

FARMER JOE'S
SUCCESS SECRETSHow Oakland market
keeps pace with
grocery giants

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WEEKEND PREVIEW

Oakland's Farmer Joe's thrives on independent spirit

What you see is the 59-cent avocado. What you do not see is the machinery behind the 59-cent avocado.

Before 6 a.m., Joe Tam — co-owner with his wife, Diana, of Farmer Joe's Marketplace in Oakland — directs the 10 wheels of his international rig to the produce brokers of Oakland or South San Francisco, or both. Six days a week, Farmer Joe spends the morning hours tasting everything from apples to arugula, hunting for high quality and a good price.

All day, the Tams stock their shelves, help customers, manage their staff and keep their books. They might even take a turn behind one of the registers or the meat counter, mop up the bathroom, or advise a novice how to sauté a dinosaur kale. After 8 p.m., they close the doors and head home.

Think it's easy offering a 59-cent avocado?

The Tams say there is no *abracadabra* behind their asparagus, no great secret to the success of their store in the Laurel district, which offers a full line of commercial and organic produce, as well as an almost full selection of groceries and meats — at very competitive prices.

There's only 12- to 16-hour days and the efficiency that comes with hands-on experience.

"Sometimes it's tiring," Joe said the other day during a break. "But sometimes the customers come back and tell me, 'Joe, I like your products,' or 'Joe, I'm glad you're here.' It really makes a good feeling."

Independent markets are steadily dropping out of sight, in the Bay Area and around the country, lost in the expansion of chain megastores.

In 2000, the number of independent grocery stores around the nation dropped by 195 to 11,005, while the number of chains jumped by 525 to 20,825, according to a recent annual report by Progressive Grocer, a trade publication. In 1990, there were 13,290 independents and 17,460 chains.

Independent markets accounted for 18 percent of grocery store sales in 2000, the report said.

However, many of the Bay Area

independents that remain — such as Berkeley Bowl and Piedmont Grocery — are doing well, having carved a niche by offering specialty products, focusing on freshness and quality and stressing service.

Farmer Joe's Marketplace jumped into that stew in 1994 and, after a steep learning curve, has become more viable every year. Joe, 45, and Diana, 39, who recently moved from Oakland to San Francisco, are thinking about opening a second store, and plan to pass the business down to their children. Theirs is a labor of pride.

"The independents that don't stay in close touch with their customers and don't put money back into the business are going away," said Jim Trimble, co-owner with his wife, Jane, of the upscale Village Market in Oakland's Montclair district. Jim Trimble is the outgoing president of Raise the Bar, an affiliation of 35 independent markets in Northern California that seeks to improve customer service at their stores.

"In order to be truly successful (as an independent), you have to be passionate. You have to listen to the customers and be involved, and the customers have to see Jim and Jane Trimble on the floor," he said. "They expect it."

Joe Tam's passion for produce ripened when he was an Oakland teenager, spending summers working on a flower and tomato farm in Milpitas. After high school, he landed a job handling produce for Safeway — which helped him earn a business degree from College of Alameda — and he ended up staying 19 years.

But he had a persistent daydream: opening a store of his own. "He talked about it all the time," Diana Tam said.

Joe's heart was wise when it fell in love with Diana, who like Joe was born in China and immigrated to the United States as a child. Diana, who grew up in San Francisco, studied business administration at San Francisco State and had an entrepreneur's spirit.

After working for Chevron for 11 years, Diana opened a fine jew-

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Demian Bulwa



KATY RAPDATZ / The Chronicle

Joe and Diana Tam enjoy sharing fresh produce with customers at their market, Farmer Joe's Marketplace.

elry store in San Francisco in 1992. But three years later, after the couple's third child was born, it became clear that two stores and a brood at home was too much. Joe worried about Diana toting expensive jewelry, and Diana worried that the grocery store was on shaky ground.

"I thought, 'I have to choose family' and help him out," Diana said.

"I felt more comfortable when she came," Joe said.

Launching the store was much tougher than Joe expected, and in the beginning, some areas in the 5,000-square-foot store were empty. Joe thought he could "just be careful choosing very nice produce and put it on the shelf to sell." But the couple had to learn everything, from pricing and ordering products (not too little but not too much), to dealing with

Farmer Joe's
Marketplace

Farmer Joe's Marketplace is located at 3501 MacArthur Blvd., at 35th Avenue, in the Laurel district of Oakland. The store is open 9 a.m.-8 p.m. weekdays, 9 a.m.-7:30 p.m. weekends. (510) 482-8178.

customers and employees, to making sure the store wasn't gouged by vendors.

"We thought it would take maybe six months to get everything going," said Diana. "It took four or five years." And there are a few more fish to fry: the couple is still seeking a permit to serve alcohol.

The Tams had a few things in

their favor: they signed a 30-year lease when the real estate market was down; they enjoyed neighborhood support because they occupied a long-vacant eyesore of a building; the building had two large basements, allowing the owners to warehouse certain products and pass along the savings; and their corner location — while a bit gritty — saw a lot of traffic.

But mostly, Joe and Diana liked working with people. They relished hearing news from a customer about the latest marriage or birth — some bring in pictures — and savored the chance to tailor their store to the neighborhood's needs.

If a customer wants a product, Joe and Diana will often start carrying it and then see how much it sells.

Among the items they carry are

organic pies, vegan cookies, sushi from nearby restaurants, pineapples flown in from Hawaii and Chinese pomelo from a small family farm in Sacramento. Similar to a grapefruit, the pomelo is a good luck symbol and its skin is used a facial cleanser.

Perhaps it's a small thing, but Farmer Joe's customers have noticed.

"It really gives you a sense of community when you come to this store," said Pat Kresge, 46, an aikido instructor who lives in nearby Redwood Heights. "You know what's rare? The owners really seem to care about the customers. It's kind of what's missing in our world."

That and a 59-cent avocado.

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