

The Beautiful Upside of Ugly Produce

How Canadian project, the Misfits, has expanded to 300 US stores, making ugly produce successful for shoppers and retailers alike.



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At a time when **over half of all the nation's produce is going to waste** due to cosmetic reasons, so-called ugly produce has captured the world's attention. Since 2012, 16 countries around the world have embraced the call to save less-than-perfect foods from landfill. In the U.S., the market for ugly produce is really picking up speed as a number of grocers have begun ugly-food program in the past year.

The Misfits brand of ugly produce, which Meijer Supermarkets just began selling in 35 of its U.S. stores, is the most expansive ugly-produce program in the country, carried in more than 300 stores across three supermarket chains in the U.S. alone.

Craig Arneson, General Manager of Sourcing for Robinson Fresh, says the product line's whimsical branding (shown at right) has been a big part of the program's success. "The [Misfits] brand helps make the cosmetically challenged acceptable," he said.

While the Misfits are becoming increasingly well-known in the States, their success has been a product of a lot of hard work. Mike Meinhardt, Sales and Marketing Manager at Alberta-based produce distributor Red Hat Growers, launched the product in Canada in 2015, and he and the other stakeholders involved in the process have learned what it takes to successfully develop and sell an ugly-produce program to both retailers and consumers.

In 2014, Meinhardt took some of his chef-customers on a tour of one of a greenhouse.

“One chef asked about the orange bins”—which were full of imperfect produce that had to be thrown out,” he recalled. “The chefs all stopped and went through it and all agreed that it was perfect for them and should *not* be thrown out.”

From there—with some help from Meinhardt’s family, who echoed the idea that ugly produce should not be wasted—Red Hat partnered with Minnesota-based Robinson Fresh, one of the largest produce companies in the world. This led to the September 2015 launch of a **small pilot Misfits program** at Associated Foods stores in Utah. The short-lived program helped Robinson Fresh fine-tune its marketing and logistics.

Other Similar Efforts

The Misfits are not alone in their effort to bring ugly fruits and vegetables, with all of their unique imperfections and anthropomorphic shapes, to the masses. In fact several major grocery stores have embarked on their own similar projects in recent years. Walmart has marketing a limited selection and done promotions around single item as limited campaigns. Raley’s supermarkets’ also created a **Real Good partnership with Imperfect Produce**, but that program was short-lived. Ben Simon, Imperfect’s CEO, said that the “Raley’s staff person spearheading the program [moved] on, which caused the momentum on the pilot to halt.”

Whole Foods also **launched a partnership with Imperfect** in 2016 with a handful of stores. Now, a year into operation, it has expanded to 20 stores in Northern California.

And Giant Eagle launched its Produce with Personality program in **Pennsylvania** in 2016 and has since expanded to Ohio.

How the Misfits Program Works

Unlike other stores’ efforts, the Misfits is a committed, year-round program that offers four to eight produce types at a time, depending on what’s in season—they include curled-up cucumbers, misshapen mandarins, and bent bell peppers. The produce sells for 20 to 40 percent less than conventionally attractive fruits and vegetables.

Red Hat Growers works with farmers to source the misfit produce and get it to stores. With **20 billion pounds of produce wasted** before it reaches grocery stores, in the U.S. alone, there is no shortage of cosmetically challenged produce to choose from.

Meinhardt says produce becomes less desirable to stores for many reasons. Too much sun—or not enough—extremely high or low temperatures on farms, rainfall, wind, and many more factors can make produce less-than-perfect. The U.S. Department of Agriculture’s (USDA) grading standards classify **fruits** and **vegetables** from a number 1 for perfect, or numbers 2 and 3 for the “ugly” stuff. But these standards are only guides, and they’re only part of the problem. Purchasers for supermarkets and their buyers or suppliers often go above and beyond the USDA’s ranking system, and enforce even higher standards for “number ones” in order to fill their shelves with picture-perfect produce.

Although supermarkets have traditionally ignored the potential of ugly-produce programs, that is quickly changing with the flurry of new programs in the U.S.

“One thing we’ve learned from trialing this program is that it truly needs to be holistic. It’s paramount to the success of the program to have collaboration at all levels of the organization” said Robinson Fresh’s Arneson. He also described some key planning steps: “Before launching the Misfits program with any retailer, we make sure they are supportive of the price, the sustainability component, the branding, and the cadence of receiving the produce.”

A number of factors have helped the Misfits—and other ugly-produce programs—take root in the U.S. With just seven major retailers in Canada, the options for getting ugly produce to market are not as plentiful as in the U.S.—and Loblaw, the largest grocer, already has its own ugly-produce program, Meinhardt said it’s easier to find a retailer willing to “commit and allocate shelf space” among the many options in the U.S.

Robinson Fresh has also found that “Millennial buyers are **showing a stronger voice in the marketplace** with their dollars, and they typically trend toward food with a cause,” Arneson said.

Connecting to customers in a new way, and one that lifts the veil on the picture-perfect produce aisles we’ve come to expect, also helps expand demand for ugly produce. We are drawn to the imperfect: “We’re all misfits in our own way,” Meinhardt said.

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