

May You Live In Interesting Times



By Cindy Seel, Executive Director, PMA Education Foundation

Today's produce industry is the embodiment of this old Chinese saying. We certainly are in the midst of interesting times. Opportunities abound, yet things are different, we say, from the produce industry we've known and loved. We're challenged on a variety of fronts — food safety, advances in technology, ever more discerning consumers, increasing costs, tighter labor markets and an increasingly competitive global marketplace. At the same time, greater awareness of the healthful aspects of produce and its contribution to wellness has the potential to expand the markets for our products if we just know where to look for them.

Food safety continues to be at the top of nearly every list of industry issues. Last year's spinach crisis reminded us of the vulnerability of our industry and how easily profitability can be lost even for those not directly connected to a crisis. The industry must be able to ensure safe and healthful products for consumers to restore and maintain their confidence.

Consumers are more discerning and more diverse than ever. A "one size fits all" message no longer works. We need to develop innovative ideas for marketing to and educating consumers fitting a variety of new and different demographic characteristics. There is an unprecedented level of obesity in children and adults, and health professionals are encouraging better eating habits. With the right elements in place, the industry could make great strides in increasing consumption of fruits and vegetables.

Costs are increasing everywhere, at faster-than-ever rates. Talk to any produce professional, at any point in the supply chain, and "cost of doing business" is one of the key challenges he or she is facing. Fuel prices are skyrocketing, and changes to minimum-wage laws mean greater labor costs in the largest segments of our workforce. Developments in technology mean investments have to be made in order to remain competitive.

There's a common thread running through all these issues — people.

Regardless of the challenges the industry faces, it's the people working in the industry who will find ways to overcome them — or not. It's the people who will make every effort possible to ensure the safety and security of produce all along the supply chain. It's the people who will find more efficient and cost-effective ways of doing business. It's the people who will develop and execute plans for increasing consumption.

People are the heart and soul of the produce industry. Even with all these challenges, those who grew up in the industry — or have come to it from elsewhere and discovered in it their life's work — remain passionate about their commitment to produce and its potential. That passion, and the relationships fostered between buyers and sellers throughout the supply chain, is what makes the industry so exciting and dynamic.

People are the industry's strength and now are also its

biggest challenge. Labor/employee issues rated second only to food safety/security in a recent PMA study asking members to identify the most important issues facing the industry today. And in recent conversations with industry leaders from a cross-section of the supply chain, the most commonly mentioned challenges for business growth and industry sustainability all come down to finding, hiring and keeping the right people.

That's getting harder to do in a world where the labor pool is shrinking and college graduates have so many attractive career choices. Those currently 20-44 years old — the age group from which many new hires and new managers come — are projected to have the slowest growth rate of any age cohort in recent history. Coupled with an anticipated 52 percent of workers aged 55-64 nearing retirement, there will be an unprecedented shortage of qualified people in the very near future. The competition for those people will be very intense.

Statistics aside, it's the dramatic changes in young people's (those now in their 20s) expectations of work that have many in the produce industry scratching their heads. Produce professionals speak often of looking for new hires with a "strong work ethic" and committed to "doing what it takes," even if that means working long hours in pressure-filled environments. It's the nature of the work, they say. Today's 20-somethings, however, don't have much interest in making that kind of commitment — at least not without good reason.

As a generation, according to an article in the May 28, 2007, online edition of *Fortune*, "[T]hey're ambitious, they're demanding and they question everything, so if there isn't a good reason... don't expect them to do it." The article goes on to say, "[W]hen it comes to loyalty, the companies they work for are last on their list — behind their families, their friends, their communities, their co-workers and, of course, themselves." On the other hand, the same article shares good news from Bruce Tulgan (founder of leading generational-research firm RainmakerThinking): that this generation is likely going to be the highest-performing workforce in history.

Like it or not, the produce industry will have to adapt at least to some degree in order to ensure its continued success. What might that mean to the way we do business?

Enter the PMA Education Foundation (PMAEF). Founded in 2006, PMAEF's mission is to partner with produce businesses to ensure a strong talent pool and continued leadership for our future. In *PRODUCE BUSINESS* articles over the next few months, we'll be exploring some of these issues, sharing insights from industry members and describing the foundation's plans to help the produce industry find and keep the talent it needs.

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