

Finger Lakes Produce Auction

Penn Yann, NY

Established in 2000



- I visited the Finger Lakes Auction on their Memorial Day Auction – a special sale of spring plantings, nursery stock and flowers.
- The Finger Lakes area is a wine and tourist region south Rochester and west of Syracuse, and has a large Mennonite community (including Team Mennonites, who use horse and buggies).
- Before the auction, I spoke with Harvey Leid, a member of the board of directors. He grows 15-16 acres of vegetables and sells 100% of it through the auction. He's a dairy farmer who grew with the auction; his family started selling the excess from their garden and it provided them with grocery money for the year. From there, they grew with the auction and now sell vegetables at the auction in addition to their dairy operation. They grow 7 acres of sweet corn, 5-6 acres of peas, zucchini, cucumber and cantaloupe, ½ acre of bell peppers and 1/3 acre of steak tomatoes. According to Leid, the biggest asset of the auction has been their aggressive growers. He says there will be growing pains for a new auction until the market grows and that cheap, good quality produce is the best advertising (creates word of mouth). He would be open to answering question of growers and suggested that growers come down to visit the auction themselves to become familiar with the auction process.
- It's best to have growers as owners since they'll make it work. They are what makes a produce auction successful. Some growers leave because they jump in too big, then drown. It's better to grow into the auction.
- Prices tend to go up as time goes on. Buyers will pay for what they want. The grower/buyer relationship is important. A lot of buyers come from Rochester, Buffalo and Ithaca. (100 mi is too far for many buyers; most come from within 25-50 mi). Buyers are mostly from roadside stands, farm markets and some supermarkets (they would want to see more supermarkets).
- Growers are familiar with the Elmira Auction in Ontario. A group of Ontario growers visited their auction before it started and a group of growers from there went to Elmira to a growers meeting – they were impressed to see 300-400 people when they were expecting 60-70.
- Comments about their growing region: they are more north than a lot of other auctions – this means a cooler, shorter growing season (i.e. compared to Pennsylvania, Ohio, etc.), but easier to raise quality produce because of fewer pests. 'Local' is considered 100 mi radius from the auction.

- The auction has room for box storage, and they had 3 trailer loads of boxes coming the following week. The auction makes an 8% profit on the boxes.
- The auction commission rate is 10% (but charge 15% for quilt and craft sales). Special auctions are more retail-oriented. For example, the Labour Day quilt auction does \$50,000 in sales and is a big tourist draw.
- Sometimes, buyers don't want the whole lot; if not, the back-bidder (the person who was outbid by the winner) has the chance to get rest of the lot. If not, the bid is run from the beginning.
- Drive-through sales: it's the responsibility of the grower to get the produce to the buyer.

Interview with auction manager, James Lightfoote:

- The Finger Lakes auction is an S corporation (like a combination of a partnership and corporation). It spun off from a nursery down the road, where it started. They put up the auction building themselves in 2000. Last year it was assessed at \$240,000. They struggled for the first few years. Growers have to be patient (there can be low prices at first). Now, there aren't enough growers to keep up with the demand (sometimes prices are too high and buyers go elsewhere). Prices are more consistent, although prices can get really low in high season.
- Not all shareholders are growers, but 6 of 7 positions on the board must be filled by growers and the 7th is a member at large. The board meets once a month.
- The auction has been a good economic development tool for the Mennonite community. Growers offer a wide variety of produce (8-10-12 products).
- Growers/buyers are responsible for cold storage – they don't provide it at auction. Strawberries don't last long and have limited shelf life. None of the buyers have refrigerated trucks, they get the produce into the cooler immediately once it's delivered. Some buyers drive an hour to the auction, and one is even from Pennsylvania (3 hours away).
- The auction doesn't have an order buyer, although they're trying to get someone. He thinks they may not be big enough to make it worthwhile, so it's hard to get someone to take it on.
- They sell \$2 million worth of produce in a year. They see steady growth every year. The quality of the produce makes it work.
- They have a computer auction system for typing in clerk sheets and processing bills. They double-check every sale against the bill. He mentioned the Buffalo Valley auction in Ohio has a wireless system and cut out the need for a clerk. They have cheques ready for growers every Wednesday (make them up each Monday).
- The work of the PA manager is entirely in the office. He works about 1100 hours a year (8-9 hours per auction day). The auction runs Mon/Wed/Fri in full season, with Wednesday and Friday being the busier days. This is probably because Mennonites will not pick on Sundays and there isn't enough time to harvest before a 9 am auction on Monday. There are 2 people working in the office on Mondays, 3 on Wednesdays and 4 on Fridays.
- They have 2 auctioneers. Their commission is 1% plus an hour wage. It's important to have a back-up auctioneer. In the summer, auctions can be 5 hours.

They used to do 100 transactions an hour and now they do 125. When the auction started there was too much retail, which slowed the auction down because of smaller lots.

