

Launching New Products: Harris Moran's New Romaine Lettuce¹

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Launching New Products: Harris Moran's New Romaine Lettuce

Stan Forrest, a product manager at Harris Moran Seed Company, was deep in thought as he drove through the vast acres of vegetables in various stages of production in Central California. He had seen a lot of change in his years as product manager at Harris Moran. He enjoyed his job and the challenges. He thought of himself as a point person working with a diverse group of players involved in research, production and, ultimately, product delivery to the retail food store. Stan worked with the breeders, sales representatives and marketing executives at Harris Moran, the dealers and distributors retailing the seed and other input supplies, and the growers and grower/shippers moving the product from field to marketplace.

Stan was on his way to meet with the product development manager in the seed department at Tanimura & Antle (T&A), Inc. T&A, situated on 35,000 acres in the Salinas Valley, was a leader in the produce industry. They had secured their position as a powerhouse in the lettuce market by providing a year round supply of premium lettuce products. T&A distributed both processed and non-processed forms of the vegetables they grew. A few of their more prominent processed items include: *SaladTime*, a line of pre-cut and bagged salads; *Fast n' Fresh*, a value-added foodservice line; and *CoolCuts*, fresh produce snacks for children and adults.

Stan enjoyed his relationships with T&A – it was a first class organization and he genuinely liked to work and share ideas with his counterparts in the company. T&A was committed to quality for the customer. They had a history of prudent action when it came to seed selection and process innovation. T&A led the industry with the development of a system which allowed the cold chain to remain unbroken from the time the product was harvested in the field until it was placed on display in a retail outlet. Their ability to produce superior products was a direct result of their involvement in every step of the production process – from seed to packaged salad.

As a representative of Harris Moran, it was very important for Stan to keep in close contact with T&A. Stan wanted to be sure his company's seed varieties were selected for both the bulk commodity and packaged salad product lines. It was critical that the T&A seed department was informed about new Harris Moran breeding programs and the new products they had in development. In addition, working closely with T&A was one of the best ways for Stan to stay abreast of the constantly changing needs of the growers and grower/shippers.

New product development is vitally important to a company of Harris Moran's size and scope. The average life cycle of a lettuce variety is three to five years. Harris Moran created an industry giant with their Romaine variety Green Towers, which has been at the top of the market for more than 20 years. Harris Moran was constantly looking for new varieties that built off the successes of existing varieties. The product development department at Harris Moran worked hard to keep the innovation pipeline loaded with new product possibilities. The research and development department had been working to create a new product to launch that would build upon the most prominent characteristics of the Green Towers variety.

As Stan pulled into the parking lot at T&A, he was thinking about several things: the new Romaine lettuce variety, Triton, that would most likely be launched within the next several months; how Harris Moran could most successfully launch this new variety into the marketplace; and how companies such as T&A would accept the new offering. Green Towers was a tough act to follow.

Harris Moran Seed Company

Harris Moran Seed Company was founded in the 1850's by a group of progressive seed dealers. The founders of the company were pioneers in the areas of plant breeding, variety protection and implementation of field tests. Headquartered in Modesto, California, Harris Moran is now part of Limagrain Vegetables and Flowers, a subsidiary of the French firm Groupe Limagrain, and the largest vegetable and flower seed organization in the world.

Core focal points for Harris Moran seed breeders have not changed much over time – increased yields, improved disease resistance and broad adaptability. The company relies heavily on interaction with the people using their products. Feedback from growers and processors allows for greater improvement in the development process, according to the staff at Harris Moran.

Serving both domestic and international markets has proven challenging, yet rewarding, for Harris Moran. Providing products adaptable to regional climates in more than 60 countries is a daunting task, but it is one of the characteristics that distinguishes this seed company from others. A broad product base, commitment to quality and history of excellence has established the Harris Moran name within the industry.

