Pundit Podcast Episode 2:
Despite COVID-19, Schools Should Not Throw Away A Student’s Shot

Jim Prevor's Perishable Pundit, July 9, 2020

Down below… the second episode of our new Podcast. We were overwhelmed to receive some exceedingly generous feedback on our launch:

I had to tell you how incredible you are. I listened to your podcast, “Destructive protests hurt the ones most in need”. Wow ... you took on an incredibly difficult subject with grace, compassion, historical reference and a great dollop of common sense ... of which we are all greatly in need.

It was very moving, brave and inspiring. Don’t suppose we could talk YOU into running for President of the US??

Thanks again for sharing your brilliance.

—Dawn Gray
Dawn Gray Global Consulting
Vancouver, Canada

Thank you for once again for creating a journalism masterpiece.

We are most blessed to be able to learn from you. The podcast was outstanding!

Many thanks and best regards to all the family!

—Harris S. Cutler
Race-West Company, Inc.
Philip L. Cutler Building
Clarks Summit, Pennsylvania
Great start Jim! Very good podcast! You look younger without the beard!

—Gene Harris
Senior Purchasing Manager
Denny’s Inc.
Spartanburg, South Carolina

PS. Your “announcer” [Ken Whitacre] did a great job too!

Different medium, same firm command of the obvious. The Podcast says in 7 minutes what has not been said on cable news in 7 days.

—John Pandol
Director of Special Projects
Pandol Bros., Inc.
Delano, California
As always, your no BS, tell-it-like-it-is style of analysis hits home. Congrats on your first podcast, and I look forward to listening to many more.

—Lisa Cork
Fresh Produce Strategist
Auckland, New Zealand

Great work Jim. I have been an avid PRODUCE BUSINESS magazine reader for years, now it’s great to be able to watch and listen to your thoughts and insights.

—Michael Simonetta
CEO
Perfection Fresh Australia
Sydney, Australia

Love it. Like the PRODUCE BUSINESS magazine editorials, but better!

—Lawrence Hopman
President
Hopman Flower Farms
Brantford, Ontario Canada
Like the Podcast move Jim! Looks interesting and just on time. Never stop surprising the industry! Looking forward to more — good luck!

—Dudu Ivri
Farming Grapes
Marketing and Strategy
Ashkelon, Israel

Glad to see the Pundit on a podcast and look forward to the keen insight as always.

—Joe McGuire
Chief Executive Officer
Pure Green Farms
South Bend, Indiana
After a “must-read” for our industry, now a “must-hear”. Great work Jim! Congrats.

—Gustavo Yentzen
General Manager
Yentzen Group
Santiago, Chile

What a fantastic development to have you lead our industry (once again) in an exchange of views regarding the broader context of the produce business.

This is timely and necessary.
¡Te felicito!

—Gualberto J. Rodríguez
Chairman at Grupo Navis LLC
Managing Partner at Semillero Ventures LLC
Former President
Caribbean Produce Exchange, Inc.
Catano, Puerto Rico.
Thanks for the insights, Jim!  
Great listen!

—Adolf Kieviet  
Freshworld Pty Ltd  
Stellenbosch,  
South Africa

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This Podcast is just amazing and the need of this hour!  

—Nitin Agrawal  
Managing Director  
Euro Fruits India  
Mumbai, India

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Great work Jim! As always… extremely professional, spot-on accurate and very enlightening. Keep up this great service to our industry.

—Nic Jooste
Nic Jooste Immersed
Rotterdam, The Netherlands

Watching from Japan, the tragedy of America imploding — your podcast and comments added many points I have not seen in the general media. Good on ya!

Taking up the issue of food desert and lack of inner-city opportunity showed how it is all connected. I very much look forward to further podcasts.

—John (Jack) Bayles
CEO
Alishan
Hidaka, Saitama, Japan

Congratulations on starting this podcast. I am thankful for your impactful ideas, perspectives, and analysis.

—Philip Brooks
Excellent Jim. It is always good to hear your views, which help the industry understand more of what is happening. Your views are very well thought through and very thought-provoking.

—George Beach
Mudwalls Farm Ltd
Alcester, Warwickshire
United Kingdom

Congratulations on venturing out into podcasts — another string to the already impressive bow! I'm looking forward to your thoughts as the produce industry continues to rally around as we see the (and I hate myself for saying it) 'new normal' in this COVID world and other hot topics — elections, changing labour forces and an area close to my heart even as an Expat, Brexit.

—Chris Cowan
Insight Director
Formerly with Deloitte, Westminster Forum Projects and Kantar Worldpanel
Singapore
Great Podcast Jim. Congratulations on kicking this off. Looking forward to your informative weekly podcasts.

Winstone Chee
Managing Director
Altitude Fresh
Shenzhen City, Guangdong, China

Of course, just because people have found value in the new Perishable Pundit Podcast doesn’t mean they necessarily agree with everything we say. Our email in-box has been filled with lots of questioning, debate and discussion. For example, Gualberto J. Rodriguez, whose kind comment and good wishes you can see above, also let us know he had different thoughts:

“About podcast #1, I respect and disagree with your perspective on the protests…

If you can recall a time when you have been under the boot of a system that’s not respecting your fundamental well-being, it’s hard to ask the person under the boot to come out from under the boot caring for it. There’s a natural rage that comes from feeling truly abused. Not to justify the riots, but I do feel to move forward on racism, we need to seek to understand and be compassionate with all sides. My POV.”

Gualberto and the Pundit go way back. In fact, our families were trading produce in Puerto Rico before either of us were born! Now the Pundit is thrilled to have the opportunity to help the world recognize the important work that Gualberto is doing. We have chronicled some of his achievements in pieces such as:

In Great Turmoil Is Hidden Great Opportunity
Is Now The Time To Invest In Puerto Rico’s Agricultural Sector?
Gualberto Rodriguez Of Caribbean Produce Exchange Tells Us Why He’s ‘All In’ At The Global Trade Symposium

And, just recently:

Miraculously Spared From Puerto Rico’s Devastating Hurricanes And Earthquake, Caribbean Produce Exchange Overcame Years Of Tribulation To Prepare For Moments Like Today…
Now Administers $107-Million Farmers To Families Food Box Program

We have also invited Gualberto to address the industry at our live events: Gualberto Rodriguez Of Caribbean Produce
Exchange Makes Compelling Case For Puerto Rico’s Ag At The New York Produce Show And Conference

We will address some of Gualberto’s thoughts in future podcasts and columns, but wanted to make sure everyone knows that this Pundit loves a good debate and would love to hear from you.

We actually think one of the most regrettable and dangerous parts of the current situation is that many people of good will, who could contribute to solutions to serious problems, instead feel obliged to keep quiet less they, their families or their business get attacked by today’s cancel culture. If you have thoughts, comments or suggestions for future podcasts, please do email us at perishablepundit@perishablepundit.com.

The latest Pundit podcast deals with COVID-19 in the context of our society’s ability to handle risk.

The Wall Street Journal ran an opinion piece signed by both the provost and president of Cornell University explaining the decision to reopen Cornell to residential instruction this fall.

Not surprisingly, the piece is thoughtful and thorough. The gist of their argument is that, at a school like Cornell, where many students live off campus in apartments in “Collegetown” and other parts of Ithaca, New York, by opening the school to physical attendance — as opposed to all online education — the school maintains authority.

Relying on an epidemiological modeling effort headed up by Cornell professor Peter Frazier, the authors claim that, in many cases, schools that “play it safe” by moving classes all on line will wind up having more cases of COVID-19, more hospitalizations and more deaths among the people in their community — students, faculty, staff — than schools that open up and utilize their authority to test and enforce behavior.

This argument seems well researched and is probably true. Although it is not certainly true. After all, maybe young adults forced to socially distance themselves all day may be inclined to get close at night. Of course, it comes off a little elitist as the same argument should apply to everyone, not just university communities.

If the government ordered citizens to be tested every five days, compelled those who tested positive to be quarantined for two weeks, ordered social distancing on penalty of prison, etc., then there would be less spread of COVID-19. If avoiding COVID-19 is so important, why shouldn’t people who don’t go to college get the same effort made to protect them?
Of course, it is not 100% clear that seeking to reduce the spread of COVID-19 is the right direction. It may not even be possible. German Chancellor Angela Merkel, who has a doctorate in quantum chemistry, has put it this way: “We have to understand that many people will be infected. The consensus among experts is that 60 to 70 percent of the population will be infected as long as this remains the situation.”

In other words, despite our hopes, since there has never been a vaccine against a coronavirus, we have to expect that this problem will not magically go away. We are reminded that although therapies have dramatically improved, diseases such as HIV continue to exist without a vaccine being developed despite decades of effort.

The whole situation is an extension of what we have seen in the food industry for decades — a massive expression of a society that has become unable to deal with risk. The Wall Street Journal published an Op-Ed piece by this author, titled *Lettuce Try Not To Panic*, dealing with the risk of eating romaine lettuce during an outbreak in 2018.

This was a near hysterical situation, with the government effectively closing down the Romaine lettuce industry by urging that “U.S. consumers not eat any romaine lettuce, and retailers and restaurants not serve or sell any” until the E. coli outbreak was resolved.

What caused this extraordinary recommendation by the US government?. This is what we wrote in the midst of the crisis:

…the odds that eating a serving of romaine will make you sick are about 1 in 11 million, and the odds it will put you in the hospital are less than 1 in 28 million. To put this in perspective, the probability of getting a royal flush in poker is dozens of times as great, at 1 in 649,740, and the probability of an amateur hitting a hole-in-one in golf is hundreds of times as great, at 1 in 12,000. If you are that risk-averse, you should stay away from dogs—the lifetime odds of getting killed by a dog attack are about 1 in 112,000. Even the odds of getting struck by lightning in a particular year are higher than 1 in a million.

To put it another way: If this outbreak were active every day, and you ate one salad a day, on average you would be hospitalized for E. coli once every 77,000 years.

And this likely overstates the problem. In past food-related E. coli outbreaks, the people hospitalized tended to be those with weakened immune systems such as the very old, the very young, and patients undergoing stem-cell transplants or chemotherapy. These groups are often advised by their doctors to avoid eating foods that may contain pathogens anyway. The odds of otherwise healthy people facing hospitalization is even lower than this infinitesimal amount. The CDC never actually discloses the risks it so fervently advises avoiding, perhaps because it would be laughed at if it did.

How does the risk of eating Romaine lettuce compare to COVID-19? Well, for women under 44 years of age and men under 39 years of age — which is basically the entire student body of most universities — the United Kingdom has published observed population fatality rates and found that the rate is less than 0.00!

So, we are off in the third decimal place or less on every five-year age cohort from 0 to 49 in women and 0 to 44 in men. Remember that whatever deaths might occur are often related to co-morbidities — in other words, the very unfortunate child who has cancer or a heart condition and, also, gets COVID-19.

Even for the working adults beyond the age of 49 among women and beyond 44 among men, the percentage numbers for COVID-19 deaths run from 0.01% to 0.08% in five-year cohorts; with men, from 60 to 64, being the most endangered at 0.08%. Again, a very high percentage of these deaths are in people with co-morbidities — diabetes, cancer, heart disease, etc.

As the country is consumed with the Black Lives Matter protests, we need to consider what has led to this movement taking off at this particular time.
Surely, part of the motivation is that the general philosophy of lockdowns serves the interests of two distinct groups — older people who are more vulnerable to COVID-19 and those who are already financially set.

