Horticulture

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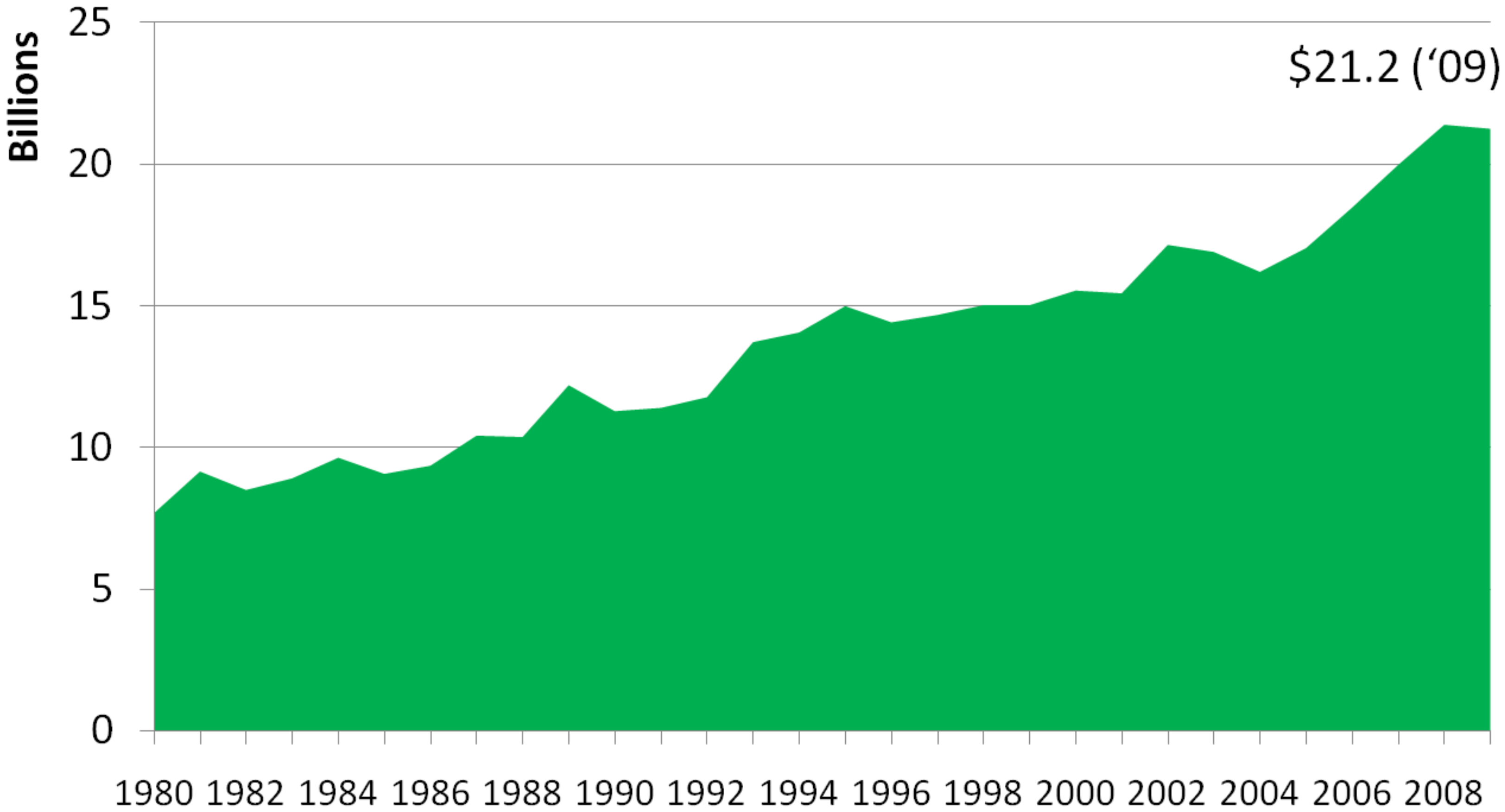
Tim Woods

U.S. Produce Farm Cash Receipts



Source: Vegetable & Melons Situation and Outlook, ERS, 2010

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Produce Acres in U.S.

