



Northern New York Agricultural Development Program 2018-2019 Final Project Report

New Wholesale Marketing Opportunity for NNY Growers

Project Leaders:

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Collaborator:

St. Lawrence Valley Produce Auction, 58 Martin Road, North Bangor, NY 12966, 518-483-4200

Background:

A produce auction is an aggregation point for farmers to market fruit, flowers, and vegetables to wholesale buyers. It allows growers to spend more time growing quality produce and less time marketing. Buyers may come from as far away as a three-hour drive to purchase produce. A buyer may be someone with a farmstand, food hub, grocery store, school, nursery, landscaping company, etc. The produce auction allows buyers to go to one central location, instead of having to source a product from multiple farms and enables individual farmers to compete collectively in larger wholesale markets. In 2000, the first produce auction in New York State was established in the Finger Lakes region. The state now has eight produce auctions, which have grown with the support of Cornell Cooperative Extension.

In 2016, farmers in Franklin and St. Lawrence counties decided that they would like to establish a produce auction in Northern New York. During 2017, CCE Harvest NY helped the communities develop this newest auction.

On May 1, 2018, the St. Lawrence Valley Produce Auction, located in North Bangor (Franklin County), opened its doors for business. The St. Lawrence Valley Produce Auction (SLVPA) is the farthest north of the produce auctions in NY. It has attracted buyers and growers from the six

counties in northern NY. The auction runs one day a week in earlier spring, with expansion to three days a week in the peak of the growing season through October.

At a produce auction, the grower does not have a say on the final selling price of their product. However, there may be factors that help growers increase the profitability of their products. Through this Northern New York Agricultural Development Program-funded project, we aimed to help growers understand factors that can improve their economic success via sales at the SLVPA.

Methods:

Throughout the auction season price data was collected weekly from the SLVPA office to track wholesale commodities sold over time. The information collected was price, seasonality of product, and product auction lot size. From the information gathered the project also tracked the top five products sold at the auction for 2018 and 2019.

Analysis:

The data (Figure 1) shows that the SLVPA had a 38% increase in sales from 2018 to 2019 plus an increase in sales each month. The top five products sold at the auction (Figure 2) were the same in 2018 and 2019 these were flowers (annuals and perennials), tomatoes, mums, pumpkins, and snap beans.

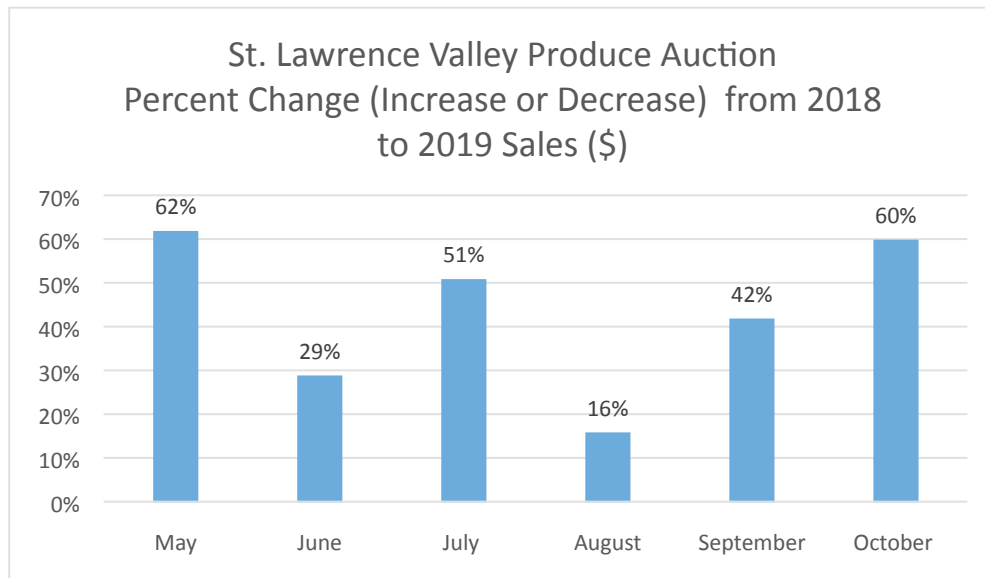


Figure 1. St. Lawrence Valley Produce Auction Percent Change in Sales 2018-2019.