The oldest active NFL player is Tom Brady at 42 years old. The average age of an NFL player is a little over 26 years old and, typically, players are only pros for three or four years. Even the average Pro-Bowl-nominated player only has an NFL career of 12 years.

If you go to all 18-year-olds dreaming of a pro-football career and tell them there is a chance, but less than 0.00% chance, that they will get the disease and then die from it, almost every player will want to play. They would probably say the same if the risk was 1% or higher.

This is their shot. We should let them take it.
Let College Students Go To School

Jim Prevor's Perishable Pundit, July 9, 2020

Most parents, and most employers, are thinking about school and what will happen in September. In PRODUCE BUSINESS magazine, we ran a column titled Let College Students Go To School, which laid out the data in relation to college students:

The Centers for Disease Control and Prevention (CDC) have provided five COVID-19 pandemic planning scenarios. The first four represent the lower and upper bounds of disease severity and viral transmissibility, and the fifth scenario is the “best estimate, based on latest surveillance data and scientific knowledge.” As this piece is written, this is based on data received by the CDC prior to 4/29/2020.

The CDC created this to help in public health preparedness and planning. The data does not constitute a prediction and, certainly, these things are subject to change as more data comes in. Still, it is the most up-to-date assessment of the situation by the most knowledgeable people in the country, and the numbers are striking:

It should be noted that even these small numbers overstate the risk for the average healthy person. These large cohorts, defined by age, include people with cancer and diabetes, heart disease and other ailments. So a healthy person will have an even lower risk of dying than is represented here.

In addition, it is important to recognize that these numbers represent fatality rates for people who actually got the COVID-19 virus! An overwhelming majority of Americans have not gotten COVID-19, and among those who have, surely everyone has not always taken the optimal safety path. In other words, an individual who elected to self-quarantine or, put another way, an individual who prioritized not getting COVID-19 — and so ordered groceries online, avoided social contact, etc. — would have lower chances of getting the virus and thus of dying of the virus.

In the United Kingdom the government publishes weekly death rates by age group. Though they change each week, the basic format is similar. The deaths heavily fall among the elderly. The bar graph at right shows the number of deaths registered by age group for England and Wales.
Note that this is NOT showing the percentage of each age group that died; it shows the actual number of deaths. Since there are relatively few people over 90 years old, for example, the percentage of deaths in this age group is far higher than in any other age cohort. Although we don’t have good statistics, it is highly likely that most of the elderly also had some pre-existing health condition.

These numbers speak loudly as to how society needs to progress. For example, there is nothing in these numbers to support decisions of institutions, such as the California State University system, to declare that almost all classes must be online.

Remember that every decision has many impacts. It is unlikely that all these 18-to-22-year-old college students will live in isolation. So if the fear is that these young people will pass COVID-19 onto others, the data indicates it is better that they pass it onto other 18-22 year-olds. If they are living at home and pass it on to parents or grandparents, the odds of a fatality resulting are far higher than if they lived among 18-to-22-year-old students.
Indeed, rather than closing down, the data indicates that colleges and universities should be figuring out how to stay open! Don’t send the kids back home for Thanksgiving; let them celebrate at school. Intersession? Well, do an intersession class session and keep the students in the dorms and on campus.

There are reasonable accommodations colleges and universities can and should make for the pandemic in a situation such as this. More rigorous checkups, frequent testing, restricting access to campus, allowing older faculty and staff to work remotely.

Within colleges and universities, however, the risk to students is so small — especially if the students have been vetted against pre-existing medical conditions — that the world is better off having them stay together, building friendships, learning, participating in the full range of activities — plays, sports, student government, etc.

As a society, we must do all we can to open opportunities for young people. As students, they are the future, and it is both
wrong and unfair to demand they sacrifice their youth and opportunities.

The risk is so small, the accommodations that can be made so simple, that the righteous path is so very clear.

College students are just part of the issue. Primary and secondary school students have even less of a chance of being symptomatic for COVID-19. Of course, with these students you have an issue of their going home to their parents every day, which creates separate risks. With college students in residential campuses, that risk doesn’t exist.

Oddly, many colleges seem to be focused on the idea of sending college students home early by ending the semester of residential instruction on Thanksgiving. This strikes us as far more likely to spread the virus than anything they could do. Residential schools should consider doing on-campus holiday celebrations along with a winter session that will keep students on campus over the holidays.

Even if the plan of staying on campus through winter is just an option for those who have grandparents and others living at home or visiting over the holidays, this is more likely to prevent the more dangerous transmission to elderly family members than requiring students to leave campus and go back home.
In Response To Accelerating Stress on Retail Systems, Robinson Fresh Institutes Unique Direct Store Delivery/Local Warehousing Across North America

Jim Prevor's Perishable Pundit, July 9, 2020

Sometimes an industry under pressure needs companies that can provide unique solutions. Robinson Fresh and its parent company, C. H. Robinson, is that kind of organization, with resources in people, finance and technology that stand alone in the produce industry.

This year, retailers across the country have been under pressure. First foodservice closed, so countless meals that would have been eaten in restaurants were going to go through the retail channel instead of foodservice. Second, working with limited retail space and limited warehouse and transportation options, retailers had to prioritize water, face masks, hand sanitizer, etc. Third, purchasing habits changed instantly as consumers prioritized purchases they saw as suitable for a possible quarantine or important for health.

What does a large retailer do in this situation? Well Robinson Fresh threw its intellectual, reputational and financial attributes into becoming a kind of secondary distribution center for many retailers across the country. We asked Pundit Investigator and Special Projects Editor, Mira Slott, to find out more:

Todd Bernitt
Vice President of Managed Services
Robinson Fresh
Eden Prairie, Minnesota

Q: I’m intrigued to learn of Robinson Fresh’s new venture to build a national network of local warehouses paired with direct store deliveries (DSD) to manage and expedite safe, high quality produce to supermarket chains. I understand the premise is based on alleviating the challenges and kinks of supply chain product movement during peak local produce seasons, and odd consumer buying spikes given COVID-19 for both instore and online systems.

You’ve been instrumental in developing complex managed procurement services at CH Robinson for both retail and foodservice. Now you are leading this ambitious undertaking... Can you take us more in-depth into the strategies?

A: To give you some background, I’m vice president of managed services for the fresh side of the business. I’ve been with the company 27 years and enjoy it. I started out on the transportation logistics side but came to the produce side about 20 years ago.

I’ve been fortunate to launch several different programs, especially in the fresh side of the business, around our warehousing certification network, with a heavy focus on our managed procurement services, which we launched back in
2015, and our replenishment services, which we launched about 10 years ago for several retail chains.

In terms of our local warehousing providing DSD, we saw a need for this prior to COVID-19, but this was exacerbated with COVID. There was a massive surge on the retail side, and a consumer shift of more consumers eating at home versus eating out, along with omni channel, which really started a couple of years ago. A newly released report by the Retail Feedback Group showed 50 percent of in-store supermarket shoppers in the past 30 days also ordered groceries online, escalating the omni-channel grocery trend.

Due to the really high surge in demand that’s going on at the retail level, it just puts a ton of stress on the current supply chains and on the Distribution Centers (DC’s) at the retail level.

And to be honest with you, the retailers just don’t have the capacity to handle all that surge. So, they’re seeing a lot of products going out of stock. They’re seeing high levels of shrink. It just really puts the stress and the demand on inventory, and there’s a lot of inventory and “outs” in current supply chains. And you know if you go to the store and the product is not there, you probably won’t return to that store or you’re going to be really disappointed in the dollars that you spend there.

So, what we’ve launched is a warehousing and DSD program, really to meet the current demands of this surge, not only the surge but also to offset these supply chain challenges that retailers are seeing. What we want to do is to reduce shrink. And we also want to avoid inventory going out of stock for the retailer to meet the needs of the consumer. They’re missing that sale through the app or at the store for that consumer, and right now the retailers need every dollar they can get.

Q: Does this mean CHR is now replacing the warehouse for suppliers and arranging direct store delivery?

A: Yes, from a supply chain perspective, we are augmenting either their current warehousing network to handle surge and seasonal, or creating an entirely new warehousing and direct store delivery because the consumer is requiring faster turns on highly perishable product, especially with those omni-channel items in high demand.

Q: This program is quite broad in scope. Initially, I was thinking this new warehouse system was designed for local product to ensure food safety and that you were developing this program for peak seasons with local produce, and now it sounds like it’s much more complex than that…

A: Our program is highly flexible and very customizable with a menu of services. So, with the number of warehouses and DSD’s that we’ve established, the system really acts as the retailer’s DC or as their DSD model. Really it works hand in hand. So, it can be for local and regional product. It can be for new product and processed items, especially highly perishable, such as grab-and-go and snack-type items. It definitely can be for a surge, which is something retailers are experiencing right now. What it is for all of those is a single tech platform.

Q: Could you explain that single tech platform?

A: Yes, it allows a national retailer to tap into a macro/micro geographic supply chain on a national scale. So, what we’ve knitted together is all of these local warehouses on a national scale for the retailer. So, they don’t have to go out and purchase the technology, and they don’t have to establish their own network with all of these different providers. They can tap into our service, actually on a North American scale.

In layman’s terms, it’s a warehouse model on a national scale that can execute on the local and store level.

Q: Could you walk us through how it works with some examples? If a retailer wants to use this system, what should management know?
A: I can’t give specific retail names, but I’ll give you a couple of examples. We have one large retailer, where really their entire DC network was overwhelmed by the COVID surge. They did not have the resources to literally go out to all these regional DCs, to hire local warehousing. Instead, this retailer tapped into one contact, that’s Robinson Fresh, to now overlay the technology and its warehouse network across its entire country format. It would have taken them years to get that network set up. In this case, we went from concept to store execution in under 25 days.

Q: The CH Robinson network is already quite sophisticated. Have you done anything like this in the past? Is this actually a new concept?

A: Not necessarily. So, we’ve leveraged this model on the convenience side of the business, large convenience chains. We’ve also leveraged this model on the restaurant foodservice side of the business. What we are finding is this capacity and distribution network can be leveraged on the retail side.

Q: Is it fair to say that not many companies would be set up to do something like this?

A: Yes. It’s extremely unique. Our difference is that we can do this on a North American scale versus a regional only scale.

Q: Can you provide some perspective of what that means? How many warehouses now and in the future? How does this compare to what you had before, etc.?

A: What we’ve put together is roughly 10 million square feet under refrigeration. Six of our own managed service centers, and 175 different distribution centers across North America. It’s a single technology platform for all of that, with one log-in...

So, each of these 175 DCs has its own warehouse inventory management systems, and each one of them has their own technology or inventory system and their own financial system. So, what we’ve done is tied everything through our Electronic Data Interchange (EDI). We are directly tapped into the point-of-sale system and the entire warehouse inventory management system. So, what that means for a national retailer is we can adjust any order directly from their stores to this distribution system. They can do that through us, versus trying to figure all that out on their own.

Q: You know how retailers are so protective of their proprietary information. Is that an issue?

A: There are contractual agreements. We work on the retailers’ behalf, so it is an extension of their own supply chain. We gather that information. It’s the customers’ data supply chain information, so there’s analytics, and everything behind the scenes we feed back to the retailer, and they gain visibility throughout their entire supply chain. Think about it… if they had to go to 50 different distribution centers to try and collect all that data. We do all of that.

Q: This interview is taking on a much broader vision than I was anticipating.

A: There are several applications for execution. You described one of them, where local or regional growers need to get their product into a national retailer with stores in their geography.

