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Pre and Post-COVID Analysis of Select Spring Crops at the Auction

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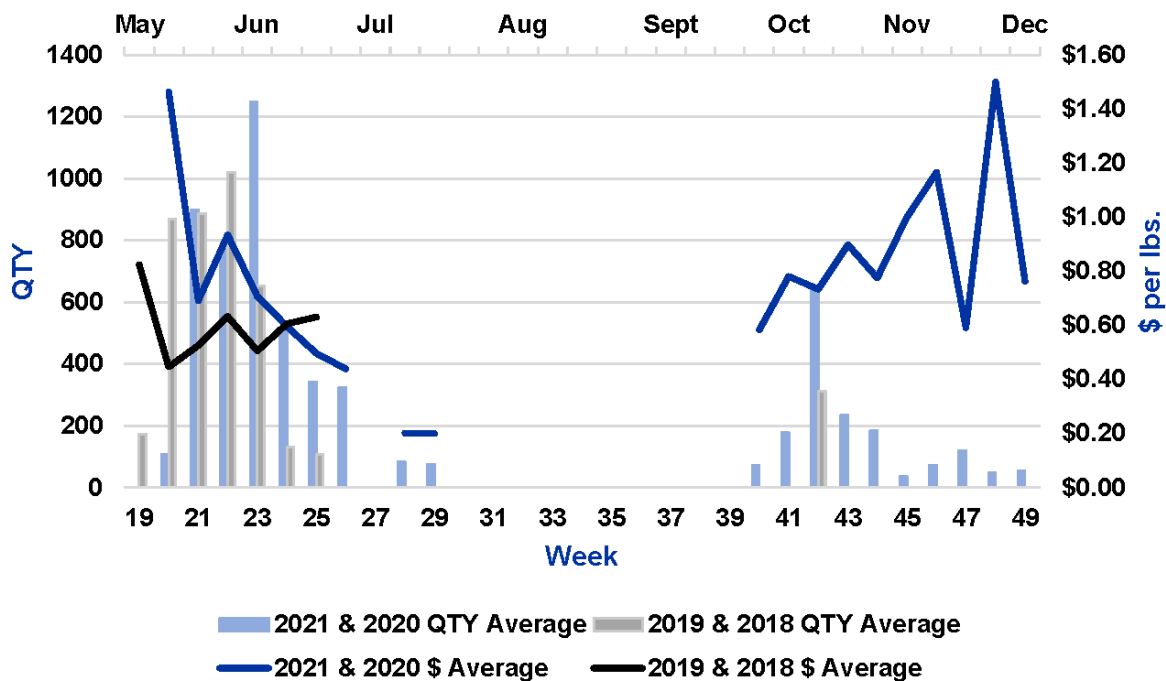
Spring is on the horizon in Kentucky. Many specialty crop growers have already begun thinking about which fruits and vegetables to cultivate and the ideal market channels in which to sell. There are many market channels available to producers – an important market channel for both Kentucky and many of our growers is the produce auction. There are a few produce auctions in Kentucky – with Fairview Produce Auction and Lincoln County Produce Auction being the largest. The analysis below uses data from the Fairview Produce Auction. While growers do not receive the same price premium at the auction compared to an urban farmer's market, there are reasons the auction is a viable market channel. The auctions serve as an aggregating market for larger quantity crops, while providing buyers with a place to purchase from a large selection of fresh, local produce.

COVID market conditions have been strongly evident in Kentucky auction markets with generally higher prices. With springtime being on the minds of many, average prices and quantities for 2021 and 2020 vs. 2019 and 2018 of three common spring and early summer crops are graphed below. 2021 and 2020 averages are considered post-COVID, while 2019 and 2018 averages are considered pre-COVID. As a preamble, the pre vs. post-COVID season averages for each crop are as follows: broccoli \$0.56 vs. \$0.76 per lb; strawberries \$4.11 vs. \$5.00 per quart; and tomatoes \$1.17 vs. \$1.45 per lb. Increased prices post-COVID can be observed initially, but high prices do not necessarily translate directly into higher profits. Both direct and in-direct farming costs have increased post-COVID and should be factored in when thinking about a farming operation.