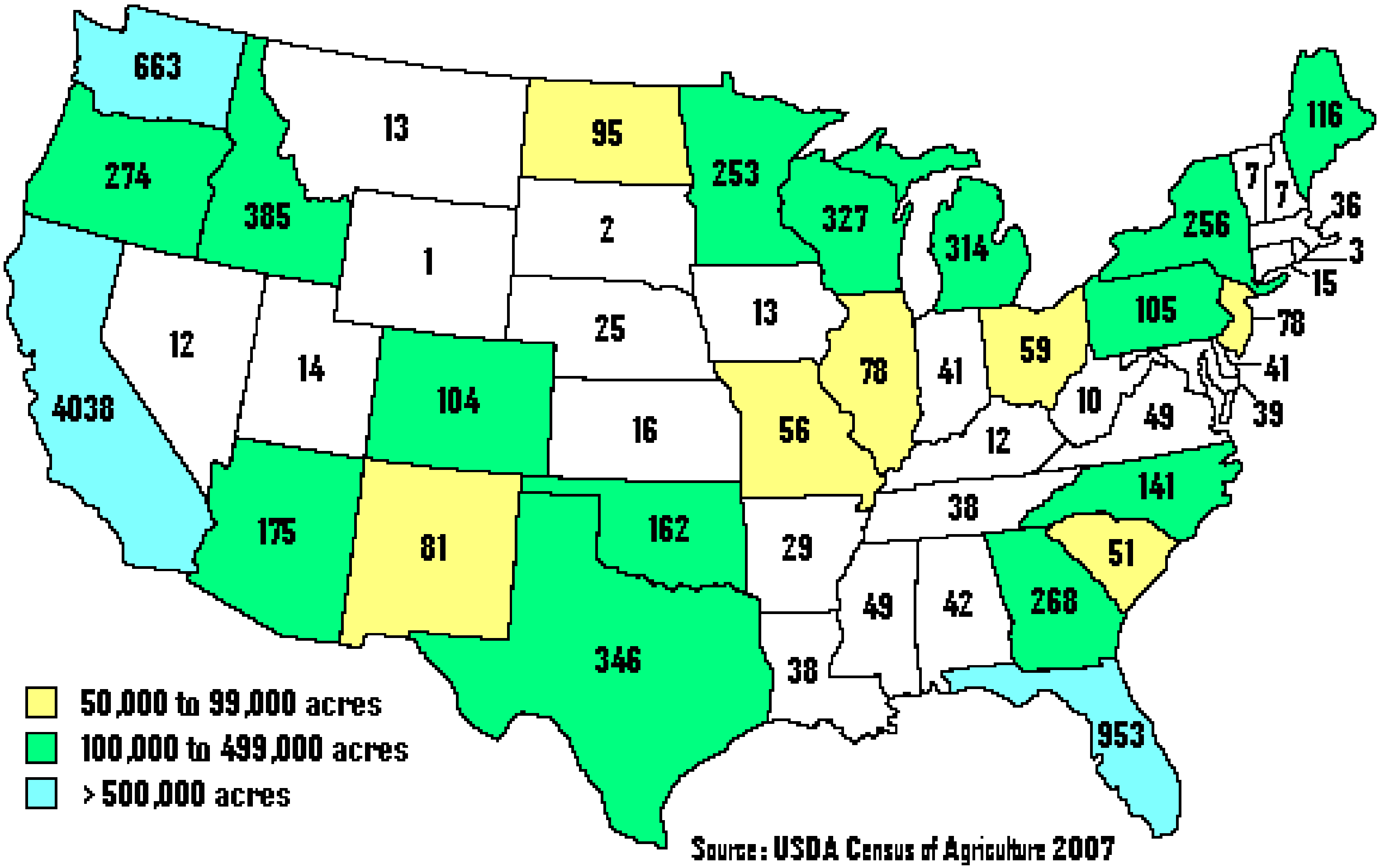

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Figure 1. Comparative Tree Fruit and Nut Sales: 2000-2010

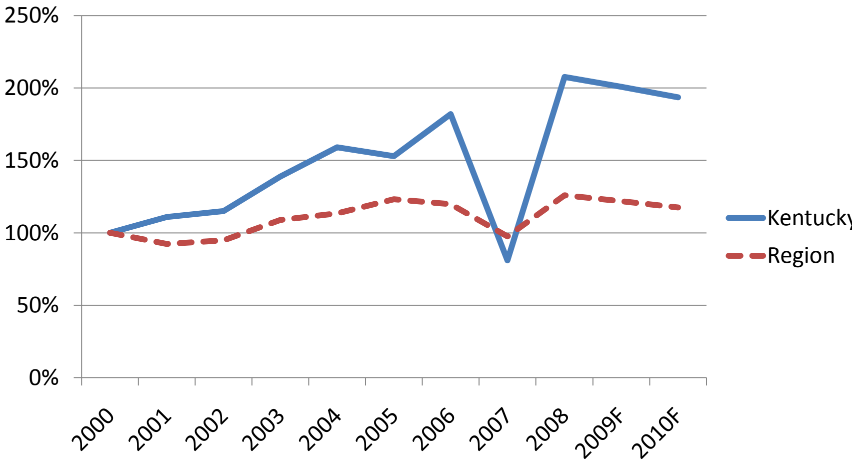
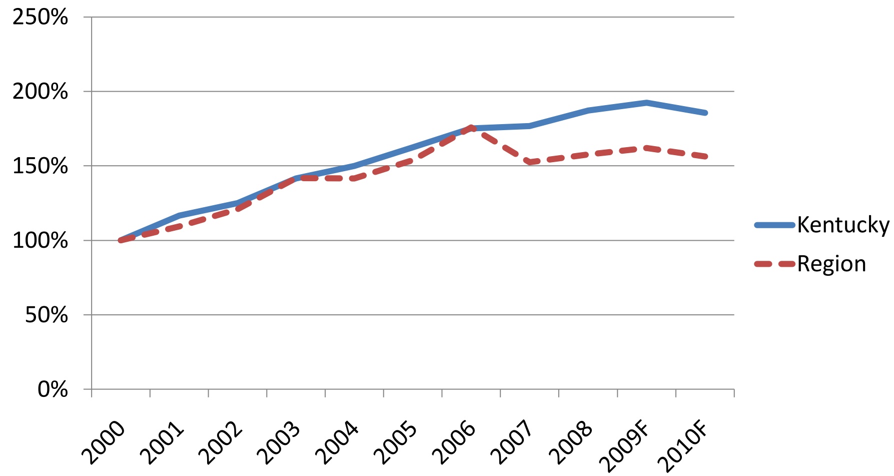


Figure 2. Comparative Vegetable Sales: 2000-2010



Source: Adapted from ERS data, regional sales includes WV, VA, OH, IN, IL, AR, TN