This network is fully food-safety certified. If you think beyond what the warehouse is in general for storing inventory, our network is a network of service centers, which do quality control and the additional layered services, but that is only one aspect. Bring in any product, whether it’s grown down the road, rework that product, repackaging that product into a consumer good, and then another benefit of the service center, you’re actually getting that product into either a DC or directly in the store.

The reality is there’s so much demand right now in retail. No matter where it comes from, having inventory as close to store as possible is critical. We as a service provide the ability for a store to order product at 5:00 pm and get it delivered...
at 5:00 am the next day.

Q: Fast turnaround.

A: Whether that’s our local Patrick Farm that grows all our greens down in Omega, Georgia, for Robinson Fresh or whether it comes from a large grower out in Salinas Valley, we still have to have that product local.

Q: Could you elaborate on the warehouse strategy? Are you building them, contracting them? Are they already part of your operation...?

A: We have our square footage that is part of our direct logistics, so, just to name a few, there's Chicago, Los Angeles, Miami and McAllen, Texas. The other network, the other 175 distribution centers, those are locally owned warehouses and DCs. We hold down certain safety and management standards. We provide the technology for them. So, as long as they meet our high standards for food safety and execution and service, they are contracted with us.

Q: Are any of these 175 DC's already existing produce companies, such as produce wholesalers near big cities like Cincinnati or Atlanta or in remote places? Are you able to identify any of them?

A: This is a network of perishable warehouses and distributors, handling a wide range of temperature-controlled product, including produce, dairy, grab-n-go, etc. They’re both in highly dense urban areas and are regionally based geographically.

Q: So, are you partnering with certain retailers, and already have these arrangements secured, and/or any retailer that’s interested can reach out to you?

A: It’s both. I can give you an example of contact execution. That program involves over 1,400 stores in over 20 states, and that’s ongoing. Another example… we are one of the largest watermelon growers in the country. We have a private label, and product is harvested from the West Coast all the way through Florida, North Carolina up. Watermelon is in high distribution right now; it’s a heavy bulk item with distribution centers having a really hard time bringing it in because it takes so much space.

What we’ve set up with a number of retailers is to bypass the DC and go from the farm through our distribution network directly into the stores. Again, we want to add in all our services, we want to make sure the product is good, that the quality is correct. We receive the store orders the day before and they receive the product the next day.

Q: It takes the burden off the retailer...

A: The way to think about it is the produce manager at store level is now dealing with over 30 percent of orders coming through an App. They’re online orders or click-and-collect, so they have to take care of that. They have to take care of the regular consumer coming into the store. And by the way, there’s that surge in overall demand from 12 weeks ago. We’d rather have the produce managers take care of the store and focus on marketing and merchandising their items, and we’ll take care of their supply chain and getting the products into their stores.

Q: Is this partly related to supplier/retail inventory management and replenishment? Walmart got a lot of attention for pioneering this many, many years back...

A: I can’t speak for Walmart, but this is a much more integrated process with categories down to the store level. We’re housing in DSD to the store level. Replenishment is a function of it. You have to replenish at the DC. You’ve got to have the right inventory, so you better have the process and technology to replenish it.

So much more is on the line right now because of COVID-19. There’s the influx of product coming in at retail because of
what’s happened in foodservice, and that’s why it makes sense to talk about this program now and the launch specific for the retail vertical.

This is built by supply chain experts. We had to change the technology for the retail vertical model, compared to what we’ve done for convenience chains and foodservice. The orders come in differently, and the connectivity of the supply chain has changed. So, we’ve had to update the technology and tweak the system... everything that is different about retail affects the supply chain. Just think about all the complexity in switching from foodservice SKUs to retail SKUs.

Q: How does that intersect with UPC codes and loose, bulk items in fresh produce, and the increase in online/omni-channel shopping? Does that create more complications?

A: Yes. If you think about the individual items that come through an online order or Instacart and things like that, the items have absolutely increased, along with bulk, packaged items. People are buying an individual orange and individual apple just as much as they’re buying a five-pound bag of onions or potatoes. You need to have the technology to handle all of that with the distribution.

Q: Do you feel your system is more beneficial, and geared to the larger, national chains, rather than a smaller regional player?

A: It’s adaptable for both, but the large regional and national retailers leverage our resources on their behalf so they don’t have to scale up. They don’t have to add on the technology, they don’t have to put out the capital for a DC somewhere. Our capital infrastructure is there for them. The small regional chain can tap into our people and technology to compete with the national chains. They may need help with the supply into an App they just launched, or through Instacart...

Retailers looking to meet the surge in demand, as well as the typical seasonal surge that comes with the holidays, can leverage this model, and they can scale up fast without having to scale capital or personnel costs.

Q: I don’t know why I have an image of a pop-up store, but is a retailer able to pick and choose when they use your service?

A: Yes. There are several retailers with DC’s doing that. Some retailers have been struggling with DC’s due to COVID and labor. And we are able to fire up distribution in 24 hours. It can be planned and unplanned... What I really want to strike home on is that we are the retailers’ DC and the DSD execution. We are national in scale, but we execute at the local level.

Q: What impact has COVID had on your company, and in terms of instituting the necessary protocols in your operations, and warehouses, etc. How complicated and challenging has that been?

A: As a publicly traded company, we’ve done a great job in terms of our pillars of success throughout the COVID pandemic. Our first priority is the safety of our employees. That is what we always put first. And as long as we continue to lead in this respect, we will continue to lead in doing the right things in our DCs.

We’ve been very effective in getting our teams up and running, getting the personal protective equipment (PPE) right away -- the masks and equipment -- all that is needed, ahead of many other distribution centers. The resources and support we provide our DC’s and warehouse service centers, the proper PPE and protocols and whatever requirements the retailer has, we will institute that as part of the supply chain.

It’s important we get the word out that we have this service, and in certain areas where we work with several large retailers across the country, we are well positioned to thoroughly execute with this new model.
Q: Is there anything else that you believe would be important to include in this discussion?

A: On the Robinson Fresh side of the business, there are several core services that we’ve been integrated in that we’d like to highlight. Our management procurement services, for example. We have a full supply outsource for companies that are non-self-distributing. We will fully provide the people process and proprietary technology for an entire supply chain.

Q: Have there been COVID-related challenges in getting the product that you need?

A: I think you have your normal traditional seasonal challenges, the logistics of importing/exporting. At this time, we haven’t seen major challenges in harvesting and production. For the most part with our supply chain, we have a process in place to work through those.

Q: That’s good news, especially since this Robinson Fresh retail model came about because you were receiving requests from customers in need of your services. Do you have other examples of helping retailers in distress?

A: An entire retail DC shut down during the pandemic, so we launched DSD warehousing for that chain. There was a fresh product launch and specific shortages. We were able to fulfill the launch to around 900 stores across the country.

As a solution provider, you don’t typically create these solutions unless there is an issue. We are kind of redefining our business statement here: Feeding the world through fresh produce and complex supply chains. What we’re doing here with this service is feeding people in a time of need and taking massive stress out of the supply chain. We’re in heavy produce season now, and people need fresh fruits and vegetables, and we need to get that to them.

Q: We’ve talked about surges in retail produce sales with COVID, but there’s also been dramatic fluctuations in supply and demand, and in shopping behaviors and platforms. At the beginning, people were ravaging shelves and hoarding food for anticipated extended quarantines, and then things seemed to stabilize, and now there’s more concern as uncertainty abounds... I suppose that’s part of taking the stress out of the supply chain. And fluctuations are always going to be inherent in the produce business.

A: It’s getting the right product on the shelves at the right time, and that may mean reducing the number of SKUs and also executing better on the SKUs you do have. The consumer App format and ordering online, where you pick and choose, is not like the demand at the traditional store level. Produce managers can see that demand physically on their shelves. With so much App/online buying going on, you may not see what’s on and off your “virtual” store shelves. And you need a service provider to actually meet those orders.

Q: It adds a whole new level of responsibility for produce managers and their teams...

A: They have to monitor what’s going on with omni channel, and they also have to keep their store shelves stocked with the traditional inventory... Consumers are usually picking up at the store at certain times, and the store has to act as a commissary for omni channel.

We have a leading industry analytics team, and they’re staying on the forefront of that with our customers, which is part of the replenishment process, within our menu of services. We have a vast network of teams executing on a daily basis, on multiple levels. This is more necessary than ever as we all adapt to the “new normal.”

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We did a big conference in Amsterdam in 2018 on Omni-Channel Retailing. The focus for most people on both the vendor and retail side was, of course, trying to sell more fruits and vegetables. What this pandemic has taught, though, is that it is important to focus on Omni-Channel opportunities because one never knows what will come up, how supply and demand will shift, and what opportunities will open and which will close.
The numbers are not all in yet. Much of the foodservice industry is operating with diminished capacity and, while plenty of consumers have been caught being reckless, many are still playing it safe.

Few companies, even giant retailers, have the flexibility and resources to handle the massive waves of capacity that the COVID-19 pandemic has required. Many companies have truly gone above and beyond the call of duty to help their customers and consumers. We hope that when this is all done, retailers will want to assess their relationships with vendors and try to make plans for how to serve their customers best should another problem come around.

It would be nice if vendors that have shown the ability to serve unexpected needs are given credit in getting future business.
UK/European Powerhouse Grower/Marketer — G’s — Puts Family Farming To Grand Scale And Builds Diverse Business In Countries Around The Globe

Jim Prevor's Perishable Pundit, July 9, 2020

What is it that makes a produce company great? It is a quandary that has been the subject of the Pundit’s reflection since we launched PRODUCE BUSINESS magazine in 1985. We’ve traveled to every continent, save Antarctica, seeking to understand this and, as of now, this is our top five criteria:

1) The company must be willing to innovate. Go new places, try new things and take on the risks that are always part of the novel.

2) The company must have saved its pennies. Great things involve long time frames and some risk. If the company can only do things that will pay off immediately, its prospects are inherently limited.

3) It needs older people and younger people, all with the same level of dedication to the company. That typically means multiple generations engaged with a company.

4) Executives must be committed to study and forward thinking.

5) The company must be willing to try to guide and inform customers, even when they don’t think they have much to learn.

Many companies are successful, but only a few meet these criteria. One company that does happens to be the subject of our interview today. We asked Pundit Investigator and Special Projects Editor Mira Slott to find out more:

John Shropshire, CEO
Chairman
G’s Fresh Ltd
Barway Ely
Cambus
United Kingdom
Q: This is a special treat that you were able to juggle your schedules to team up for this interview.

Produce industry executives are wrestling with the twists and turns and unknowns of the global COVID-19 pandemic. And at the same time, we are still wrapping our heads around the pending impacts of Brexit and how that will effect and intersect all aspects of procurement, buying and selling, relationships across the supply chain, etc.

G’s, a truly integrated operation that is large and diverse, brings unique perspective and multifaceted vantage points to the discussion. G’s is a story of incredible resilience and success, even in these most challenging times. As one of Europe’s leading fresh produce companies and most prominent produce families in the UK, G’s supplies customers across the UK, Europe and the U.S. through its farms and production facilities and licenses located throughout the UK, Spain, Eastern Europe, Western Europe, the U.S, South Africa and Senegal.

Could you walk us through the evolution of your company, how did it start, how did it grow, and the strategies you’ve employed to not only persevere but thrive? Then looking forward, what do you see as the biggest challenges and opportunities...

JOHN: The historical background is my father was one of four boys. One got killed in the war, and the oldest two took over the family business. It was farming and butchering. There really wasn’t room for my father, so he had to find his own way, which was a good thing in a way. He started in the business on his own when he was 24 years old. My father was born in 1925. With adversity comes opportunity really.

