

This market report was compiled by Maine Farmland Trust and MOFGA for the purpose of supporting farmer and buyer communication and creating clarity in a rapidly changing market. Observations were collected over the week of 4/27-5/1/20, with crucial and insightful input from wholesale buyers and diversified farmers. Huge gratitude to those folks for taking the time. This information is solely for informational and observational purposes. Any questions (or let us know if you want more of this), feel free to directly contact Alex at Maine Farmland Trust (alex@mainefarmlandtrust.org) or Nicolas at MOFGA (nlindholm@mofga.org).

Key Takeaways:

- Customer demand for local is strong and seems to be staying strong, but slowing down. Specific supply gap in spring greens currently; some concerns that if too many farmers scale up significantly, there may be oversupply of certain crops such as storage crops in the future.
- Farmers are making decisions about their production plans as best they can considering observations in demand, most profitable crops, labor needs, stay at home orders, and business goals. Of the farms we spoke with, none mentioned significant changes to their crop plans, mostly adjustments like fewer restaurant specialty crops and more diversity, and/or staple products for DTC markets. One buyer recommended farmers do what you can to gauge that you'll have a future market before making significant changes and investments.
- Farmers want to express hope and encouragement to each other that the interest in local food and renewed flexibility towards getting seasonal food through diverse DTC channels can be a long-term change if we find ways to make it easy and safe for customers.

Buyer responses:

Overview: Customer demand remains strong across retail (grocery) and direct to consumer outlets, but it is starting to slow down. Customers are looking forward to spring crops such as asparagus and greens. Wholesale buyers are expecting demand to stay high for the spring weeks. Still too hard to forecast summer and fall, but there are concerns that national supply chains will be constrained for certain labor intensive crops and that if too many local farmers decide to grow storage crops expecting the demand next winter to be like this March, then we might end up with an oversupply.

- 1. What trends are you observing right now in current consumer demand?**
 - a. Demand remains strong across retail (grocery) and direct to consumer outlets, but is starting to slow down or even go back to normal in some wholesale outlets.
 - b. Customers care about transparency and convenience, as they did before the pandemic
 - c. Generally customers want asparagus and greens. Specific markets reported customers are also looking for butter, eggs, meat, grains, radishes, and Hakurei turnips
 - d. Root crops are at end of season and showing lower quality, thus demand is dropping
 - e. Some concerns around price sensitivity because prices of locally produced proteins are high
- 2. Is your supply meeting demand? Is there unmet demand for certain products?**
 - a. Most locally produced items are moving quickly
 - b. Unmet demand for bunched greens, especially kale
 - c. Unmet demand for meat and eggs, at lower price points
- 3. Are you seeing or anticipating any changes that will affect your supply and demand in the coming weeks?**

- a. Still hard to forecast, especially for summer and fall but anticipating demand to stay high and potential for increased sales for growers they have relationships with in the coming months
 - b. Specific outlets anticipating more sales for meat and dairy
 - c. Many hunger relief organizations are experiencing more need
 - d. Hearing farms are considering growing more storage crops, and concern that assumptions that the market will have the same demand next season will lead to an oversupply
- 4. Any useful resources, news, or data you want to share?**
- a. Timothy Griffin, of Tufts University's Friedman School of Nutrition Science and Policy "predicted that crops with mechanized production, like corn, tomatoes, and some other fruits and vegetables, will continue to be widely available. But crops that rely on human labor, like strawberries, will be more subject to disruption." [How COVID-19 affects farmers and the food supply chain](#)

Farmer responses:

Overview: Farms that have implemented systems for customers to purchase direct from farms, and those that work with small grocers seem to be benefiting the most from increased demand. Some farmers have seen small bounces back through institutional and restaurant channels. There's huge unmet demand for spring greens, although the farmers we spoke with are being very careful about changing crop plans especially for the whole arc of the season, favoring adjustments of fewer restaurant specialty crops and more diversity for CSAs. Generally, farmers are optimistic about demand staying strong this season and being cautious to not create a midseason oversupply in reaction to the current demand spike.

