Regional Wholesaling of Vegetables: Wholesale Produce Cooperative Auctions



Retailing v. Wholesaling?

Retailing produce items (vegetables and fruits) in Missouri is commonly conducted by on-farm sales, roadside stands and farmers' markets. Wholesaling (specifically regional wholesaling) gives growers the opportunity to market a significant volume of fresh produce.

Wholesale Produce Auctions are a market outlet for locally grown wholesale produce.

Advantages of produce auctions:

Less marketing time required by individual growers.

Low initial capital investment.

Do not need special postharvest equipment (coolers, icers, hydro coolers).

Compatible with off-farm employment.







Location of Missouri Auctions:



- **★** Central Missouri Produce Auction
- Clark Produce Auction
- **★** Windsor Produce Auction

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Missouri

★ North Missouri Produce Auction

There are about 45 produce auctions in the United States.

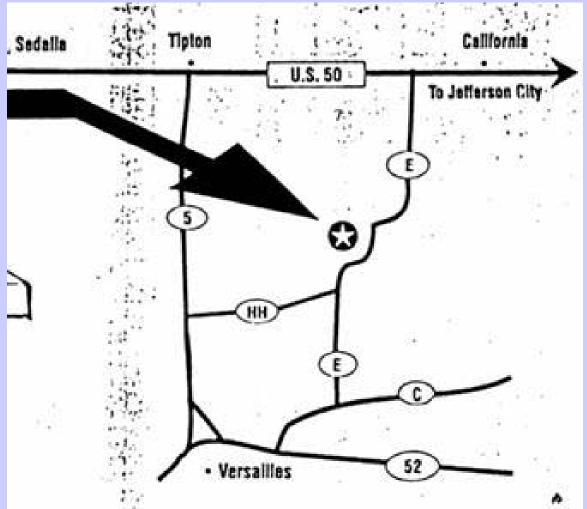




The Central Missouri Produce Auction near Versailles, MO was the first produce auction formed in Missouri.







History of the Central Missouri Produce Auction:

1984: Began producing vegetables.
1987: Selling vegetables wholesale.
1993: Auction formed (Board of Directors chosen).
1994: Auction building erected.



Which crops should be grown and

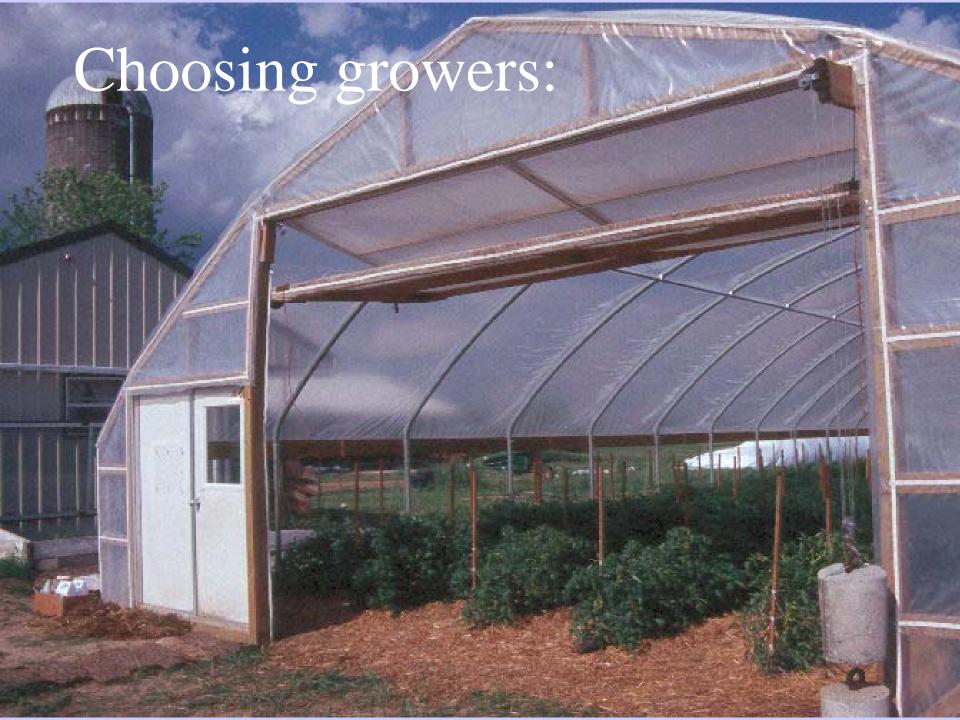




Is a produce auction the right marketing outlet for everyone?

No. Growers who have an established retail market for their produce may not benefit economically from a wholesale produce auction.













Produce is harvested within 24 hours of each auction.