Percent Vegetables Imported to U.S. Markets

Item	1985	1995	2005	2009e
Broccoli	0.6	3.7	7.4	10.7
Bell Peppers	23.7	19.1	27.1	52.0
Tomatoes	24.0	30.5	37.9	43.6
Cucumbers	36.3	38.3	49.5	54.6
Squash	19.2	29.7	41.4	46.7
Cantaloupe	12.2	25.6	34.1	34.3
All Fresh	9.1	12.5	16.1	21.7

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Source: USDA-ERS

Kentucky Produce Marketing Channels: Farms Selling More Than 10% into One Channel *(2003 and 2009)*

---Markets---	2003	2009
Farmers' markets	52%	52%
On-farm markets	50%	41%
Cooperatives	15%	2%
Non co-op wholesale	17%	15%
Internet		2%
Direct to grocery	21%	15%
Direct to restaurant	12%	8%
Auction	9%	19%
CSA	3%	4%

Source: Kentucky Produce Marketing and Planting Intentions Survey, 2004, 2010

Produce Auctions

- Five auctions active in KY
- 350 vendors selling in 2008, 700+ in 2010
- Growing in KY, OH, MO, PA
- Regional information on "wholesale" prices
- Buyers primarily resellers
- Attracting order buyers from larger markets
- Price reports help buyers and sellers

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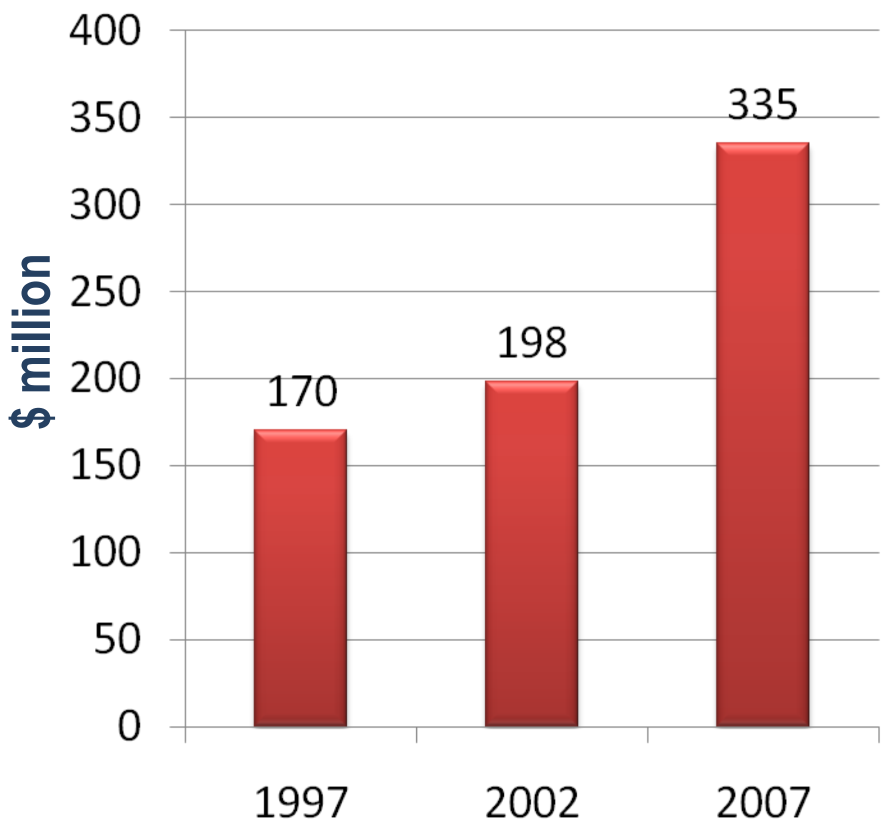
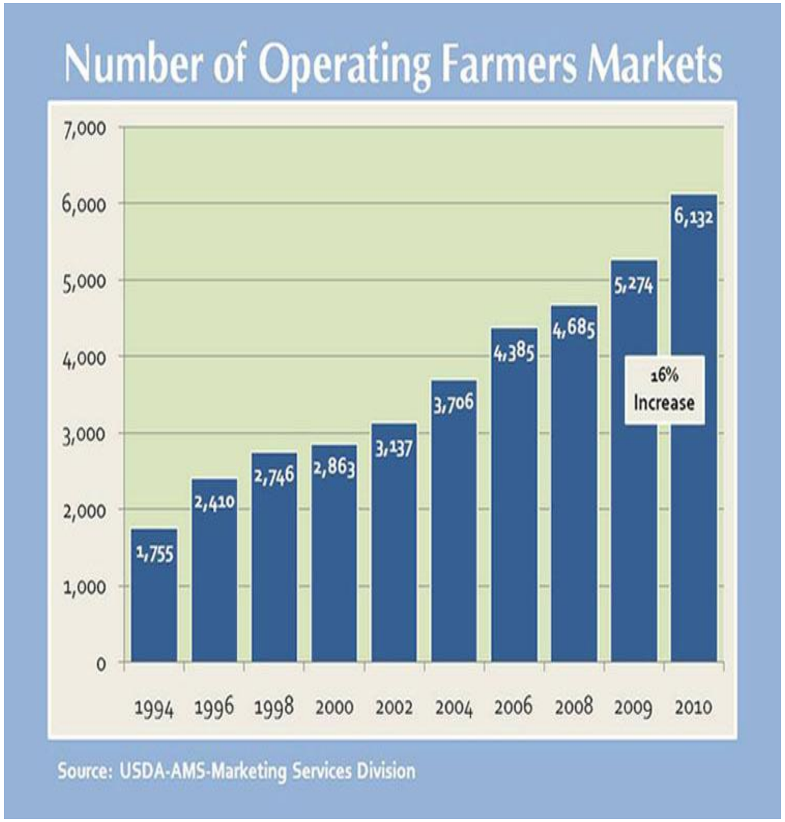
U.S. Farm Markets and Direct Market Sales
Vegetables & Melons