The California Vegetable Industry

According to a study performed by the Biological Sciences Initiative (BSI) at Virginia Tech, vegetable production accounts for approximately one-percent of total crop land in the U.S., but it generates nearly 15 percent of the total cash receipts from crop production. Within this market, California has a significant lead over any other state in the U.S., in terms of both growing conditions and production. In the same study, BSI ranked states according to their total vegetable

Table 1		
Rank	State	Percentage of GNP
1.	California	51%
2.	Florida	14%
3.	Arizona	6%
4.	Texas	5%
5.	Oregon	4%

shipments as a percentage of gross national production. Table one lists the top five shipping states in 1997, as ranked by BSI.

While smaller, local vegetable markets develop near most major metropolitan areas in the U.S., the state of California leads the nation in commercialized production. California has climates that lend themselves to producing both warm and cool climate vegetables, which allows the state to produce year-round. Other factors contributing to California's vegetable production advantage include a dry climate that inhibits fungal growth; a well designed, statewide irrigation network; and a large, continual supply of migrant workers.

The California Lettuce Industry

Lettuce is considered unique because this vegetable crop is grown exclusively for fresh consumption by humans. Lettuce has little value in terms of animal consumption. There are three

major types of lettuce: crisphead, butterhead, and leaf. Romaine falls into the leaf lettuce category. Crisphead lettuce, often called iceberg, is primarily consumed within the U.S.

Leaf and crisphead lettuces are considered minor crops in the U.S. and California has cornered a large percentage of both markets. According to data from North Carolina State University, California produces approximately 78 percent of the leaf lettuce grown in the U.S. The California Farm Bureau Federation ranks lettuce as the number five commodity in the state. The value of the 1998 California lettuce crop was approximately \$1.114 billion. The only other vegetable or fruit crop to rank higher was grapes, coming in at number two.

Lettuce is a cool season crop that grows best when day temperatures are between 70-75 degrees and nights are around 45 degrees. Ideal growing conditions include cool temperatures, low humidity, and adequate irrigation. Nearly all lettuce is direct seeded. Only about one-percent is transplanted from seedlings started in greenhouse conditions. Traditionally, lettuce beds are raised approximately five inches off the ground and are about 40 inches wide. Two rows of seed are planted in each bed. There is some trend now to 80-inch beds, with five rows of seed planted in each bed.

Because of intentional over-seeding, the lettuce beds must be thinned after emergence occurs. Initially, approximately 150,000 seeds per acre are planted. Thinned beds contain approximately 40,000 plants per acre, for most varieties of lettuce. The time from emergence to harvest for summer harvest lettuce ranges between 55 to 70 days, under normal conditions. Winter harvest lettuce takes approximately 140 days to mature due to slower growth during the cooler months. Most lettuce is harvested by hand. Mechanical harvesting is limited because of the variation in maturity within a stand of lettuce.

The Romaine Lettuce Market

Romaine lettuce is the dominant leaf lettuce grown in California and throughout the U.S. The overall supply of Romaine lettuce is essentially stable through the year, but production varies slightly in California with the seasons. Peak production periods fall during the months of May through mid-November, and production slows during December, January and February.

Demand for Romaine lettuce has dramatically increased over the past decade. The primary cause of this increase stems from rapidly increasing demand for ready-to-eat, bagged salad mixes. In addition to selling whole heads of lettuce and leaf lettuce, most groceries now stock and sell pre-cut, bagged salads. Many restaurants and large institutions, such as hospitals or universities, also purchase and serve pre-cut salads. Bagged salads are available in many varieties, but one of the more popular is the Caesar salad mix. Consumer demand for pre-cut Caesar salads has caused a steep increase in the demand for Romaine lettuce. The primary advocates of fresh-packed, processed products tend to be high-end consumers demanding high-quality, convenient foods that are healthy and versatile. Bagged salads fill this void created by consumer demand.

Table 2 Total Romaine Acreage	
1998	37,450
1999	42,370
2000	48,450

*Reported by USDA

**Includes California, Arizona, New Jersey, Ohio

There are two forms in which non-processed Romaine lettuce is sold. These include fresh cut and Romaine hearts, both of which are primarily sold in retail food stores. Romaine lettuce that will be sold in leaf form is harvested and packaged in the field. The outer four to eight lettuce leaves are removed, and then it is placed on a mobile conveyor that washes and bags the remaining leaves. These bundles are packed 24 to a carton, and they are then ready for shipment to a distributor or a retail food store, depending on the distribution method in use. Romaine hearts receive a similar treatment, except that all exterior leaves are removed, revealing the center of the leaf bundle, called the Romaine “heart.” These are cleaned in a similar fashion as the leaf bundles, but they are usually packaged three hearts to a bag.