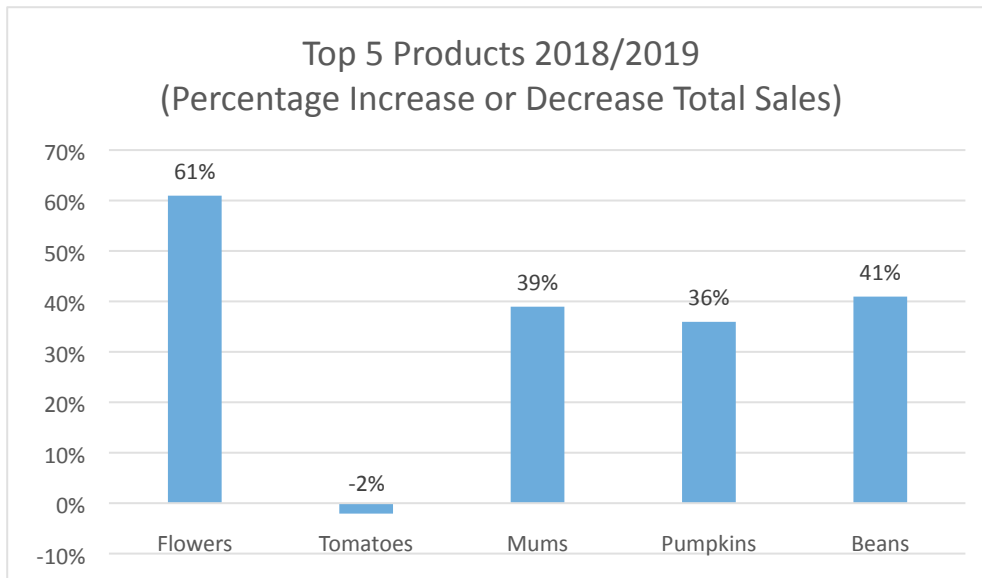


Figure 2. Top 5 Products Sold at the St. Lawrence Valley Produce Auction 2018-2019.

Tomatoes sold at the SLVPA received a higher price point in 2018 and 2019 (Figures 3, 4) during the beginning of the season and end of the season. This is due to the lack of tomatoes on the market during the early and late growing season. During the months of August and September, the market was flooded.

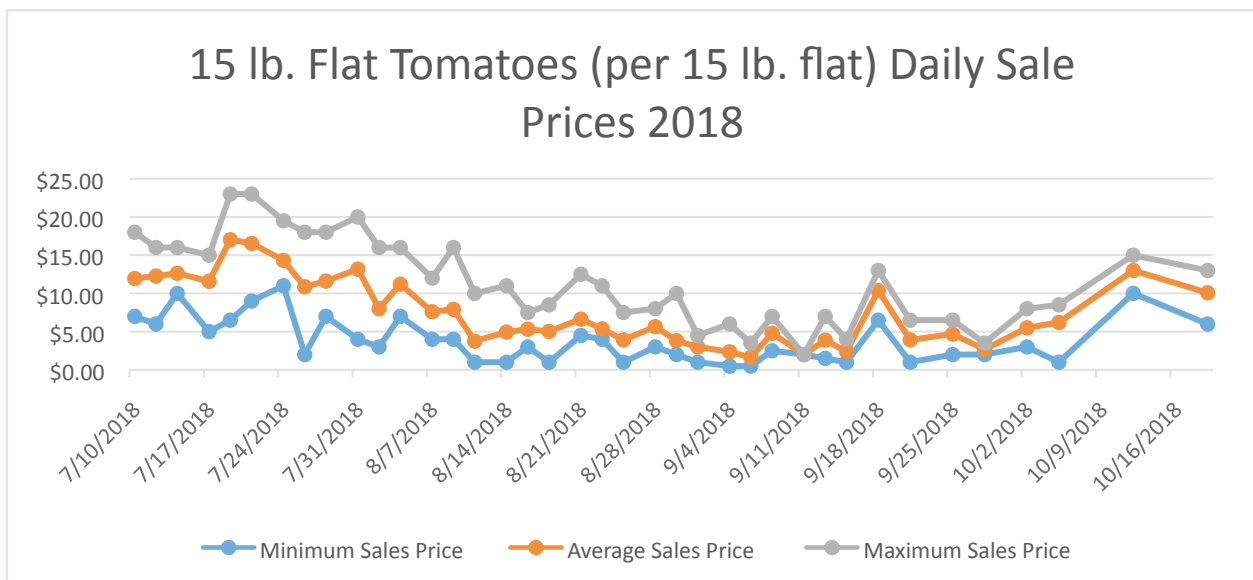


Figure 3. 15 lb. Tomato Flat Daily Sales Prices at the St. Lawrence Valley Produce Auction 2018.

