

7/24 Maine Local Market Report

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 are collected biweekly, for this report over the week of 7/20-24, from the same group of wholesale buyers and diversified farmers concentrated in the Portland and Mid-Coast markets. Huge gratitude to those folks for taking the time. This information is solely for informational and observational purposes, and is likely most helpful for small, diversified farms selling to the local wholesale marketplace (such as stores and restaurants), and direct to consumer at farmers' markets and farmstands. We hope the Report's insights from week to week, and over the course of the season, help you assess and gauge your own experience and observations about supply and demand trends. Any questions feel free to directly contact Alex at MFT (alex@mainefarmlandtrust.org) or Nicolas at MOFGA (nlindholm@mofga.org).

Key Takeaways:

- Demand is strong, and seems to be either leveling off or continuing to increase. Consumers are showing more and more interest in local products.
- Both farmers and buyers are not anticipating any major disruptions or changes, with demand staying steady in the coming weeks.
- What's going on with pricing? Thanks to everyone who filled out the questionnaire! Results are included in this report. The key takeaway - farmers are using lots of strategies. Of those who responded, half kept their pricing the same as last year and half increased prices this year. After setting prices at the start of the year, about two-thirds are sticking with those prices and about one-third have increased prices to cover new costs due to COVID-19.

Buyer responses:

Overview: Demand for local products in wholesale markets seems to be strong and holding steady over the last couple of weeks. Supply seems to be pretty well matched with demand at the moment, and there's confidence that tomato supply will catch up to demand shortly. Specifics vary across markets. No major red flags on the horizon reported by anyone that would affect demand staying steady in the coming weeks.

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

- a. Buyers report either leveling off or continued increases in demand. For example, one buyer reports that the market seems to be leveling off at "normal" for most ag products, and another reports that the spike in demand for local meat is also starting to level off. Another buyer reports that consumer demand is strong and continues to increase, and another that demand is up, but where demand is coming from has changed dramatically due to business closures, openings, pivots, slow re-openings.
- b. Both buyers who say demand is leveling off and those who report it's continuing to rise have noted that consumers are purchasing more local products (as opposed to products from outside the region).
- c. One buyer noted that their customers are still buying in bulk to limit the number of trips into stores and for cost savings.

2. **Is your supply meeting demand? Is there unmet demand for certain products? Do you have an oversupply of certain products?**
 - a. Supply seems to be pretty well matched with demand. Although one buyer noted that for the first time ever in their wholesale markets, they're seeing calls for small volumes of products typically sold at farmers' markets, such as bunched baby beets, bunched hakurei, and other products found for a short period at farmers' markets.
 - b. Tomatoes are in undersupply, but buyers report that supply will soon cover demand. Specific buyers would also like to see more supply of broccoli, cauliflower, and fruit.
 - c. Specific buyers report an oversupply of cucumbers, chard, and bunched greens, and that the balance between supply and demand for lettuce heads vs. salad mixes seems to be swinging around.
3. **Are you seeing or anticipating any changes that will affect your supply and demand in the coming weeks?**
 - a. Buyers are expecting demand to stay steady for the next couple of weeks, or continue to rise.

Farmer responses:

Overview: Demand is strong and steady across most markets particularly for the summer staple crops. Tomatoes are not quite in full production yet, so there are some gaps especially for wholesaling, but that should improve over the next couple weeks. Restaurant business has trended upwards, with increasing orders, though not to previous year's levels. Food store and grocery demand seems to have slackened this past week, not sure why. Customers are looking forward to new berry crops (blueberries!) coming in. The feelings of what the late summer and fall markets will be like are optimistic but unsure --many are planning carefully, keeping an eye out for indicating trends and changes and thinking about how they can pivot if needed.

1. **What trends are you observing right now in current consumer demand?**
 - a. **Direct to Consumer/Farmers Markets:** Demand is strong and steady, especially for summer crops like zukes, cukes, squash, green and yellow beans, and tomatoes. One farm reports slacking demand for roots (carrots and beets) as well as cut greens.
 - b. **Wholesale to stores:** Demand has slowed this week. Farmers are unsure why.
 - c. **Restaurants:** Several reports of demand picking up, probably as tourism traffic has picked up. Still not up to last year's level, but a definite upswing over the past several months. One farm said a restaurant placed an order then called back the very next day to add to it --a reassuring sign of confidence and optimism.
2. **Is your supply meeting demand? Is there unmet demand for certain products?**
 - a. **Direct to Consumer/Farmers Markets and wholesale to stores:** Not enough tomatoes, yet (most farms feel like their supply will increase in the next week or two). Many report they are marketing all their tomatoes direct/retail right now, with not enough to wholesale yet. Most are saying they are meeting their demand, even for high-volumes of new potatoes, zukes, etc. New berry crops (like blueberries) are still not in full production and not meeting demand. Many report they are now experiencing an oversupply of zukes, squash, and cukes (but that's not too uncommon now that full production is in) --however, one farm reports crop failure issues with their cukes, both high tunnel and field, so they are short on cukes right now. Another farmer said their

kale was in oversupply (as usual, as demand at this time of year wanes). One farm has seen continuing oversupply of their cut flowers and herbs due to low demand.

