

# Growing Up Local

Supermarkets get savvy about sourcing homegrown greens and herbs.

By Jennifer Strailey



## GROWING PROFITS

BrightFarms' greenhouse in Bucks County, Pa., supplies area McCaffrey's and A&P stores.

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s demand for local produce remains sky-high 365 days a year, progressive grocers are finding increasingly innovative ways to satisfy their customers' appetite for greens and herbs grown close to home.

Some, like Sunbury, Pa.-based Weis Markets and Ahold USA's Landover, Md.-based Giant Food division, are partnering with local farmers to keep stores stocked with the freshest seasonal local fare. Weis Markets launched its annual Your Neighbor's Our Farmer local produce program in late July. The campaign celebrated the contributions of 13 local farmers who provide produce to some of its 163 stores.

As part of the promotion, banners featuring photographs of the farmers were displayed in Weis' produce departments by region, as well as in weekly circulars.

Weis has said that it will purchase more than 25 million pounds of locally grown produce from nearly 150 farms in Pennsylvania, Maryland, New Jersey and New York in 2014.

This past summer, Giant Food revealed a partnership with more than 63 local farmers to bring a bounty of fresh produce to its customers. To promote these local offerings, the 169-store chain features a map on its website that lets customers know where the produce is grown. The site also posts videos of local farmers. These efforts convey a farm-to-table progression that has customers coming back for more.

### On-site Greenhouses

While many supermarkets have become pros at summertime sourcing of local produce, maintaining a year-round supply of certain local fare is simply impossible — or is it?

In December 2013, Whole Foods Market opened the doors of its Gowanus store in the New York City borough of Brooklyn, which features the nation's first commercial-scale greenhouse farm integrated within a retail grocery space. The Austin, Texas-based natural food retailer partnered with Gotham Greens, of New York, to build a 20,000-square-foot, pesticide-free greenhouse on the roof of the store.

Gotham Greens CEO Viraj Puri recently told Bloomberg news that the hydroponically grown lettuces, arugula and basil planted in the Whole Foods green-

house are growing at a rate 20 times per unit area, compared with conventional farming. The greens and herbs can be sold in the produce department the same day they're harvested.

Hydroponics is a method of growing plants that involves re-circulating nutrient solutions in



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—Toby Tiktinsky,  
BrightFarms Inc.

water instead of using soil, to achieve faster, more reliable yields than conventional farming. Hydroponics also uses far less water — as much as 90 percent less — than commercial agriculture.

Whole Foods is one of Gotham Greens' 50 retail partners. Puri also told Bloomberg that Gotham is projecting 100 percent growth this year, and 300 percent growth by 2015. The company, according to the CEO, has been profitable from day one.

### Hydroponics for Hire

“Local is the fastest-growing category in the produce aisle. It's essentially the hottest trend in the industry, and it's eclipsed organic in terms of what customers look for in a supermarket,” asserts Toby Tiktinsky, director of business development for BrightFarms Inc., also based in New York.

The company, whose mission is to reduce the environmental impact of growing produce and increase the availability of fresh fruits and vegetables to consumers, designs, finances, builds and operates hydroponic greenhouse farms near an increasing number of supermarkets, providing them with locally grown produce year-round.

“There's no upfront cost to our retail partners,”

explains Tiktinsky. “They do not invest in building the farm; rather, they commit to purchasing our produce upon delivery.” He further notes that a sophisticated greenhouse farm costs between \$3 million and \$4 million.

BrightFarms, which launched in 2011, made history when it signed the grocery industry's first long-term produce purchase agreement (PPA) with McCaffrey's Market, a grocer with four locations in Pennsylvania and New Jersey. A 56,000-square-foot greenhouse in Bucks County, Pa., supplies McCaffrey's, as well as Montvale, N.J.-based A&P, with such greens as spring mix, baby kale and arugula. The produce is packed by BrightFarms in clamshells that feature both its logo and that of the respective retailers.

As supermarkets look to diversify their produce supply and satisfy the rising demand for locally grown products, companies like BrightFarms are experiencing exponential growth. This month, the greenhouse guru is breaking ground on a farm in Washington,



**COMMUNITY HUB**

Leafy greens proliferate at The GrowHaus, a nonprofit indoor urban farm that supplies markets and restaurants in Denver.

D.C., that will supply Ahold USA's Giant Food stores.

Another BrightFarms greenhouse, slated for St. Louis, will grow fresh greens for the 99-store Schnucks chain. Homeland Grocery, of Oklahoma City, is awaiting a BrightFarms greenhouse, and Milwaukee-based Roundy's has also signed on for a facility to supply its Mariano's Fresh Market stores in the Chicago area. Additionally, BrightFarms is working with an as-yet-unnamed retailer in Kansas City, Mo., and Minnesota-based Supervalu has committed to a greenhouse in the Twin Cities area.

All of the greenhouses will be completed in the next three years, according to Tiktinsky, who adds that BrightFarms is moving to a new standardized 120,000-square-foot greenhouse model that can be replicated efficiently. When the six new greenhouses are complete, the company will operate 776,000 square feet of hydroponically grown produce.

BrightFarms is currently growing greens and



herbs, but plans are underway to implement a vine system for growing tomatoes.

