

FORMER SCHNUCKS PRODUCE EXECUTIVE MIKE O'BRIEN SHARES VIEWS OF HIS 30-PLUS-YEAR PRODUCE CAREER

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Seasonality, sustainability and meal solutions weren't buzz words when Mike O'Brien embarked on a retail career at Schnucks, a 100-plus store chain based in St. Louis, MO. Over the past 32 years, O'Brien spent 11 years at store level, nine years as division manager, and nearly 15 years as vice president of produce and floral. Last November, he left retail for the supply side taking the position of president of sales and marketing at Watsonville, CA-based Monterey Mushrooms.

Where were you in 1985?

I was a young store manager for Schnucks in Dellwood, MO.

What was the school of thought in the produce department in 1985 regarding SKUs, seasonality, local/imports, organics, fresh-cuts, etc.?

The produce departments in stores were a lot smaller back then with fewer SKUs, less breadth and depth of variety. This was driven by

the fact that other than bananas and storage apples everything was seasonal. Plus most produce was domestic. Strawberries were all from California, with Florida starting as an option in the off season. Grapes and peaches were a summer fruit. We had a few SKUs of mushrooms — mainly white.

Almost all produce was "naked" and bulk with some exceptions like bagged apples and potatoes. There were no bagged salads. The produce cases we used were Y tables with very few multi-deck cases in the department.

We were into color breaks back then instead of destination category merchandising. Carrots were everywhere and citrus was mixed with apples.

How was the overall retail environment then?

The retail landscape was very competitive back then as I remember. I honestly can't ever remember it not being competitive. We were fighting all of the warehouse concept stores that had cheaper labor rates. Sound familiar?

While produce wasn't as big as it is today, it was always important for our stores. We hung our hats on the quality of our meat departments, however produce was still at the forefront and the first department as you entered our stores. We were the go-to company for quality produce and knowledgeable teammates.

When did things start to change and what were the drivers of change?

I think 1985 was the cusp of the change as I remember. It was probably the late 80s when we started importing stone fruit. I even remember Christmas strawberries from New Zealand. They were expensive and didn't sell.

Two big changes were imports and value-added.

Imports removed seasonality from items like asparagus, grapes and

strawberries. This made these items staples rather than seasonal specialties that people looked forward to. They are now part of our everyday diet.

Convenience and value-added — starting with the bagged salad explosion — was a major change that helped grow produce consumption.

What were some of the biggest innovations in the industry during the past 30 years (for example: PLU, category management, packaging, food safety, international trade, product development, etc.)?

Those are all great choices. I would add cold chain management to the list. The cold chain makes it possible for global produce procurement to happen. We can get cherries and grapes from Chile, for example, because of the cooling logistics of the product so that the freshness is intact for the consumer.

If I had to pick three biggest innovations, it would be international trade, packaging and product development. All helped make produce more a part of mainstream diets.

In the past when we had only domestic products, they were considered more of a treat, and people looked forward to that season. Think about the California grape. Now that grapes are available all year, they are a staple, and because of that, we sell more California grapes than we did when they were seasonal. The same goes for asparagus, and other categories.

The packaging and the product development go hand in hand with convenience. Customers are busy and are looking for solutions to save time. The value-added products that we have in our departments play into that need. The bagged salad category is the poster category for this example.

How would you describe the produce department today?

Produce passed the meat department as



