

Fall 2000 Horticulture Outlook

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Summary

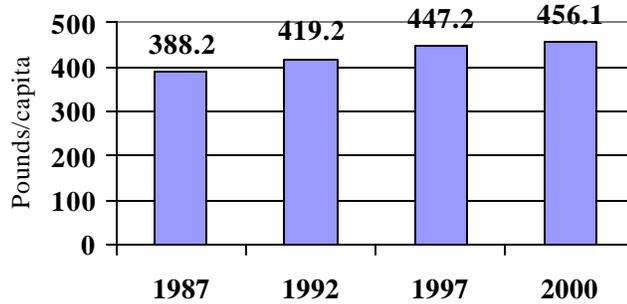
Kentucky income from commercial vegetable production increased in 2000 as producers saw vegetable prices rebound from record national lows in 1999. Increased fruit production nationally stabilized or decreased fruit prices. Horticultural production in Kentucky, especially vegetable and melon production, continues to expand. Barring drought, expansion of the commercial fruit, vegetable, and green industries in Kentucky will continue in 2001 as producers seek additional ways to diversify production and replace tobacco income.

Vegetables and Melons

Per capita consumption of vegetables and melons in the United States continues to increase annually after a slight decrease in 1998. Fresh market consumption decreases have been more than offset by an increase in the consumption of processed vegetables. However, a few crops have increased in fresh market consumption: cauliflower, head lettuce, broccoli, cantaloupe, and watermelons.

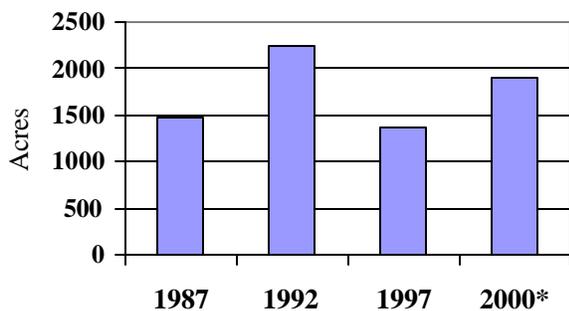
Kentucky melon producers appear to have benefited from the increase in melon consumption in 2000. Co-ops report significantly higher cantaloupe prices than in 1999. Grower profitability for watermelons is also increasing with greater consumer demand and production of more profitable seedless varieties.

Figure 1
U.S. Per Capita Vegetable Consumption



Source: USDA

Figure 2
Kentucky Sweet Corn Production



Source: Census of Agriculture, UK*

Fresh vegetable acreage in Kentucky increased in 2000 led by increases in sweet corn, peppers and tomatoes. Acreage increases in 2000 were largely due to a newly formed cooperative in western Kentucky that obtained marketing contracts from a Florida-based cooperative. Higher prices for sweet corn throughout Kentucky compensated for difficulties brought on by pest and weather variability.

Fall Vegetables

Fall vegetable production also cautiously expands in Kentucky. Many producers are interested in experimenting with pumpkins in the future, but careful attention should be paid to establishing markets before producing.

Kentucky faces major competition in pumpkin production from surrounding states, especially Tennessee. Unofficial reports from Tennessee indicate rapid expansion there to 4,500 pumpkin acres in 2001. This increase may catch up with Tennessee producers, and producers in southern Kentucky should be especially aware of significant increases in pumpkin and other vegetable production to the south.

Table 1
Selected Pumpkin Shipments By State

Average 1995-99

Source: USDA, The Packer

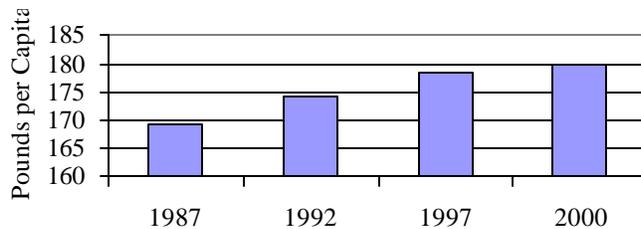
State	1,000 cwt
California	119.6
Texas	128.8
Washington	42.8
Michigan	39.0
Tennessee	31.4
Missouri	19.4
Illinois	14.2
Pennsylvania	15.6
Ohio	13.7
Kentucky	2.2

Tree and Small Fruit

The USDA predicted fruit production in the second half of 2000 would increase nationally with prices decreasing. High establishment costs, climatic concerns, and longer rates of return for tree fruit production make tree fruits less attractive to those seeking immediate farm income replacement in Kentucky. 2000 berry yields were hurt in some areas due to last year's drought.