Romaine lettuce is also sold in ready-to-eat bagged salads. This product receives more processing than the other two forms, but it is still considerably less processing than nearly any other vegetable being prepared for human consumption. Romaine lettuce destined to become bagged salad receives very little in-field treatment. The outer four to eight leaves are removed, but then it is packaged in bulk in crates that contain larger quantities of lettuce. These crates are then shipped to a processor. At this point, the lettuce is washed in a chlorinated-water solution, the top and bottom of the bundle are sliced off, the bundle is diced into small, salad-sized pieces, it is bagged, and then shipped to the distribution point.

Lettuce in good condition that is stored at a constant temperature of 34 degrees Fahrenheit will have a shelf life of approximately two to three weeks. For every two-degree rise in storage temperature, shelf life can be expected to decrease by at least one week. Nearly all of the lettuce, whether it is processed or field packaged, is shipped in refrigerated trucks with temperatures maintained at approximately 35 degrees Fahrenheit.

Distribution of Seed to Growers and Grower/Shippers

Most lettuce farmers fall into one of two categories: grower or grower/shipper. A grower produces on contract for a lettuce house or a grower/shipper. The majority of the grower production goes to grower/shippers who are also involved in lettuce production. Grower’s farms usually average about 800-1000 acres in size (all crops). Growers are typically required to select a lettuce variety from a pre-screened list, usually comprised of six to eight varieties, proposed by the lettuce house or grower/shipper they are on contract with. The grower is usually responsible for all of the costs associated with production and harvesting. One distinguishable characteristic of a grower is their level of involvement after harvest. Essentially, a grower’s job is done once the produce is harvested. They typically harvest the crop, package it in bulk containers and ship it to a processor. Their primary responsibility is to produce a healthy crop.

The contract a grower signs with a lettuce house or grower/shipper solidifies the relationship between a grower and the processor. Primarily, the contract establishes the price the grower will receive for the crop. This price is established prior to production, and it does not vary due to fluctuations in weather or production quantity. A very small percentage of growers operate without contracts, but most acres are contracted. The three main elements of the contract include quality, quantity and timing of delivery.

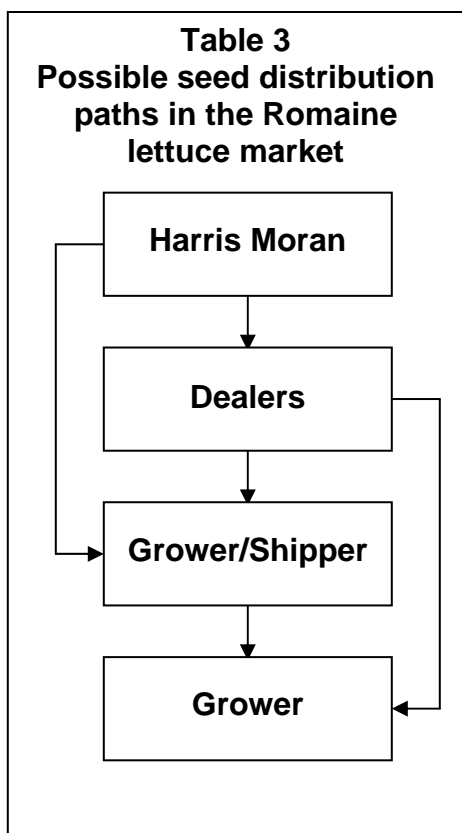
A grower/shipper takes a more vertically integrated approach to production and eliminates the middlemen. Grower/shippers are involved in more than just the production of the raw crop. They are responsible for producing a finished product that is ready for sale on a grocer’s shelf.

Grower/shippers find the level of control increases dramatically when they are involved in more than one aspect of the industry.