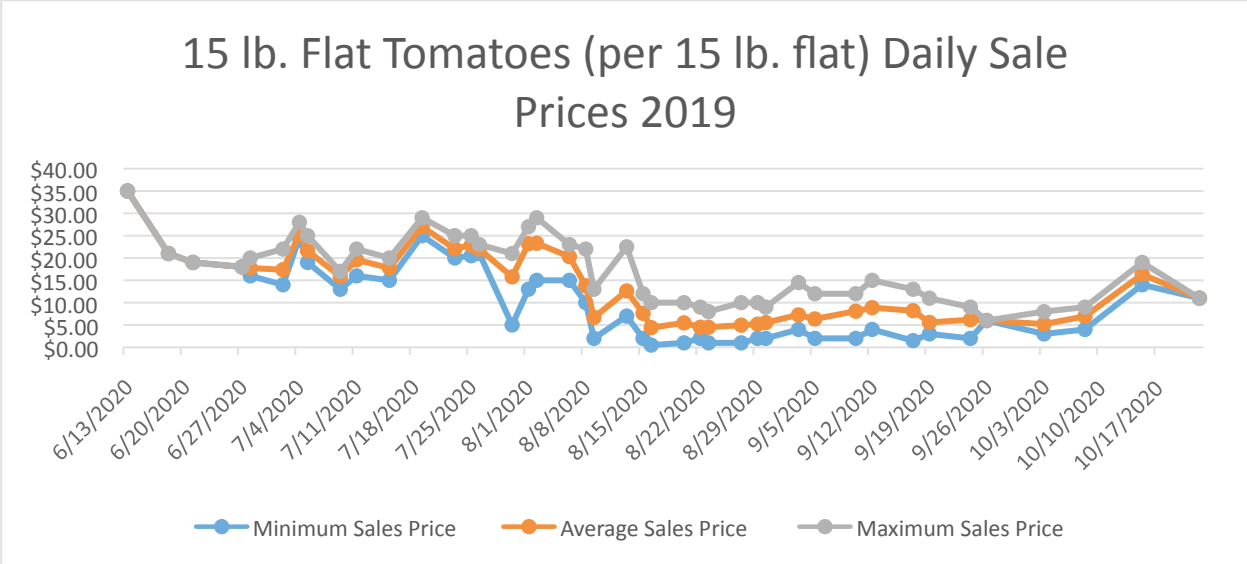


Figure 4. 15 lb. Tomato Flat Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2019.

The data (Figures 5, 6) showed that mums were in demand at a higher price point during the month of September at the SLVPA in both 2018 and 2019. If the mums reached the market before or after September, the grower did not receive a higher price point.