Q: Many people have become successful in realizing that… and a fitting mantra for the challenges in this current environment.

JOHN: Yes. So, my father managed to get started on a farm, where the farmer selling the land was very helpful to him because he had limited capital. And then he started growing celery on a small scale. As a teenager, he did work in the
family’s butchering business, so he did understand the concept of customers and presentation of product and how to sell it as a marketer. He could see the opportunities of adding value to the celery by prewashing and prepacking it, so that’s what he started doing.

His big breakthrough came in 1961 when Marks & Spencer approached him to actually supply them direct. So, in 1961, he started washing and supplying celery to Marks & Spencer’s. The celery business grew and then he got into other crops. The next big one was onions and doing other crops as well, but celery and onions were the main ones.

Then in the mid 70’s, he made some really big steps. He poured in a lot of money and invested very heavily in new modern facilities and operations to serve the broader supermarket world, because by then it wasn’t just Marks & Spencer but other supermarkets as well. He made very big state-of-the-art investments in facilities.

I joined in the mid-70’s, and my brother in the late 70’s. And since then, we have steadily built the business, through adding new crops. We added lettuce, then we added radish, beetroot, and so on. We continued to add new crops, and also new farming concepts like organic. Well, 17 or 18 years ago, we added organics.

Q: Much has transpired since then...

JOHN: We actually have grown the business now to sales of about £500 million. The biggest factor I think for the growth has been acquisitions we’ve made as we’ve consolidated the industry. We’ve merged with about 25 other businesses over that period. And we’ve also developed partner growers with a cooperative called G's Growers Ltd. So, we’ve basically merged our businesses with those growers into one organization. It merges farmers through acquisitions with marketing companies, and the two together have enabled us to grow.

Q: How do those sales break down? Are they primarily in the UK market?

JOHN: Of that, about 70 percent of those sales are in the UK — two-thirds of sales, more precisely. The other sales are in Europe and more recently in the U.S.

So, we’ve continued with our original view of focusing on what customers want and adapting to changing markets, and
we’ve been looking at ways of adding value, making our products more convenient, whether that’s ready prepared beetroot or ready prepared celery stick packs. But the majority of our business is still the core commodities — iceberg, romaine, onions.

Q: Could you talk more about the vertically integrated aspect and sourcing strategies from a global standpoint.

JOHN: Yes. The way we developed sourcing… in the 80’s the strategy was to build year-round supply for our customers because we felt they were going to need that. Our job is to supply customer needs. It’s not just products; it’s about logistics.

Of course, we went to Spain and started producing, and then we acquired other companies in Spain, some of them very, very big, and we did a consolidation job there as well. And then, of course, we went to Senegal and started producing there in the winter. Producing crops in Senegal is more competitive with certain products.

Q: Which products would those be?

JOHN: Spring onions, what you call scallions. Labor costs are quite high in Spain. Similar to how Mexico supplies scallions into the U.S. market, Senegal supplies scallions into Europe… and then radishes as well.

What’s happened over the past 10 years or more — it could be 20 years now — is my children started coming into the business. My generation — my brother, and my sisters — have worked in the business for periods of times, but my brother and I were basically full time in the business, and then over the past 20 years, my children started coming in. I have three sons, Guy, Charles, and Henry working full time in the business. Guy is the CEO of our European businesses, so he is based in Spain, also overseeing operations in Poland and The Czech Republic.

Guy, do you want to talk a bit about the supply chain and what you’ve done in Spain...

GUY: Just to give you some background, I joined the business 13 to 14 years ago, and for the past 10 years, I actually worked outside of the UK. So, from 2010 to the beginning of 2014, I was in the U.S. working full time for Love Beets,
together with my wife Katherine.

Q: Your Love Beets venture took off in the U.S., essentially creating a new market for the commodity by reinventing how Americans typically perceive and consume beets... What was Katherine’s role?

GUY: Katherine was the marketing director, and she was the brand founder in America for Love Beets. She did all the development and marketing of the brand, and social media campaigns. Katherine is the brand ambassador of Love Beets in America.

Then we came back to Europe, directly to Spain, and we’ve now been in Spain for six-and-a-half years. So, my responsibilities include our businesses in Spain, and the Czech Republic and Poland. We also have in Europe a joint venture for beets, and we sell beets product in the U.S. under the Love Beets brand.

Q: How aligned or divergent are U.S. strategies from those in the UK and in European markets?

GUY: The best education I could have for serving the European market was actually the time I spent in the U.S. with Love Beets, because unlike the U.S., the British market is very consolidated and highly organized. Europe is made up of many countries, cultures and consumer taste preferences.

It’s very diverse, and also very fragmented. There are many, many retailers, just like in the U.S. You’ve got your big retailers with market share and operations in a number of markets, but you’ve also got a very fragmented market. Continental Europe and North American markets are similar in that regard. And then you have retailers like Ahold that are huge in Holland and the Benelux regions, and which also has a big presence in the U.S.

Europe is a very large market, quite a lot of people, and it requires different supply chains depending on the countries you’re trying to serve. So, we kind of developed a model that fits with that.

For example, with beets, we’ve set up a factory in Holland to service the Dutch, and German and French markets. We already have a factory in the UK, but in order to serve European markets correctly, you must have a physical presence.

Q: Beyond the supply chain logistics, does your modeling apply to the product development and marketing side? For instance, are you innovating or adapting products and marketing strategies to accommodate different markets and consumer palates? Are consumer preferences in the UK that dissimilar to those in the U.S. or other European markets?

GUY: Yes, that’s a very good question. For example, celery in the UK market is much like in the U.S. — kind of a raw celery market. People eat celery raw as a snack, to dip it, or as a salad topper.

The European market, however, is quite averse to that concept, and celery is a cooking product. Therefore, we created a cost structure in our supply base for celery to meet those divergent market preferences. That’s one example of something we’ve had to do.

We like to do the celery varieties for snacking alternatives here, and predominantly focus on the UK market. That’s not to say we don’t want to create markets where we can act to change consumer trends in eating celery. We’re in the process of development, trying to link celery to other brands, snacking brands, things like soft cheese, hummus, guacamole, etc., to encourage consumers to see celery differently and to see it as a raw snacking item. A lot of efforts are being pushed into that initiative, and that’s just one example.

Q: Your Love Beets initiative encouraged consumers to see beets differently... What was the genesis of that?

GUY: The Love Beets concept was originally developed for the UK market, as private label; in fact, it’s all private label. When we went to the U.S., initially that’s where we innovated the way we packaged and sold product, and the package
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by Jim Prevor

branding. Since then, we've done significant innovation with Love Beets in North America with different recipes and different flavors, beet salads, pico de mayo, beet juice, beet powder... to serve a larger beet market.

In terms of distribution, there was a core market for consumption of beets, which was predominantly canned. What we created was a fresh, convenient category that hadn't really existed before, so we grew the overall beet category.

The biggest thing we did — other than establish a core market in Wegmans and Whole Foods and some of these smaller independents, some subsidiaries of Kroger, etc. — what we did was really establish core product regions across North America, including Hawaii, Puerto Rico, and Canada and Mexico, so that really was the turning point for our business to grow, and to really expand the category.

Q: I also wanted to ask you about development of your mushroom business...

GUY: John, you answer that one.

JOHN: We had the opportunity to invest in a mushroom marketing start-up... it must be 15 or 16 years ago now. Someone who had been a director at G's and left and came back with the concept for us to supply Tesco with imported mushrooms, and to provide a direct sourcing model. It wasn't exactly direct-sourcing, but direct delivery straight from the farms, in Holland and so on. So, supply chain efficiency.

With the great recession in 2008 and 2009, the pound fell very substantially against the Euro, and there was a move in Britain to source more product from the UK. So, we were encouraged by Tesco at the time to actually build a mushroom farm in the UK to bring in more local product to fill their shelves because the UK certainly became more competitive.

Q: How did the arrangement work? Did you have an exclusive contract with Tesco?

JOHN: It was a partnership. We put in all the capital; they didn't put any capital in, but we did it in conjunction with Tesco as a partner supplier. And they connected to the farm, and we built it in three stages over the next five years. It fit well with our supply chain and it fits in well with the product offerings we have with Tesco.

Q: Have you done other things like that, where you have exclusive arrangements with different retailers...?

JOHN: We have a number of those for different products, where we've developed a new product that is exclusive with an individual retailer. For example, originally, we developed flow-wrap celery with Waitrose, and they have exclusivity for that. We've had other products with Marks & Spencer's and Sainsbury's, where we developed special beetroot items. So, yes, we have a number of examples, where we've provided exclusive innovations or new products to our customers for a period of time.

The UK market is more like that and lends itself to customization because it's not a branded market; we are a private label supplier, so we do work very closely with our customers because of that. So, there are more types of those exclusive arrangements like that in the UK than you would find in the USA. Would that be fair to say, Guy? Would you agree with that?

GUY. Yes. The private labels suppliers tend to innovate and work exclusively with their customers, so to a certain degree that's true.

Q: Could you share more about your global operations in Poland, The Czech Republic, Africa... joint ventures, licenses, subsidiaries, etc.

JOHN: The Senegal operation... we were actually importing green onions from Mexico, and we were concerned about sustainability and the carbon footprint bringing the product across the Atlantic, and we were looking for an alternative.
There are onions grown in Egypt, and we do source from Egyptian growers, but we were looking for an alternative really, and we continue to do that. Although we have a great relationship with the growers in Mexico, they are very dominated by the U.S. market.

We decided on Senegal because Senegal has the people, and that crop is very labor-intensive. Also, there’s very large areas of land that are not really farmed, and it’s got plenty of water. And also, it’s a democratic state and currently the whole government situation is quite secure.

Q: How complicated was it to develop your farming operation there. Were there challenges with the agricultural infrastructure?

JOHN: We actually invested over £10 million there in Senegal and started up a business basically in the middle of nowhere. There was no electricity, and we made our own bricks and concrete. We built everything ourselves. We employ 1,000 people there.

Q: So, your business in Senegal addresses the three legs of sustainability — environmental, social and economic...

JOHN: You can’t buy land in Senegal. The deal we have with the government is to take the land in return for community benefit. We provide medical facilities and support schools, but most important, what we’re most proud of, for every acre of land we set up for ourselves, we set an acre up for the local farmers. They are subsistence farmers who farm on the edge of the lake. Before we got there, they farmed as close to the lake as they could, so they could actually dig the water by hand.

We built a big canal, over three miles long, and it takes the water out to the local farmers, and then they’re able to farm on a much bigger scale. And they’ve done a terrific job, I have to say.

And the government gave us tax incentives to grow crops for export. They don’t want us supplying the home market because they want their own farmers to supply their own market.

Senegal doesn’t produce enough food, so the country imports a lot of it. The government plan is to get the local farmers to be more productive. So, the local farmers supply to the local market and we sell to export markets, and then the country earns through us the foreign currency and also the job creation of course, with a thousand people.
We have an amazing story of a young Senegalese man, who is now a tractor driver with us, and he trained with us, and is very successful. He was one of the guys who capsized on a boat and was saved by the Spanish navy. He was trying to get into Europe to find work. You may have seen it on the television.

Well, you have people coming in from the South and Central America trying to get into the USA for refuge and work... we have a similar situation here in Europe. This man’s life was saved by the Spanish navy, and he was sent back to Senegal to his local village, and that’s where we arrived, so he now has a job and is doing well.

Q: That's a rousing story. Guy, could you tell us about your work in Poland?