Source: Census of Agriculture, various years; USDA-AMS 2010

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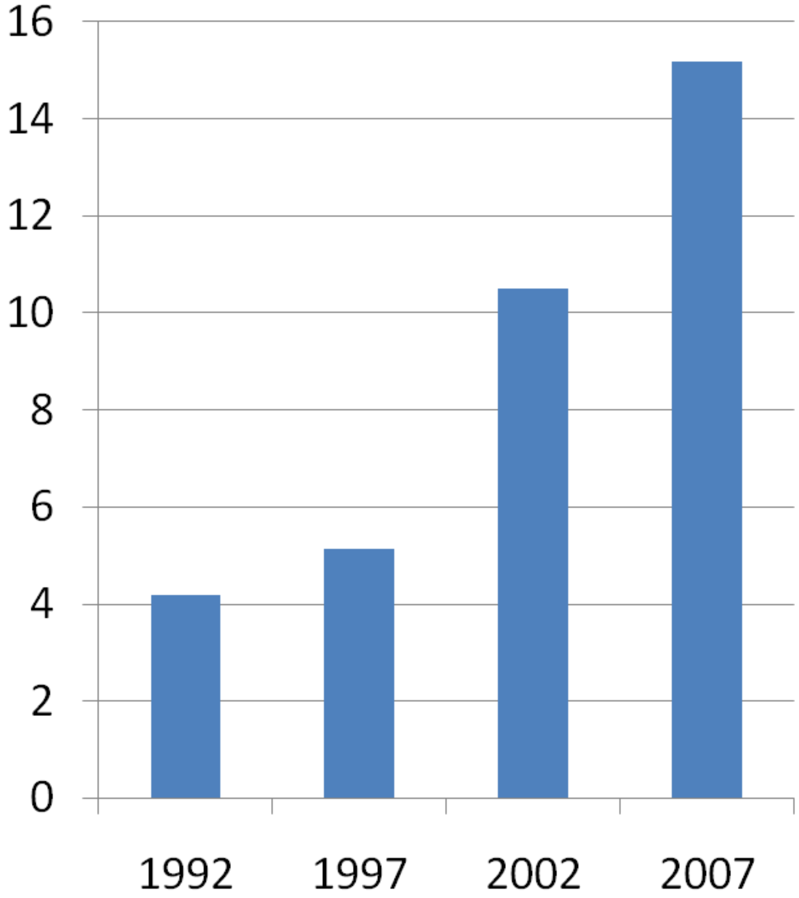
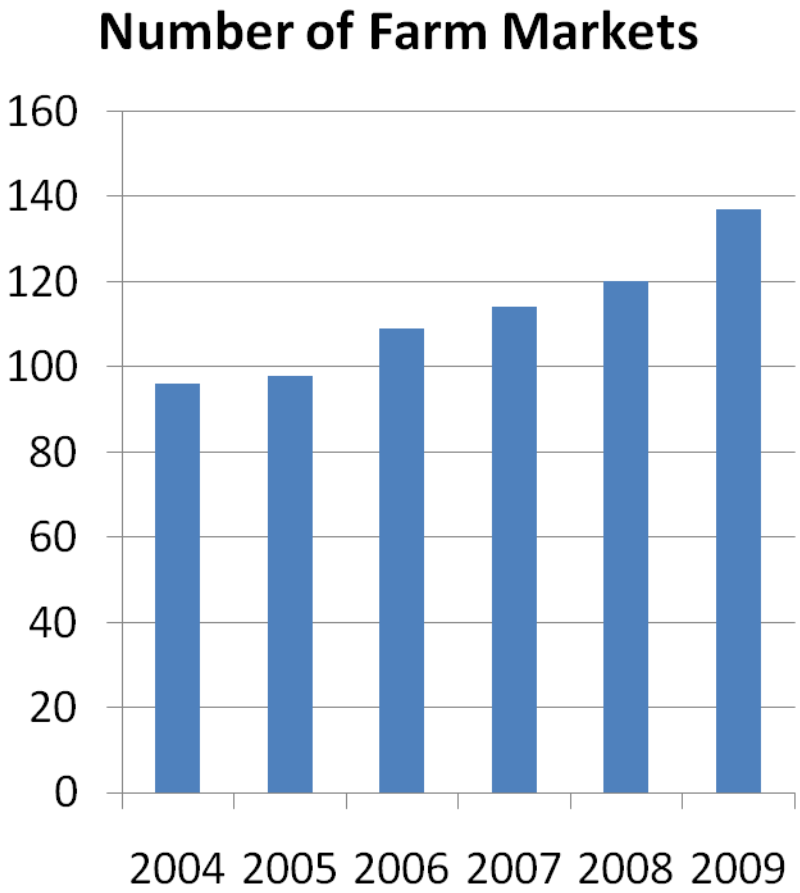
Kentucky Direct Market Sales