Broccoli

- Price premiums are seen for early season broccoli around May, which fall as the spring quantity increases. Higher prices for broccoli are also seen at the end of the fall season when things are wrapping up and supply is not as saturated. Broccoli is a crop that can bring in both spring and fall revenue, which is an advantage for growers.
- When comparing pre and post-COVID, higher prices are observed for the post-COVID seasons. The season-average price for pre and post-COVID was \$0.56 vs. \$0.76 per lb. respectively. Post-COVID, a larger volume of broccoli was also coming through the auction – the fall season appears non-existent in 2019 and 2018. However, broccoli was sold in the fall of 2017 at the auction with a season average of \$0.62 per lb. Higher prices with a higher volume of products coming through the auction is a positive progression.

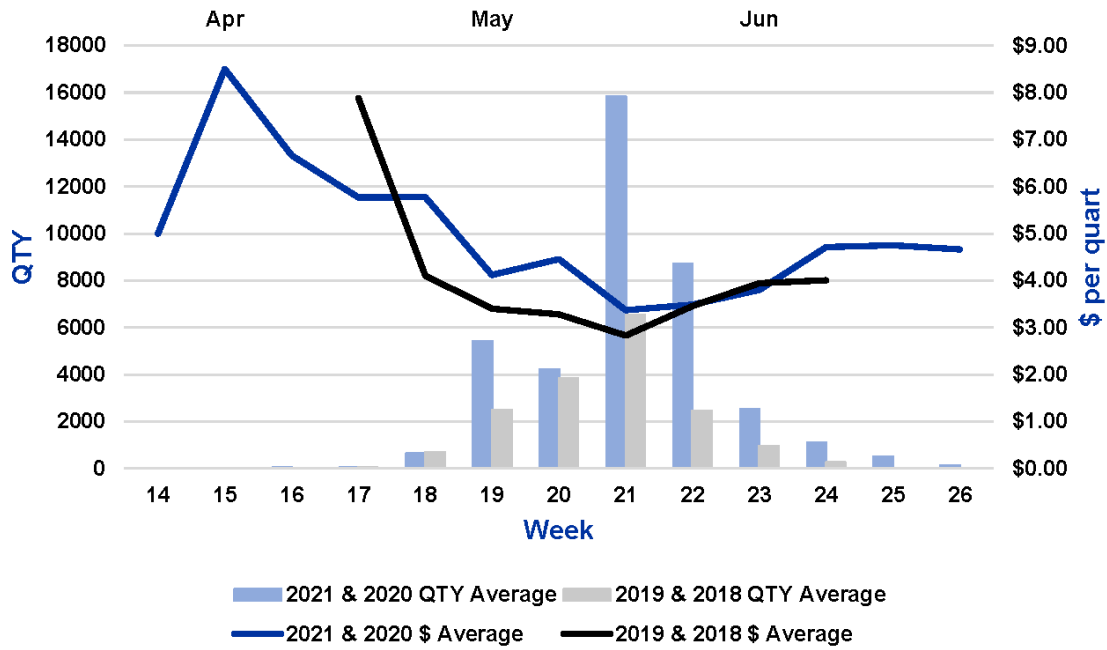
Figure 1: Pre and Post-COVID Price and QTY for Broccoli



Strawberries

- Again, price premiums were evident for early season strawberry crops during most weeks post-COVID. Price per quart fell mid-season as the market became saturated. Strawberries have a relatively short growing and selling period; however, small fruits have quite an impact in many of Kentucky's market channels.
- When comparing pre and post-COVID, higher prices are captured post-COVID along with a longer season. The season-average price for pre and post-COVID was \$4.11 vs. \$5.00 per quart. Additionally, more strawberry quart quantities traveled through the market channel for the post-COVID season.

