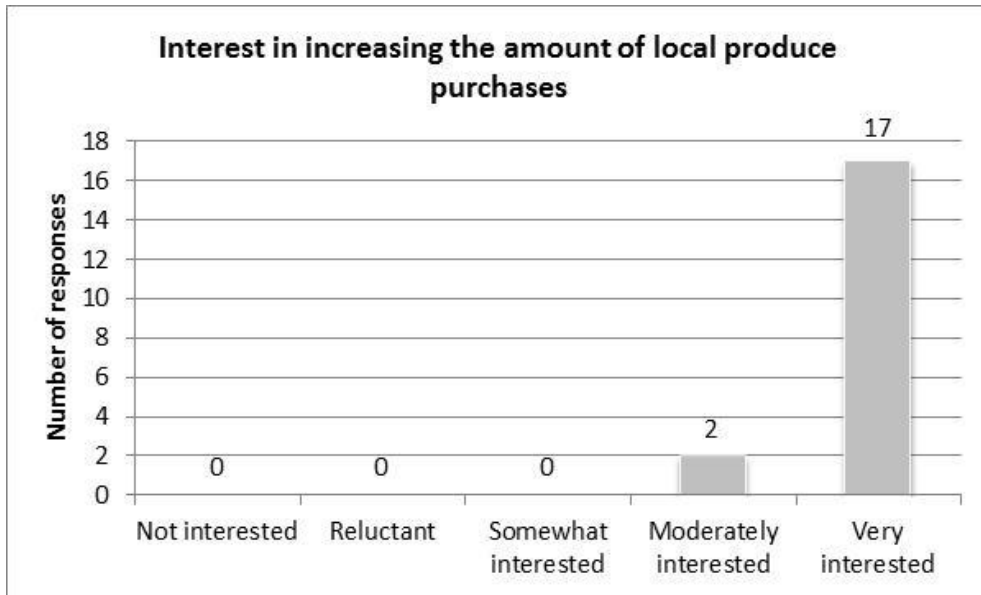
*For the list of all responses, refer to Appendix A

8. Why does your business choose to purchase locally grown produce? (18 responses)

<i>Category of response</i>	<i>Representative responses</i>
<i>Support local farms and the local community</i>	Because it is the right thing to do as long as the pricing is competitive with produce from other regions of the country.
	Better quality, support local farms, the price is higher but worth it
	It is the only ethical choice. I want a relationship with the ppl that grow my food and I want to share that with my customers. In my desire to be part of a community it would be hypocritical to not invest in other local interests such as farming.
	Our customers demand it Better quality and taste reduce fossil fuels support local farmers
	Purchasing from local vendors supports our community and our state. Our store mission statement includes directives to purchase locally. Also, there is a strong demand for local items from our customers.
	shorter supply chain, greater impact on locally families
	To support the local food system. To keep those dollars closer to home.
	To support the local economy and agricultural community, to be able to provide high quality products at good prices in season
<i>Other</i>	This is the mission of our work
	quality, availability, price, growing practices
	It is based on that premise entirely

*For a list of all responses, refer to Appendix B.

9. How interested is your organization in increasing the amount of LOCAL produce it purchases in the next year? (19 responses)



10. Do company policies or contracts make it easy or hard for you to source LOCALLY grown produce? (19 responses)

	<i>Response Percent</i>	<i>Response Count</i>
There are no policy barriers to sourcing local produce	68.4%	13
There are some policy barriers to sourcing local produce	31.6%	6
There are significant policy barriers to sourcing local produce	0%	0
I'm not authorized to source local produce	0%	0

11. Thinking specifically about quality and packing standards, which fresh fruits and vegetables do you have the most difficulty sourcing **LOCALLY and why? (choose all that apply) (16 responses)**