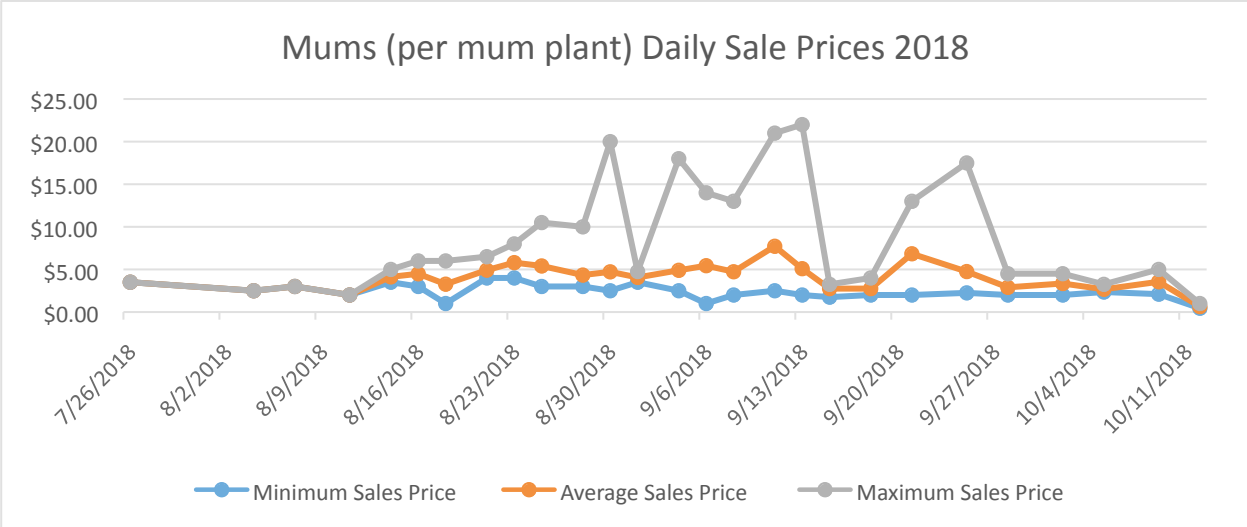


Figure 5. Mums Demand at the St. Lawrence Valley Produce Auction in 2018.

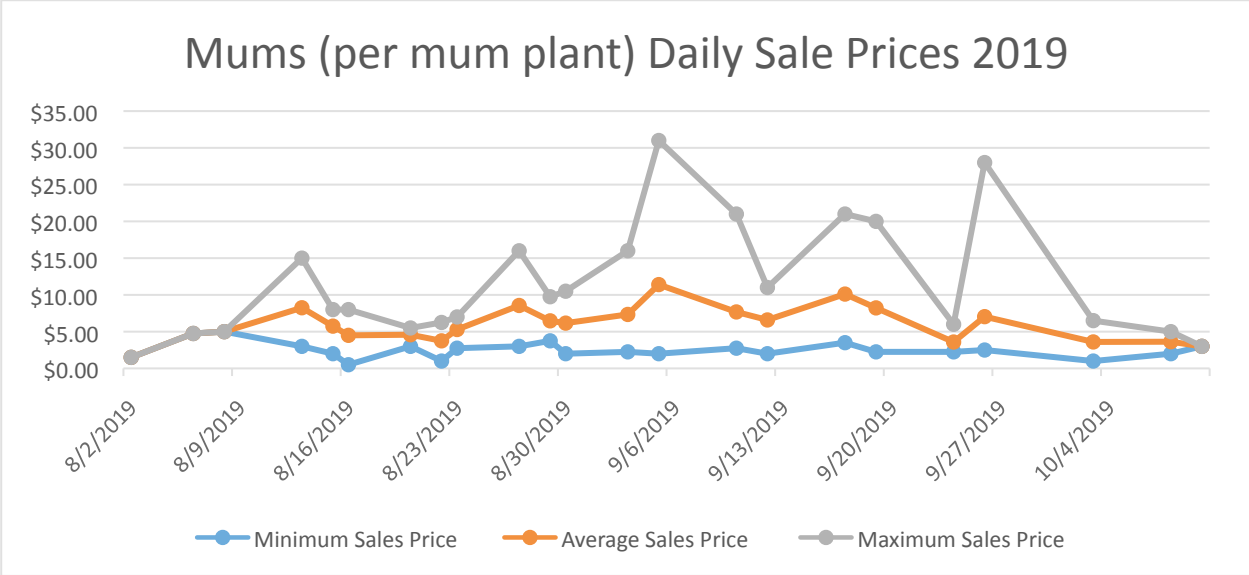


Figure 6. Mums Demand at the St. Lawrence Valley Produce Auction in 2019.

In 2018 the volume of pumpkins sold at the SLVPA (Figure 7) was higher than in 2019 (Figure 8). Pumpkin prices tend to stay stable throughout the season; however, the outliers in the prices are the giant pumpkins.