Million $





Source: Census of Agriculture, various years

Source: KDA and UK estimates

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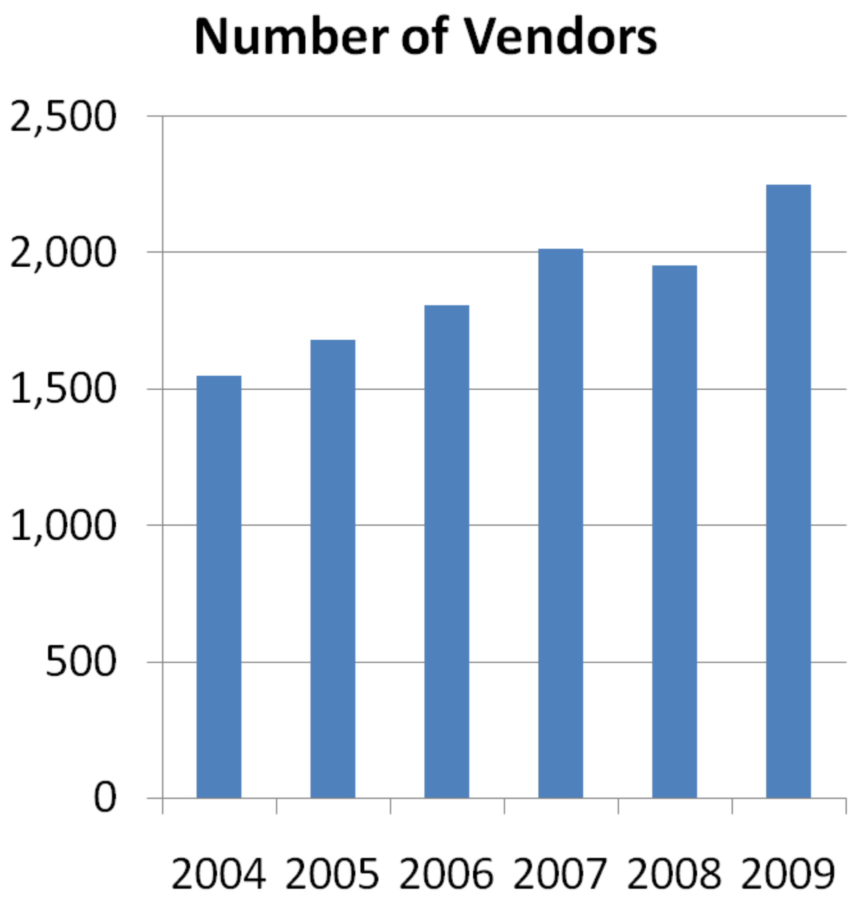
Kentucky Farm Markets



Source: KDA and UK

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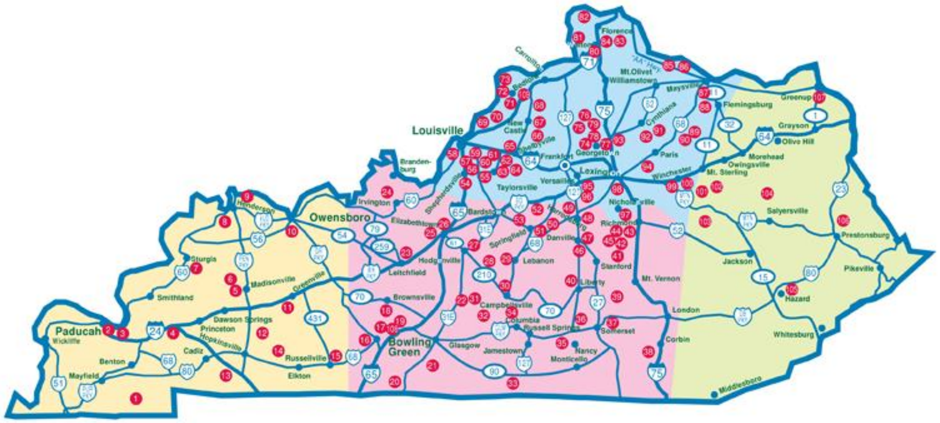
On-Farm Retail Markets



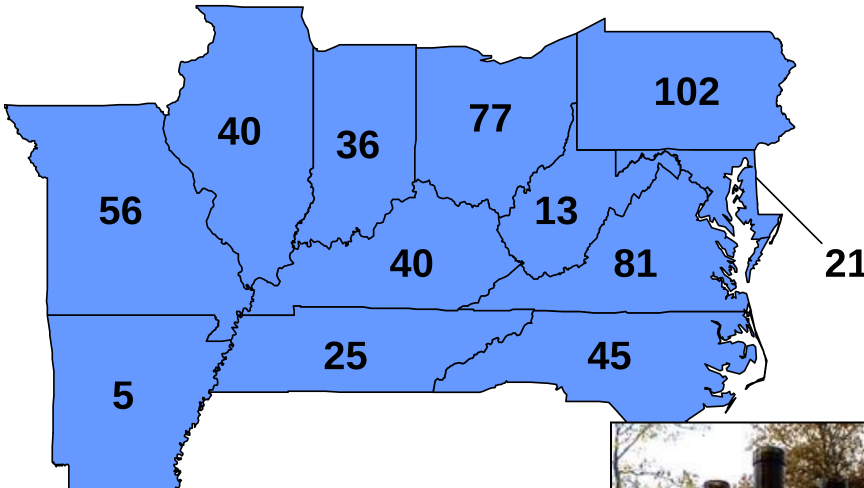
2010 – 107 registered markets

Kentucky CSA’s

EARTH'S PROMISE FARM

- 35 CSAs in 2009, 41 in 2010
- Average share size: 60
- Most fairly new
  - 74% started since 2002
- Most offer ½ shares ($275)
- Full share average $508
- Only a few offer shareholder work discounts