Answer Options	No difficulty sourcing	Inconsistent count/sizing	Unsatisfactory appearance	Wrong temperature	Non-standard packaging	Not clean	Response Count
Tomatoes	12 85.7%	2 14.3%	0 0.0%	0 0.0%	1 7.1%	0 0.0%	14
Colored bell peppers	9 75.0%	2 16.7%	0 0.0%	1 8.3%	0 0.0%	0 0.0%	12
Winter squash	10 83.3%	2 16.7%	0 0.0%	0 0.0%	1 8.3%	0 0.0%	12
Summer squash	12 85.7%	2 14.3%	0 0.0%	0 0.0%	1 7.1%	0 0.0%	14
Cucumbers	11 78.6%	3 21.4%	0 0.0%	0 0.0%	1 7.1%	0 0.0%	14
Greens	11 68.8%	3 18.8%	1 6.3%	1 6.3%	2 12.5%	1 6.3%	16
Lettuce	8 53.3%	3 20.0%	3 20.0%	1 6.7%	1 6.7%	2 13.3%	15
Potatoes	8 61.5%	3 23.1%	0 0.0%	1 7.7%	1 7.7%	2 15.4%	13
Beans	9 75.0%	1 8.3%	2 16.7%	0 0.0%	2 16.7%	0 0.0%	12
Apples	9 69.2%	0 0.0%	3 23.1%	1 7.7%	0 0.0%	0 0.0%	13
Strawberries	11 78.6%	1 7.1%	1 7.1%	2 14.3%	0 0.0%	0 0.0%	14

12. Are there other produce items that you have difficulty sourcing **LOCALLY because of quality and/or packing standards? Please list each item and briefly describe what difficulty in quality and/or packing is associated with the locally grown product. (7 responses)**

<i>Category of response</i>	<i>All responses</i>
1.	<p>Apples that haven't been sprayed with chemicals and free from blemish are very hard to find.</p> <p>Due to the climate and soil in SENC, some fruits are more difficult to source locally</p> <p>More availability of stone fruits</p> <p>Mushrooms - inconsistent quality (wet, dirty)</p> <p>Mushrooms, need to always be in paper, never plastic</p> <p>Rutabagas and their greens, hard to find</p> <p>Sweet corn...but not because of quality or packing standards</p>
2.	<p>Greens - exposure to heat or freezing temps during highway travel in the back of a truck</p> <p>Lettuce without bugs</p> <p>More early and late season greenhouse vegetables</p>

13. Other than meeting quality and packing standards, what are your biggest barriers to sourcing LOCALLY grown fresh fruits and vegetables? (choose all that apply) (16 responses)

	<i>Response Percent</i>	<i>Response count</i>
Delivery timing	18.8%	3
Require GAP certification	6.3%	1
I don't know where to find local product	0%	0
Liability insurance from producer	25%	4
Communication with producer	37.5%	6
Consistent volume when in season	81.3%	13
Price	50.0%	8
Not enough demand from customers	12.5%	2
Contracts and company policies	12.5%	2

<i>Other (please specify):</i>
Availability of a broad variety. I carry as much local produce as I can, but often multiple farmers offer the same items. Also, I think there could be a bigger focus by some growers to focus on season extension. There is obviously much less competition in the winter months, even though our climate can support many crops through much of the winter.
Do the farms have a lot of waste products due to the unacceptability of the product to the consumer, ie. blemished produce that they feel that will not be acceptable to the consumer. What do they do with this waste and are they willing to give it away or sell it for a much lower price. I was able to purchase produce in this manner in Pittsburgh thru local markets that had an abundance with in season products
Finding growers with enough quantity to wholesale
Growers really need to establish a market for products before they grow a bunch of something that everyone else is growing, or that consumers have no real demand for.
Lack of year-round local produce.
Not all prices, but some growers have unrealistic ideas of what their produce is worth. Prices are based on what the market will bear, not on value.
One thing that is important for growers to realize is that calling the day they want to bring a product is inconvenient, as we have already placed orders to fill our shelves. Need at least one to three days' notice, or more advance planning.
We wish that our organic and local produce was not so costly but recognize that we will have to pay now to ensure that local and organic become the standard not the exception in this country.

14. What types of support would be most helpful in addressing these barriers? (13 responses)

<i>Category of response</i>	<i>All responses</i>
<i>Marketing and promotion</i>	Informing growers that buyers like us are available
	Marketing education for small farmers.
<i>Training and technical assistance for farmers</i>	Farmers to know how to use smart phones
	true costs of goods. volume discounts. open, honest communication
	Consumer and social marketing to drive demand, a lot of farmer support about consumer demand, food safety, post-harvest handling, packaging, succession planting, season extension
	Possibly a workshop for growers to learn about wholesaling. Maybe a producer meeting for growers wanting to sell to the store.
<i>Increased/extended production from producers</i>	more green houses
	Develop relationships with growers who can produce large quantities of specialty products
	Farmers who greenhouse or store warm season grown produce throughout the cold months.
<i>Co-ops of producers</i>	Group Co-ops to bring a number of farmers together so that the deliveries and billings will be consolidated.
	Perhaps a coop to pool for insurance and distribution
	Eastern Carolina Organics seems to be very effective at getting products to market in quality and quantity. However, they seem to be most effective in the central part of the state. There may be room in other parts of the state to duplicate their model.
<i>Other</i>	We must all continue to educate the consumer regarding the high cost of eating poorly. We must also make people realize that supporting local growers and business reduces our dependence on foreign oil. Keep doing what you are doing!