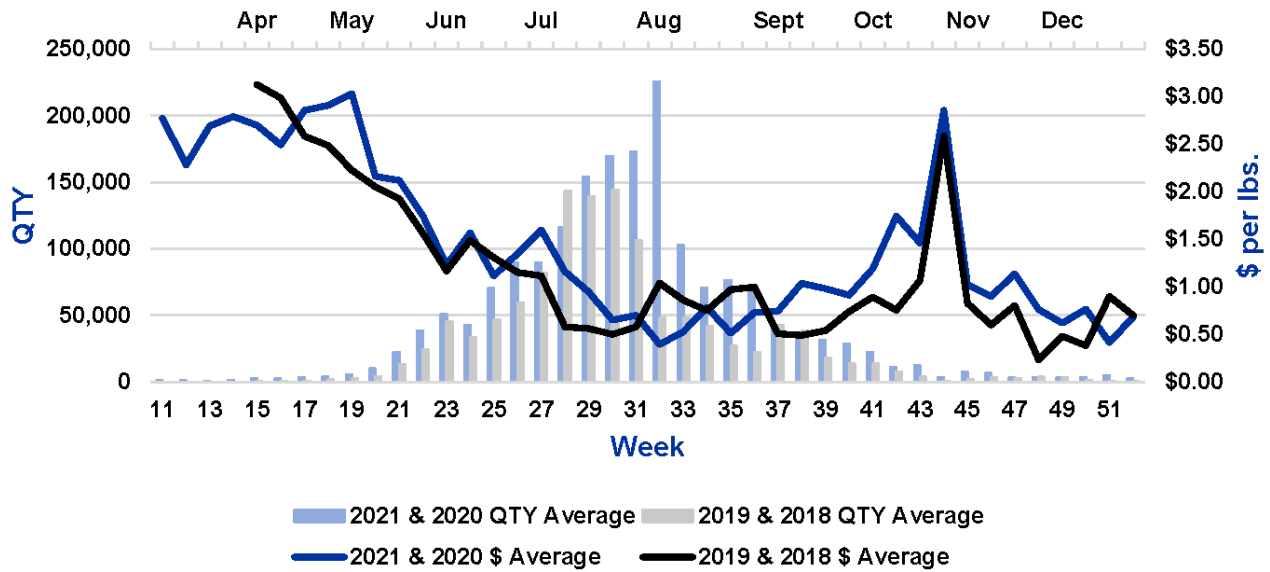
Figure 2: Pre and Post-COVID Price and QTY for Strawberries



Tomatoes: #1 & #2 Grade

- Tomatoes are sold in 10 or 20 lb. boxes and categorized at the auction. Grade #1 and #2 tomatoes must be mature, not overripe or soft, clean, well developed and formed, free from sunscald and decay, and smooth.
- Tomatoes are a fan favorite and have a long, bell-shaped season. Price premiums can be seen for early season tomatoes, with a short-lived spike around late October and November. Quantity is sparse around the beginning and end of the year, accompanied by high volume in the summer months and a peak in July and August.
- When comparing pre and post-COVID, prices stay very similar with the post-COVID season only coming in slightly higher. The season-average price for pre and post-COVID was \$1.17 vs. \$1.45 per lb. Quantity follows a similar pattern, with just a few weeks being an exception [weeks 31-37].

Figure 3: Pre and Post-COVID Price and QTY for Tomatoes



The produce auction is a great market channel for many producers. Higher quantities and prices are seen for the above crops and for many others. COVID-increased demand and a general interest in local food from household consumers and larger buyers can be attributed to this. However, growers should be aware that higher prices can offset higher on-farm input costs and the inflation of food prices in general. Growers should evaluate their higher input costs over and against the likelihood of higher prices. Price reports are a helpful tool that can aid in evaluation. Updated and frequent price reports from produce auctions in and around the state can be found through the [Center for Crop Diversification](#). A 2019-2021 Three-Year Average Prices & Quantities at Kentucky Produce Auctions report is in the works and projected to be published this spring – stay tuned for more information.

With this information and insight, we also ask ourselves – *will higher post-COVID prices continue? What can farmers expect to be the “new normal?”*

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