GUY: Poland is a small farming and marketing business that we discovered in that country, and it is run by two senior leaders living there. What I think is more interesting is their story. They started working for G’s in the UK at least 20 to 25 years ago. As seasonal workers while they were at university undergraduate level looking for work, they came over every summer from the age of 18 or 19, and actually cut iceberg lettuce.

And then after graduating, they became full time employees and basically worked their way up through the business from supervisor roles to crop managers to go on to become senior leaders. One is director of all of the farming and harvesting in Poland, and the other is commercial director in charge of all of our sales and commercial marketing, and also runs the cooler and packing operations. So, it’s a very interesting story from that perspective.

The Poland business is relatively small, but it has a huge potential because that’s a growing market — that whole Central European market, the population and GDP, and the rise of Eastern European and Russian markets. When European relations improve with Russia, there is huge opportunity to provide fresh fruit, fresh salads and vegetables. It’s a growing business. In 2015, sales were basically nothing. It’s focused on producing onions, celery and lettuce.

JOHN: In the same way that Guy went to America to start a new business, Guy’s youngest brother Henry went to Poland and started that business.
Q: You are progressive in terms of seeking out new opportunities... Are there significant risks in taking on some of these ventures, for instance, investing large amounts of capital upfront before you see the return?

JOHN: Yes, for some of them. The Polish business isn’t that big, but it’s still risky. There’s an element of risk in all of them. The Czech Republic business is actually a joint venture with the Valtr family. Tomas Valtr is the managing director.
of that business and runs it. That has a flower business as well.

Q: This is very interesting to learn the full realm of what you do, and how it connects with what’s happening now with the coronavirus and Brexit, and your strategies for growth...

JOHN: The point about Brexit… you asked earlier if it’s a big issue for us, and it is for me personally, but it’s not a big problem for our business.

Q: Why is that? Does your large, vertically integrated business and global reach insulate you from those problems?

JOHN: The driving force with Brexit is about world trade and local trade, opening up our markets for food from abroad, whereas with fresh produce we’ve already done that. You can’t bring lettuce from Brazil, for example, and you can’t bring lettuce from Argentina, whereas you can bring in beets... So, there’s no real threat for us, and I don’t think things are really going to change.

Q: Doesn’t Brexit effect supply chain efficiencies, logistics, transportation and labor?

JOHN: It’s creating a lot of hassle because we’re coming out of a single market — the lorry comes from Spain and drives all the way to England, Scotland and Wales without stopping. There’s no paperwork, nothing, from one country to another; it’s like the U.S. going from state to state.

Margaret Thatcher introduced the single market; she was the driving force behind it. That started in about 1993. That was the biggest bond fire of regulations and bureaucracy that anybody could ever imagine. And there were huge numbers of people just involved in managing customs, and paperwork. And we got rid of that, and the efficiency is astonishing. So, the danger is to go back to all the paperwork and bureaucracy.

At the end of the day, the customer will have to pay for it. We cannot afford to pay for it because we’re on thin margins. The single market is brutally competitive. Anything that disrupts the supply chain means that import companies like ourselves — the biggest companies especially — will be very well placed to handle all the different complications coming out of a single market.

Companies like us will be fine, but from a political point of view, personally it’s a very bad thing. There’s a lot from our media, at the moment, about importing from America and a post-Brexit/U.S. trade deal surrounding controversies with beef and chicken, but we’re not in that business.

I don’t think we’ll have problems with labor because of Brexit. In fact, I think we’ll be better off because we can go outside of Europe for labor. You know labor was tightening up anyway in Europe. The labor market has constricted over the past few years. With the collapse of communism in 1990, there were tens of millions of people thrown out of work in Europe, so Europe has actually absorbed all those people in the workplace successfully.

That has meant a surplus of labor for the past 30 years because of the collapse of communism. There was a huge amount of people from Eastern Europe who were trying to find work. But most of those people have largely been absorbed. So, what’s happening is there are work programs, like the U.S./Mexico’s H2A guest worker program.

We’re in a similar situation, where countries in Europe are setting up visa worker programs. The UK has a scheme, so does Germany and all these other countries for bringing people outside the EU because the European labor market is tightening up. So, you know, this was going to happen anyway.

Q: How is the coronavirus effecting labor? In the U.S., there’s been a surge in COVID-19 cases of migrant farmworkers, and new coronavirus hotspots in different agricultural production regions.
JOHN: I’ve been watching what’s been happening in America. We’ve been managing the coronavirus very closely. We’ve put very stringent controls in the workplace. We’ve been strictly monitoring staff and workers for health and safety, doing daily temperature checks, and if anyone is showing even the slightest sign of fever, we’ve been isolating them.

Q: You haven’t had certain hot spots?

JOHN: Britain has one of the highest rates in the world, but fortunately, we’ve been able to contain the virus without too many problems. But Guy can speak of what happened in Spain and how he coped with it, because Spain had very big problems.

GUY: The biggest challenge in Spain was when the government realized they had a major problem in Madrid and Barcelona, two major cities, and they were getting an exponential increase in daily cases. I believe it was on the 13th of March when they took the extremely definitive, but extremely hard decision… literally within a short period of a few hours, the curfew went from essentially completely open with no restrictions to being in a complete lockdown.

And it happened fast. It went from Saturday afternoon being completely free to basically locking down the entire country.
that same day with the stay-at-home order applying to absolutely everybody with the exception of the essential key industries. And of course, food production was one of those. So, we were able to continue to operate. The problem was the fear created by this very aggressive initiative and hard position taken by the Spanish government.

So, really the biggest challenge for us at the beginning was to get people to come to work because of fear of coronavirus and people dying, and that it was not safe to go to work. We had to very, very quickly set up a sophisticated communication strategy. It was about communicating the facts to all our employees and how we were taking all the right precautions and following the right protocols and actually they were quite safe.
We needed to do a job, and we needed to adapt to continue to provide food. The other danger of the coronavirus is...
recognizing it could lead to starvation. We’ve got to provide food — there’s essential health in food — for Europe. It was that sort of mentality we had to take, and this all happened over a very short period of time. We managed to win the support of the vast majority of our workforce.

Q: It sounds like a very stressful time...

GUY: Yes, it was very intense. There was a lot of fear, and we weren’t really sure what the outcome was going to be. We knew we already had many, many less cases than in the north of Spain, and that our rate of infections was going up significantly slower. We also had the benefit seeing what was happening in Italy, in the south of the country, where there is a lot of population density compared to the more rural areas...

We had to make assumptions in our thinking with our strategies and to clarify what our message was, and the leadership to take with our employees. It’s difficult, because the safety of all our employees is paramount, and to be sure this virus is well controlled and to stop it in its tracks. At the same time, we are an essential industry, not so dissimilar to the healthcare industry, people need us.

Q: In a broader sense, were there challenges in working with customers, and with supply and demand? In the U.S. for instance, restaurants shut down, decimating the foodservice industry, and consumers initially were ravaging supermarket shelves and hording food in anticipation of extended lockdowns...

JOHN: That was the other dynamic at play. At once, we were struggling with the restrictions around social distancing, packing lines, and how to handle equipment, and all of that, which led to significantly less production. At the same time, sales orders from retail, supermarkets, were going up 30 to 40 percent because of the passion buying you described. There was a big challenge in meeting that demand.

Q: Being vertically integrated with diverse sourcing outlets must have really helped...

JOHN: Yes. We relied on our full farming business, which continued, and at the same time we worked with suppliers who had lost business, if they were engaged in the foodservice market, which was significantly limited, to help meet demand. The other big challenge was the availability of trucks and keeping trucks rolling. The majority of transportation companies lost the back leg coming from Europe back into Spain, demand for products brought back started to diminish, so keeping logistic routes open was a challenge.

GUY: At the same time, we had massive rain. The weather couldn’t be worse when the coronavirus kicked off with 10 days of lockdown. We had record levels of rainfall, which further compounded the slowdown in activity, but also impacted employee safety. We didn’t want people getting wet; we didn’t want people working in bad conditions for the risk of increasing the probability of people getting infected with the virus. We got our production down to minimal levels. At least, we could sell the products.

The unsung heroes were the truck drivers leaving their homes in Spain for over a week to bring product to the UK. They were leaving their families worried about them, and there was a lot of media about the spread of coronavirus in Britain.

Q: As a multi-generational family business, how does that shape your business goals and values acumen?

JOHN: We want to be a leading company, one of the industry leaders in Europe, in terms of sustainability, which we’ve worked on for many years. But the next generation coming through is very committed to that. My middle son Charles is very passionate in leading the groups with the sustainability program on farming, the environmental impacts, soil care, and wildlife on the farms.

The industry is always susceptible, isn’t it, with lots of issues of food safety and ethical issues. And we’re dealing with leading retailer brands, and our aim is to support those brands by doing a good job with all those issues. European
supermarkets have very, very high food safety standards, and our aim is serving the premium, top end.

Q: Are you involved in programs to alleviate food waste, such as the “Ugly Produce” movement? These types of retail merchandising programs with misshapen fruits and vegetables, while receiving good media attention, have often met with mixed sales results at supermarket chains in the U.S. There’s a debate on what is the ideal amount of food waste and the merits of striving for zero food waste...

JOHN: All the major retailers have value brands. We’ve done a lot of work on food waste, and our retailers are actually encouraging that. The best way, rather than wasting food, is not to produce it in the first place. We’ve done a lot of work on trying to improve our planning and programming, so we grow the right quantity to meet the needs of our customers.

The different brands and specifications have helped a lot. The other thing our customers have done is connected with the ready-meal suppliers, so we are selling some ingredients into the ready-meal industry, and some of our vegetable products have gone into making vegetable juices as well. So, there’s been a lot of work in that area.

Q: You’ve been so gracious with your time and in sharing your myriad insights... to conclude, looking five years down the line, what is your vision for the company and for the industry?

JOHN: that’s one for Guy.

GUY: That’s a good question. There’s what we would like it to be and what we think it will be. From a kind of future food-trend perspective, I think what we’ve seen over past three to five years will continue — transparency across the supply chain, and organic, natural, non-GMO can only get stronger.

If we get in recession, some of these trends will slow down short term, but medium and long term, these trends will prevail, and it’s all around health. The COVID-19 pandemic only reminds us and emphasizes the importance of health and the need to eat well. We’re going to follow that path staying in our full range, healthy salads and healthy snacking alternatives, instead of crisps and chocolate.

Q: I was reading some disturbing statistics about produce consumption in the UK. We have the same challenges in the U.S. With all these healthy eating trends, why do you think it is so difficult to increase produce consumption?

JOHN: It would be an interesting thing for us to study. How much do they spend on advertising in the UK on less healthy food, and how much is spent on fresh produce — there’s nothing really. I was at a conference in January and was asked that question, and during that time, Just Eat was spending tens of millions of pounds on advertising. The advertising budgets for the fast food industry are absolutely enormous.

There is going to have to be government involvement, but there’s a big question of whether they will do that. Our industry is too fragmented. There isn’t the power of one brand. There is no way we can do it on our own. The government needs to take more responsibility.

Q: Initiatives such as Peas Please recognize the imperative of securing a collaborative approach that enjoins common goals of suppliers, retailers and government entities. Maybe it had to take the enormity of a coronavirus crisis and medical outcomes linked to food to finally open that door... A new report, Veg Facts, shows that even before COVID-19, a third of children were eating less than one portion of veg a day, which has just exacerbated during the pandemic, hitting low-income households particularly hard.