Appendix A:
7. What percentage of your produce purchases comes from LOCAL farms? (All responses)

In Spring	In Summer	In Fall	In Winter
20	20	20	10
100	100	100	100
90	100	100	90
20	40	30	10
95	98	98	70
8	14	9	2
40	50	40	20
10	40	30	15
40	75	70	35
30	45	40	25
100	100	100	100
25	25	25	25
100	100	100	100
10	20	20	10
20	30	20	10
20		20	20
100	100	100	100

Appendix B:	
8. Why does your business choose to purchase locally grown produce?	
<i>Category of response</i>	<i>All responses</i>
<i>Support local farms and the local community</i>	Because it is the right thing to do as long as the pricing is competitive with produce from other regions of the country.
	Consideration for the environment (transportation/fossil fuels); freshness; to support the local economy; to foster community.
	Better quality, support local farms, the price is higher but worth it
	Consideration for the environment (transportation/fossil fuels); freshness; to support the local economy; to foster community.
	Easier tracking, less petroleum, helps my neighbors
	Freshness of produce, to support local farmers & businesses, to reduce use of energies used to transport, customer demand, store employee preferences.
	It is important to our region and the sustainability of farmers.
	It is part of our mission, to support local farmers and small businesses.
	It is the only ethical choice. I want a relationship with the ppl that grow my food and I want to share that with my customers. In my desire to be part of a community it would be hypocritical to not invest in other local interests such as farming.
	Our customers demand it Better quality and taste reduce fossil fuels support local farmers
	Our menu is seasonal and focuses on the produce available in each season. We support our local economy and believe that local and organic is the only responsible choice.
	Purchasing from local vendors supports our community and our state. Our store mission statement includes directives to purchase locally. Also, there is a strong demand for local items from our customers.
	shorter supply chain, greater impact on locally families
	To support the local food system. To keep those dollars closer to home.
	To ensure our money stays with our local growers
	To support the local economy and agricultural community, to be able to provide high quality products at good prices in season
<i>Other</i>	This is the mission of our work
	quality, availability, price, growing practices
	It is based on that premise entirely



Interviews of Targeted North Carolina Businesses

This report summarizes the results of seven interviews of targeted larger food buyers who operate in North Carolina. The interviews followed a broader electronic survey of North Carolina food buyers and were designed to investigate in greater detail the issues larger buyers experience when trying to source local specialty crops. The original electronic survey of North Carolina buyers gathered input from 25 businesses, 68% of whom reported no barriers to sourcing local product from local producers. This second interview phase purposefully targeted larger retailers and wholesaler/distributors known to have stricter sourcing requirements and therefore probable obstacles to sourcing from local producers. The purpose of the interviews was to identify the obstacles these buyers face when sourcing fresh fruit and vegetables from local producers to help formulate strategies to bridge the gap between farmers and buyers. Staff from Appalachian Sustainable Agriculture Project in partnership with North Carolina Central University conducted the interviews.

Sections of the report included: Survey Highlights; Comparing the results from North Carolina Food Business Survey with Interviews of Targeted North Carolina Businesses; Survey Results; Appended: ASAP's North Carolina Food Business Survey Summary

Date of Interviews: Interviews were conducting in the month of May 2012

Type of Survey: Phone Interviews

Response

Total Completed Survey: 7

Survey Highlights

- All seven buyers (100%) purchase fresh fruits and vegetables that are grown locally
- On average buyers purchase 24-25% of their summer produce from local farms
- All seven businesses indicated that they were very interested in increasing the amount of local produce they purchase next year
- Four of the businesses report some policy barriers to sourcing from local producers (57%); three businesses report no policy barriers (43%)
- All seven buyers indicated difficulties in sourcing specific local produce items due to quality and packaging standards. The most frequently cited barriers include the quality and packaging standards of the company, inconsistent quality of local produce, and the short shelf life of local fresh produce. Buyers have particular difficulty sourcing local berries, a product mentioned by three of the seven interviewees.
- Other than quality and packaging standards, the major barriers to sourcing local produce are consistent product volume when in season (57%), communication with producers (43%), product quality (43%), and finding local producers (43%)

Survey Results

*Reported responses are not direct quotes. A summation of the interviewees' answers are provided and edited to maintain the anonymity of the companies and employees involved.

