



KEEPING
it FRESH



Farm Boy brought its fresh food experience to St. Catharines in January. It's the 30th Farm Boy and the first in the Niagara region. Right: Co-CEOs Jean-Louis Bellemare and Jeff York



Farm Boy continues to wow by constantly improving its fresh market concept

IT'S EARLY MORNING and already a crowd has formed a long, orderly line that snakes beyond the newly constructed building located just off a busy commercial strip. It's late January in southern Ontario and it's bitter cold, but that doesn't seem to be dampening the enthusiasm of the bundled-up folks waiting patiently outside, some who have been queuing for up to two hours to get inside. What's all the fuss about? Farm Boy has arrived in St. Catharines.

Located about an hour west of Toronto, the new store is a bit of a milestone for Farm Boy: it's the 30th location for the fast-growing Ontario retailer; it's also its first in Niagara, where it is strategically placed to pull customers from all over the region who want a taste of the retailer's fresh market experience.

The ringing of the cowbell—a tradition started at the opening of Farm Boy's Burlington store in December—marks the opening of business. Customers hustle through the doors where they're greeted with a "Welcome We're Glad You're Here" sign, then are hit straight away with abundant, meticulously arranged displays of berries, avocados, mangoes and gala apples. The scene reinforces the store's produce roots. Farm Boy began its life in 1981 as a 300-sq.-ft. fruit and

By Shellee Fitzgerald Photography by Nikki Ormerod

PORTRAIT: JESSICA DEEKS

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vegetable market, started by co-CEO Jean-Louis Bellemare in Cornwall, Ont. “We’re pretty true to our roots and we don’t forget where we came from,” he says. “We want to continue to lead in those departments where we started.”

At 24,000 sq. ft. and with an offer that extends to in-store prepared sushi, stone-baked pizza and a slew of specialties such as private-label kombucha and Himalayan Pink Salt Popcorn, the new St. Catharines store would seem a far cry from the first Farm Boy, but Bellemare says at its core it’s the same business.

“It’s a business that has grown tremendously, but has never really lost its focus from day one, which was to deliver exceptional fresh products at great value. And always giving the customer a great experience—that has always been a high, high focus for us,” says Bellemare. As

Farm Boy grew and departments were added to the concept, Bellemare says the philosophy remained the same: make sure the products are super fresh, make sure the prices are always fair and always stay on top of on the trends.

“When you’re all about the food [*you won’t find Tide pods, toilet paper or shampoo lining the shelves at Farm Boy!*] you have to have your whole team listening to what’s going on with the food trends,” explains co-CEO Jeff York. He adds that this includes closely watching the competition, following social media and, importantly, listening to the customers who are “very vocal” in letting them know what they want.

York points to plant-based foods as a prime example. “It has really ramped up in the last two years, so our customers are always asking us for more product and we work very hard on trying to expand those categories,” he says. Among Farm Boy’s vegan offerings: Chicken-less proteins, Parmezan “cheese,” a vegan mayonnaise and vegan Tikka Masala, to name a few.

“You evolve with the concept and you evolve with what customers want,” says Bellemare. “If we would have introduced hot bars and salad bars 25 years ago, we would have failed miserably because the customers were not ready for that. Today, it’s all changed.” Indeed, customers shopping at Farm Boy can now grab breakfast, lunch or dinner, prepared in

the Farm Boy Kitchens. There are freshly made soups—about 15 kinds available hot or cold—salads, sandwiches and a large hot bar. To support its growing fresh prepared food offer, it’s opening a second commissary, in Toronto, this summer. The other is located in Ottawa, where the retailer is based.

You can’t talk about Farm Boy without mentioning its robust private-label offering. Farm Boy is often likened to popular U.S. grocer Trader Joe’s in its zeal for store brands. In fact, there are close to 1,000 Farm Boy-branded products currently, and Bellemare says between 150 and 200 items will most likely be rolled out this year, noting that the team dedicated to that area of the business is growing as is its “rolodex of suppliers” that want to work with Farm Boy on its store brands. “We’re always highly focused on our private label; we’re big believers in it,” says Bellemare, adding that Farm Boy’s approach to private label is not complicated: it has to be a great product, competitively priced and be somewhat unique. “At the end of the day, when we put out a product we want it to be a notch above our competitors,” Bellemare explains. “We just don’t want to do it to put our name on it; we want to do it because we can offer something that’s a little different than what the others are doing.”

Indeed, the folks at Farm Boy are no fans of complacency, whether in the



An expansive private-label offering, in-house prepared meals as well as local and organic products are all part of the Farm Boy experience





Sustainable seafood is on offer and the Farm Boy Café seats about 40 and offers guests free Wi-Fi