JOHN: There’s no doubt about it, there’s a big link between COVID-19 and poor diet and the diseases associated with that... In five years’ time, if we’re not selling more fresh produce as an industry, this will be a massive lost opportunity.

Q: The Food Foundation is calling for a national plan for horticulture:
*The Agriculture Bill must support public health as a ‘public good’

*The Bill must support horticulture as a route to delivering public health

*The Bill must include a requirement for government to report on household food insecurity in the UK

The report also highlights that UK vegetable production fell by 12% between 2017 and 2018, the lowest level of domestic horticulture production for over 20 years. It finds that the UK supplies just 52.7% of veg, with the majority of imported vegetables coming from Spain and the Netherlands.

New research from the SHEFS consortium also shows that the UK is now very dependent for fruit and veg on countries that are at risk of climate change, making supply chains less resilient.

JOHN: As you can imagine, we are hugely in favour of a national plan for horticulture and that the Agriculture Bill puts more emphasis on the role that horticulture can play in supporting both a resilient food strategy for the country and promoting public health.

With regards the drop in production from 2017 to 2018, this was due to it being a particularly dry summer which had a significant impact on the yields. As for the imports from the Netherlands, these are predominantly from indoor production — tomatoes, peppers, cucumbers and mushrooms. During the UK growing season, we are self-sufficient in production of outdoor crops. Spain then fills the gap during the UK off season, not dissimilar to Yuma, Arizona and Mexico for the USA.

From our perspective, with regards the impact of the climate change on the resilience of the supply chain, we don’t see any risk from Spain. In fact it has allowed us to be more productive throughout the winter months as with warmer temperatures, the yields have improved. Evidence would suggest that the weather patterns rotate in 7 year cycles and having had a series of drier years, last year was the wettest on record. Similarly in Spain, there has been significant investment into desal, run on renewable energy, which addresses issues regarding water.

Q: It sounds like G’s is staunchly committed and well positioned to take on the momentous challenges that confront the produce industry today. Thanks for sharing your insight.

We, in the produce industry, have been lucky. As providers of an essential product, we have been spared the lockdowns and almost complete loss of business found in other industries such as hospitality. Some sectors of the produce industry, particularly those heavily dependent on foodservice, have been hit hard, but, in the end, people need to eat and the industry has been fortunate to have customers willing and able to pay for our products in the midst of a global pandemic.

Still, nothing is forever, and as the world changes the produce industry needs companies that are working to grow, innovate and lead. We are lucky to have one in G’s.
On The Frontlines Of Protest, Generation Z Has Perspectives Worth Understanding: A Letter From One Willing To Take Risks

Jim Prevor’s Perishable Pundit, July 9, 2020

Among the blessings in the Pundit’s life is that a career in the global produce industry has provided us with friends around the world. Few among them are valued more than Nic Jooste from the Netherlands. Nowadays, he often writes for sister publication, PRODUCE BUSINESS. You can see many of the pieces he has written right here:

PLUS Retail Sets Global Standard For Sustainability

Keep It Simple, For Goodness’ Sake

In Rugby And Business, Defeat Is An Opportunity

On The Side Of The Angels

Passion Vs. Efficiency

Does Size Really Matter?

Produce And Agriculture Are Just Part Of Dutch DNA

Killer Salad

A ‘Red Flag’ Vision Of The Future

Future Success May Not Fall On Industry ‘Old-Timers’

The Times They Are A-Changing

Doing Good For Tomorrow’ Becomes Commonplace

Produce Opportunities In A Circular Economy

Exploring The Moral, Social, And Legal Limits Of Trade

Generation Z Habits

Nic sent us a column and decided to quote one of his sons. We thought it desirable to run it here on the Pundit:

A WAKE-UP CALL FROM MY GENERATION Z SON

‘True peace must be anchored in justice and an unwavering commitment to universal rights for all humans, regardless of ethnicity, religion, gender, national origin or any other identity attribute.’

—Desmond Mpilo Tutu
Some weeks ago, I decided that I wanted to write a column on how (or whether) Generation Z’s view on the world has changed since the COVID-19 outbreak. I started discussing it with my 23-year-old son Milan, who was temporarily staying with us. When The Netherlands went into a so-called ‘intelligent lockdown’, he was the first to move to our family home in solidarity with the government’s guidelines. His reason for going into self-isolation at home? ‘I am not doing it for myself, I am doing it to protect others’.

At first, our discussions around Generation Z and COVID-19 were fairly superficial. Milan bought a Nintendo Switch to curb his restlessness with having nothing to do. We laughed as we reminisced about his famous Pokemon battles with his brothers when they were small. We had a fight because Milan felt that my wife and I eat too much red meat. We spoke about him not being able to hug his 92-year-old Grandma. All sort of ‘normal’ stuff for a father-son discussion.

And then George Floyd died... The videos of his death went viral. I saw my 23-year-old son, Nintendo Switch in hand, becoming more and more agitated. Instead of having to deal with questions to which I had no answers, I asked him to write up his thoughts. This is Milan’s letter to me…

‘Dad, yesterday I realised that no matter how much you argue against it, for me it is more than clear that the world is at a turning point. People everywhere are watching as the situation in the United States unfolds. As a Generation Z citizen, I believe that we are sure to see a mass revolution of the mind very soon.

Yesterday I was standing on the famous Dam Square in Amsterdam along with 5,000 others. People from all backgrounds and all walks of life were there with one common goal: to amplify the voices of the black people that were present.

This protest was to show solidarity with the victims of police violence, but it was also there to show that people are fed up living in a system that puts our fellow men at a disadvantage. This letter is not about foreign politics; it is aimed to give you a look into my mind.

Looking around yesterday, I could see people from four generations who were present. From grandmothers, who were standing there in solidarity despite being part of a risk group for COVID-19, to toddlers, unaware of the change that they are witnessing. Some of these children may become tomorrow's civil rights leaders.

Observing and trying to comprehend what was happening in the world, I understood that somehow the solution lies in education. In the words of the late Nelson Rolihlahla Mandela: ‘Education is the most powerful weapon which you can
use to change the world.’

People of my generation have all the information in the world available at their fingertips. With this growing awareness of, and exposure to, global issues, we are also starting to care more and more about things that don't directly affect us. What is the direct result of what we spend our money on? Can the money I spend today not only provide me with sustenance, but can it also provide someone else with safe housing? Healthcare? Education?

I personally believe that the discontent Gen Z is feeling comes from what we have inherited. We didn't start the Industrial Revolution, yet we are reaping what was once sowed. We didn't ask for the earth's oldest forests to be cut down to make way for animal agriculture, yet we are left with the damage. The realisation that the actions of the ones who came before us have a direct result on the ones who are yet to be born weighs heavy on us all.

This is why the rise of veganism and vegetarianism is many times higher in my generation than in other generations. We know that what we eat and how we eat it directly influences the state of the world and the ones working to grow that food.

The power of Generation Z — and others like us — is that one day we will be your only clientele. We will be the ones who will need to be marketed to. We will have to be provided with reasons why we should buy your products. I urge you to listen to the younger generations; we are on the frontlines of the social and environmental revolutions.

When I told you about my plans to join the protest in Amsterdam, you asked me what about the risk of COVID-19. I did not answer. Today I can honestly tell you that my generation is prepared to put ourselves at risk to fight for social and environmental justice. Would you do the same?

Love you lots,

Milan

*****

We love the passion that Milan expresses — the earnest yearning for a better world. And we hope he will play a part in achieving a better world. We even think it is likely that he will do so.

Still, there is a famous saying — it plays out in a lot of ways, but we think the quote, often attributed to Disraeli, poses the conundrum of the day:

A man who is not a Liberal at sixteen has no heart; a man who is not a Conservative at sixty has no head.
— Benjamin Disraeli (1804-1881)

It is an overstatement, of course. People of all ages have their own reasons for political alignment. In fact, in America, at least, most people vote in a very similar manner to their parents. Milton Himmelfarb, a thoughtful analyst of American politics, wrote an article in Commentary magazine reviewing the 1968 election. He became somewhat famous as he gave a pithy characterization that Jews earn like Episcopalians and vote like Puerto Ricans. In other words, even dramatic changes in the incomes of Jews had not changed their voting patterns. Even today, it is not income, as much as religiosity, that explains the voting patterns of American Jews, with the Orthodox community far more Republican than Conservative and Reform Jews.

The great challenge in politics is that our representatives have to vote for actual policies. Will allowing a deduction for mortgage interest rates help blacks who want to buy homes? Or is the real benefit to rich people who will buy more expensive homes? Assessing the impact of various policies is difficult. In fact, to this moment, it is not actually clear what policies the Black Lives Matters protesters would like to see implemented. Or what would actually help black people.

Responding to individual acts is much easier. To anyone who has watched the video, the death of George Floyd seems
obviously and absolutely unjustified and horrible. We hope there will be a full trial so we will understand more about the situation. There are some sources indicating that the police officer and the victim knew each other and to what degree that influenced behavior we don’t know.

The situation is still very confusing with one of the co-workers at a nightclub where both George Floyd and Derek Chauvin, the police officer now charged with his murder, worked, first alleging they knew each other well and then recanting.

One thing that is very clear is that many people took advantage of the protests to destroy property and steal things. And that burning out job sources in one’s own community leads businesses to leave and thus hurts the future of the community.

In early June, Heather McDonald wrote an Op-ed piece for The Wall Street Journal explaining The Myth of Systemic Police Racism:

In 2019 police officers fatally shot 1,004 people, most of whom were armed or otherwise dangerous. African-Americans were about a quarter of those killed by cops last year (235), a ratio that has remained stable since 2015. That share of black victims is less than what the black crime rate would predict, since police shootings are a function of how often officers encounter armed and violent suspects.

In 2018, the latest year for which such data have been published, African-Americans made up 53% of known homicide offenders in the U.S. and commit about 60% of robberies, though they are 13% of the population.

The police fatally shot nine unarmed blacks and 19 unarmed whites in 2019, according to a Washington Post database, down from 38 and 32, respectively, in 2015. The Post defines “unarmed” broadly to include such cases as a suspect in Newark, N.J., who had a loaded handgun in his car during a police chase. In 2018 there were 7,407 black homicide victims. Assuming a comparable number of victims last year, those nine unarmed black victims of police shootings represent 0.1% of all African-Americans killed in 2019. By contrast, a police officer is 18½ times more likely to be killed by a black male than an unarmed black male is to be killed by a police officer.

On Memorial Day weekend in Chicago alone, 10 African-Americans were killed in drive-by shootings. Such routine violence has continued — a 72-year-old Chicago man shot in the face on May 29 by a gunman who fired about a dozen shots into a residence; two 19-year-old women on the South Side shot to death as they sat in a parked car a few hours earlier; a 16-year-old boy fatally stabbed with his own knife that same day. This past weekend, 80 Chicagans were shot in drive-by shootings, 21 fatally, the victims overwhelmingly black. Police shootings are not the reason that blacks die of homicide at eight times the rate of whites and Hispanics combined; criminal violence is.

The latest in a series of studies undercutting the claim of systemic police bias was published in August 2019 in the Proceedings of the National Academy of Sciences. The researchers found that the more frequently officers encounter violent suspects from any given racial group, the greater the chance that a member of that group will be fatally shot by a police officer. There is “no significant evidence of anti-black disparity in the likelihood of being fatally shot by police,” they concluded.

A 2015 Justice Department analysis of the Philadelphia Police Department found that white police officers were less likely than black or Hispanic officers to shoot unarmed black suspects. Research by Harvard economist Roland G. Fryer Jr. also found no evidence of racial discrimination in shootings. Any evidence to the contrary fails to take into account crime rates and civilian behavior before and during interactions with police.