15. How does your company define "local" in the context of local food? (7 responses)

<i>All Responses</i>
North Carolina (and Tennessee for sweet potatoes). I have direct connections to local suppliers. I do buy some non-local to sustain volume
In state- from North Carolina
No set radius. In the area that we service. The farm has to be close to the store it's sold in to be considered local
100 miles
250 miles
100 miles from a specific store
We jumble local and regional together. Covers all of NC and border states too: SC, VA, TN, GA

16. Does your company purchase fresh fruits and vegetables that are grown locally? (7 responses)

Yes: 100% (7)

No: 0% (0)

<i>Other Comments</i>
I am a foodie and am personally interested in local
As well as candy, coffee roasted locally, BBQ sauce, salsa, marinate, granola, and dairy
I do purchase from area farmers

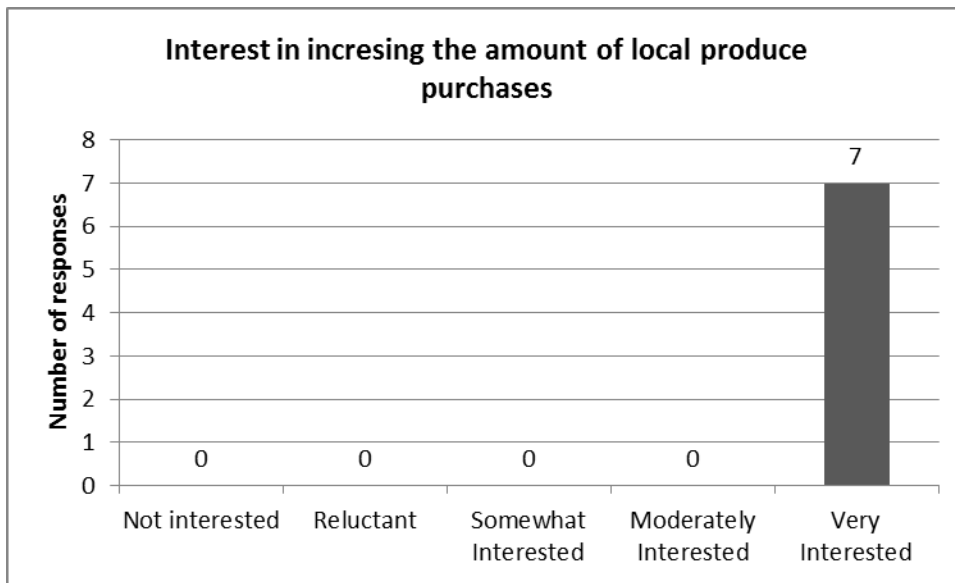
17. What percentage of your produce purchases comes from local farms: (7 responses)

	<i>In Spring</i>	<i>In Summer</i>	<i>In Fall</i>	<i>In Winter</i>
Response 1	5-8%	5-8%	5%	<5%
Response 2	5-10%	25%	5-10%	0%
Response 3	40%	40%	40%	10%
Response 4	5%	10%	10%	3-5%
Response 5	30%	50%	40%	10%
Response 6	10%	10%	10%	10%
Response 7	20%	30%	15%	8%
Average	16-18%	24-25%	18-19%	Up to 8%
<i>Other comments</i>				
Items purchased include: tomatoes, corn, peanuts, berries, pumpkins, sweet potatoes, green beans				
Apples, lettuce, lambs, sprouts				

