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New Leaf opens doors

Premium foods store works to cultivate community ties

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A painter puts some finishing touches on the walls of New Leaf Market before the grand opening.

The movers and shakers of Half Moon Bay came out in full force on Monday for an evening of decadent food and wine. Today, it's your turn.

In the premium-food chain's first expansion outside of Santa Cruz County, New Leaf Community Markets opens the doors of its Half Moon Bay supermarket this morning, potentially changing the dynamics of the grocery business for the Coastsides.

Occupying the former Albertsons building at the corner of highways 1 and 92, the 23,200-square-foot store concentrates its business on environmentally sound specialty foods with a special emphasis on items produced locally.

Those attending Monday's kickoff party got a taste of those specialties. Four sommeliers stood ready to top off a glass, or regale an eager listener on the intricate points of a sangiovese, a syrah or a cabernet. Heading over to the hors d'oeuvres, one could sample goat cheese, and perhaps rub elbows with a local politician or the director of a local charity.

New Leaf managers acknowledge that such products could cost more than food offered by the competition, but they say their higher quality outweighs the added expense.

"We have much better products," co-owner Scott Roseman said. "We're going to have beautiful organic products bought locally."

Among other local products, the new store will feature produce from local growers including Jacob, Daylight and Pastorino farms. Produce Director Mark Mulcahy says that finding more local produce for the store will be an ongoing project.

"We'll be bringing in all kinds of different people," Mulcahy said. "Our focus is organic and local, so we're always looking out to develop local relationships, 'cause that's what we're about."

The store has already cultivated a relationship with one local icon: Bev Cunha Ashcraft. The former owner of the downtown Cunha's Country Grocery will be working as a customer service representative at the new store.

"Bev met with us and was excited to join the New Leaf team," Roseman said. "We've hired a number of former Cunha's employees."

Even before its opening, the new grocery store has gained a number of supporters in the community, including Erin Tormey, who organizes the Coastside Farmer's Market. Tormey says the grocery chain didn't treat the farmers market as competition. Quite the opposite, New Leaf cultivated a cooperative relationship with the farmers market over recent months by sponsoring the weekly event, according to Tormey.

"I see New Leaf as a huge complement and a vital resource," Tormey said. "I think they're going to be wonderful community partners."

The New Leaf chain is committed to helping the community, Roseman said, noting his company's tradition of donating 10 percent of its profits to local charities. Roseman says he plans to continue that company program on the Coastside, although he admits he hasn't settled on any specific charities yet.

New Leaf directors say they have no doubt their new store will quickly find a competitive niche against Safeway, the only other large supermarket in Half Moon Bay.

With more than 1,750 stores across the nation, Safeway Inc. is at the top of the supermarket food chain. But the grocery giant has been in a difficult dilemma in recent years, facing increased competition from low-cost competitors such as Wal-Mart and Costco, while specialty chains including Whole Foods, Trader Joe's, and New Leaf gobble away its premium-food shoppers.

"I think all the old-line supermarket chains that used to inhabit the middle are justifiably frightened and are trying to figure out what their place is going to be." said David Gwynn, founder of the supermarket-industry blog, Groceteria. "Safeway seems to be trying to move more upscale, thinking it will be easier to compete with high-end stores than with Wal-Mart."

But Safeway has been remarkably agile and able to turn impressive profits despite its tough situation, says Pete Bucklin, professor emeritus at the University of California, Berkeley Haas School of Business.

“Safeway, with all their faults, has been aggressive about modernizing their store and updating to provide their foods less expensively,” Bucklin said.

For New Leaf, facing a supermarket giant that has an expansive distribution system could be a challenge, he said. But that might be a best-case scenario, Bucklin said, because if the two stores develop a fierce competition, then the consumer ultimately wins as the stores work harder to draw more business.

Bucklin notes that one area where New Leaf is definitely ahead of the curve is its effort to stock local food products. Even big chains like Safeway and Wal-Mart are taking a second look at local foods, he says.

“In part, this is because of the fuel costs,” he said. “If you look at the logistics of moving tomatoes to the East Coast, there’s a lot of transportation in that.

“Local produce is a better deal than organic produce, I think it might grow to be a major selling point,” he said. r