

Market-driven Fruit and Vegetable Production, Niche Markets, and the “Pull” of the Marketplace

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The U.S. food industry continues to evolve as consumers' preferences and lifestyles change. America's consumers are becoming more ethnically diverse, and lifestyles and habits within and across ethnic groups are also changing. People are generally becoming used to more convenience in their eating habits overall, but beyond the trend toward convenience, diverse subgroups of consumers can be identified based upon such themes as geographic origin, ethnicity, dieting patterns, income level, and health consciousness, among others. These differences translate into expanded potential markets for fresh fruit and vegetable producers who seek to diversify their crop and product mix.

Historically, farmers have grown the crops they grow and then asked, “where am I going to market the crops I grow?” But with increasing surpluses and uncertain markets over the past decade, they are now increasingly asking, “how do I grow the crops that the market wants and needs?” Fresh produce growers have been forced to develop these habits earlier than grain and other service producers because the perishability of fresh products does not allow storage or delays in marketing. These products simply must have a “home” - a well-established market - prior to harvest.

In the November 2003 issue of *Amber Waves*, the USDA on-line magazine (Volume 1, No. 4) at www.ers.usda.gov/AMBERWAVES in an article entitled “From Supply Push to Demand Pull,” authors Stephan Martinez and Hayden Stewart discuss these types of trends relative to the entire food system. They describe the changes in consumption patterns that have contributed to marked expansion and diversification of all products in the food supply chain including grains, meat and poultry, processed foods and, of course, fresh fruits and vegetables. They describe the ways many agribusiness companies have changed and continue evolving to meet the needs of the diverse food industry segments. Martinez and Stewart characterize the broad and deep trends in the market as a supply “pull” through the market place as compared to the “push” of commodities and products in the traditional market scheme.



Fresh fruits and vegetable products are a whole world of their own. There is a wide array of diverse, specific niches that have evolved over the past two decades in the fresh produce area. Steve Salt in an article entitled “Growing for the cuisines of other countries sustains this family farm, even in a rural area,” in the June 1997 issue of *Growing for Market* (pp. 8-10), www.growingformarket.com, describes in considerable detail many diverse ethnic menu items and separates them geographically. Salt describes shopping patterns and variations in consumption trends that offer new expanded markets for fruit and vegetable growers.

Salt lists a large number of items by region and ethnic group; a few of which I have summarized in Table 1 under the different geographical areas.

Niche crops are not limited to specialty or rare or ethnic fruits and vegetables. The whole organic segment is a specialized area of the marketplace that continues to expand at a rate of 10 to 20% per year.

A whole dedicated production, marketing, and regulatory system for organics has evolved in response to growing consumer demand. Creative and dynamic growers have developed many of their own so-called niches because established buyers or retailers have become dependent upon them for specialized service or quality, out-of-season availability, or other additional definitions of niche marketing.

Fruit and vegetable growers discover and create new niche crops and products, and the seed companies - other key players in the production to market continuum - have responded by dedicating time and resources to discover niche seed varieties. Companies such as Johnny's Selected Seeds (Albion, ME) <http://www.johnnyseeds.com> and other small seed houses have always included specialty and niche varieties as part of their product line. And some companies such as Totally Tomatoes <http://www.totallytomato.com> offer a wide array of specialty varieties of crops such as

Table 1. Examples of subgroups of diverse menu items arranged by ethnic or geographic group.

Ethnic/Geographic	Subgroup	Examples ^{1/}
East Asian	Chinese, Korean, Japanese	Cabbages, radishes, melons, fruits, herbs
So./SE Asian	Thai, Vietnamese, East Indian	Hot peppers, eggplants, beans, other fruits, herbs
So. Europe/Mid.Eastern	Romanian, Serbian, Arab, Greek, Turkish, Armenian, Iranian, etc.	Beets, cabbage, zucchini, squash, fruits, herbs
E. European, Russian	Many regional differences	Tomatoes, peppers, kale, cabbage, beets
German/Scandinavian, Continental		Strawberries, fennel, parsley, fruits, nuts
Latin American	Many regional differences	Hot peppers, cilantro, herbs, fruit, beans, tomatillos

^{1/} see Salt, Steve, Growing for Market, June 1997, pp. 8-10, for complete listing.

tomatoes and peppers. Other seed companies such as Harris, Seminis, and Takii are increasingly expanding their offer of heirloom and other niche fruit and vegetable products. And now Baker Creek Heirloom Seeds, <www.rareseeds.com>, a seed company specializing in heirloom seeds for the past seven years, is greatly expanding their line of many other ethnic seeds from diverse Asian and Mediterranean areas.

Some of these specialty niche crops make up an important part of the volume of some larger mixed vegetable producers. Some of these crops such as hot peppers, nappa cabbage, cilantro, fennel, basil, etc., have become mainstream, almost commodity items in recent years. The overall market for many of these high value specialty items continues to grow, however, and consumer demand for several items now spans several consumer subgroups. Production volume of many of these items continues to increase, but growing demand creates opportunities for small-scale growers to fill holes in large volume items and to concentrate on smaller volumes of diverse items as the market niche opens.



Prickly pears and nopalitos - the fruit and leaves of the cactus-like *Opuntia ficus-indica* are a typical example of a specialty item that has been around for some time, but for which opportunities still exist to satisfy a solid and growing market among Italian and Mexican Americans. The edible fruit and leaves of the Prickly Pear or pear cactus originated in Sicily and have spread throughout Latin America and much of southern Europe. Plantings are not uncommon along the coast of California and inland Southern California. Joli Spencer in an article in the July 9, 2003, issue of Ag Alert (p. 7-9) describes the growing interest in prickly pear production for demand by diverse consumer groups. Spencer details the production and harvest of these cactus pear products and reports that mainstream vegetable grower/shippers such as Di'Arrigo Bros. of Monterey County are attracted to these and other traditional "niche" crops. Even as these niche crops become mainstreamed, many opportunities for smaller scale growers will continue to develop to fill holes left in production shortfalls and to fill demand for new, evolving products.