18. Why does your company choose to purchase locally grown produce? (7 responses)

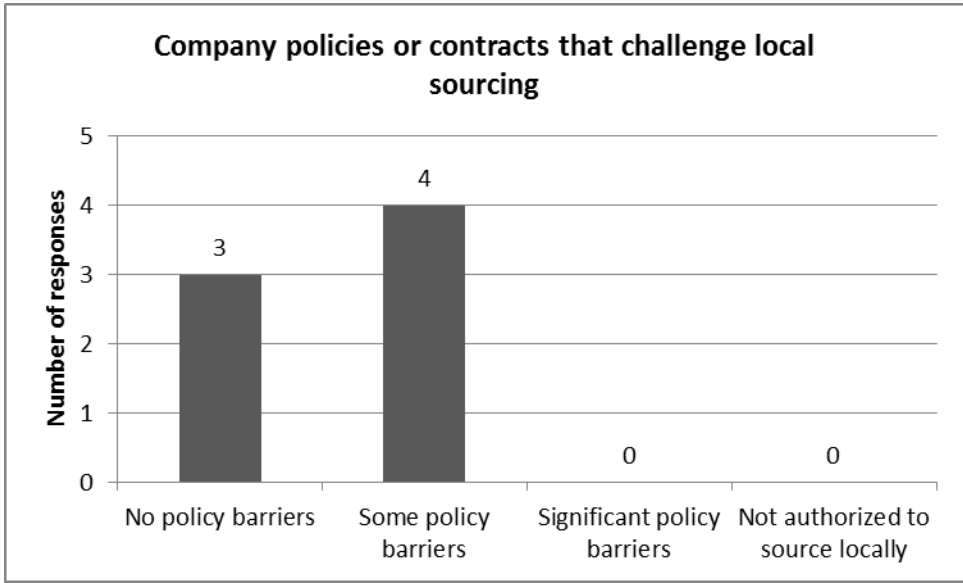
<i>All Responses</i>
We have the call for it; the corporate companies and small companies who want it, and we do it to compete.
To support the local economy, to support local farms, people feel better about local (it's safer), people like to know their farmer/farm where their food is coming from
Works better for everybody: transportation logistics, freshness, the prices are better
Overall the core values of the company are to work with local producers: "create win win relationships with local producers"
Local produce is fresher, trendy, better prices, and good for the local economy
Support local communities, less petroleum than shipping from California
It's the right thing to do, sustainable, it supports local farmers, sometimes the price is better, there is demand for it

19. How interested is your company in increasing the amount of local produce it purchases in the next year? (7 responses)



<i>Other Comments</i>
A big focus of mine
We have created a new position devoted to expanding local purchases.
Always looking for new growers
Very, very, extremely
Always looking for new farmers to partner with. If they have GAP it's ok for us to be more lenient on the liability insurance

20. Are there any company policies or contracts that make it difficult for you to source locally grown produce? (7 responses)



<i>Other Comments</i>
Two exactly: GAP compliant and the grower must be able to sign a hold harmless agreement (extremely important!)
Barriers to purchasing more locally grown produce relate to packaging, volume consistency, and price. The company does have contracts with non-local distributors that must be honored
GAP, insurance levels
Vendor expectations; liability insurance; paperwork is thick and intimidating; payment electronically; quality expectations are high
GAP and liability