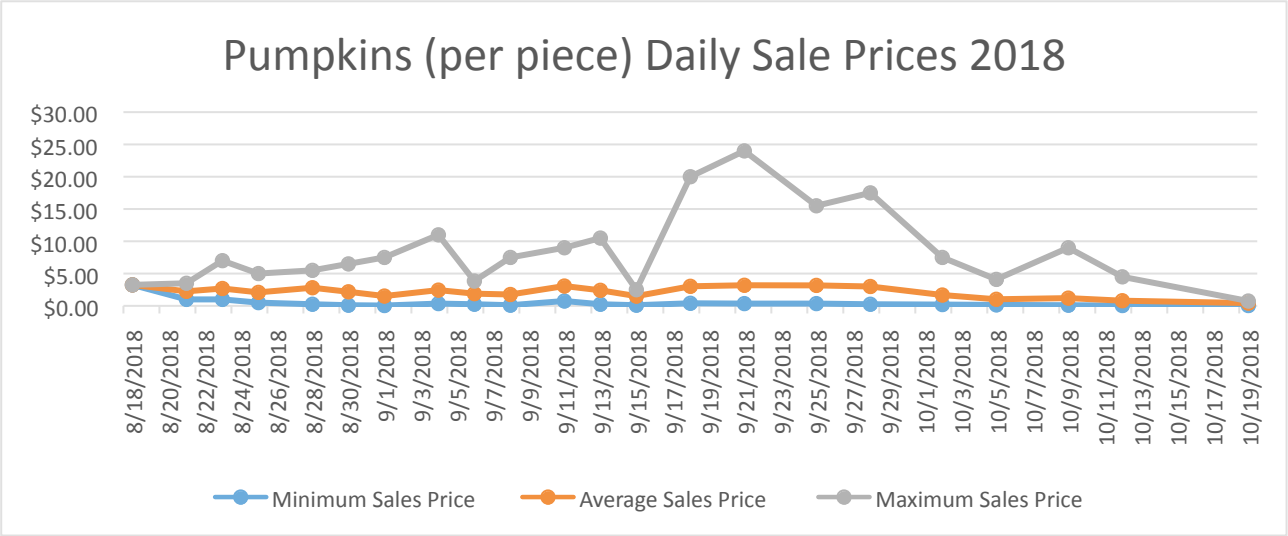


Figure 7. Pumpkin Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2018.

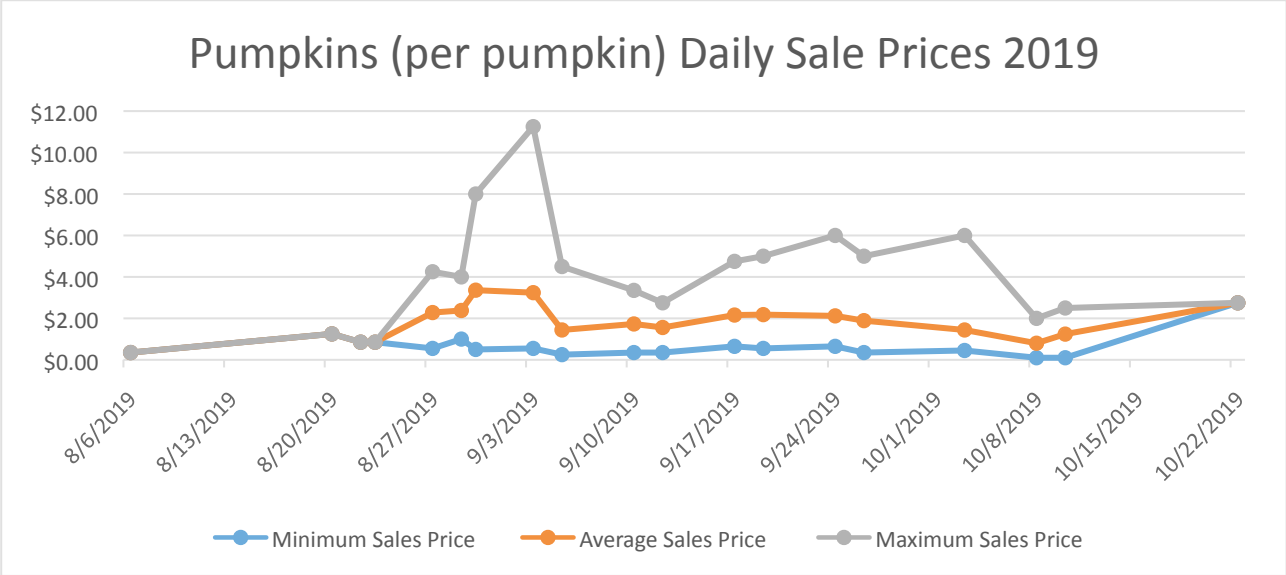


Figure 8. Pumpkin Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2018.

Hanging baskets prices in 2018 and 2019 tended to stay stable for the month of May and early June. However, the data shows that growers should have brought their hanging baskets to the auction before mid-June. After mid-June, the sales price tended to drop.