Fresh Advantage is an example of a grower/shipper. They produce and package more than 12 million pounds of fresh salads a week. More than two-thirds of their product is sold on contract. This company is involved in the industry from seed production to grocer displays. Their vertically integrated approach incorporates seed development, vegetable production, product processing and final distribution.

Fresh Advantage's seed stock comes from several sources. A portion of their seed stock is produced internally with their own germplasm. This allows the company to produce lettuce varieties that are exclusive to their salad mixes. The rest of their stock is purchased from Harris Moran and a few other seed companies. This method of internal and external seed procurement allows Fresh Express to obtain the common varieties within the industry, but still maintain a competitive advantage through the use of their own varieties.

When it comes to selecting new lettuce varieties, Fresh Advantage has a list of specific criteria they use for evaluation. They have created a list of their most desired traits in a variety, which include: time of and days to harvest; adaptability within the target environment; yield; disease and pest resistance; and general architecture of the raw product (i.e. frame size, head cover, head size, head shape, head solidity). They also consider consumer demands, which include color, nutrition, flavor and pesticide requirements. They prioritize these characteristics and determine which new varieties will deliver the most desired traits.



lettuce market.

More than 75-percent of the lettuce production in California belongs in the grower/shipper category. Average acreage for large grower/shippers in California and Arizona ranges from 10,000 to 35,000 acres (or more – all crops).

Grower/shippers serve both domestic and international markets, including wholesalers, self-distributing retailers, foodservice firms, and direct markets.

Most of the organizations in this group would be classified as extremely large agricultural companies with farm sales totaling millions dollars. An example of this type of customer would be Tanimura & Antle.

Harris Moran sells about 98 percent of their Romaine lettuce seed through dealers. Other seed firms, especially the smaller ones, are much more aggressive in the use of direct sales to grower/shippers. Approximately 12 dealers service the 500 Harris Moran customers who purchase their Romaine lettuce seed through a dealer. The bulk of this seed is sold in California, but it is also sold in Arizona, New Jersey and Ohio. All growers and many grower/shippers use a dealer to purchase their seed. Table three outlines the potential methods of seed distribution within the Romaine

Most dealers exclusively sell seed. Often, as a service to the customer, dealers will allow the customers to pre-pay for seed, and will then store and deliver the seed at a later date. Dealers usually assume an active role in the rollout of a new product. Attending field trials, visiting plots, and walking fields are all activities that allow the dealers to learn not only about what new products are coming onto the market, but also what new qualities and characteristics customers are demanding in their seed. Over the course of one year, a dealer will average approximately \$10 million in gross sales (all seed products). Dealers sell and support seed from many different seed companies, and exclusive distribution arrangements with a single seed company are rare.

Lettuce Production in Practice

Most lettuce farms are large and many grow other vegetables in addition to lettuce. Farmers typically harvest lettuce twice per year, and the average yield per acre tends to range between eight and 12 tons. Double cropping is a common practice on most lettuce farms. Within one year, the average lettuce farmer will raise lettuce and at least one or two other crops on the same acreage. Because various types of produce require different growing conditions and California and Arizona both have extended growing seasons, it is fairly easy to plant and harvest more than one vegetable crop per year on the same plot of land. Crops included in a standard rotation on a lettuce farm include iceberg lettuce, Romaine lettuce, broccoli and cauliflower. Producers maintain tightly regimented planting and harvesting schedules to ensure continuous year-round supply of these produce items. More than half of the farms producing lettuce in California average crop sales above \$500,000 annually.

Lettuce is planted year-round in California. In some areas, such as the Central Coast where temperatures usually remain consistent, lettuce is planted almost continuously. Throughout the rest of the state, planting rotates with the seasons. Even though farmers can plant lettuce nearly any time of the year in California, there are differences in the maturity dates. Spring or summer harvest lettuce matures between 55 and 70 days, while winter harvest lettuce usually takes much longer to mature, typically averaging between 130 to 140 days.

