

The Potential of Value Added Organic Produce in the Mainstream Marketplace



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Executive Summary

Access to organic foods and the means in which they are presented has been a focal point in Australia for many years. This report not only focuses upon raw organic products, but also seeks to investigate whether easier access to convenient value added organic foods would result in a definite trend towards an increase in the use of these products. Within this context consumers would have a larger product choice without having to worry about processing raw product from scratch.

Widening knowledge and attitudinal change towards the benefits of organic produce will assist in the development of a healthier lifestyle; promoting new food ideas and habits in a new generation of consumers. The promotion of how the consumption of organic based food products can better our lifestyle by developing not only our mental but also physical traits is important, and this can, and will, lead to a brighter and healthier outlook for generations to come.

The term natural/organic is part of a current marketing dilemma. When “organic” food is mentioned, the initial perception is that it is a costly product grown by alternative lifestyle producers. The term “Natural/organic” may be a way of counteracting that perception. Using the term “natural/organic” would mean chemical free with organic origins.

Facilitating access to, and developing a basic understanding of the benefits of these products is pivotal for this point to take effect across the population. Today’s world is characterised by a fast paced generation where convenience is high on the lifestyle agenda. Developing value added organic products (eg: heat and serve) to compete in the convenience market and promoting the benefits of these products will contribute to changing Australians’ eating habits.

The primary aim of this fellowship was to investigate ways to value add to organic produce and expand an understanding of how to market and sell these new products to larger food chains. Following are a series of skills and knowledge areas to be investigated as a part of the fellowship:

Value adding to our regional organic produce

Investigate best practice examples for increasing the value of organic produce through the process of up-selling organic products. Up-selling involves value adding to organic produce by taking organic products from their raw state to one which has been processed; products such as: a paste, grinds, frozen, dehydrated and blends.

Development of these organic products developed and sold in different forms will generate new market potential. Finding a profitable and functional model to do this is paramount to getting it right the first time and hence avoiding wasting time and money in futile exercises.

There is potentially a niche market for restaurants that are willing to develop the concept of “value adding” further. Participating restaurants could be promoted as part of the local/international tourist industry for that region and could feature ‘the valued added’ produce as part of their menu. This would help boost the local/international economy and provide an opportunity to put back as such; nurturing and growing the organic trade.

Developing knowledge to help extend regional organic produce's shelf life

One major drawback with organically grown produce has been the lack of shelf life for these products both vegetable and animal. Many common goods that we stock in our

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pantries and fridges are chemically enhanced with many synthetic preserving agents that “keep” our food longer on the supermarket shelf, therefore finding methods of preserving, snap freezing or processing without the use of synthetic preservatives is another reason to value add to organic foods.

Improving the farming systems of regional organic produce

The economic costs behind organically produced food has always been relatively high due to high costs involving the growing of the product, the labour involved in doing so, marketing (or the lack of it) of organically based products and general product information available to anyone who may be in, or looking at getting involved with organic farming. An investigation of ways and means of overcoming some of these issues would result in savings that could be passed onto the consumer and additionally, a rise in the consumption of organic foods and better monetary return to the producers. This would then create a “win/win” scenario.

In order to obtain best practice information, a series of visits were organised to sites in the United States who have become leaders in this field. Visits to three major natural/organic wholesaling chain stores in the US were undertaken to document best practice:

- Albert’s Organics – Denver, Colorado – Jim Hagen, Store Manager
- Wild Oats Market Place – Superior, Colorado – Mike Burger, Store Director

In addition, two major farmers markets (one in Los Angeles and one in Denver) were visited to gather input to how they work with the local industries (restaurants etc...) and what part they play with the wholesaling chain.

- Old South Pearl Street Farmers Market – Denver, Colorado – Samantha Robinson, Market Manager
- Wednesdays Farmers Market – Santa Monica, California – Laura Avery, Market Manager

Specific activities undertaken to address skills and knowledge gaps included:

- Participating in a training program with a leading organic farm research institute.
- Investigating networking and mentoring opportunities with the USA and Australian producers.
- Looking at how farmers markets in the USA promote and move organic food into the mainstream.
- Looking at design and best practices for growing, harvesting, promoting and supplying organic food products to the major wholesalers.
- Looking at design and best practices for growing, harvesting and modifying organic food as value added products to the major wholesalers.

Following an overview of the fellowship experience and what knowledge was acquired, a series of recommendations are made to Government, Industry, and the Business sector, Professional Associations, Education and Training Providers, our Community and the ISS Institute.