Tiktinsky contends that the advantages of growing hydroponically are many. "It's more productive and efficient per acre than field farms. All of the water is recirculated, and we capture rainwater as well. Plus there's no environmental impact from runoff," he explains. While BrightFarms has supplemental lighting that's primarily used in the winter, the sun is its main source of light for the plants.

"I think hydroponics will play a much greater role in agriculture," predicts Tiktinsky. "As the world's population continues to increase and climate change becomes more of a problem, hydroponics and indoor growing allow you to grow more in a lot more areas. I think you'll see more and more crops grown this way."

**DIY Greens**

At The GrowHaus, a nonprofit indoor urban farm, marketplace and education center in Denver, greens and herbs are cultivated using both hydroponics and aquaponics in a 20,000-square-foot greenhouse.

The facility features a 5,000-square-foot commercial hydrofarm that grows fresh leafy greens for distribution throughout its neighborhood, local restaurants and markets, including Whole Foods.

"We can't produce enough," says Coby Gould, executive director of The GrowHaus. "If we can grow it, we can sell it."

The hydrofarm, fully operational since October 2012, produces an average yield of 1,500 heads of Bibb lettuce per week. The GrowHaus will add an additional 2,000 square feet of hydrofarm to its operation next year, along



with 400 square feet devoted to mushrooms.

Aquaponics combines aquaculture, or the cultivation of fish, with hydroponics in a recirculating system. The GrowHaus' 3,200-square-foot aquaponics system produces fresh fish, including tilapia and bass, as well as salad and cooking greens, culinary herbs, and fruits and vegetables year-round. The nutrient-rich water from the fish tanks provides constant fertilizer for the plants, while they in turn clean and filter the water that returns to the fish tank.

When it comes to cultivating a hydroponic farm, "do it right the first time," advises Gould, who says partnering with experts in the field is essential. "Generally, you can expect that it will take at least six months from the start to when you are actually at production rates, so you also need to allow for that in the budget."

While costs depend upon the scale and type of hydroponic greenhouse farm, The GrowHaus got up and running for \$150,000, including labor and materials. It started with hydroponics in 2011, add-

ed aquaponics the following year and opened its small on-site market, which primarily serves the local community, last year.

"Our mission is to create a community-driven system for a local food economy by creating a hub where we are a supplier, aggregator, distributor and educator of local food," explains Gould. Selling its local greens to Whole Foods, upscale local markets and some of Denver's most popular restaurants helps to offset the costs associated with supplying its food-insecure neighborhood with affordable fresh produce.

"I think that it's pretty clear that our agricultural system needs to change, and it is changing," asserts Gould. "It's not just about providing people with food, it's about providing people with good food."

While he sees hydroponics and aquaponics as "interesting alternatives" to traditional agriculture, he doesn't envision them as primary food resources. "What is needed is to diversify the way we are growing food," he says.

As for the future of the local movement, Gould believes it's here to stay. "Eating local and knowing where your food comes from shouldn't be a trend," he says. "It should be, and is becoming, the norm." **PG**

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—Coby Gould, The GrowHaus

ADVERTORIAL



## Talking with... Tim Byrne

President, Next Big Thing (NBT) Cooperative

**Progressive Grocer:** Next Big Thing (NBT) is a cooperative of dedicated growers at orchards in carefully selected locations. Can you explain how NBT started?

**Tim Byrne:** Pepin Heights Orchards, the company I was working for, submitted a proposal to the University of Minnesota for the exclusive license to market the University's new SweeTango apple. The vision was to bring together the best growers in the country—growers we had worked with, as well as our competitors—to build a cooperative to commercialize the SweeTango brand apple. We visited Michigan, New York State and Washington, and in 2006 invited 50 growers to Minneapolis and made our presentation. The coop was legally formed on July 31, 2006. The first trees were planted in 2007, and we currently have 800,000 trees that produce SweeTango apples. NBT is a vertically integrated company made up of the best growers in the country that grow, pack, sell and ship SweeTango apples. Because we have growing, packing and shipping facilities in Washington, the Midwest and in New York, we can deliver the apples in a timely fashion country wide so retailers have the best quality product for consumers.

**PG:** What makes SweeTango apples superior to other apples?

**Byrne:** They are visually very interesting—they are bicolor with prominent white lentils (breathing mechanisms in an apple's skin)—

so they stand out on retailers' shelves. They have an explosive, crisp bite (which I call fracturability) similar to that of a Honeycrisp apple. And they have a sweet, juicy, complex flavor profile with a little acidity on the back end that gives a bright finish. The flavor profile is probably the #1 thing that gets people coming back for SweeTango apples!

**PG:** Why should retailers stock apples from NBT this Fall?

**Byrne:** Retailers only have so much space to merchandise apples—so we have to earn our space. We have to provide velocity and margin. We're engaged in social outreach through Facebook, Twitter and Instagram, and have regional bloggers [who will be blogging about the apples]. As part of our marketing campaign, we're working with Andrew Zimmern, the popular television personality, who is a big fan of the SweeTango apple. And we have an interactive Sweet Spot campaign that features a map of the U.S. We'll ask people to tell us where they bought SweeTango apples, then drop that location onto the map on our website, [www.sweetango.com](http://www.sweetango.com), which will help drive customers into the store. SweeTango apples are at their best early in the season, and we want to sell them within a three-month period. The season is short and sweet, so customers have to get them at their peak while they can. Scarcity is good motivation!