Growers continue to report an increase in demand for small fruits, especially blackberries and blueberries. Reports from around the state indicate the demand for pick-your-own berries decreasing. Consumers here are demanding an already-picked product. This mimics the case nationwide.

Non-Citrus Fruit and Tree Nut Consumption



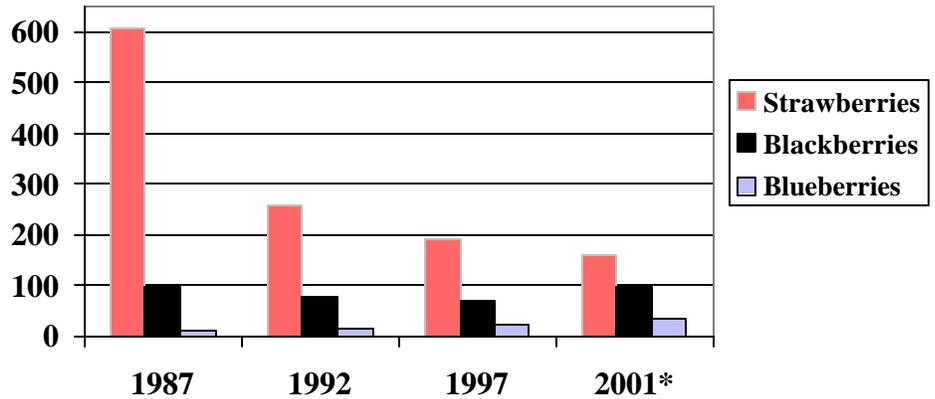
Source: USDA, UK*

Strawberry acreage in Kentucky continues to decline as small fruit producers experience a decline in U-pick demand and explore other bramble options. This trend is expected to continue in 2001, with strawberry acres holding steady between 150 and 200 acres in future years.

Kentucky's blackberry acreage should return to its 1987 level in 2001 after declines in previous years due to older establishments, disease, and drought.

Future increases should continue as the University of Kentucky initiates a significant blackberry research and market development thrust through the recently established New Crops Opportunities Center. Regionally, there is a significant blackberry market development effort in southern Ohio. Producers in Ohio marketed 4,000 pounds of frozen blackberries to regional groceries in 2000, with this amount expected to triple in 2001.

Selected KY Harvested Berry Acreage



Source: Census of Ag., UK*

Blueberry production in Kentucky is minimal but increasing as parts of Kentucky are well suited for blueberry production. Blueberry production is gaining interest from producers, and variety trials at Princeton have identified several varieties appearing to be well-suited for Kentucky production. The North American Blueberry Council estimates the 2000 U.S. crop down three percent with fewer blueberries produced for fresh use. A decline in the regional production leader (Michigan) contributed substantially to this national decline. This may bode well for Kentuckians hoping to capture local and niche blueberry markets in future years.

Grape production has also attracted a large amount of interest in Kentucky. The USDA forecasts national grape production to increase by 18% in 2000. While there are numerous obstacles inherent in vineyard establishment and entry into grape markets, there was a demand this year for Kentucky grapes from Middle Atlantic vineyards and wineries.

Other Crops

Demand continues to increase for “green industry” crops in Kentucky. Small-scale greenhouse and nursery production continues to meet market demands. Fairview Produce Auction, near Hopkinsville, has seen the sales from these commodities grow to the extent that they may eventually overtake fruit and vegetables in sales volume at the auction. Central Kentucky has also attracted interest for large-scale commercial greenhouse and nursery expansion.

Some interest was shown in 2000 for expansion of tree nut production in Kentucky. There is an outstanding potential for such efforts in the state. Recognizing the length of establishment time required for commercial production, Jackson County is investigating options for a small-scale chestnut pilot production effort. Kentucky’s sole commercial nut producer, Kight’s Pecan Orchard near Paducah, reports its 80 acres rebounding from last year’s drought.

Conclusion

Kentucky's variance in production expertise, climate, and population offer continued potential for growth in the commercial horticultural industry. A willingness to develop markets, invest more time than for traditional Kentucky crops, and assume a higher risk will be essential for those producers seeking to reap the benefits of continued demand for horticultural commodities in Kentucky.