VERY HIGH: asparagus, broccoli, cauliflower, green onions, salad mixes (mesclun) leaf lettuce, cantaloupes, peas, spinach, sweet corn, and tomatoes (ripe),



PERISHABILITY:

• HIGH: honeydew melons, green beans, Brussels sprouts, cabbage, eggplant, head lettuce, okra, peppers, summer squash, tomato (partly ripe)







Central Missouri Produce Auction Schedule:

January-March: Every Friday.

April: Tuesday, 18 and 25; Friday, 14, 21, and 28.

May-June: Every Tuesday and Friday.

July-August: Every Monday, Tuesday, Thursday, and Friday.

September: Every Tuesday, Thursday, and Friday.

October: Every Tuesday and Friday.

November-December: Every Friday.













Rules and Regulations

CENTRAL MISSOURI PRODUCE AUCTION INC.

** FLOOR ORDER: (IN SEASON-APRIL | THRU OCTOBER 31) SALE ORDER-USED BOXES, LARGE LOT AND DRIVE-THRU LOCAL PRODUCE LARGE LOT SHIPPED PRODUCE, SMALL LOT LOCAL PRODUCE, SMALL LOT SHIPPED AND SALVAGE PRODUCE LARGE LOT SECTION - MINIMUM AMOUNTS TO BE SOLD PER LOT: 3 FULL BOXES OR FLATS OF PRODUCE OR PLANTS 3 LARGE POTS OF PLANTS, 25 CANTALOUPES OR SMALL PUMPKIKS, 10 WATERMELONS OR LARGE PUMPKINS LESS THAN THESE AMOUNTS NEED TO BE SOLD IN SMALL LOT SECTION, NO SHIPPED PRODUCE ON DRIVE-THRU SHIPPED PRODUCE - PRODUCE NOT GROWN WITHIN A 100 MILE RADIUS FROM THE AUCTION OR THAT IS NOT GROWN BY THE SELLER IS CLASSIFIED AS SHIPPED PRODUCE, IT MUST BE SOLD IN SEPARATE SECTION. MARKED ON TICKET AND ANNOUNCED WHEN SOLD WHERE IT COMES FROM O NO PRIVATE SALES - ALL PRODUCE BROUGHT TO THE AUCTION WITH INTEND TO SELL MUST BE OFFERED FOR SALE OVER AUCTION SELLERS SHALL NOT BID UP OR BUY BACK THEIR OWN PRODUCE OR GET OTHERS TO DO SO PRODUCE SHOULD NOT BE NO-SALED, NO UNAUTHORIZED PRIVATE SALES ON PRODUCE THAT HAS NOT GONE THROUGH THE AUCTION D PROCESSED FOOD: ALL PROCESSED OR REGULATED FOODS INCLUDING MEAT, POULTRY AND DAIRY PRODUCTS NEED TO MEET ALL FEDERAL, STATE AND LOCAL REQUIREMENTS TO BE SOLD AT THE AUCTION @ PAYMENT TERMS: OPEN ACCOUNTS SHALL NOT EXCEED \$ 500.00 AND MUST BE PAID BEFORE BIDDING AT NEXT SALE VIOLATION OF THIS POLICY MAY CAUSE THE ACCOUNT TO BE PUT ON CASH ONLY NEW BUYERS AND PROBLEM ACCOUNTS ARE CASH OR APPROVED CHECK BEFORE REMOVING PRODUCT FROM AUCTION PROPERTY

CMPA IS NOT RESPONSIBLE FOR PRODUCE AFTER IT IS SOLD AUCTION STARTS 10:00 AM

oversizes and culls.

Growers must conform to a packing and grading guide:

