

RETROSPECTIVE

AFTER 36 YEARS ON DIFFERENT ENDS OF THE FOOD SUPPLY CHAIN, ROGER PEPPERL PROVES HIS SUSTAINABILITY

BY CAROL BAREUTHER, RD

Globally sourced produce, groundbreaking varieties and growers as food industry celebrities were not in consumers' consciousness when Roger Pepperl started his retail career at Meijer, a Grand Rapids, MI-based supermarket chain with more than 200 stores today. Pepperl spent nearly 21 years at Meijer as a buyer/merchandiser before moving west and switching to the supply side — where he is currently the marketing director for Wenatchee, WA-based Stemilt Growers, LLC.

In the past six years, Pepperl held a variety of voluntary posts, including chairman of the Produce Marketing & Merchandising Council; member of the board of directors for the United Fresh Produce Association, and sat on its Center for Global Produce Sustainability Advisory Board; member of the Exhibitor Advisory Committee for the Produce Marketing Association; and an executive board member of the Produce for Better Health Foundation.

Where were you 30 years ago?

In 1985, I was working as a buyer/merchandiser in the produce office at Meijer in Lansing, MI. That's when the chain had less than 50 stores.

What was the produce department like in 1985?

The SKU counts were in the 400 range — not 1,300 like today. There was no organic produce. The only organic available was in the food co-ops located in college communities like where we lived near Michigan State University. Fresh-cut items were very simple: coleslaw, carrot sticks, celery sticks, water chestnuts and bamboo shoots. I remember one of our suppliers came up with a "Salad for Two" in a poly bag. We tried it, and it failed. We all knew it wouldn't work. I laugh at this experience as we know what happened with salad mixes today. PLU numbers were very basic and the apple category was Red Delicious, Golden Deli-



Roger Pepperl, today, at the Stemilt packing plant.

cious and Granny Smith in bulk. We had very limited products from South America, New Zealand and South Africa. Things were truly seasonal and it worked.

How would you characterize the overall retail environment back then?

Much simpler, and this [environment] had its advantages. Because of limited SKUs, product turns were very good and rotation skills were at their best. Staff knew all about the products and customer service was important. Local and regionalized grocery chains were the norm. Stores were not open 24 hours and that allowed for the refrigerated racks to be broken down daily and hosed clean. Fresh ice was also a part of the presentation as well as freshly vacuumed tables with lots of signage to promote and tell about the items.

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

Things really changed in the 1990s.

Customers desired more choices, and this became the driver for change. Variety began to flourish with a Southern Hemisphere extension of the season. Much of the Southern Hemisphere product was grown for windows or calendar needs. Flavor lacked, and prices were high but the season was extended. Holland and Spain gave us new sources of dry vegetables from greenhouses and flew the product to the U.S. every week. Clementines came from Spain, not California. From 2000 on, the changes moved to convenience and variety. Variety reasoning changed from availability needs to new genetics and new items.

What led you to the supply side of the industry? What insights did you gain that could help retailers?

Being a Baby Boomer, my loyalty to my employer made it hard for me to leave, but in the end I did. The insight I learned was that not all produce products are created the same way, and a grower's passion can truly create a better

product. We all know the saying, “you get what you pay for,” but I truly understand this statement today. If I was back at retail, I would seek out people with passion and integrity as fast as I could and buy from them alone. Price is important, but selling products people want to eat is so much more important.

What are some of the biggest innovations you saw during your career in the produce industry?

For me, it’s the new genetic development of the varieties, flavors and colors of fruits and vegetables; the containerization of the banana industry; globalization of the supply chain; optical sizing in packing lines and data research. The biggest renaissance is to inform consumers about “who grew my food.”

How would you describe the produce department today?

It’s a high-speed growth area and the most successful part of a supermarket. It’s the department, more than any other, that differentiates the store or chain from its competitors. Produce departments also deliver profit at a time when center store continues to slow. Yet, I would say the average produce department lacks employee product knowledge and signage is poor for an area with so many new items.

What is the greatest lesson you learned about retailing from your career?

Anyone can sell an item once, but a great eating experience delivers sustainable success. Also, we need to focus 80 percent of our time on how to sell consumers more produce and 20 percent on the transaction between supplier and retailer. The best retail/supplier relationships are based on building sales. The real sale is to the consumer who pushes the shopping cart or orders food online.

What do you think will drive the produce industry in the next 10 to 20 years?

I think produce will become ubiquitous. The channels will be so wide and deep. Online shopping will become 40 percent of the marketplace. “Who grew my food” [themes] will become the major marketing strategy for retailers. Branded produce will become the majority of offerings with new genetics trademarked to the grower becoming the differentiator. Branding is already taking off in the produce industry today. The produce department will be so much better because of this move. Better flavors and more sustainable agriculture will come out of this evolution.



(Top to Bottom): Pepperl in 1993 at a banana plantation in Costa Rica and in 1987 at a papaya operation in Costa Rica as well.

What are the challenges holding the industry back?

Educating consumers on the wealth of new products. Retail signage lacks information about nutrition and flavor expectation. Best-in-class retailers have signage programs that tell a very compelling story about the produce they sell. However, too many stores have “visual clean” policies that leave only a business card white sign with the item’s name and price. In addition, growers must focus more on flavor. Retailers need to focus on flavor, demand for it, and pay the price for it too. Low-priced goods often deliver nothing more than a cheap price. We must resist this type of transaction. Prod-

ucts that don’t deliver an excellent eating experience are hurting all of us.

What advice would you give young retailers entering the produce industry?

Shop the stores you work for and purchase the products with your own money. If it feels good, you are probably doing the right things. Consumers judge our performance every day, so judge yourself like a consumer would. Fresh, friendly and fun should be the results of a produce operation. I also would tell young retailers they’ll never be bored. Things change every season, every year and every day in produce. How much fun is that? **pb**