Number of Wineries 2008



State	1993	2003	2006	2008
KY	0	4	31	40
TN	7	15	21	25
AR	2	4	4	5
MO	10	22	56	56
IL	7	23	63	40
OH	7	26	76	77
VA	6	25	107	81
WV	1	2	14	13
PA	16	31	104	102
MD	5	5	12	21
NC	3	16	54	45
IN	5	17	30*	36

Continues to increase:
KY 2010: 66 Wineries

Source: State Departments of Agriculture and weekendwinery.com

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NRA's ranked hot produce

The National Restaurant Association surveyed 1,282 membe
194 food items as hot, passé or perennial favorites. Here is hov

Veggies	Item	Hot	Passé	Favorite
1	Locally grown	81%	5%	14%
2	Organics	75%	16%	9%
3	Micro-veg	57%	31%	13%
4	Chili peppers	54[illegible]	[illegible]	[illegible]%
5	Exotic mushrooms	54[illegible]	[illegible]	[illegible]%
6	Fresh herbs	48%	6%	46%
7	Edamame	47%	43%	11%
8	Specialty greens	38%	35%	27%
9	Root vegetables	35%	31%	34%
10	Potatoes	35%	23%	42%

Fruit	Item	Hot	Passé	Favorite
1	Pomegranates	62%	18%	20%
2	Dragon fruit	52%	38%	10%
3	Figs	46%	29%	25%
4	Passion fruit	45%	38%	17%
5	Prickly pear	41%	48%	11%
6	Lychee	41%	47%	13%
7	Persimmons	40%	44%	16%
8	Mango	40%	30%	30%
9	Guava	39%	45%	16%
10	Papaya	34%	40%	26%

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4	Chili peppers	54%	25%	21%
5	Exotic mushrooms	54%	15%	31%
6	Fresh herbs	48%	6%	46%

NATIONAL RESTAURANT ASSOCIATION

► For a complete look at the list, go to www.restaurant.org/pdfs/research/200711chefsurvey.pdf

Source: National Restaurant Association

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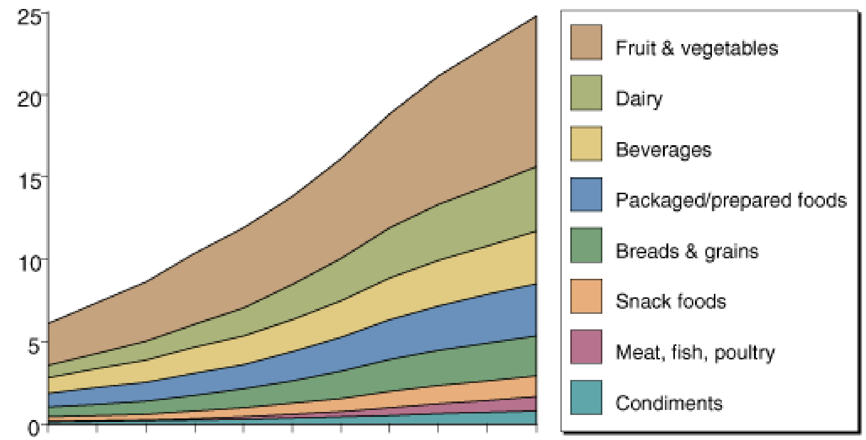
Sales to Restaurants

- Rapid growth in KDA Restaurant Rewards program
- 2008: 35 institutions
- 2010: 100+

Organic Produce?



Source: USDA, Economic Research Service using data from the *Nutrition Business Journal.*

- **Broader interest in organic food**
- **20% annual growth for last 10 years**
  - **$14 B 2005**
  - **$21 B 2008**
  - **$24.8 B in 2009**
- **Organic food sales channels (08/10):**
  - **47%/54% Conventional Supermarkets**
  - **44%/40% Natural Food Stores**
  - **9%/6% Direct Marketed**
- **Fresh produce accounts for 42%/38% of all organic food sales**
- **1/3 of organic produce sold under contract**
- **Trend towards larger growers & direct to retailer sales**
- **Still tiny in KY: 111 farms (all products)**

Sources: Dimitri & Greene, 2002; USDA ERS-Oberholtzer, Dimitri & Greene, 2005; Organic Trade Assoc., 2004; Tondel & Woods, 2006; Greene et al 2009; Greene at al, 2010, Food Facts – Organic Trade Assoc. June, 2010.