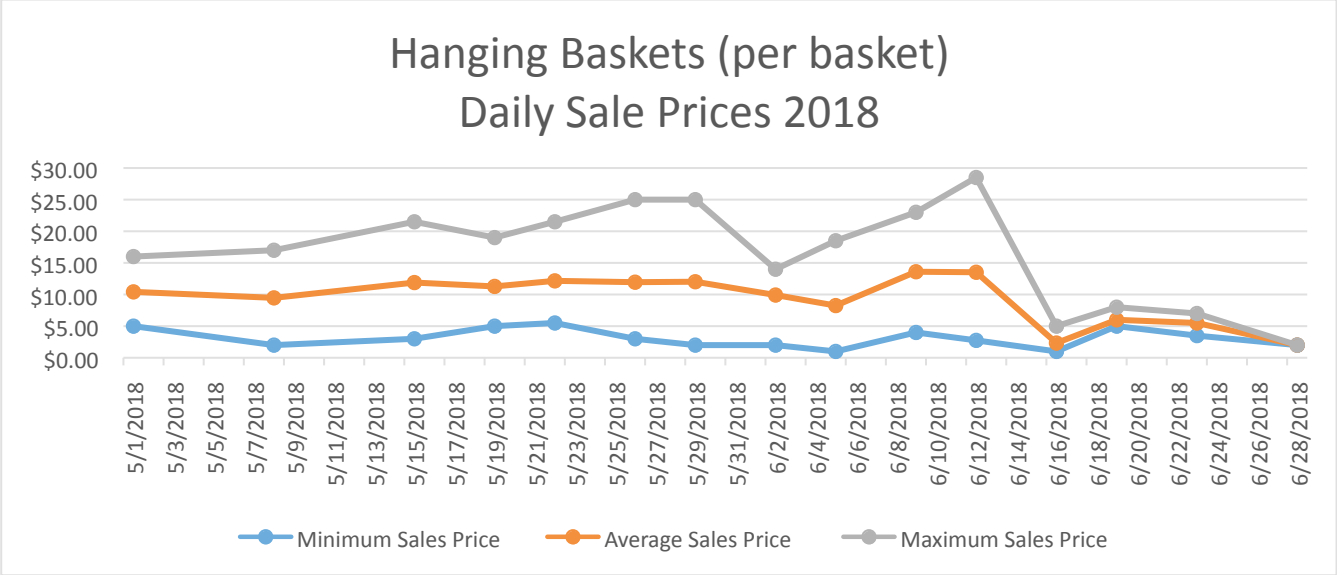


Figure 9. Hanging Baskets Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2018.

