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Wholesale Marketing Opportunities for Ohio Vegetable Growers

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Increasing numbers of Ohio growers are considering shifting production resources from traditional field crops to higher valued crops such as fresh vegetables. However, a lack of market knowledge hinders grower decision making and increases market and financial risks for Ohio growers who actually make such resource adjustments. Clearly, there is a need to increase knowledge of wholesale produce marketing opportunities in Ohio to facilitate decision making regarding target markets for locally grown fresh vegetables. Lack of markets is not viewed as the major problem because Ohio is a populous state and imports a large volume of produce including fresh vegetables from other states. Research is needed concerning existing produce markets in Ohio to identify the extent of opportunity they represent for increased marketing of locally grown vegetables.

Method

Preliminary results of a mail survey of wholesale produce buyers in Ohio are summarized in this update. The survey was mailed to all 144 wholesale produce buyers listed as having Ohio operations in the Blue Book published by Produce Reporter's Company. A summary of the information provided by the 46 respondents to this mail survey serves as the basis for the results and implications presented here.

A priority of the study was to determine whether wholesale buyers were interested in purchasing increased quantities of Ohio grown produce. Secondly, the study sought to determine what differences, if any, exist between wholesale vegetable buyers who indicated interest in purchasing additional quantities of locally grown vegetables and those wholesale buyers who indicated unwillingness to purchase additional fresh vegetables from Ohio growers. Finally, the study was designed to reveal which specific vegetable products wholesale buyers are most interested in purchasing from local producers.

Respondent Buyer Characteristics

A majority of the respondents reported gross annual sales of \$2,500,000 or more. Eighty per-

cent of the buyers were organized as privately owned businesses. Most (54%) of the businesses have been in operation over 50 years while less than 10 percent have been in operation under 10 years. The remaining 36 percent of firms reported being in operation between 10 and 50 years.

Preliminary Results

Seventy-six percent of the respondents indicated that they currently purchase locally grown vegetables during the July to October harvest season in Ohio. Fifty-two percent reported making purchases from out of state suppliers. The overlap in these responses indicates that several of the buyers simultaneously purchase both locally and from out of state. The vegetables most commonly purchased locally included zucchini/yellow squash, cabbage, sweet corn, bell peppers, cucumbers, tomatoes and pumpkins. All of these vegetables were purchased from local growers by at least 60 percent of the respondents.

Eighty percent of the respondents indicated that they would consider purchasing additional volumes of locally grown vegetables. The preliminary findings in this survey suggest that those wholesale produce buyers who are willing to purchase additional vegetables from local Ohio growers are most interested in purchasing bell peppers, sweet corn, pumpkins, zucchini, cabbage, cucumbers, snap beans, and greenhouse tomatoes. All of these are the same locally grown vegetables being widely purchased currently with the exception of snap beans and greenhouse tomatoes. Vegetable buyers who are willing to purchase additional vegetables from local Ohio growers tended not to anticipate purchasing tomatoes, muskmelon/cantaloupe, watermelon and asparagus.

Respondents were asked to list reasons why they would be interested in purchasing locally grown vegetables. Reasons cited included, "freshness, proximity to growers, consumer preference for home grown, demand from restaurant chefs and desire to support local growers." Also solicited were comments regarding the requirements for success in marketing locally produced vegetables. Respondent comments included, "proper cooling, adequate volumes becoming available and consistency in quality."

Market information, such as that generated by this research can assist growers to identify potential wholesale marketing opportunities for expanded output of fresh vegetable crops. This information assists growers as they consider investing additional resources in vegetable production. Enhanced market knowledge helps reduce risks associated with the alternative of fresh produce production.