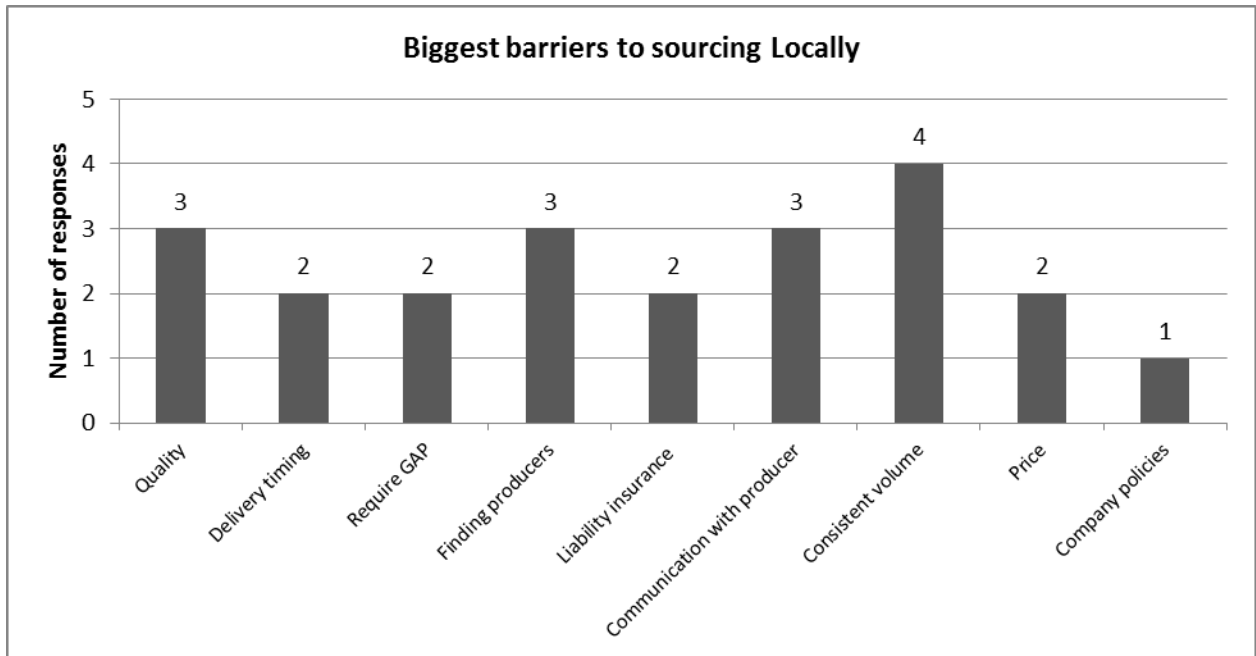
21. Thinking specifically about quality and packaging standards, which fresh fruits and vegetables do you have difficulty sourcing locally and why? (5 responses)

<i>All Responses</i>	
Standards	Products
We focus on our brand- if it's going to have our name on it, it has to meet the standard for that product. Our company is a cut shop; they do fresh cuts for us. They are an approved vendor that packs things in <i>our</i> boxes. Specifications and standards are very important. It has to meet the standards to go into the box. If it's below standard, it would still be pushed through the system but be sold in a packer box and the price would be lowered	
Damaged; shelf life; varieties, especially Heirloom (tomatoes); price (beans and corn); short season (lettuce); not a lot field grown (peppers); pretty good job (potatoes)	Tomatoes, beans, corn, lettuce, colored bell peppers, potatoes
Knowing industry standards and being able to live up to it; temperature expectations. Quality inconsistent. Availability window is short when available.	Fruits, Brussels sprouts
Not enough berry growers. Could use help in finding more berry growers	All berries
	Bush berries, strawberries, summer squash