The false narrative of systemic police bias resulted in targeted killings of officers during the Obama presidency. The pattern may be repeating itself. Officers are being assaulted and shot at while they try to arrest gun suspects or respond to the growing riots. Police precincts and courthouses have been destroyed with impunity, which will encourage more civilization-destroying violence. If the Ferguson effect of officers backing off law enforcement in
minority neighborhoods is reborn as the Minneapolis effect, the thousands of law-abiding African-Americans who depend on the police for basic safety will once again be the victims.

Milan is right that people of his generation have “all the information in the world available at their fingertips.” Yes, we have ALL the information, whether it is true, false, incomplete or uncertain information. He is also correct in saying that his generation “didn’t start the industrial revolution, yet we are reaping what was once sowed.” However, it is true that all generations have to deal with the legacy of what came before them.

One challenge for today, and for the future, is how to deal with some horrible truths. The “Defund the Police” movement is a natural, emotional reaction to knowledge of police abuses. The truth, fully recognized, is that there are police officers who abuse their authority.

This has always been true and, we suspect, will always be true. The difference now is that since everyone walks the earth with a movie camera in their pocket, we will be exposed to many, many more specific abuses than we ever knew about in the past.

Literally defunding the police will make the situation worse, especially for the poor, not better. Wealthy people can have private security forces. Even the City Council of Minneapolis, as voting to defund the police, hired a private security force for their own protection. There are over 800,000 sworn law enforcement officers in the US. If just one percent are abusive, that is 8,000 officers. If they each committed an action such as we saw in the George Floyd video once every 20 years, that would mean 400 people die every year, a little over one per day.

This is, of course, terrible. But “defunding the police” would likely lead to hundreds or thousands of times more innocent people dying. It is easy to object to the present situation; it is much harder to actually come up with a better process and better people.

And many “facts” require deep study. For example, there is clearly a lot more discussion about vegetarianism and veganism than there once was. But in the United States, the evidence is that the actual behavioral change is not there. Here is The Washington Post: You Might Think There are More Vegetarians Than Ever. You’d be Wrong:

The number of Americans who self-identify as vegetarian or vegan has remained steady over the past 20 years — and it’s still a pretty small group, according to a recent Gallup poll.

Five percent of Americans identify as vegetarian, a rate that has remained unchanged since the previous survey in 2012. In 1999, when the survey was first taken, as well as in 2001, 6 percent of Americans identified as vegetarian. Rates of veganism have followed a similar trajectory. This year, 3 percent of respondents identified as vegan — a slight increase from 2 percent in 2012.

What’s remarkable is how little has changed, even as our food culture and habits have evolved over the past 20 years. In 1999, there were no “Meatless Mondays,” no Pinterest, no “Food, Inc.,” no fast-casual salad places, no Goop. Information about a vegetarian diet — at least for middle- and upper-class people who have more dietary choices — has seemingly never been more abundant. But it’s not resulting in any noticeable increase in the rate at which people adopt the diet — a fact that may prove either galvanizing or discouraging for plant-based advocacy groups.

This, is, of course, in line with consumption statistics:


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In raising the issue of social and environmental justice, one can only feel admiration for Milan’s spirit.

There are issues, though. One is that as people get older they have other priorities. They have children, who they need to feed and clothe. Another is that even though we can all agree that we should always be looking to improve our situation by improving the world — say, training police better so that behavior such as we saw in the George Floyd video doesn’t happen — it is also true that we can fool ourselves by thinking that protest and legal changes will solve all the problems. There will always be errant people and abusers of power.

The truth is that problems such as this are always complex. That this generation is willing to put itself at risk to “fight for social and environmental justice” can only be seen as admirable. But if they do this through public protest, the same people are going home or to work or shopping with older people, more vulnerable to COVID-19 than they are, so they are putting them at risk — often without their consent. This is problematic.

There is a bigger question as to what the root of the problem is. In America, with a legacy of slavery, all decent people want to see the African-American population become more successful. Daniel Patrick Moynihan, a Harvard Professor who ultimately became a US Senator from New York, wrote a famous report in 1965 on the enormous problem facing the black family in America. At that time, 25% of black children were being born out of wedlock. By 2011, 72% of black babies in America were born to unmarried mothers.

Malbehavior by police officers must be condemned. Every effort should be made to stop it. Efforts to increase the number of black officers should be redoubled, but, if you want to help lift black babies out of poverty, help them to gain an education and find success — here are the hard numbers:

Moynihan’s report focused on black families, but the percentage of children living with a single parent has jumped across racial and ethnic groups. Between 1960 and 2013, the proportion of black children living in a single-parent home more than doubled, from 22 percent to 55 percent, according to data from the U.S. Census Bureau. For white children, the percentage tripled, from 7 percent to 22 percent.

The authors’ analysis of educational attainment is based on data from the Panel Study of Income Dynamics (PSID) from children born between 1954 and 1986. The data includes information about family structure and family income of 6,072 individuals when they were between the ages of 14 and 16, as well as the years of schooling they’d completed by the
Those who were 24 years old in 2009 — the youngest group in the data — and lived in a two-parent family had completed 14.07 years of school. Those who lived in a single-parent home for at least 1 of 3 years between ages 14 and 16 had finished 12.75 years of school.

Twelve percent of that group of teens from single-parent families had earned a college degree by the time they were 24, compared with 38 percent of those from two-parent families.

Note that things aren’t going so great for white families either.

These are deep and important issues, but it is not just a question of justice. All the laws changed in the world will not solve this problem.

One wonders if the pick-up for the protests would have been as great if the decision was made to offer an online teach-in to push everyone’s math grade up a level. One doubts it, though it clearly would be more likely to help the black population in the USA.

Milan carries with him an earnest longing for a better future. So many of his generation share in this longing. We wish him, and all who carry these initiatives, great success.
One wonders what will be the impact of the various protests demanding change.

We saw a piece on NBC News titled, Walmart will stop putting ‘multicultural’ products in locked cases:

Walmart will no longer place “multicultural hair care and beauty products” in locked cases in any of its stores, the company confirmed Wednesday.

The practice, which Walmart says was only in place “in about a dozen” of its 4,700 U.S. stores, has received criticism for the implication that the customers who buy these products, largely people of color, can’t be trusted. The cases must be unlocked by a store associate, and the products are usually then taken to the front of the store for purchase.

CBS Denver reporter Tori Mason was the first to disclose the change, after receiving an email from Walmart in response to her story highlighting a situation that people of color have long faced.

Walmart customer Judah Bell said the process is “humiliating” and is something she’s noticed at select locations across the country, usually those in more “urban, less affluent areas.”

Bell said that because her local Walmart uses the locked cases, she will drive 11 minutes further to a more affluent area and shop at that Walmart, where she doesn’t have to deal with such treatment. She said the longer drive can sometimes end up saving time.

"In my neighborhood Walmart, you have to go find somebody and then if they don't have the key, they have to find somebody, so you're just standing there waiting, sometimes for as long as 10 to 15 minutes,” Bell said.

She shared photos taken on Wednesday at two different Walmart stores located in economically different neighborhoods. Neither location had “multicultural” beauty products in cases, but the location in the less affluent community had many more items locked in cases, including cold medicine, children's medicine, body wash, and cosmetics.

Walmart spokesman Lorenzo Lopez told NBC News that the company is “sensitive to the issue and understands the concerns” and would be implementing the change in policy “as soon as possible.”

“As a retailer serving millions of customers every day from diverse backgrounds, Walmart does not tolerate discrimination of any kind. Like other retailers, the cases were put in place to deter shoplifters from some products such as electronics, automotive, cosmetics and other personal care products,” Lopez said.

While many of these personal care products were placed in cases, equivalent products targeted at a less “multicultural” customer received no such placement.

Bell said she once asked a Walmart employee why they kept those products under lock and key and was told that those products have higher theft rates, but was not presented with any data to support that. Walmart confirmed to NBC News that the decision to place certain hair and beauty products in cases was based on theft data, and that it varied by market. It would not share that data.

"It's hard for a customer to dispute that but predominantly African American people are buying those products, so the assumption is we're thieves,” she said. "I try not to shop anywhere where I'm assumed to be a thief."
Walmart isn't alone in facing scrutiny for this practice. Many other personal care stores and national chains such as CVS and Walgreens have been accused of doing this. Walgreens and CVS did not immediately respond to a request for comment.

Of course, the unintended consequences of things should be considered. Retailers don’t like to lock things up. It takes staff time, and thus money, to open these cases. The pain-in-the-neck factor reduces sales.

So, stores typically do these things because they have too much shrink in those product categories. Remove the locks, the shrink will increase, and, over time, one of two things have to happen: Retailers can raise prices which, of course, means that honest people have to pay more to compensate for thievery. Or the stores can just not carry those products, meaning that consumers who want them are inconvenienced.

Pretending there is not a theft problem is not likely to be a long-term option.
150-year Racial Equality Plan

Jim Prevor’s Perishable Pundit, July 9, 2020

We remember a phone call many years ago from Bob Carey, the longtime President at the Produce Marketing Association. He had invited the Pundit — though long before the digital age when all our industry writing was appearing in PRODUCE BUSINESS — to attend a PMA Board meeting each year, a privilege that continued for many years. Once, however, we had an illness and Bob gave permission for us to send Ken Whitacre, publisher/editorial director, in our place.

It was only hours after the meeting concluded that Bob called… Ken and I weren’t yet 30 years old, and he asked “Where did you ever find someone like Ken? He is exceptional. You are really lucky.”

It is a question this Pundit has often asked himself. Ken and the Pundit met as students at Cornell and, one day, while working at the Hunts Point Market, this incipient Pundit called Ken, who was working on his master’s degree at Columbia, and asked if he would like to go on an adventure.

Thus PRODUCE BUSINESS magazine was born… and, in time, other magazines, websites, trade shows, conferences, share groups and much more.

Ken spoke about some of the journey he has traveled as he memorialized this Pundit’s mother in a piece you can read here.

Coming from Kentucky, Ken has seen racism in a different way than this Pundit. He wrote of some of his thoughts here:

By Ken Whitacre

June 19th, 1865. That is the day — a little more than 155 years ago — when Union soldiers enforced the Emancipation Proclamation and freed the last slaves in the United states of America.

I was totally unaware of this date, and its celebration, until just this year, when news of celebrations prompted me to do some internet searching for some meaning behind our current racial unrest. How have we come to this period of racial tension, seemingly so far removed in time from the scourge of slavery?

Just as it took 150 years for Americans to get to this period, I believe this problem will not be solved in our lifetimes… Though there certainly are things we can do today, and are doing, to work through specific problems, eliminating racism entirely will take many generations to remove cultural prejudices from our gene pool.

My father was a racist. Growing up in a poor town, in the “projects”, put my family in a racially mixed group of apartments. Though there were attempts to segregate blacks from whites in the projects (the blacks mainly lived in the
Booker T Washington block of apartments and the whites lived in the surrounding blocks), you couldn’t prevent blacks and whites from intermingling — unless one came to MY apartment.

It was there one afternoon that my father demanded I remove one of my black friends from the apartment when I brought him home to play after school. I was humiliated to be taken into the utility room of the apartment and told to get rid of him on the spot.

It was there I consciously made the decision to rebel and vow that I would never be like him. Secretly, I developed many black friends and hung out at that THEIR apartments, even dating a few in secret.