In general, lettuce is packed and sold by the box. Current market prices average approximately \$5.00-8.00/box of lettuce. The average price five years ago was between \$5.00-6.00/box. Prices have improved slightly over the past five years, and are likely at levels above breakeven for most growers. (Determining breakeven prices is complicated by vegetable production practices as multiple crops are grown from the same acre of land over the course of a year.)

Major problems producers encounter during the summer growing season include excessive rain, excessive heat and hail. During the winter growing season, producers hope to avoid freeze damage, excessive moisture and excessive wind. Poor weather damages crops in both obvious and subtle ways. Inferior appearance and taste are major threats to a crop. However, poor weather can also weaken a crop, which leaves it more susceptible to damage from diseases and pests. The major lettuce diseases in the U.S. include big vein, downey mildew, tipburn and corky root.

- **Big vein** is a viroid disease usually associated with fine-textured, poorly drained soils. Symptoms of the disease include a loss of color and enlarged leaf veins. Leaves will also appear puckered or ruffled. Varieties do exist that are tolerant to this disease. Planting

when air temperatures exceed 60 degrees Fahrenheit will also reduce the severity of the condition.

- **Downey mildew** is a problem that occurs mostly in cool, moist conditions. It can be diagnosed through its visible symptoms, including yellow or light green spots on the top surface of the leaves, and a soft, downey white growth on the bottom of the leaves. Infected leaves can be removed at harvest, but that will not eliminate the problem. Agronomists recommend using resistant varieties and removing sources of the disease, including old lettuce plants and lettuce growing wild in the area.
- **Tip burn** is a physiological disorder caused by a calcium deficiency. It is often aggravated by high soil fertility and high temperatures. This problem causes the edges of the internal leaves to turn brown and rot. It is not detected until exterior leaves have been removed. The problem can be alleviated by providing the appropriate amounts of potash, nitrogen and calcium. It is also recommended that water stress be avoided.
- **Corky root** is a bacterial disease of lettuce. This disease is present in virtually every field that has a history of growing lettuce on the Central Coast. This disease has been present for a number of years and can cause significant crop loss at times. Symptoms of corky root as seen above ground are poorly formed, discolored heads or tops with uneven, stunted growth, depending upon the severity and timing of the infection.

Competition

The total estimated retail value of the U.S. Romaine lettuce seed market is approximately \$7,500,000. Harris Moran is one of the two largest players in the market, and currently has the largest share of this market. The number two spot in the market is held by Seminis. Beyond number two, the market becomes extremely fragmented due to a number of small, regional seed producers who are successful within their selected areas.

Regardless of size, nearly any company can be competitive in this industry. A variety that produces well, has good flavor, and is visually appealing will be sought after, without regard to the size of its producer. There are approximately eight major lettuce seed firms in California. Some of these companies deal exclusively with lettuce seed, while others have product lines that include other vegetables, as well as other product lines and other products.

One of Harris Moran's most important competitors is Seminis, Inc. Seminis was created in 1994 as the conglomeration of several vegetable seed companies. The company's president and chief operating officer, Alajandro Rodriguez, hoped to use biotechnology as a tool to position Seminis as a leader in the vegetable seed industry. Initially, the company pursued a multi-brand strategy that allowed them to distribute products under several brand names. This strategy has evolved, and they now go to market under the Seminis brand.

Competitors in the Romaine lettuce seed industry include:

- **Seminis** – This large, international company is made up of several prominent players in the lettuce seed industry including Asgrow and Petoseed.

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- ***Small, independent companies*** – A core group of small lettuce seed companies present a strong front within the industry. These companies capitalize on their size to compete with the larger companies. Two of the greatest advantages working for this group of companies are their strict focus on lettuce and their agility within the market. A common practice for small companies is to take varieties with expired plant variety protection (PVP) and make them widely available for distribution. Some of the smaller companies include:
 - Progeny
 - Paragon
 - Central Valley Seeds
 - Pybas
 - Coastal Seed (Enza)

Within the Romaine lettuce market, there are a handful of varieties considered top sellers in the industry. Most of these varieties have been top producers in the industry at one time or another. Because most of them have been around for many years, several have lost their variety protection or will lose it within the next several years. The major varieties include Paris Island Cos, Darkland Cos, and Green Towers.