The following guidelines are in accordance with our standards at CMPA In our experience it does not pay to pack in non-standard boxes. The price of proper packaging usually pays for itself. We reserve the right to re-box or re-locate produce that is not in compliance. Any box costs would be deducted from the consigners returns. Large lots need to be a minimum of 3 boxes of items to sell together as one lot. Small lots need to be in standard packaging or be placed on small lot table. CMPA has a NO-no sale policy. This policy was decided upon by the board of directors so that we can be open and at the mercy to our buyers, which we feel to help in winning the buyer's respect. The grower needs to strive for quality by practising good fertility. spraying, picking, and packing standards. The grover should not misrepresent his product. Buyers can only be fooled for so long and a bad record is not easily mended. ASPARAGUS- | pouffd bunches in | behel boxes. BROCCOLI- 's bushel or bushel boxes. Long season varieties stay firm longer. Small to medium heads in bushel boxes. Large heads in sacks, or loose on crts or bins (with wrapper leaves kept on to preserve freshness). CAULIFLOUR Small to medium heads in a bushel boxes. Large heads on carts or bins (keep wrapper leaves on to retain freshness). Recommend White Sails or similar self blanching types. Wrapper leaves need to be tied with rubber bands when head is still small. CHERRIES- 12 pint berry flats with stems intact. CANTALOUPES Bins or bulk (minimum 25 per cart) Pick when stems let loose with minimum offort. Pack- Large 6-8# Medium 4-6# Small under 4# Plant Athena or Athena types. Do not plant Superstar types. CUCUMBERS- & bushel boxes 40-45 count to full box . Pack oversizes and odd shapes seperate. Plant Thunder or Dasher II types. PICKLES-Bushel box. Mark weight. EGGPLANTS- & bushel box pick in tender stage, not old and leathery. Classic GOURDSbushel box. Try some wing or warted mix. HULL PEAS- to bushel box in hulls or 12 pint berry flats without hulls. Small in 12 pint berry flats. Medium to large in 5 bushel box. ORNAMENTAL CORN- Tie 3 ears per bunch with husk. Miniature in & bushel box. Large in bushel boxes. PEPPERS- Bell- 4 bushel boxes. Suggest blocky types like King Arthur or Merlin. Pick at crunchy firm stage, not flabby. - Sweet Banana & Hot types- 12 pint flats or & bushel box. 15 bunches per } bushel or } bushel without tops. POTATORS- ½ bushel boxes smalls can be packed in 12 pint flats. New potatoes gently clean, but do not scrub. PUMPKINS- Bins or bulk. Miniature in bushel box. RADISHES- 20 bunches to } bushel boxes. BERRIES-12 pint flats. Pick firm. RHUBARBby pound bunches in bushel boxes. Trim 75% of leaf. Pack with ice in waxed boxes. ONIONS(SPRING) - 25 bunches in } bushel boxes. (BULB) - } bushel boxes. Leave at least 1 inch stem in immature stage. SUMMER SQUASH- 5 bushel box, Euchini 40-45 count, other 45+. Seperate



Produce is arranged in lots along the wholesale auction floor for viewing by buyers.

Each item should be in a standardized box or bin and graded.



Buyers and growers can load and unload produce.









The produce lots are auctioned.

- •Large lots need to be in a minimum of 3 boxes.
- •Items are sold to the highest bidder. Usually the entire lot is sold.
- •Selling a fraction of the lot (couple boxes) slows down the auction process.
- •A 9-10% commission is charged to support operation of the auction (book keeping etc.).































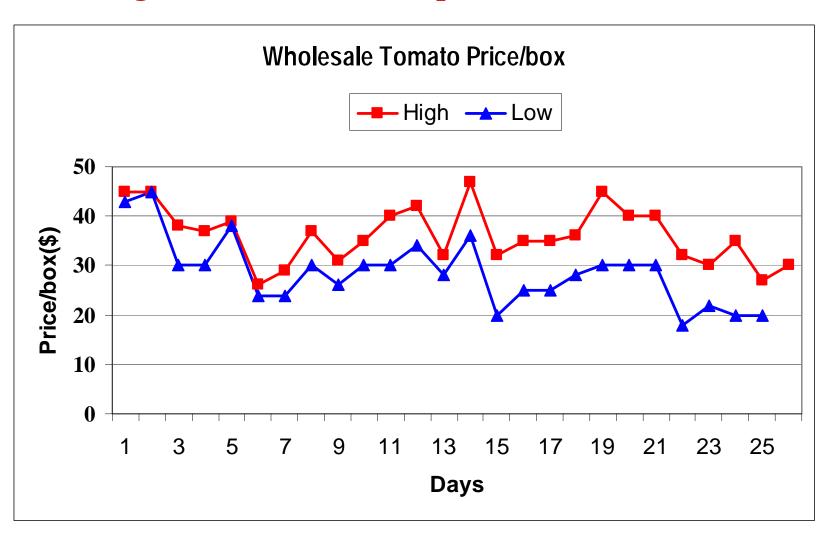




Retail produce items are sold in small lots, and are auctioned after the larger, wholesale lots.



Prices can fluctuate from week to week. However, the seasonal average price is above average terminal wholesale prices.



A perspective on "low" prices:

The auction system is a free market example of perfect competition. Therefore prices will fluctuate from auction to auction because demand (buyers) and supply will fluctuate. However, low prices at one auction usually attracts more buyers for subsequent auctions causing an upswing in price.

Maintaining consistent <u>quality and quantity</u> of produce will help stabilize prices.

For more information on vegetable production or wholesale produce auctions, contact:

Mr. Norman Kilmer 18761 Kelsay Rd., Barnett, MO 65011-3009 573-378-2655



Lewis W. Jett, PhD
State Vegetable Crops Specialist
1-87 Agriculture Building
University of Missouri
Columbia, MO 65211
573-882-7511
JettL@Missouri.edu

Photo credits:

Mr. Tim Baker Mr. Don Day Ms. Mary Sobba

Lewis W. Jett

