

Effects of E.coli Outbreak in Lettuce Ripple Through U.S. Food-Supply Chain



Tainted lettuce is off the market, officials say, but prices have dropped by more than half and some growers have left acres of romaine to rot

Production of romaine lettuce has shifted to California farms, and growers there supplied retailers and restaurants seeking to replenish stocks. Seen, romaine lettuce growing near Watsonville, Calif., in a 2015 photo. PHOTO: JASON HENRY FOR THE WALL STREET JOURNAL

By Jesse Newman and Heather Haddon

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A deadly E.coli outbreak tied to romaine lettuce has shaken consumers' faith in the nation's favorite salad green, resulting in millions of dollars in losses for growers, retailers and restaurants.

More than six weeks into the outbreak, prices for romaine, historically the most-sold salad green, have dropped by more than half. Grocers nationwide have been clearing it from shelves in hundreds of stores. Several restaurants that served romaine are facing lawsuits from customers, and wholesalers have had to quickly round up kale and mesclun for restaurants that struck it from their menus.

Federal health officials now say tainted romaine is gone from the marketplace. But for weeks it urged consumers to throw away any romaine lettuce left in their homes and to avoid eating or buying it unless they were certain it wasn't grown in the desert region of Yuma, Ariz.

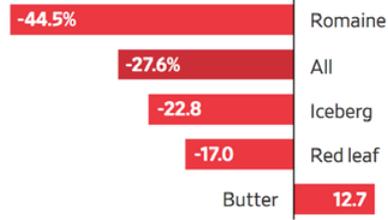
Officials have traced the problem to Yuma, but they haven't been able to pinpoint the exact source of much of the lettuce that has been tied to 172 illnesses and one death. The U.S. Food and Drug Administration says the last shipments of romaine from Yuma were harvested on April 16, and the harvest season there is over—making it unlikely that romaine from Yuma is still available in stores, restaurants or people's homes.

"It's [cost] thousands and thousands of dollars; it could even run into the millions," said Howard Popoola, Kroger Co.'s vice president of corporate food technology and regulatory compliance, referring to costs at the largest U.S. supermarket chain.

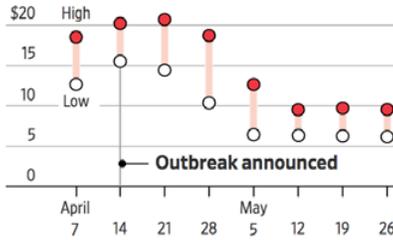
Wilting Sales

Romaine, the most popular lettuce, has seen a decline that has affected overall lettuce sales.

Lettuce's change in retail sales from the previous year*



Weekly U.S. prices for 24-count cartons of romaine



*Week ending May 5

Sources: Nielsen (sales); Dept. of Agriculture (prices)

Growers and sellers of romaine lettuce fear it could take months or longer for sales to recover. Earlier this month, sales had dropped 45% from the year-ago period, according to Nielsen figures. The outbreak has hurt other leafy greens, with overall lettuce sales earlier this month down more than 27%.

U.S. lettuce production was valued at \$3.6 billion in 2017, making it the leading vegetable crop by value. Prices for whole romaine heads have tumbled as much as 60% since early April, according to U.S. Department of Agriculture data.

FDA Commissioner Scott Gottlieb said technical advances are helping regulators better identify the origins of food-borne illnesses, and they are helping to keep food safer. "Our tools and our regulatory oversight have gotten more effective and more vigilant," he said in an interview.

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Restaurants, meanwhile, raced to determine the source of their romaine, removed it from menus or added other salad greens.

Although its romaine wasn't implicated in the outbreak, Just Salad, a fast-casual chain with nearly 30 U.S. stores in New York, Chicago and Philadelphia, decided for the first time to add iceberg lettuce to its menu for customers seeking alternative greens, said Janani Lee, purchasing manager for the chain.

That meant working with suppliers to find a reliable iceberg source and training teams how to handle the new ingredient. Just Salad moved quickly to inform customers via email and social media that its lettuce was safe to eat.

"We want to make sure customers can keep trusting us," Ms. Lee said.

People sickened in the outbreak have filed lawsuits against several restaurants, including Panera Bread Co.

Walmart, Inc., its Sam's Club division and Taylor Farms also face a lawsuit seeking class-action status in California, accusing the retailers of exposing consumers to potentially tainted romaine and not pulling the produce. Walmart and Taylor Farms didn't respond to requests for comment on the litigation.

"Food safety is important to us," said a statement on Panera's website. "When something happens, like the recent industrywide issues affecting romaine lettuce harvested in Yuma, Arizona, we act quickly to remove the risk from our cafes."

The company said that it "promptly" removed Yuma romaine from its stores after federal health officials issued a public advisory, and that the lettuce it is serving now is unaffected.

A single food-borne illness outbreak can cost a restaurant up to as much as \$2.6 million, according to an April study by researchers at Johns Hopkins Bloomberg School of Public Health.

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