- ***Paris Island Cos*** (public variety) is a cool season lettuce that matures in approximately 68 days. This lettuce has light green outer leaves, and creamy yellow inner leaves. It has a crunchy texture and it is considered sweet and juicy. This variety grows to about 10-12 inches in height. This variety exhibits a resistance to Lettuce Mosaic Virus and tip burn.
- ***Darkland Cos*** (Central Valley Seeds) is a green Romaine lettuce. It takes approximately 80 days to mature. It has a very dark green color and is very sweet in taste, both characteristics that appeal to consumers. This variety is known for the Romaine hearts that are found inside of the tight leaf bundles.
- ***Green Towers*** (Harris Moran) grows well in cool, moist climates, as well as in desert heat. It matures earlier than most varieties. It exhibits a very intense green color, large basal leaves and full-size heads. It does have resistance to Corky Root rot.

While these varieties have enjoyed some prominence, there is an almost overwhelming number of Romaine lettuce varieties on the market. As a result, with the exception of Green Towers, sales of any individual variety are relatively small.

Harris Moran's Newest Romaine Lettuce Variety

Green Towers has been Harris Moran's top Romaine lettuce variety for the past 20 years. It is desirable for many of its physical characteristics, including color, density and disease resistance. In an attempt to capture some momentum from the success of Green Towers, Harris Moran has been working to create a new variety that would take the best features from Green Towers and build upon them. Because the process to create a new variety of lettuce is very time-consuming, researchers develop several varieties that are tested concurrently. Eventually, some of the new varieties will be discarded due to failures in one of any number of areas. If a variety is difficult to produce, yield is poor, or if it has bad flavor or texture, then it most likely would be cut from the list of potential new varieties.

The process of bringing a new variety to market occurs in three stages. Before starting phase one, Harris Moran conducts breeder trials, at which point approximately 600 variety crosses are tested. Only about 30 crosses pass the initial trial and make it officially to phase one. From this point, Stan or one of his counterparts within Harris Moran works internally to produce small-scale quantities of the remaining crosses and to gather feedback from dealers, growers and grower/shippers, and lettuce houses.

The next step is to work with the breeder to get the seed in the fields. Throughout stage one, which is an internal operation, varieties are identified only by number. In stage two, the new variety is tested at dealer trials. This is an opportunity for Harris Moran to share technical information they have compiled about the new varieties. They also gather more feedback from the growers and grower/shippers, as well as lettuce houses. When the variety enters stage three, the seed is distributed on larger scale. If successful results are obtained in this stage, the variety will be given an official name and made available for commercial distribution. Last year, seven Romaine varieties and eight head lettuce varieties entered stage one – only two of the 15 made it all the way to stage three.

One of the most promising varieties in several years for Harris Moran is variety HMX 7555, now named Triton. This variety has just completed stage three of product development, the last stage before the variety is produced in mass quantities. This particular variety has shown a great deal of potential during testing, especially compared with the other Harris Moran candidates. Most of the other new varieties being tested were either stalled in phase one of product development or were cut due to poor performance. (Some technical data for Triton (HMX 7555) and Green Towers is presented in the attachments to this case study.)

Triton is very similar to Green Towers, but there are differences. It has a more intense green color, which is something that appeals to both growers and consumers. It is taller, which is beneficial to the grower because it means they can produce more harvestable crop without additional acreage. It is also denser, allowing processors to obtain higher head weight when preparing it for pre-cut salad mixes. In general, the variety is more physically attractive than the Green Towers variety, but with similar production capabilities.

The Marketing Challenge

As Stan thought longer-term about launching new products, he knew that his relationships with the grower/shippers were absolutely critical. Harris Moran's philosophy has always been to work in conjunction with the grower/shippers and lettuce houses to eliminate guesswork in the process of launching a new product. As competitiveness within the market continues to increase, so does the importance of these relationships. To build even closer ties with the grower/shippers they worked with, Harris Moran began conducting co-sponsored shelf-life tests with the grower/shippers.