22. Why do you have difficulty sourcing these particular fresh fruits and vegetables? (7 responses)

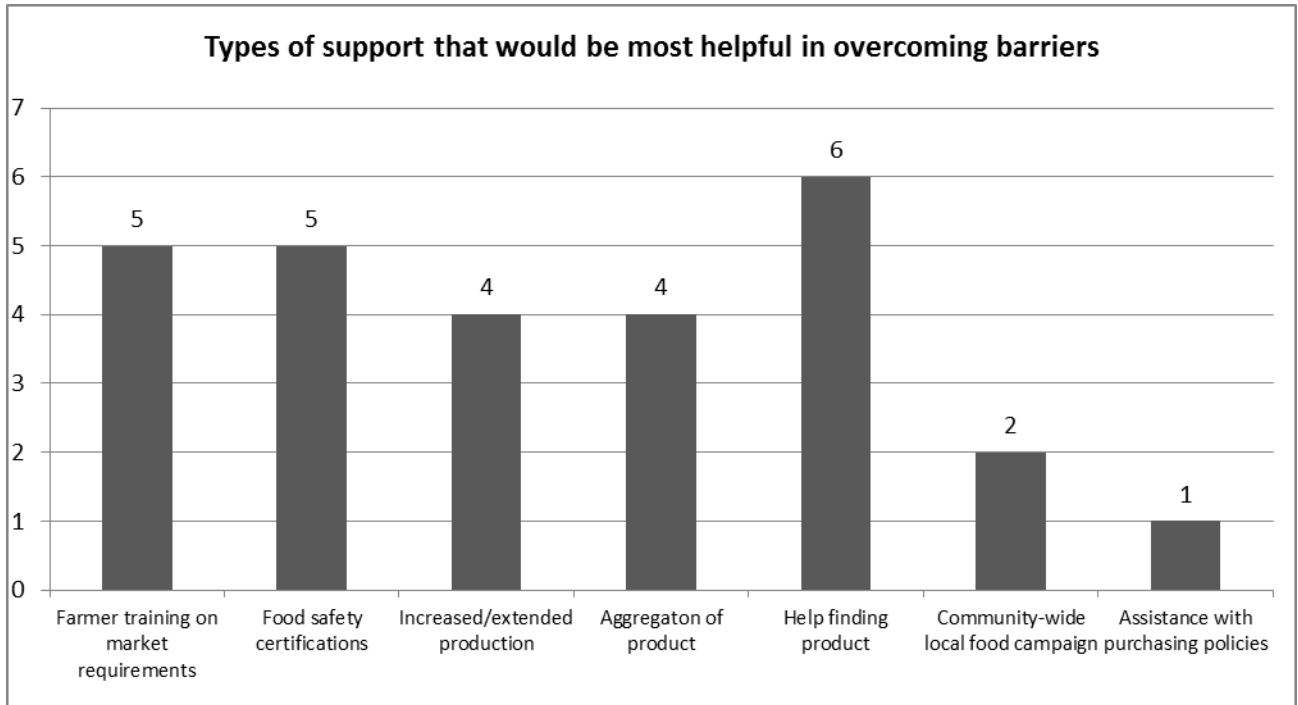
<i>All Responses</i>	
Problems	Products
Quality and meeting company standards	
Too soft/quality is so-so; Price of buying local is high; for the regional stores, the price of an item must be the same in each store and the item must be available in all of the region's stores. Therefore a local producer must have the quantity that can supply all stores at a price that the company can bear; Specifications/size of produce; packaging	Fruits (too soft and so-so quality); Strawberries (packaging)
Damaged, especially heirlooms; not shippable; packed too ripe	Tomatoes
Wrong temperature; uniformity; packaging consistent with industry standards; (but people do their homework when selling wholesale)	
Seasonal nature of local produce	
Not enough growers of local berries; post-harvest handling so greens don't last long in customers' homes	Berries and leafy greens
Seasonal nature of local produce and availability (berries); heat breakdown (squash); logistics: picking up from farms takes a lot of orchestrating. We have to back haul because a lot of WNC farms don't deliver where we need them to	Berries and squash

23. Other than meeting quality and packaging standards, what are your biggest barriers to sourcing locally grown fresh fruits and vegetables? (7 responses)



<i>All Responses</i>
We focus on our brand- if it's going to have our name on it, it has to meet the standard for that product. Our company is a cut shop; they do fresh cuts for us. They are an approved vendor that packs things in <i>our</i> boxes. Specifications and standards are very important. It has to meet the standards to go into the box. If it's below standard, it would still be pushed through the system but be sold in a packer box and the price would be lowered
Quality and quantity
Everyone is growing the same thing; communication with producer; consistent volume when in season (need an accurate idea from growers of how much they will actually bring in); price can be a barrier, but not as big since the company absorbs some margin for local products
Delivery timing; liability insurance from producer; communication with producer; consistent volume when in season; price; less local more regional
Growing season, weather, where to find local product
No warehouse; twice weekly delivery; GAP certification not required but a plus; require same quality from local producers as from a large distributor; where to find local product
Tracking down growers; require GAP certification; liability insurance from the producer; communication with producer; consistent volume when in season (We're expanding logistics for back hauling, but still have a pallet minimum which most growers can't meet)

24. What types of support would be most helpful in overcoming these barriers? (7 responses)



<i>Other comments</i>
Got to be NC trade fair – events like these. Also conferences where we learn about how other buyers source
Helping local producers with their packaging
I don't have time to always talk individually to the smaller growers. This could help get more in our door and save time for us. ASAP helps a lot with finding local product
Meeting with growers to make a commitment and emphasize face to face interaction (talking logistics/planning); quality, volume, and pricing so producers understand industry standards; communication as growers get frustrated by lack of follow-up by the buyer and lack of heads up from grower on what's coming up next; Saturation: glut in a product when supply is high doesn't mean it will sell well and the price needs to drop because of saturation. Assistance with developing purchasing policies that include local is something our company already has in place. Sometimes there's a regional weekly merchandizing plan that dictates sales and price to growers, and obstructs growers' desire to sell here
Connections with more local growers
Introductions to growers. Help distributing vendor packets to interested growers and help them understand that they are for all departments. Also interested in local flowers