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Controlled Environment Agriculture primed for expansion

By

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While Controlled Environment Agriculture continues to be controversial within the realm of organic certification, suppliers and the retail community are predicting that it will continue to expand to include more fresh produce items and more volume.

At least that was the view of panelists and the moderator and seemingly the audience at a session devoted to CEA at the recent [Organic Produce Summit](#) held in Monterey, CA, in mid-July. “CEA of Tomorrow: From the Greenhouse to the Consumer,” featured a panel discussion among two suppliers, a retailer, and Moderator Todd Linsky, a produce industry veteran with deep roots in both conventional and organic agriculture.

Linsky, who has a consulting company and a produce-centric podcast called Todd-versations, was clearly an advocate of this environmentally friendly farming technique. He was the moderator at both OPS sessions about CEA and continually stressed the opportunities it affords agriculture to use less land and water to grow sustainable crops. At one point, he opined “what excites me is what’s going to be coming in 10 years.”

From the dais, retailer Andrew McGregor, vice president of produce and floral sales merchandising for Sprouts Farmers Market, embraced the same viewpoint. He voiced his support of indoor farming stating that “we have to be advocates of the technology that is right for our planet and our food.”

He also mentioned that “food accessibility” to the communities Sprouts serves is an important core value to the retailers and “CEA helps us so that.”

McGregor said CEA has made a big difference in a handful of commodities — tomatoes, cucumbers and Bell peppers, for example — but the promise is the ability to expand that to other items — especially items where consistency of supply and/or quality might be a bit lacking. He put berries, melons and squash in that category.

He said the benefits of indoor farming need to be communicated to consumers in a more compelling fashion. McGregor said both suppliers and retailers must sacrifice profits to tip the scales in favor of this more environmentally friendly technique. He said the idea of educating consumers works well in today’s world as shoppers are more knowledgeable about their food supply and want to know even more. And they want their food produced in more sustainable ways.

McGregor said suppliers and retailers must work together to devote more space in the store for CEA products and for telling the CEA story. He said product sold on display tables has sufficient real estate to tell that story but it is a more difficult proposition when dealing with product such as organic lettuces and value-added products, which are merchandised in smaller, more-defined sets. “We have to invest in more space and promotions,” he said.

Steve Wright, chief customers officer at Virginia-based Soli Organics (formerly Shenandoah Growers Inc.), represented the supply side on the panel, along with Brendon Krieg, co-founder of Revol Greens, a greenhouse lettuce producers.

Wright revealed that the Soli Organics moniker was adopted to accurately reflect the company's transition to 100 percent organic production. He noted that organic production is very important to the firm as it is focused on providing flavorful and affordable organic produce to consumers.

Wright reiterated the benefits of CEA farming and the need for farmers to be more efficient with natural resources moving forward. "We are at the crossroad," he said. "We have to manufacture food in a more efficient way."

He mentioned that telling the story of CEA to consumers is very important. He noted that the company is partnering with retailers to tell the story of sustainability with CEA farming, with the reduction of food miles being one of its top attributes. Wright indicated that it takes both the shipper and retailer to tell this story and he pushed back on retail efforts to transition these branded items into private labels. He indicated that is not the best way to grow the category.

To Soli Organics, flavor is core value of the company's strategy as it develops its line of organic SKUs. Wright said CEA offers an enhanced ability to give consumers more consistent, flavorful products

Soli Organic is a leading producer of leafy greens, living herbs and basil.

Krieg was on the panel representing one of the nation's largest greenhouse lettuce producers with facilities in Minnesota, California and Texas. The company is currently transitioning an increasing amount of its production to certified organic. When its current Texas greenhouse project is completed, Krieg noted 70 percent of the production will be organic. He said that growing organic crops aligns with the company's core values. He added that CEA uses less water, less land and less labor to produce a greater volume of product. He added that commercial agriculture must use the planet's limited resources in a more efficient way.

The Revol Green co-founder also supports the idea of doing a better job of educating consumers about the advantages of CEA farming. He said promotion to consumers should include touting the concept.

Weighing in on the debate about whether CEA products should continue to qualify for organic certification, Krieg said environmentally friendly farming is not going away and CEA producers will find a way to market their crops if organic certification is prohibited. He indicated that would not be a positive for the in-ground organic community as it would simply create an unnecessary divide in the category.

Wright noted that Soli Organic focuses on soil-based organics, but he also expressed a desire for the industry to avoid creating wedges that drive it apart. "Growing organically is difficult," he said. "Mixed messaging is not a good thing."

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About Tim Linden |

Tim Linden grew up in a produce family as both his father and grandfather spent their business careers on the wholesale terminal markets in San Francisco and Los Angeles.

Tim graduated from San Diego State University in 1974 with a degree in journalism. Shortly thereafter he began his career at The Packer where he stayed for eight years, leaving in 1983 to join Western Growers as editor of its monthly magazine. In 1986, Tim launched Champ Publishing as an agricultural publishing specialty company.

Today he is a contract publisher for several trade associations and writes extensively on all aspects of the produce business. He began writing for The Produce News in 1997, and currently wears the

title of Editor at Large.

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