

# Placing Value-Added Products in Local Grocery Stores

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 The Challenge: Getting Small-Farm and Value-added Products on the Shelves of Local Grocery Stores



## A team approach

The survey team worked with the CB Ragland Company, a food wholesaler that supplies approximately 200 independently owned and operated retailers in southeast Tennessee and in four other Southern states. Tapping the relationships already established between CB Ragland's retail sales counselors and grocery store personnel, the survey team distributed the surveys to grocery stores within CB Ragland's Tennessee and Kentucky territory.



## ... helped identify what grocers want

Forty-seven questionnaires were returned from CB Ragland store management. Given CB Ragland's total number of stores in Tennessee and Kentucky, the response rate from the questionnaires was 24%. The stores represented in the survey are located in 23 Tennessee counties. While 38% of the grocery stores surveyed acquire products directly from small food producers, farmers and food entrepreneurs, the amount of food products from this group in the stores is less than 2%.



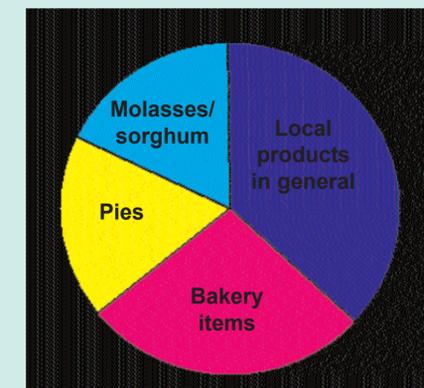
Deciding Which Products to Carry: the Criteria



## ... and how to compete for limited shelf space.

### GROCERS' MINIMUM PRODUCT REQUIREMENTS:

- Evidence that a product meets government standards
- Amount of gross profit
- Bar code on product
- Evidence of product's previous sales



Products that Grocers Most Want to Feature in Their Stores

### Abstract:

In order to place more small-farm and value-added products on the shelves of local grocery stores, it is important to identify the requirements, criteria and preferences of grocers selecting food products for their stores. A project team conducted a survey in conjunction with grocery store management. The team identified CB Ragland Company as a survey partner. Retail sales counselors with CB Ragland already had a good relationship with grocery store management, so the survey team used these sales counselors to facilitate the survey process. It was noteworthy that while 38 percent of the grocery stores indicated they acquire products directly from small food producers, farmers and food entrepreneurs, the amount of food products in their stores is less than two percent. In order to increase that ratio, small food producers must understand the criteria which the grocers use to decide which products to carry. Among a list of 12 potential criteria, survey participants indicated the most important ones to them. They also identified products they most wanted to feature. Finally, the study focused on getting the product to grocers and concluded that value-added entrepreneurs would be well-advised to work with or through wholesalers to get their products on the shelf. The results of this study represent one of five objectives of the 2001-2003 Federal-State Marketing Improvement Program (FSMIP) project entitled "Developing Target Markets for Value-Added Niche Products."