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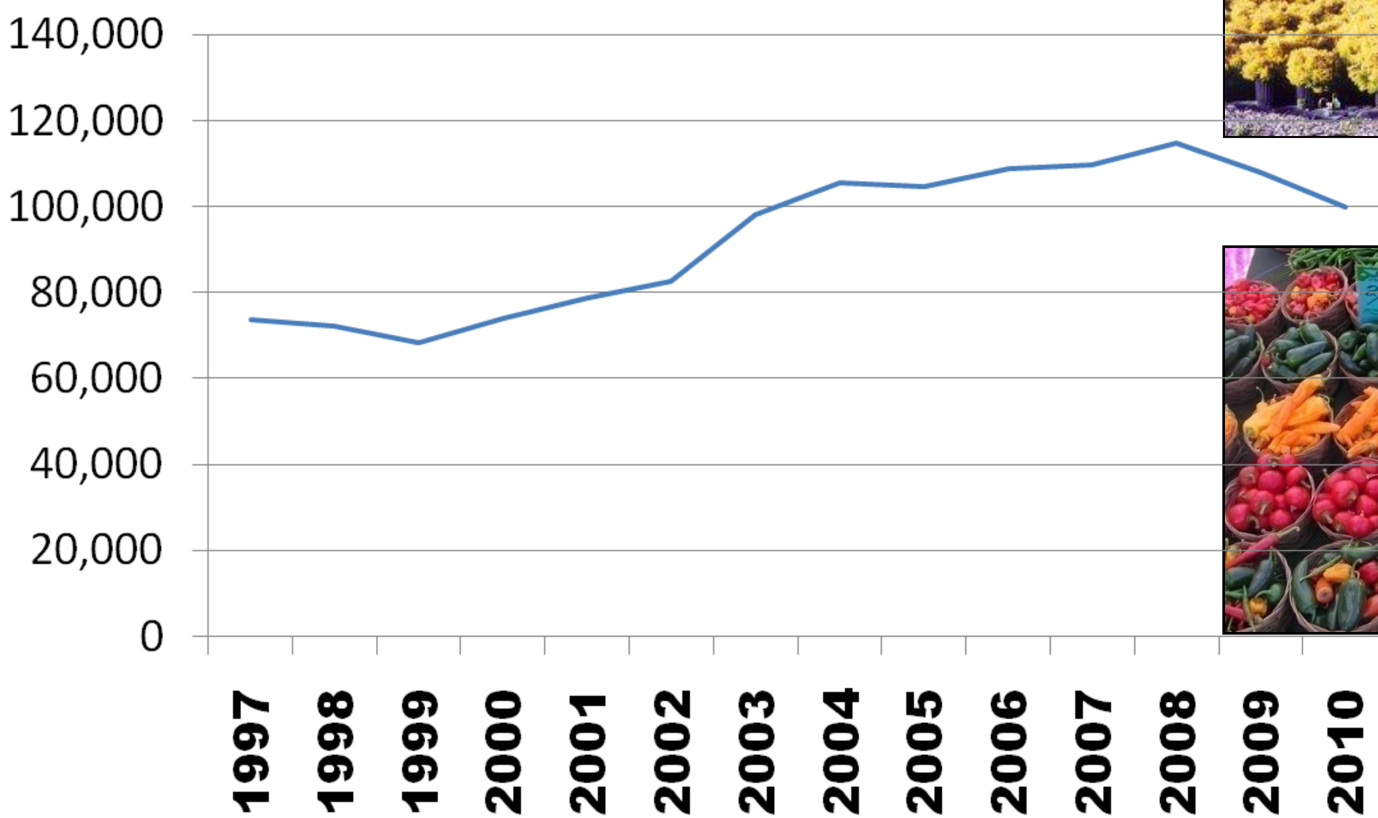
Value of KY Hort Crops Total



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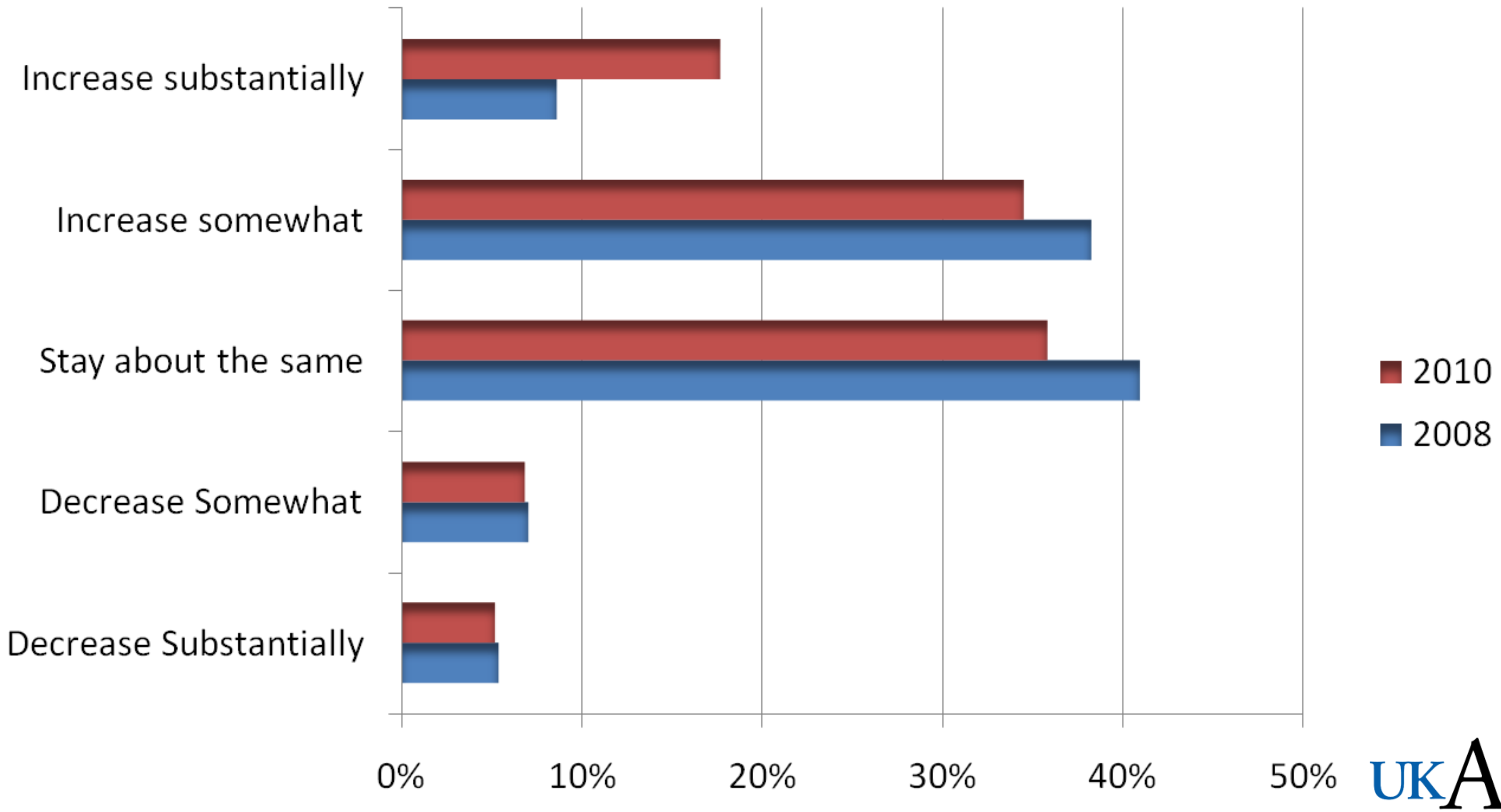
Three Year Produce Outlook for Kentucky Producers