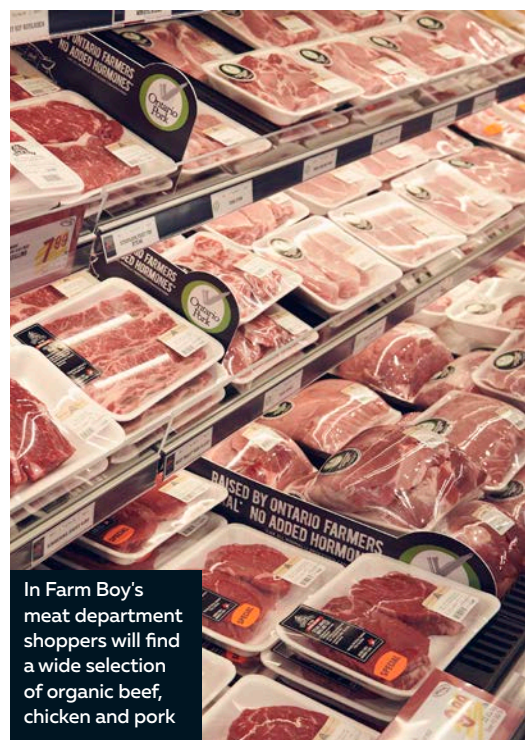
products they sell or the stores themselves, which are always being fine-tuned. “We don’t just get a concept and stamp it out and say ‘that’s good; let’s go open a bunch of them.’ Every Farm Boy store we want to make better. It’s the Farm Boy way,” says York. “We constantly push ourselves to improve. It keeps you more relevant to the customer.”

This philosophy of always wanting to improve also shapes Farm Boy’s approach to the important issue of sustainability, which Bellemare says is always top of mind. “Customers are reminding us of it every day,” he says, adding that all members of senior management at Farm Boy read every single customer email that comes through, be it complaints or positive feedback. And on the issue of sustainability, he says, Farm Boy’s customers are very engaged.

“We’ve done a lot in the last year, but we need to keep working on it,” says Bellemare. He notes that in the bakery department about 80% of the plastic that was used has been removed and

replaced with cardboard. In the produce department, Farm Boy has largely gone back to bulk, ditching much of the packaging; something, he says, its customers have appreciated. And, the mesh reusable produce bags it sells for a nominal price (\$1.99 for two bags) have also been a huge hit. “We have suppliers, as well, that we’ve been working with that have come a long way in the last 18 months,” says Bellemare, pointing to the best-selling coloured peppers as an example. The peppers now come in trays that are recyclable. “We’re paying premiums for all these things, but we’re doing it because we believe it’s the right thing to do.”

The “Farm Boy way” is certainly hitting the right note with customers. Last November, Farm Boy topped Leger’s WOW Index for customer experience at Ontario grocery stores for the second year running, edging out tough competitors such as Your Independent Grocer, Longo’s, Sobeys and Whole Foods Market. “Farm Boy tends to be clear about who they are and what their offer is.



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The introduction of reusable produce bags has been a "huge hit" at Farm Boy

That clear positioning combined with them being a 'local' business seems to resonate with shoppers," Leger's senior vice-president Michelle Carter told *Canadian Grocer* at the time, adding that the customer experience Farm Boy delivers is also very consistent.

"We're really proud of that. And in the same breath, we're concerned about always maintaining that," Bellemare laughs. "Our people work very hard to deliver that customer experience and as you continue to grow the company, you recognize the importance of maintaining that so we're certainly working hard with the team and HR to make sure we can deliver that kind of service for years to come."

The trick, of course, will be to maintain what makes Farm Boy special as it aggressively grows its footprint across Ontario. In December, it announced an expansion plan that will see eight new locations, which includes St. Catharines, Newmarket, Ottawa and five locations in Toronto, as well as the relocation of its Ottawa Train Yards store, all by 2021. The stores will range in size from 12,000 sq. ft. to a 38,000-sq.-ft. signature store.

And that's just the start. On a conference call with analysts in December, Empire CEO Michael Medline said Farm Boy, which Empire scooped up in late 2018 for \$800 million, was "outperforming all of our expectations," and that it, along with its Voilà e-commerce solution, would be its weapon for winning in Ontario, particularly in the province's

urban markets where Empire is under-penetrated. Medline said Farm Boy is in different stages of development in more than 25 new stores in Ontario and boldly asserted: "We intend to blanket the GTA [Greater Toronto Area] and take market share from incumbents."

York, who joined Farm Boy in 2009 after nearly 20 years at Giant Tiger, acknowledged the challenge of growing too quickly and being able to maintain consistency across the network. "That's always a concern, but one of the things we've been doing the last two to three years is really building out our teams in the different areas of Ontario. We're confident that we've built a pretty good team in Toronto, and you always need to be adding to your team and finding good people."

When Farm Boy adds to its Toronto store count (there are currently two locations in the city) later this year, it will aim to win over urbanites with smaller footprint stores and a carefully curated assortment.

"They have to get in and out fast," says York of its urban customers. "We're going into smaller sites where we'll concentrate on giving the customer what they want in those immediate areas. That's why the whole fresh food, the meals that are ready to eat, are really important and we've built that muscle over the last 10 years. So now, as we're growing in Toronto, we have a compelling offer for that customer."

While many large grocers have been



experimenting with "downsizing" to squeeze into urban areas, York says Farm Boy is well positioned owing to its small-store roots. "It's very difficult [downsizing]. I've been in retail almost my entire life. I've hardly ever seen a big store operator [effectively] run a small store. It's very difficult to do the systems, the way they allocate shelf space," says York. "With Farm Boy, the roots of the brand are in small stores. We just happened to take more space when it's available to us—we can run in any size store." An advantage, perhaps the biggest one, of now being owned by Empire is the access it gives Farm Boy to prime sites. "Before, we were getting the crumbs," York says, noting the best locations would go to Loblaws, Metro or Sobeys. "We're first call now."

As Farm Boy readies for its big push into one of the most competitive markets in the country, its focus is crystal clear. "What we need to continue to do is always wow our customers and not disappoint them," says Bellemare. "That's how we keep going for years to come. We've just got to keep wowing our customers." **CG**