

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 5/25-5/29, 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 feel free to directly contact Alex at Maine Farmland Trust (alex@mainefarmlandtrust.org) or Nicolas at MOFGA (nindholm@mofga.org).

Key Takeaways:

- Direct to consumer markets, especially farmers' markets, remain very strong and report increased sales, customers, new customers, and unmet demand for head lettuce, orange carrots, and scallions.
- Wholesale buyers continue to report steady, increased demand although for different products - spring greens, of which local supply is mostly caught up to demand, and asparagus. Roots crops have very little demand, and head lettuce is in oversupply. Farmers report some variance in demand in wholesale markets.
- Both farmers and buyers are looking towards the weather to see what the upcoming weeks will bring, as well as restaurants re-opening. Early summer crops are in demand, mostly met by out-of-state product at the moment, and farmers express concern that they will have limited supply.

Buyer responses:

Overview: Wholesale buyers continue to report steady, increased demand, with early summer crops in highest demand. Local supply of greens is catching up to demand. Consumer demand seems to be stabilizing, and the factors that wholesale buyers are considering that could disrupt that are wide-ranging and hard to draw conclusions about at this time. Buyers reported closely monitoring re-opening policies, consumer confidence, convenience to consumers, and product quality.

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

- a. Wholesale buyers (mostly grocery) are still reporting steady, higher than usual demand with less fluctuating.
- b. Demand for storage roots (potatoes etc.) seems to be over for the season.
- c. Pre-packaged foods and limited human contact is a primary concern for one grocery's customers. They're re-considering how to offer more packaged goods, and less handling of product in-store (think corn – summer is coming!).

2. Is your supply meeting demand?

- a. Multiple wholesale buyers reported that greens are still in high demand, although local supply is quickly matching demand. One buyer noted local greens are displacing out-of-state product in some places.
- b. Specific buyers noted high demand that is closely matched with local supply of kale, chard, and rhubarb. Specific buyers also noted high demand for radishes and asparagus.
- c. Specific buyers noted unmet demand for organic asparagus, and dry goods like pasta, paper products, and cleaning supplies.
- d. Still hearing reports of an oversupply of lettuce heads in wholesale markets. One buyer noted the trend for years has been towards salad mixes.

3. Are you seeing or anticipating any changes that will affect your supply and demand in the coming weeks?

- a. Overall wholesale buyers reported paying attention to a variety of factors, and there wasn't any one in particular that was top of mind for everyone.
- b. Specific buyers anticipate fresh herbs could move well, and grilling season items will be hot (Editor's Note: puns always appreciated). Customers are already looking for stone fruit, and that demand is being met with out-of-state product. Additionally, more Quebec product is entering the marketplace including hothouse cucumbers, peppers, tomatoes, and asparagus. On the other hand, another buyer reported they anticipate meeting their summer produce demand with their current network of local suppliers.
- c. Looking towards June, restaurants will be opening and some folks will be back to offices for work. Early reports indicate low restaurant traffic, and the question remains if heading back to work will re-ignite desire for takeout and quick meals. Another buyer anticipates that unemployment and other factors will lead to customers being more price conscious. Consumers may shift shopping to more value tier and store brand products; perhaps also substituting frozen products for fresh products due to their lower perishability.
- d. A big question in one buyer's mind is what level of travel restrictions/quarantine will remain on guests coming from outside of Maine, and with safety precautions, what level of tourist confidence will exist.
- e. Another question asked was if the weather stays dry, should we anticipate upcoming local labor bottlenecks?

4. Any useful resources, news, or data you want to share?

- a. **Fruit and produce industry news:** www.theproducenews.com – take it with a “hefty dash of rugged Maine Sea Salt” but helpful for staying aware of prevailing market trends and what the industry is tracking.
- b. One buyer shared a metric that 3 out of 8 consumers continue to purchase in excess, suggesting continued strains on supply of certain products or perhaps a second wave of significantly increased demand in the future.
- c. Consumers are more aware of product quality and expectations are high.

Farmer responses:

Overview: Direct/retail markets (especially farmers' markets) continue to be strong with growth in sales, while wholesale markets vary tremendously --some farms have strong restaurant and store accounts right now while others are slow or still closed. Spring crops from hoop houses are winding down while field crops are starting to come in, with some gaps or rationed quantities --weather will be the really significant factor in the length and impact of this lull, and farmers will be selecting and possibly limiting how much to supply to each of their markets over the coming few weeks' transition.

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

- a. **Direct to Consumers/Farmers Markets:** Farmers markets are busier than normal, some reporting double-digit percentage growth in sales, total number of customers, number of new customers, average spending per customer, and SNAP sales. Seedlings, greens, and cut flowers remain in strong demand. As they come in, new crops including cilantro, parsley and mini broccoli are seeing strong (and unmet) demand. Customers' willingness to try new things and embrace seasonality is strong. Some farms are

reporting that their online pre-orders have slowed or even been dropped for other marketing outlets.

- b. **Wholesale to Stores:** Variable. Some farms report demand is still high --wholesale buyers saying they're able to take more. Others report sales have slowed and their buyers have overstock of local items.
 - c. **Restaurants:** Very few farms reporting on this --inquiries and restaurant openings remain sporadic. One farm reports restaurants are reopening with inside dining and marked increase in demand from that. Another farm reports that restaurant accounts remained closed, further delaying their replanting plans.
- 2. Is your supply meeting demand? Is there unmet demand for certain products?**
- a. **Direct to Consumer/Farmers Markets:** Seedlings may start running into short supply. More variety and volume in fresh produce will become available each week, but supply is still trying to catch up with demand overall. Head lettuce, orange carrots, and scallions are selling out. Salanova lettuce, specialty carrots, and pea-shoots are in oversupply. New crops are being rationed as they come in --initial harvests are light with expected increases coming, making it difficult to supply all markets. Many farms have tunnel crops winding down and field crops slowly coming in, and reporting a bit of a late-spring lull.
 - b. **Wholesale:** Generally there is not enough produce or seedlings to meet demand.
- 3. Are you seeing or anticipating any changes that will affect your supply and demand in the coming weeks?**
- a. Field crops are starting to come in for many farms, so supply may increase, but that is very weather dependent --hot summer-like temps. can impact this, as will the cold spring we had. Some may have enough product to start sending more to wholesale accounts, others are wondering if there will be enough to meet retail market and CSA demands.
 - b. Many farms are looking to clear out their high tunnels and hoop houses of spring crops and get summer crops moved in (tomatoes, peppers, eggplant).
 - c. Seedling demand is expected to stay strong for several weeks, though with dwindling selection as varieties sell out.
 - d. Slow restaurant accounts have continued to delay some specialty crop plantings (microgreens, herbs, edible flowers).
 - e. One farm reports an expectation for strong summer demand, so is ramping up seeding and production after a pretty conservative plan in April.
- 5. Any useful resources, news, or data you want to share?**
- f. One farmer is wondering to what extent other farms will be pivoting from lost or slow wholesale markets (restaurants) to stores that are now starting to pick up business --this will probably be a reality for some farms still needing new markets.
 - g. Several farms continue to wonder about the long-term consumer interest and demand in local food, and hoping that the markets and business relationships that have grown during the pandemic will remain strong afterwards. There is interest in seeing some infographics about how coronavirus has increased the consumption of local foods. What are we seeing for changes in how people are purchasing foods throughout Maine? New England? In food deserts?

- h. One farm was able to use this Market Report to connect with a wholesale buyer to move a crop, and is wondering if we can provide a more direct way of connecting farms to buyers searching for specific crops?