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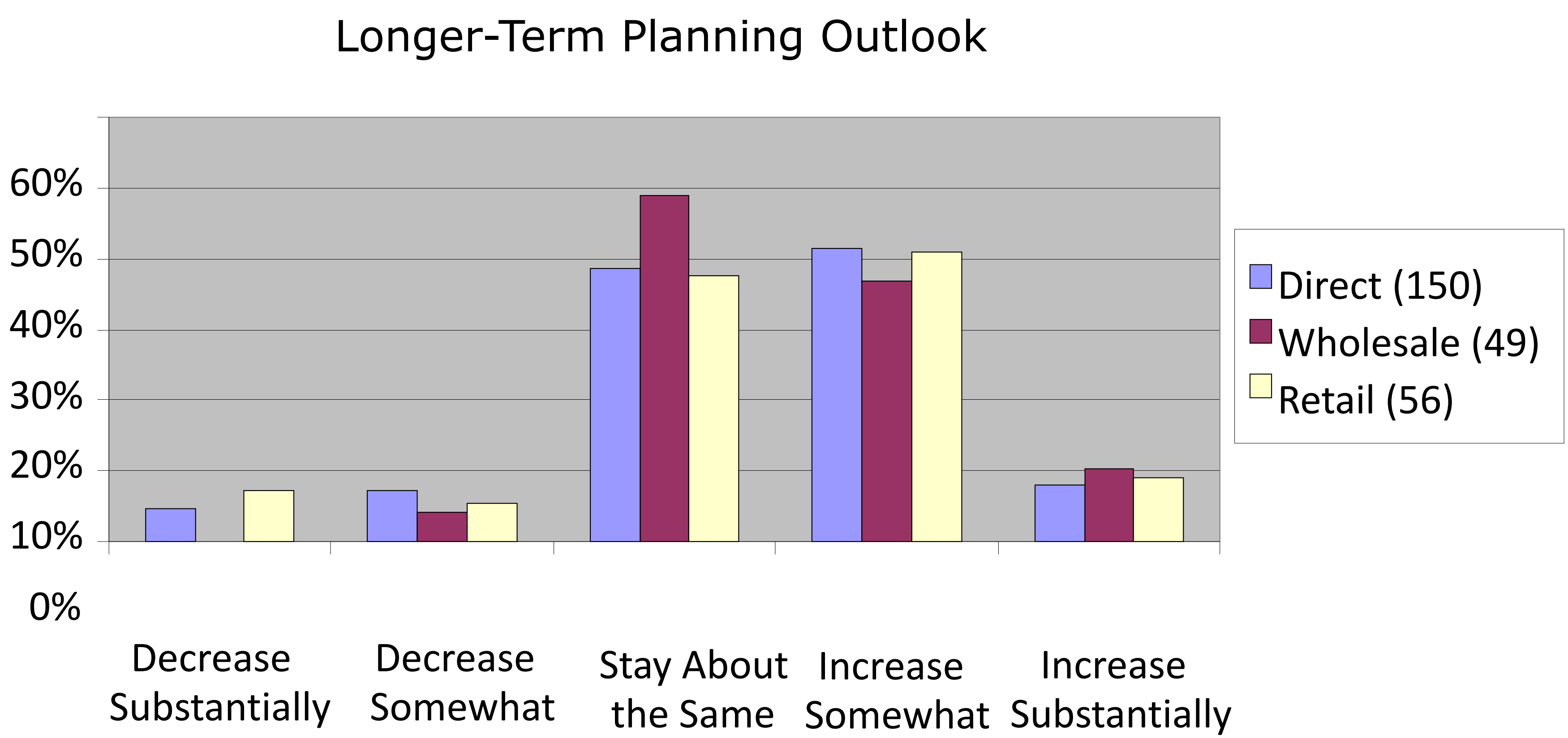
KY Produce Growers Looking Ahead to the Next 3 Years



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