1. What trends are you observing right now in current consumer demand?

- a. **Direct to consumer:** Consumers expressing much more interest in direct from farm purchasing as they seek to avoid grocery stores and have a greater willingness to be flexible to do so. Farms that implemented new purchasing systems such as online pre-order and curbside pick-up, farm stands, and CSAs are seeing strong sales through those channels.
- b. **Grocery/retail:** Hearing from grocers and distributors that demand is high. One farmer who sells a small % of their product to grocers, observed it seems retail buyers, who are totally maxed out, are meeting increased demand with the farmers they usually rely on as primary vendors and not sourcing as much from secondary vendors.
- c. **Restaurants and Institutions:** As the restaurants, etc. who are able to open safely get organized with new systems, there's been a small resurgence of demand. Another farmer reported no difference in their restaurant sales volumes. No demand from restaurants and other institutional markets that can't operate under physical distancing rules. One farm willing to put in the extra labor of packing in small quantities has been able to supply a school meal program.
- d. Generally seeing very high demand for seedlings and cut greens. One farm mentioned increased demand for meat.

2. Is your supply meeting demand? Is there unmet demand for certain products?

- a. Generally undersupplied for the current demand, however that's also due to the shoulder season and not harvesting much or at all this time of year.

- b. Many farmers mentioned unmet demand for cut greens and spring vegetables. Also mention of cut flowers.
 - c. One farmer noted deciding against changing crop plans because they know spring crops are not profitable for them. It was a difficult decision to make because they want to help with the undersupply, but focusing on their most profitable crops (which is the goal of their crop plan) is what they decided they need to do for long term sustainability and resiliency in their business, and also for managing their labor force and family needs.
- 3. Are you seeing or anticipating any changes that will affect your supply and demand in the coming weeks?**
- a. **Crop plans:** Most farmers we spoke with are not considering significant changes to their crop plans. Instead making smaller adjustments such as eliminating restaurant specialty crops, and/or increasing diversity for CSA and DTC channels.
 - b. **Customer polls** have been a helpful tool for farmers to get clarity and confidence. So far, farmers reported that their customers still want specialty products and don't want the farm to switch to more staple products.
 - c. **Stay at home policies:** Farmers expressed concerns about how stay at home policies will affect demand for perishable products, fear of crowds (at farmers' markets, large grocery stores), and fall markets. But also that as people become more comfortable with new routines and the prolonged presence of COVID, sales might spread out more.
 - d. **Future oversupply?:** Farmers expressed concern about if the farming community broadly will attempt to react to the current demand spike and create an overcorrection, for things like spring greens, or storage crops in fall. There are concerns that small grocers won't be able to absorb all the product if that happens while more farmers come into production and/or those who usually rely on restaurants are also trying to sell into the grocery market.
 - e. **Costs** are going up as all the new systems for managing people, packing product, cleaning, and setting up purchasing systems takes more time and resources.
- 4. Any useful resources, news, or data you want to share?**
- a. Without prompting, many farmers wanted to share their **hopes for what comes next:** that customers will remember how local farms stepped up, and "give recognition to what is possible."
 - i. "We can really do something for our community. Farms add to community resiliency."
 - ii. "We're expecting local/regional food demand to be strong."
 - iii. "There are people who have been outside the agricultural community who are recognizing that farms are essential supports for communities and extending themselves to help in the ways they can and it's wonderful for both parties to say yes."
 - b. **Anything that feels easy** [for customers and farmers] right now will be good. How can local producers set themselves up to make things easier for customers, and hopefully increase access to local food and staying power of new routines and ways of purchasing local?
 - c. Would be great if there was a **central hub for all the farmer COVID-19 response information**, which all organizations contributed to and is kept updated daily. Since there have been so many great resources created and shared around email, it's become hard to re-find things when you need them and know if the email from a week ago is still relevant. [Editor's Note: [COVID-19 Information & Support for Farmers](#) is updated daily as BFRN service providers are aware of resources.]

- d. Challenges: We need to increase what people are willing to pay for local food but how can we have that conversation right now when so many folks are in a new and difficult financial position?