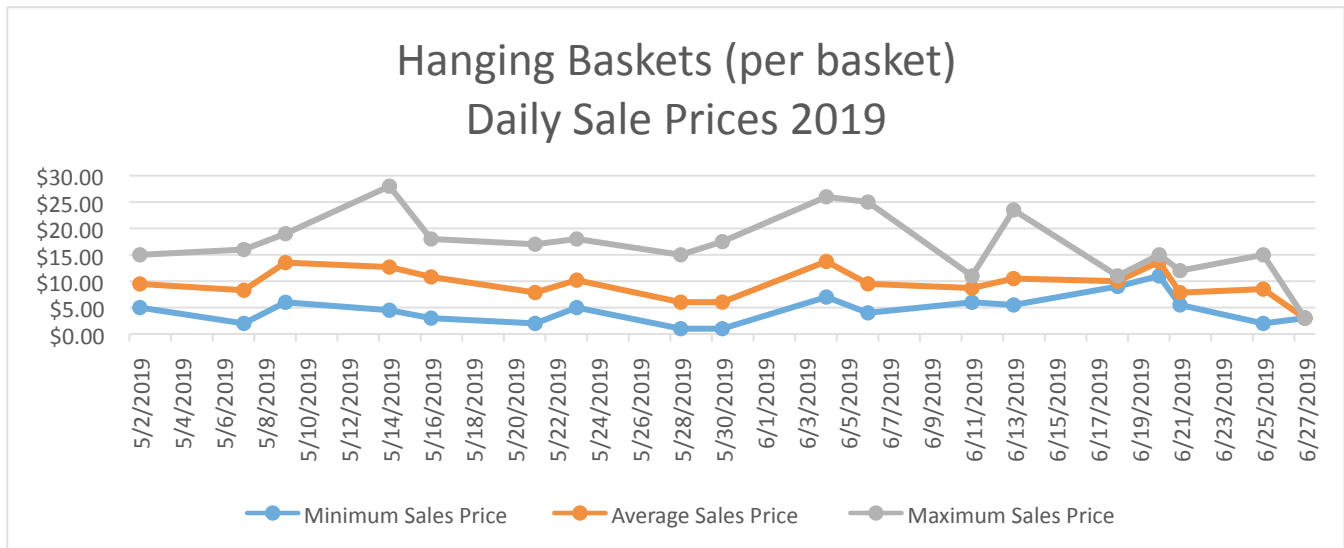


Figure 10. Hanging Baskets Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2019.

½ Bushel Beans Comparison 2018 to 2019

The data (Figures 11, 12) do not show a trend in regards to when ½ bushel beans might get a higher price point during the growing season. However, from observation at the produce auction, beans were limited in availability. Growers received higher prices for quality product.

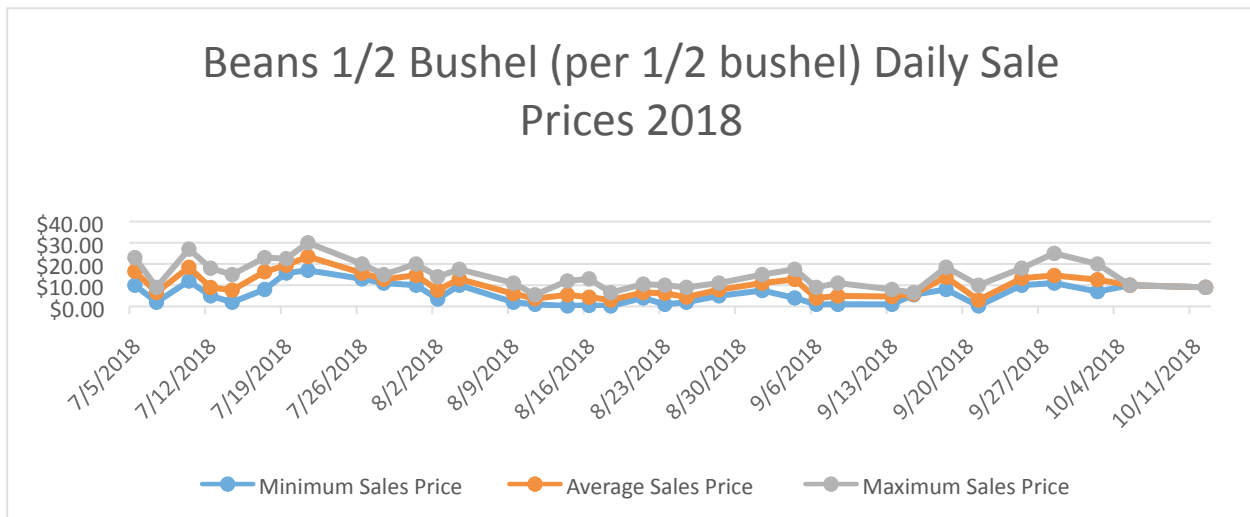


Figure 11. Beans ½ Bushel Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2018.

