

GROWING MAGAZINE – SOUTH FEATURES

Connecting Local Growers with Regional Markets

by Jenan Jones Benson: Product distribution and marketing



Paul Lieb has brought the Foster-Caviness a long way from its origins more than a century ago, but retains the name that means fresh produce to foodservice facilities throughout the Carolinas.

No matter how you market your products, you've probably seen produce delivery trucks on a highway or spotted a distribution center.

When Foster-Caviness Foodservice was born in 1902 in Greensboro, N.C., the founders couldn't have imagined how the company and its product lines would grow in the future. While little is known about those early days, it is certain that service was limited to the immediate Greensboro area. Most likely, the majority of the produce was locally grown, perhaps by the Foster and Caviness families themselves. The diverse selection of fruits and vegetables seen today was yet to come.

Even in 1983, when current President Paul Lieb purchased the firm, its delivery span, supported only by five trucks and 11 employees, was limited to the local area. A quarter-century later, the firm employs 120 in three locations and delivers six days a week to hundreds of clients throughout North and South Carolina.

Growing the Business

Lieb had 11 years of experience in a similar business when he relocated to North Carolina from New Jersey. He and his father had founded a foodservice company offering specialized deli and ethnic products. He feels that the produce industry is a more viable business, but the experience with marketing, warehousing and procurement readied him to lead Foster-Caviness.

Among the firm's clients are military installations, schools, hospitals and restaurant chains, along with independently owned eateries. In 2007, the company was awarded a six-year, \$37.6 million federal contract to serve North Carolina public schools and military bases. The restaurant industry is the biggest customer.



Paul Lieb inspects North Carolina-grown Tomatoes in the Greensboro, N.C., warehouse.

Expansion of the service area, along with product line expansion, is responsible for the explosive growth.

“Customers are our best sales force,” Lieb said. “Since restaurant [personnel] move around a lot, they introduce Foster-Caviness to new [establishments]. That may be the truest scenario of how our firm grew: through satisfying customers.”

In addition, the increased consumer demand for fresh produce combined with greater selection led to expansion. Items that were unknown to Americans in 1983 are commonplace today. February 2008’s warehouse inventory includes everything from avocados to citrus foods. In fact, multiple brands of produce are available to accommodate customer preferences.

Day-to-day Operations

Foodservice is a 24-hour-a-day, seven-day-a-week undertaking. Orders are taken by fax and telephone during standard business hours, but online purchasing is available at all times; 38 percent of all orders are placed via the Internet. Receiving and shipping are continuous, with 550 deliveries daily from Monday through Saturday.

The primary business location remains in Greensboro; for the last eight years it has been situated at the Piedmont Triad Farmers’ Market. The state-of-the-art facility houses all corporate functions, such as customer service and accounting, along with 30,000 square feet of refrigerated storage. Even the 17 truck bays are cooled. The warehouse’s climate control system is divided into eight zones, accommodating differing temperature requirements of products. The temperatures are monitored and tracked to maximize freshness and shelf life.

Most produce is delivered to the Greensboro warehouse, where it is tagged with information such as the date, trucker, vendor and quantity. This procedure facilitates tracking and product rotation, but also plays a vital role in food safety. By recording data as the product is received and delivered, the company can perform total product recalls if necessary. Personnel can quickly determine which clients have received suspicious items and alert them promptly. Lieb said the company has been involved in two real contamination incidents and the system allowed timely notification and

replacement of the product. The company also conducts two tests annually of its recall procedures. He added that the industry doesn't require inspections of any type, but he employs a third-party audit firm to ensure that all functions are performed effectively and efficiently.



The firm puts the customer first by delivering smaller-than-case quantities upon request.

Orders are packed throughout the day and night. Although Foster-Caviness strives for minimum order sizes and ordering deadlines, they will break cases to fulfill smaller orders. The Greensboro center prepares tractor-trailers with shipments for the Raleigh cross-dock operation as early as 7 p.m. Orders are transferred to 20-foot trucks and drivers begin eastern North Carolina routes as early as 3:30 a.m. Lieb said the Raleigh hub helps to reduce distribution costs.

The company also maintains a warehouse and distribution center in Charlotte, allowing it to serve that city, South Carolina and western North Carolina.

Impeccable customer service has been the company's goal since inception, but Lieb admits with the growth of the firm, it has become challenging. Even with three locations, the large distribution area makes it difficult to deliver within the desired 7 a.m. to 10 a.m. window.

"There are many ways we could be more profitable [such as packing trucks full rather than packing just today's orders]," Lieb said, "but people want fresh food delivered daily."

Working with Growers

Since Foster-Caviness supplies its clients with everything from greens to herbs to tropical fruits, it isn't surprising that most of those products come from California. The company belongs to the co-op PROACT, a group of 36 firms that pool their buying power.

However, he is very interested in locally grown fruits and vegetables. In the past two years, he has made a commitment to using regional growers and increased his local purchases by tenfold last year. Lieb said he wants to help the local economy, reduce carbon emissions generated by trucking and be able to provide fresher produce more quickly.

"I think [the demand for] local will outstrip organic in popularity soon [especially in foodservice]," he said.

"Some level of postharvest refrigeration is needed and I see that as the biggest challenge for the majority of local growers," he said, adding that it is difficult to market produce that has been subjected to excessive field heat.

Although Lieb prefers suppliers to deliver to his location, he does have numerous delivery trucks on the road, which are empty by noon. In current situations he is willing to consider having those trucks pick up produce from farms and begin the cooling process in the vehicles' refrigerated trailers.

The company is eager to speak with regional growers who wish to partner, especially those who can offer extended growing periods. Greenhouse and hydroponic operators who could provide herbs year-round, for example, would be ideal suppliers.

“The longer the season, the greater the interest [we would have],” Lieb said. “Since I know the volumes we sell, we could commit to certain quantities. The more we share information, the better we can work together, reducing speculative growing and making farmers more successful.”

Lieb said working with local growers is one of his primary goals for the future. He’s also interested in proactively introducing new produce varieties, rather than simply stocking what clients order. Given the continuing growth in the state, he believes the company will experience ongoing success without expanding its service area or product lines.

Growers may contact Foster–Caviness Foodservice through its Web site, www.foster-caviness.com, or by telephone at 336-662-0571.

Jenan Jones Benson is a freelance writer based in Greensboro, N.C.