

How Farmers Can Access Urban Consumers, from Farmers' Markets to Supermarkets and Everything in Between

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In order to accurately assess opportunities to sell fresh produce in any setting, it is critical that farmers understand the distribution system that is used to make fresh produce available in this system. By understanding this distribution system, a farmer can better understand their competition. This is critical when selling fresh produce in urban settings, whether it is wholesale or retail.

As an example of a distribution system, Figure 1 shows the supply chain for Brazilian produce in Massachusetts. Massachusetts has the largest Brazilian population in the United States and this market has represented a strong market for locally-grown vegetables popular in Brazilian cuisine. A research project as part of a masters' thesis at UMass developed a distribution system that is used in the state to provide this community with fresh produce. A farmer who wants to grow produce for Brazilian consumers will have an advantage by understanding this system.

Massachusetts has more than 1,000 businesses that are Brazilian-owned. These include small markets, restaurants, butcher shops, clothing stores, bakeries, travel agencies, among others. It is estimated that there are approximately 300 Brazilian stores that carry at least some fresh produce in Massachusetts. In this study, the focus is on businesses that are involved in the distribution system of fresh fruits and vegetables. This includes non-Brazilian owned businesses (i.e. wholesale distributors, traditional supermarket chains, and farmers' markets) that carry Brazilian products and locally-grown Brazilian produce. These stores are categorized as follows:

Category 1: Brazilian Restaurants

There are more than 100 Brazilian-owned restaurants in Massachusetts. The majority of these restaurants get their fresh fruits and vegetables from the Terminal Wholesale Market in Chelsea MA (described below), either by going there to buy directly or hiring jobbers that buy for them. Some restaurants will buy certain locally-grown vegetables directly from farmers that are popular in their cuisine and are difficult to get wholesale.

Category 2: Brazilian Small Markets.

There are estimated 300 Brazilian small stores in Massachusetts that sell at least some fresh produce. These are stores, common with many different ethnic groups in Massachusetts, which carry specific products used by Brazilians on a regular basis and are located in areas with large

concentrations of Brazilians. All stores in this category will carry fresh produce popular among Brazilians that do not require cooling facilities (e.g. onions, hard squashes, cassava). Some stores will have more advanced cooling facilities and will carry a larger range of desired products with shorter post-harvest lives (e.g. collards, jiló). As with Brazilian restaurants, stores in this category get the majority of their produce from the Terminal Wholesale Market in Chelsea, either directly or from independent distributors (jobbers). Some wholesale companies based at the terminal market will deliver to individual stores for a service fee.

Category 3: “Ethnic” Supermarket Chains

There are two “ethnic” supermarket chains in Massachusetts that carry Brazilian products. One is Brazilian-owned and caters directly to this community. It has four stores located in cities with large Brazilian populations: Framingham, Somerville, Hyannis and Shrewsbury. Each store carries a large inventory of processed products along with a meat department and bakery, similar to the Brazilian Small Markets. Each store also has a small produce section for fresh fruits and vegetables used in the Brazilian cuisine, similar to those found in small Brazilian markets, but more extensive. The majority of the produce comes from the Terminal Wholesale Market in Chelsea MA.

The second “ethnic” supermarket is a Portuguese-owned chain with 17 stores in four states: New Jersey, Rhode Island, Massachusetts, and Florida. Traditionally these stores were located in areas with large Portuguese communities, but they are now expanding into areas with other immigrant and traditional customers. They currently have four stores in Massachusetts in the following cities: New Bedford, Fall River, Swansea and Attleboro. Due to the large and growing Brazilian populations in many of the cities where these stores are located, the amount of Brazilian products carried by these stores has increased dramatically. They order their fresh produce from many sources, including terminal markets in New York and Miami. They will also buy direct from farmers.

Category 4: “Traditional” Supermarket Chains

There are at least 10 “traditional” supermarket chains with stores in Massachusetts that are important sources of fresh fruits and vegetables for immigrant groups, including Brazilians. One supermarket chain, with 59 stores in Massachusetts and New Hampshire, has actively targeted these growing immigrant communities by offering many products, both fresh and processed, desired by these groups. Many of these stores have aisles with signs such as “Ethnic”, “Mexican”, “Asian” and “Brazilian” where they sell processed products used by these groups. This supermarket chain carries a line of Brazilian non-perishable food products (e.g. drinks, flour, candies) and frozen foods (e.g. okra, cassava) popular among Brazilians.

Category 5: Wholesale-Retail Fruit and Vegetable Markets.

This category describes larger independent markets that carry significant amounts of fresh fruits and vegetables that are not chain stores and have a significant ethnic customer base. These are sometimes referred to as a “green grocer”, in which at least 50% of the sales are from fresh produce. Stores in this category function as both retail and wholesale operations; they have a

retail space but also sell fresh produce to independent businesses, ranging from restaurants to farm stands. In season, stores studied as part of this work will buy a significant amount of their fresh produce from local farmers. These stores also get a significant amount of their fresh produce from other markets when not buying local. These include the Terminal Wholesale Market in Chelsea and other terminal markets and brokers outside the state.

Category 6. Farmers' Markets

There were over 120 farmers' markets in Massachusetts in 2006. Annual sales at these farmers' markets are estimated to be over \$20,000,000 annually. In Massachusetts, all agricultural products sold at farmers' markets have to be produced in the state. Given the large number of Brazilians in the state, there are opportunities for farmers to draw these customers to these farmers' markets by providing fruits and vegetables used in their cuisine.

Category 7. Jobbers

These are small to medium size wholesale operations that buy products from larger wholesale operations and deliver them to retail businesses. The largest source of fresh fruit and vegetables for these businesses are the Terminal Wholesale Market in Chelsea MA. One jobber company interviewed is Brazilian-owned and has over 30 accounts in Massachusetts, mostly made up of restaurants and small stores. Another term used at the Terminal Wholesale Market for people in this category is "peddlers".

Category 8. Terminal Wholesale Market in Chelsea MA

The New England Produce Center and the Boston Market Terminal together referred to by many as "Chelsea Market" since it is located in Chelsea MA, play an important role for many farming operations in the state and region. The terminal market focus on independent retailers and food service accounts. Many farms in Massachusetts still sell wholesale to Chelsea Market, but with the growth of farm stands in recent years many local growers buy fresh produce from the Chelsea Market to augment their own produce sold at their farm stands. The Terminal Wholesale Market in Chelsea is a major source of fresh fruits and vegetables, either directly or indirectly, in all the categories described above except for farmers' markets.

Figure 1 graphically shows the relationship of the different markets described above relevant to the distribution of fresh fruits and vegetables for Brazilian markets. As can be observed by studying this figure, the overwhelming majority of fresh fruits and vegetables that are consumed by Brazilians in the state of Massachusetts are being produced outside the state. It is estimated that the most important source of fresh fruits and vegetables are traditional supermarket chains, in particular the ones described above with 59 stores in Massachusetts and New Hampshire. A central player in the distribution of fresh fruits and vegetables to all markets is the Terminal Wholesale Market in Chelsea MA. Fresh produce at the vendors based in the terminal market supplies all of the retail markets in Figure 1 except for farmers' markets.