Today, these memories flood my mind as I see cases of racial divide brought in front of me. I want to do something, but know the problem cannot be solved simply with protests or by government decrees. It has to start within the roots of all generations of people living today, but it will take many generations after to completely eradicate this problem.

I am reminded of a movement that was started about 25 years ago in Sri Lanka. It is the 500-year Peace Plan, which was consummated after 500 years of bloodshed brought on by colonialism and civil war. The rationale behind this plan was that it took 500 years to get to where Sri Lanka was, despite many efforts to solve the problems, so it is likely to take 500 years to totally come to peace. Their goal is to make Sri Lanka “the image of Paradise on Earth” — a country without poverty, both economic and spiritual.

What may seem preposterous on the surface makes sense when you think about the amount of time social injustice takes to resolve. Afterall, how many years do you think it will take for Palestine and Israel to fully be at peace? How many years will it take for India and Pakistan to work out their differences? Just pick another part of the world where you shake your head that entrenched problems still go on after centuries.

It took nearly 150 years after our Constitution was enacted before women got the right to vote... And though the historical math is fuzzy, the Bible teaches that it took hundreds of years before the Israelites were free from Egypt and it took the passing of more generations for them to shed the customs of Egyptian rule after they were free.

Even today, the memories of Jews being burned in the Holocaust 80-plus years ago are still alive in some survivors... and anti-Semitism still exists today.

So, the idea of Sri Lanka having a plan to end war in 500 years doesn’t seem so preposterous to me.

Here is how they plan to do it:

· Transform the consciousness of war
· Mobilize grassroots efforts to end the war
· Redirect the conversation about war and peace — redefine the war
· Revive mutual respect and trust among all Sri Lankans.
· Break the stalemate in thinking that leads to continual war
· Coordinate, network and form linkages with all parties
· Participate in peace talks
· Change the climate of war to a climate of peace.
· Conduct healing and reconciliation campaigns
· Work with all victims of the war, including the combatants, their families, civilians, children and others.
· Link the peace process to overall village development

Just insert “racism” in place of “war” and think more locally. Sri Lanka has 22 million people. This population size is less than 7% of our country’s population. Perhaps each urban city in the US could have its own Racial Equality Plan.

With a few redactions, here is how the Sri Lankans have scheduled their 500-year Peace Plan:
NOW:
· Actively resist all acts of violence, no matter who perpetrates it, and no matter what the stated reason.
· Call for all parties to cease violence right now, with no preconditions, limits or terms.
· Introduce and discuss the Peace Plan with all parts of the organization (managers, coordinators, independent unit heads, staff, workers and volunteers).
· Conduct a variety of peace activities throughout the country, including Peace Meditations, amity camps, community dialogs, exchange programs, inter-religious gatherings and others. All activities designed to bring Sri Lankans together and to remove the causes of violence.
· Remove all images that glorify war, killing and violence.

FIVE MONTHS:
· A cease-fire called between the warring parties.
· Start cross-cultural dialogs at the village level on ethnicity, religion and class issues within Sri Lanka society.
· Develop economic strategy.

ONE YEAR:
· All war-related violence ends.
· Peace treaties between warring factions signed.
· Development Plan started.
· Start programs to help people disabled by war (including physical, emotional, psychological and spiritual disabilities).
· Start to repatriate and resettle all Sri Lankans who are living in refugee camps, including all internal refugees.
· Start rehabilitation of all former combatants.
· Start re-integration and healing of all combatants.

FIVE YEARS:
· Development Plan in full operation.
· Sri Lanka no longer in top ten countries with highest suicide rates.
· All poverty indicators in each zone go down by 10%.
· Former armed youth together become active participants in a nationwide constructive village re-awakening programme.
· Rehabilitation of buildings and rural areas completed.
· Former combatants successfully re-integrated into civilian populations.

TEN YEARS:
· Complete resettlement of all displaced persons (internal and external) into permanent homes in Sri Lanka.

FIFTY YEARS:
· War is forgotten, except in history lessons.
· Sri Lanka has the lowest suicide rate in the world.
· Sri Lanka has the lowest poverty rate in the world.
· Sri Lanka is a model for other countries for sustainable development.

ONE HUNDRED YEARS:
· Sri Lanka becomes the first country to totally eliminate poverty – both economic and spiritual.
· Sri Lanka becomes main destination for “spiritual tourists” looking to experience peace and serenity.
· “Sri Lanka” becomes a metaphor for a peaceful, poverty-free environment.

FIVE HUNDRED YEARS:
· Global climate warming may cause changes to the Sri Lankan environment and geography. However, because of the history of working together over hundreds of years, these changes will not be disasters.
· In 500 years, people might be living on other planets; however, Sri Lanka will remain their image of Paradise on Earth.

Can you imagine a similar plan to end racial equality — and achieve the many other benefits Sri Lanka is shooting for — after only 150 years? It takes courage and creativity. It takes leadership. But most of all, it takes time and patience. We
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by Jim Prevor

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we will still live in the earnest pursuit of being fairer and treating people better. Indeed, the last line of the Sri Lankan 500-year plan turns our planet and people into a kind of dream: “In 500 years, people might be living on other planets; however, Sri Lanka will remain their image of Paradise on Earth.”

Here is hoping this may be true of all the earth and of all humanity.
Dusting Off A Proposal To Reduce Unemployment

Jim Prevor’s Perishable Pundit, July 9, 2020

The latest unemployment numbers showed big improvements:

Total nonfarm payroll employment rose by 4.8 million in June, and the unemployment rate declined to 11.1 percent, the U.S. Bureau of Labor Statistics reported today. These improvements in the labor market reflected the continued resumption of economic activity that had been curtailed in March and April due to the coronavirus (COVID-19) pandemic and efforts to contain it.

In June, employment in leisure and hospitality rose sharply. Notable job gains also occurred in retail trade, education and health services, other services, manufacturing, and professional and business services.

CNBC was ecstatic:

Record jobs gain of 4.8 million in June smashes expectations; unemployment rate falls to 11.1%:

KEY POINTS

- Nonfarm payrolls rose by 4.8 million in June, much better than the expected increase of 2.9 million.
- The unemployment rate fell to a crisis low of 11.1%, also better than the 12.4% estimate.
- Those on temporary layoff fell by 4.8 million in June to 10.6 million after a decrease of 2.7 million in May.
- Still, the government survey comes from the middle of the month, and so won't include many of the pullbacks caused by a resurgence of COVID-19 cases. So, we will have to wait until next month to judge that impact.
- Obviously, many industries — say hotels — were so slow that the numbers had to improve after such a severe shutdown, and indeed leisure and hospitality, which were the superstar of this report, account for about 40% of the total gain in employment.
- The report also details permanent job losses zooming from 588,000 to 2.883 million. Part of this is a function of weak companies closing, but some of it is probably a consequence of the world changing.
- It was over a decade ago that we wrote a piece for the American Thinker, called Solving the Unemployment Crisis. Most of the policy recommendations would work as well today as they would have then. Here is how we explained our proposals:

Here are ten specific policy proposals that can dramatically and quickly reduce unemployment. Their overarching aim is to restore to businesses the wherewithal to hire; to reduce the cost of new hires so that there is less risk in trying out new employees; to also lessen the non-financial risk of new hires; to encourage workforce flexibility; and to ensure that employment is worthwhile.

These ten proposals would be beneficial at any time — but in this economic climate, and at this political moment, they constitute a job-boosting agenda that conservative reformers would do well to consider.

You can review the proposal here.


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Pundit’s Mailbag — Welcome Comments About Possible PMA/United Merger

Jim Prevor’s Perishable Pundit, July 9, 2020

Following our piece — Shouldn’t Our Industry Associations Try To Support One Another? After Coronavirus, The Time May Be Right To Look At PMA/United Merger Once Again — we heard from many industry leaders. This included many of the past chairmen of both associations and of other industry associations, some of whom we’ve worked with for decades.

We will run some of these discussions as the industry proceeds with this discussion. In the meantime, this was a thoughtful missive from one of the former chairmen of a national association:

I have been keeping up with the Pundit and your new podcast. I love that you are willing to be controversial… most leaders just take the safe route. Most did not have the courage to speak openly about the recent racial activity as you did. Agree or not, I applaud your bravery.

On the Pundit piece related to a possible PMA/United merger, I clearly remember sitting at a table in Monterey discussing the failed merger. I really thought we had it done. I have heard that some important people are now lobbying for this to happen again.

I was in favor for the merger to happen at the time and, for the most part, I still am. Actually, this time, many believe PBH should be part of this merger so there is a strong consumer marketing arm, which neither PMA or United have.

Anyway, I don’t know if anything will ever happen. I have always preached that the industry would be so much stronger with a single voice in DC, to help market the industry and to reach out to the consumer. It is my view that it is more than just PMA and United at this point. The merger would have to be more than just a way for members to save expense. It needs to help the industry in all the ways we know it needs help!

Of course, the staff at both PMA and United view each other as competitors at this time, and I am sure there are competitive innate feelings amongst the staff. You and I get the big picture so we know better, but the troops don’t always see it that way.

You are a major influencer and can help move the merger process forward. I agree it is what membership in both groups wants.
In 2012, both Bryan Silbermann and Tom Stenzel were equally responsible for the failure. One challenge is that PMA and United are not equal in resources or size. It is hard to do a "merger of equals" when one entity is so much larger and more prosperous than the other. In fact, if pressed, I would have to put more blame on Tom as they were 20% of the merger and not an equal entity, and he should have realized that.

But with all that said, the momentum needs to move forward, and I believe you taking a mutually positive stance toward both organizations will support that process much better than seemingly taking sides.

In any case, I love the respectful bantering with you. I would not take the time to do it if I did not have so much admiration for who you are and all the great contributions you have accomplished for our industry.

As is typical in these things, we received a few tongue-lashings from PMA partisans for pointing out that it wasn’t necessary or nice for PMA to schedule a digital event right in the middle of United’s first digital trade show. But we actually received more nice words from industry participants, including several PMA board members and longtime PMA supporters, who thought it a missed opportunity on the part of PMA.

After all, a simple announcement that PMA had decided to either do its panel discussion as part of United or to postpone it a week or two to give United a clear week would have not hurt the quite large PMA at all and would have won it some goodwill at a time when the world needs all it can get.

In any case, it was a minor issue. The bigger question is how we, as an industry, can move ahead.

Personally, the Pundit and all our sister publications have had fantastic engagement with both associations. We launched PRODUCE BUSINESS at the PMA in 1985 in San Francisco. The Pundit Grandfather was the chairman of one of the associations that ultimately merged to form United. We have on our walls both commendations from PMA, awarded on our 25th anniversary and from United, first-ever Member of the Year.
The issue has long been clear. Many years ago, PMA decided to focus on the buying end of the industry. This was a smart move, in that it made PMA events lucrative for vendors. So, even grower-shippers who really valued United often would wind-up spending time and money with PMA, because that was where the business opportunities were.

The question now is, post-COVID, is there a necessity for the industry to save money on duplicative efforts? Is there an opportunity to combine forces — PMA, United, and maybe PBH — to go beyond financial savings to better serve the industry.

When he was Chairman of PMA, Bruce Peterson, who originated Walmart’s produce program and built it to the largest one in the world, used to ask this question: If this association didn’t exist, would we want to create it? And why? These are good questions still today.

The industry and the world are both changing. There is no particular reason to think that the industry organizational setup of the past is the best option for the future.

This won’t be a short-term project. If you like to get involved or express your thoughts, let us know here. If you want your identity kept confidential, just say so.