
Posted on Tue, Jan. 31, 2006

Bagged salad inventors changed the way Americans get their greens

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CARMEL, Calif. - When Myra and Drew Goodman first stuffed their organic baby greens in plastic bags 20 years ago, they were just trying to keep their farm afloat and create a quick, healthy alternative to a steady diet of pizza and meals on the go.

They never envisioned that Earthbound Farm's bagged salad would revolutionize the way America eats and land them at the top of a leafy green food empire.

"We built our business little by little to meet a demand and didn't realize it was a big business until it had already happened," said Drew Goodman. "Growing organic has paid off."

Two decades later, pre-washed greens pioneered by the Goodmans have catapulted from specialty markets to the aisles of every major grocery store and helped make organic a household name and an \$8 billion annual business.

"They changed the organic game," said Bob Scowcroft, executive director of the Organic Farming Research Foundation. "You used to only be able to get fresh organic products in small stores supplied by an independent farmer. Earthbound ships train loads and plane loads."

Ready-to-eat bags of produce now gross \$2.8 billion a year and Earthbound continues to lead in the organic department, producing 73 percent of the greens and baby spinach that go into the \$202 million-a-year organic bagged salad market, according to data from ACNielsen.

The growth is impressive when you consider the concept was born of necessity in 1986 by two New York City natives struggling to make some money after graduating from different University of California campuses.

The couple agreed to restore a two and a half acre farm in Carmel Valley in exchange for rent and whatever they grew.

They supplied a local chef with smaller, more tender baby vegetables until he left town and left them with acres of baby lettuce and no buyers.

When they began bagging greens to make for easy, nutritious meals when they came in from work too tired to cook, they realized they had a great product, said Myra Goodman.

They started supplying specialty grocery stores with the bagged salads on consignment and soon needed to contract with other organic farmers to meet the demand.

Several chain grocery stores were afraid to sign on at a time when organic producers were small, often couldn't deliver reliably, and were more expensive. But when Costco became the first major retailer to carry their products in 1993, others soon followed, pushing Earthbound into bigger markets.

"Until that time, we were really just a large boutique farm," Myra Goodman said.

Drew Goodman, 45, and Myra, 42, ended up getting married, purchasing the farm and raising their family there.

Today, they market more than 100 different fruits and vegetables grown on 26,000 acres by hundreds of growers from Washington state to Arizona, delivering their produce to markets around the country.

Earthbound has seen income soar from \$13 million dollars in 1995 to \$365 million in 2005. Some critics charge large operations like Earthbound with crushing the profit margins of small farms that were the heart of organic farming when it

first took off decades ago.

Liz Bourret, who works as a buyer with organic produce distributor Veritable Vegetable, said the small growers aren't being pushed out as much as being forced to adapt, focusing on specialty crops, and moving away from mainstays such as lettuce that large growers can produce cheaply.

The Goodmans' salad mixes have helped introduce new greens to the American diet. Demand for iceberg lettuce continues to decline while "gourmet" greens such as radicchio and arugula are becoming more common.

Iceberg is still the leading salad lettuce, but sales have been decreasing over the years, totaling about \$768 million in 2005, ACNielsen reported. Meanwhile, the market for specialty blends made of romaine, arugula and other greens have increased to \$606 million dollars in 2005, up 11.2 percent from 2004.

One leafy vegetable in particular has benefited from the prewashed, prepackaged craze, according to the U.S. Department of Agriculture. Americans ate 671 million pounds of spinach in 2002, an increase of 66 percent from 1992.

Earthbound was also able to stay ahead of the competition by coming up with new ways to pack produce, removing oxygen and adding nitrogen to the bag so greens stay fresh longer and developing harvesting equipment specifically for gathering baby lettuces.

"They used 21st century technology to make organic an available product and it paid off for them," Scowcroft said.

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