

# Retailers enjoy results of eat-at-home trend

By Ashley Bentley  
Staff Writer

WEST DES MOINES, Iowa — Many markets in the middle of the country and upper Midwest are dominated by smaller independent chains, and have remained impenetrable, or at least difficult, for the national chains.

“We have a couple big chains right here in Des Moines with Hy-Vee and Fareway,” said Brendan Comito, chief operating officer of Capital City Fruit, Norwalk.

“Both customers are within an hour and a half drive, and their DCs are right in this area. Both are growing and doing very well.”

In general at retail the berry category is up drastically, especially with blueberries, said Ron Coles, assistant vice president of produce purchasing for Hy-Vee Inc. Mushrooms are also up big, he said.

The company carries a new mushroom from Watsonville, Calif.-based Monterey Mushrooms that is a natural source of vitamin D as a result of exposure to natural light in the growing process.

“We’re always looking for new items, but there are no category changers out there right now,” Coles said. “Right now we’re seeing more line extensions than real development of new products.”

The company is also seeing growth in single-serve produce items, especially those geared to kids.

“You definitely see a different trend in kids and the way they eat,” Coles said. “We’re seeing growth in all these categories now.”

Hy-Vee operates one small footprint store in Lincoln, Neb., called Heartland Pantry.

“It’s heavy in fresh,” Coles said. “Really, the only way for a company to compete (with different concept stores) is to have one of them. That’s kind of what we’re doing with smaller stores. We can’t go into a town of 4,000 people with an 80,000-square-foot store.”

Years ago, the company bought and ran a convenience store chain for five years. Now, it operates filling stations at many of its stores.

“Things like that, everybody’s doing it,” Coles said.

The demand for locally grown is big at retail, Comito said.

“In Iowa we have a five-month deal typically,” Comito said in late August. “We’re just now coming off the peak here.”

The company has sourced from local growers for more than 30 years, he said, but it has definitely seen a major increase in recent years.

Capital City Fruit is re-designing its packaging and moving from plastic to compostable palm fiber for its tray packs at retail, Comito said.

“This way consumers can just throw it in their backyards and compost it,” Comito said.

The company expected the new line to roll out mid-September, he said. Tomatoes and peppers are its biggest tray-packed items. The new packaging will be used on Capital City Fruit brand and private-label packaging.

“It took a while to get this going because there’s a lot of demand for the material,” Comito said. “It’s made in Malaysia.”

The front of the packages should have a sticker that identifies them as compostable, Comito said.

Hy-Vee stores are pushing local, said Ron Coles, assistant

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vice president of produce purchasing. The company devotes a section of its ad every week to homegrown products, he said.

“It’s going to become a bigger and bigger thing moving forward, just with the carbon footprint and sustainability,” Coles said.

“It’s definitely here to stay. Younger shoppers are certainly more knowledgeable about these things than I was growing up.”

The company is working toward making sure all of its local suppliers are certified to U.S. Department of Agriculture standards for food safety.

“Not everyone we buy off is, but we’re going fast that way,” Coles said. “We look at it as part of our jobs to make sure the food is safe.”

Hy-Vee works with a company that acts as a liaison with its local suppliers to help them get certified and makes sure they’re doing what they’re supposed to, he said.

This year rain in and around Iowa created some supply issues for the company, but Coles said it was still pretty fortunate with the amount of local produce it was able to procure.

“There really is quite an array of local products,” Coles said.

The company’s local sourcing model, which involves working with growers directly, is one it’s familiar with. Hy-Vee tries to work directly with shippers for all of its produce.

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