- b. **Restaurants:** Herbs were mentioned as being in oversupply due to low order levels (restaurants not buying herbs by the lb.).

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

- a. Expecting normal trends of summer crop abundance, which can lead to usual customer fatigue of cukes, zukes, etc. and possibly prices being pushed down. Some are still wondering what the tourism impact will be overall --sales definitely aren't what they normally have been, especially wholesale --but as one farmer said, it's looking like August could be good, but not record breaking.
- b. One farm has begun surveying their customer base to help plan crops and direct to consumer marketing strategies for the fall and winter --they want to see what people want, so as to alter their plans and plantings for greater chance of success in the unsure marketplace ahead.
- c. Another farm is still watching to see how their pivot from farmers markets to online selling will impact their sales in the month ahead.

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

- a. Gleaners are available and in full swing, helping farmers who have excess product in the field --most gleaning groups will come harvest and take it away to donate to local meal programs and food banks. Here are a few:
 - i. Colleen Donlan - gleaning@ccfoodsecurity.org (Cumberland county)
 - ii. My Place Teen Center in Westbrook is making 300+meals per day and accepting food donations
 - iii. [Healthy Acadia](#) Gleaning Initiative (Downeast region)
 - iv. [Waldo County Bounty](#)
 - v. [Central Maine Gleaners](#)
 - vi. And more at the [Maine Gleaning Network](#)
- b. How has the drought (back in June) affected farmers? One of the respondents thinks some of their crops were impacted, and wonders how others are making out?
- c. There's been an interesting trend this summer of farms opening new farmstands which buy in other farms' products --this seems well received by both farmers and customers. One farmer reports that selling product to a couple of these has been very beneficial for them, as they'd lost wholesale/restaurant accounts this year. But they wonder how long will these new markets last? Will the farmstands close down come Labor Day when tourists are gone? Will there be enough local demand into the fall? What about next year?
- d. One farmer asks how are people packaging non-conforming produce (like eggplant? Broccoli?), and suggested that this question go out on a listserv for wide response.
- e. One farmer made note of the importance to take the time needed to allow ourselves to make our farms, during these trying times, what we want them to be. Hoping that we will continue to be able to navigate offering products with safety and grace as we currently are doing.

Pricing Questionnaire Results:

11 responses

1. **In which counties are your primary markets located?**
 - a. The majority of respondents to our Pricing Questionnaire say they have markets in the mid-coast region (Lincoln and Knox counties had the highest responses, and Waldo, Kennebec, Hancock and Cumberland counties having just slightly fewer responses each). But a larger area was represented in a few individual responses, which include Aroostook, Penobscot and York counties.

2. **In the past three months, what trends have you noticed with prices? Have your prices generally remained the same as last year? Higher? Lower?**
 - a. Almost half of the respondents said they have maintained their same pricing as last year, while the other half said they have raised their prices slightly or with some select/specific crops.
 - b. One respondent, who said they have kept some prices the same and raised other prices for retail sales, also said they had to lower their wholesale price on a few items like head lettuce, cut greens and bunched greens.
 - c. Those who raised prices often cited having to cover additional costs for new COVID-19 protocols like packaging and online sales fees, while one respondent did not want to raise prices even for this reason so as not to lose any further customers.

3. **Over the past three months, have you changed your prices from what you originally set this spring?**
 - a. Almost two thirds of the respondents have kept their prices the same as what they started with going into this season. The other third (or 36% to be exact) report they have increased their prices over the past three months.

4. **Are you seeing or anticipating any changes that will affect your prices in the coming months?**
 - a. Of the small group of respondents, farmers are pretty evenly split between folks not anticipating any further changes to prices for the season, folks anticipating higher prices coming up due to potential national supply shortages and/or resurgence of bulk buying, and folks who are unsure which direction prices might go.
 - b. A couple folks expressed loss of wholesale markets and hope that maybe increased prices will help buffer that loss but probably not make up the gap. Another selling in wholesale markets expressed an inability to change prices.