Harris Moran liked this concept because it created partnering opportunities throughout the launch process, which gave the lettuce houses and grower/shippers a vested interest in the success of a new variety. It would also hopefully limit the spread of any rumors concerning problems that were encountered as the product began its initial launch in the market. The idea of collaborating

with grower/shippers to conduct tests also placed Harris Moran in position as a proactive market player, rather than a reactive market follower.

Stan was focusing on one grower/shipper relationship in particular. The relationship with this grower/shipper had become very important for a number of reasons. The firm had asked Harris Moran to help evaluate some of their germ plasm. Also, Stan had been working with the research and development department at this firm to evaluate several of their phase one varieties from a grower/shipper viewpoint. Both companies had been contemplating an exclusive contract whereby Harris Moran would supply a selected variety to this grower/shipper only. The difficulty in creating this type of an arrangement is to create equal value for both partners. Harris Moran would benefit from the partnership in several different ways, including securing a revenue source and developing a standing partnership with a very well respected grower/shipper. The grower/shipper would benefit through differentiation of their product line if they have an exclusive contract for a selected variety with Harris Moran. Stan decided that this arrangement needed additional thought.

A major challenge for seed companies is how quickly the needs of industry change. The criteria for varieties have changed significantly in recent years. Just five years ago the grower/shipper was focused on the butt of the lettuce. They were paying close attention to size, overall appearance, and ease of packing. Today's demands include high weight, small cores, and differing color. The bottom line is that there are different demands placed on varieties in today's market. From the seed company perspective, if a breeding program takes five years to release a new variety, some organizations are just now coming out with a variety that is meeting the industry needs of several years ago.

Harris Moran provides as much technical information as possible when they are launching a new product. Potential customers can obtain technical sheets listing information about growing season, planting, disease resistance, and many other breed characteristics. One other important component of the product launch is the interaction between customers and Harris Moran staff. Often, staff will make personal visits to growers to promote new varieties. Interaction on a larger scale often takes the form of events organized at test plots. It is common practice to organize outings to attract large groups of customers to one location, such as a field visit and raffle for a bag of free seed, or a complimentary lunch hosted at a plot site. Seed companies trying to be competitive in today's market have learned that there is no such thing as a hair-brained idea when it comes to marketing a new seed variety.

Pricing is exceptionally competitive in the Romaine lettuce market. The price floor tends to be set by the smaller seed firms who always seem willing to compete on price. Romaine lettuce seeds retail for about 95 cents/1000 seeds and a 1 cent move/premium is a substantial price change on a 400,000 seed box. Grower/shippers, responding to the demands of their customers, put tremendous pressure on dealers to lower prices, often pitting a seed firm's dealers against each other to drive the price lower. At the same time, a variety with truly exceptional traits may be able to generate some premium over other varieties.

Challenging Conventional Thinking

Stan was really pleased with the performance of Triton to date. The new variety had cleared all the hurdles in the product development process, and now was ready for commercialization.

Production of seed was set in California, and Australian production could be started should demand really boom. While seed would be a little tight the first year, Stan did not see this as a major sales constraint. Besides, a little scarcity sure didn't hurt anything from a marketing standpoint. Growers and grower/shippers were aware of the new variety, as were Harris Moran dealers. The buzz among all was positive to date. Still, Stan was trying to challenge conventional thinking. What was the next step with Triton? What marketing strategy would give Triton the best chance of succeeding Green Towers as a dominant variety in the Romaine lettuce market? How could Harris Moran best capitalize on the 'positive buzz' in the market? He had arrived at T&A and the answers to these questions would wait for the drive home.

Discussion Questions

1. Assess the Romaine lettuce marketplace. What specific opportunities and threats do you see? What are the strengths and weaknesses of Harris Moran in this market?
2. Stepping back from the new variety, Triton, what are the roles of the primary players in the market (dealers, growers, grower/shippers, and salad houses or processors with no lettuce production) with respect to the lettuce seed purchase decision? How can Harris Moran best add value for these different players?
3. How should Harris Moran introduce Triton? List specific actions you would recommend as they move Triton into commercialization. Consider the dealer, the grower, the grower/shipper, and the salad house (processor with no lettuce production) in your strategy.