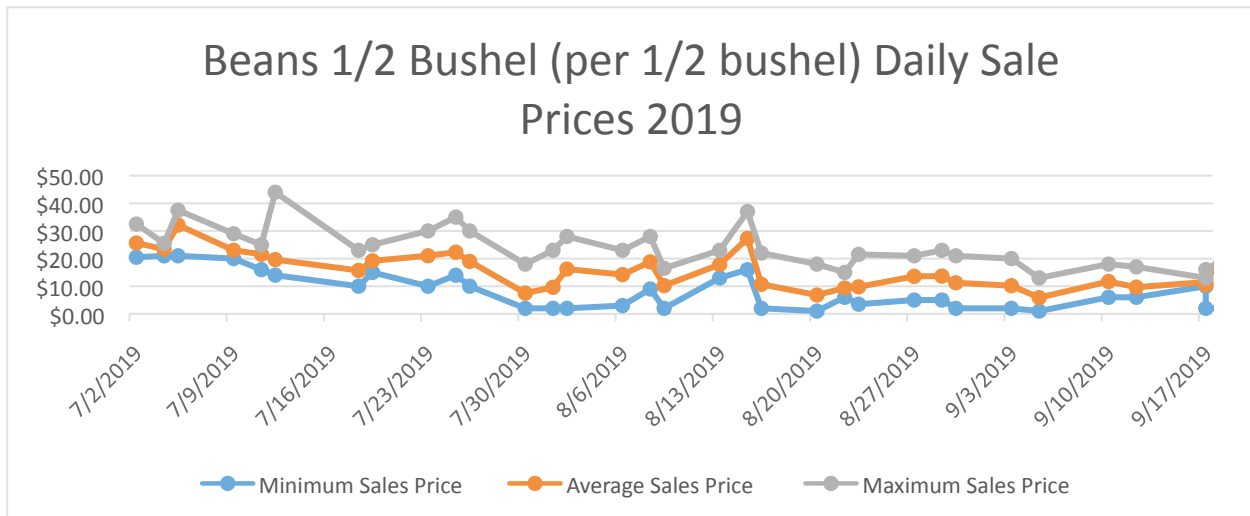


Figure 12. Beans ½ Bushel Daily Sales Prices at the St. Lawrence Valley Produce Auction in 2019.

Conclusion/Outcomes/Impacts:

From the data, we can see the following information regarding pricing, seasonality, lot size, and buyers' impact listed below.

- Pricing and Seasonality of Product:** Overall product pricing tended to be higher in 2019 than 2018, especially for tomatoes and beans. Early season prices were most favorable. To achieve the early-season higher price point growers may choose to increase the use of season extension options such as high tunnels, low tunnels, and row covers. Price trends for certain crops such as beans are more difficult to predict, suggesting that farmers may want to have multiple plantings to market over a larger sales window to achieve a sustainable average price.
- Pricing and Lot Size:** The lot size at the St. Lawrence Valley Produce Auction varies. Lot size refers to the number of units offered together for sale, for example, a lot of beans could be 3 bushel boxes, 5 boxes or 10 boxes. Producers who sold into the auction in 2018 tended to sell the product in smaller lot sizes to realize higher prices. For example, 10 lb. tomato flats that sold in lot sizes of 1 or 2 flats would receive sales prices above \$28/flat, while lot sizes of 3 flats and up drop to \$24 and lower. Lot sizes of 9 flats received \$14.00 per flat. New producers tend to struggle with determining the correct lot size for the auction. In the future, this trend may change in order to attract buyers who need to buy larger lot sizes for efficiency.
- Buyers:** After surveying the buyers, we learned the auction allowed for buyers to receive the local product, spend less on transportation, and purchase from a variety of growers. As one buyer stated “I can choose from many growers’ product without being responsible for what one does not need...It is a good model.” The auction allowed buyers to get additional products that they would have not previously received for their business, including fresh products and local products. Buyers were able to see increased profitability by paying auction vs. wholesale delivered prices. In our survey one buyer reported economic benefits of “local,

less transportation cost, lower prices, freshness.” However, buyers did request producers to continue to improve the quality and quantity of tomatoes at the auction.

Outreach:

In spring 2019, a grower and buyer meeting was held at the SLVPA facility to discuss the upcoming 2019 St. Lawrence Valley Produce Auction season and provide insight on how to improve the auction for 2019.

In summer 2019, project leaders completed 32 farm visits to provide educational production issue support related to disease management, pest management, plant fertility, and season extension.

In summer 2019, Harvest NY hosted the annual production summer meeting at the auction house. Those attending (42 participants) received information regarding invasive pests, season extension, and 2018/2019 produce auction sales.

Next Steps:

In 2020, we plan to continue to provide support to the St. Lawrence Valley Produce Auction, producers, and buyers regarding tracking sales, production support, and production planning. CCE also provides education on season extension through greenhouses and high tunnels, as well as crop planting, including multiple dates and varieties to help farmer achieve increased profitability through produce auctions and other sales channels.

For More Information:

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Figure 1 a, b. St. Lawrence Valley Produce Auction.



Figure 2, left. 10 lb flats of tomatoes for sale at St. Lawrence Valley Produce Auction.

Figure 3, right. One of many farms in Franklin and St. Lawrence counties that expanded produce acreage in response to the establishment of the auction.



Figure 4. Mixed flower planters for sale at the St. Lawrence Valley Produce Auction.