- Problems: some people don't pay before leaving, then the manager has to chase after them. Side deals can be a problem.
- **Spring Crops:** Hanging Baskets and Bedding Plants, Vegetable Plants, Asparagus, Rhubarb, Spring Onions, Spinach, Lettuce, Red Beets
- **Early Summer:** Peas, Strawberries, Early Cabbage, Cauliflower, Broccoli, Beans, Small Potatoes, Summer Squash, Zucchini, Cucumbers, Pickling Cucumbers, Blueberries
- **Full Season:** Tomatoes, Sweet Corn, Cantaloupes, Peppers, Watermelons, Sweet Onions, Potatoes
- **Fall Crop:** Winter Squash (Acorn, Buttercup, Butternut, Spaghetti, Blue Hubbard), Cabbage, Cauliflower, Broccoli, Pumpkins, Gourds, Indian Corn, Turnips, Red Beets, Sweet Potatoes, Mums, Apples



Kutztown Produce Auction

Fleetwood, PA

Established in 1996



- This auction is solely owned as a business retirement project of a man in his late 60's. The building is on his land and is held only twice per week. His wife helps to manage the auction as well and they find it's a nice business for their age and time of their life. The owner thought that if the auction didn't work out, the building could be used for other things (tobacco growers rent it in the winter). His PA hasn't really taken off. It's easier financially to group together in a co-op or corporation. They employ 3-4 people part-time (2-3 hours a day) and since it can be hard to find workers, they let employees bring their children to work with them and pay them \$10/hour. The clerk is fast, good with numbers, and doesn't make many mistakes, so he pays her a little more.
- Some sales are 3 hours (July/August) – and the biggest sales would reach 600 items. The auction is busier this year, he thinks it may be because growers are not going to the Leola auction and are staying closer to home (due to transportation costs).
- Sometimes growers put 2 tags on the cart (for example: 5 boxes for each tag) to cater to smaller buyers. Otherwise, they would have one tag for all 10 boxes.
- Buyers include some homeowners – the auction is good for getting bulk produce for canning or freezing (also some neighbours buy together), but they are mostly roadside stands operators.
- After Halloween there is less demand from buyers so the auction closes down. He

- rents the building out to tobacco growers from the middle of November. Also, they have hay auctions every week on Tuesdays.
- Some buyers buy \$4,000-\$5,000 a week. Some Amish growers go to the Philadelphia farmers market (where you have to be a grower) and they buy more produce at the auction to augment their volume and selection.
 - The biggest thing for him was getting farmers to commit product (there is a lot of competition with the Leola auction). There were a few families that stuck with him at the beginning. People know them now, and they get good prices. If growers are there every week, they become known at the auction. For example, this one farmer gets more when he's selling himself (drive through) than when someone else is driving the tractor. His cabbage and sweet corn get a higher price because the quality is high. In that farmer's opinion the trick to selling for the produce auction is you have to learn to leave the bad stuff in the field.
 - 10-12 growers grow 10 acres (although not all is sold through the auction)
 - He thinks 5 committed growers are better than 10 maybes. It's best to have a consistent supply - otherwise buyers will go elsewhere. In a glut, prices go down. Experienced growers say they have to sell anyway to keep buyers coming – their focus is on the average. New growers get discouraged since they can get low prices (if produce isn't as nice). Grower reputation affects price.
 - Produce is selling higher than in previous years – maybe because of higher food prices in general. The volume is not much more than previous years.
 - You have to convince growers to sell at the auction. Marketing is important for successful growers – some growers go somewhere to sell everyday. Some growers say they want to wait until there are bigger buyers at the auction, but some growers have to sell in order to attract buyers in the first place.
 - At his auction, one family makes up one third of wagon-load sales (dollar wise). The auction now grosses \$10,500 a sale and runs 2 days a week (Tuesdays and Thursdays – there can be \$1000 difference between days). If the auction runs too many days a week, it splits up buyers and the buyer number goes down. Rainy weekend would reduce Tues sales (not sell lots on the)
 - He went 4 years before he saw a return (in the early years he lost \$). Should be aware that the auction needs operating capital for the first few years (common in the business world). Somebody's got to be committed in the beginning. It's good to have some committed buyers too. Hard to get growers committed. His first year was bad for not having enough growers or buyers. Some buyers started coming on regular basis. Amish had gardens wanted to sell 1 box (too much retail) then he set a \$5 minimum commission (and if the sale was more than \$5, then he charges 8%). He had to force bigger sales to make enough money.

Observations of the auction:

- Buyers wear their number pinned to their shirt. They allow for some non-local, shipped produce (like bananas). There were lots of flowers, bedding plants, shrubs (highbush blueberry, etc.), transplants (peas, tomatoes, peppers, herbs, etc.). At the retail table there were eggs (sold by the dozen), pies, sticky buns, rhubarb and greens for sale in small quantities.
- It's important for the auctioneer to know prices really well to start off the bidding.

Auctioneers have headset microphones with a speaker so they're mobile and the crowd follows them down the row as they sell lots. Besides the auctioneer, there is a clerk, a tag reader and someone to write the buyer # on the tag.

- Some examples of sale prices: Strawberries (\$29, \$35 per flat), \$0.25 per head lettuce, Medium tomatoes – \$1.90/lb, 100 lb sold at once, 20 lb. #2 tomatoes - \$1.00 per pound. 5 flats of peppers \$3/flat. Highbush blueberry plant - \$52. Bee balm flowers \$2 each.
- People in the crowd tended to ask others what things went for. They seemed to be enjoying the process. There were a lot of non-commercial growers - homeowners looking to buy a lot of flowers for their garden.
- As the auction proceeds, people started to clear out their items while other people were checking out items yet to be sold.
- Carts with wheels allow for boxes to be transported easily from trucks to the floor, and then to the buyers vehicles after the sale (sometimes with a forklift).
- They sold half of the covered building in 1 hour. There were fewer buyers after 2 hours. Prices seemed to be cheaper because of less demand and competition.
- There is a lot potential for error – some people didn't double-check the tag and ended up taking the wrong cart, or the tag reader can copy down the wrong buyer number.



Lebanon Produce Auction
 Myerstown, PA
 Established in 1998



- There were 3 rows of ~25 carts for sale (10 carts of produce, the rest were flowers, hanging baskets and seedlings), which took about an hour to sell and grossed over \$3,000.
- Buyers had pieces of paper with their buyer number on them. When they won a sale, they showed their number to the auctioneer and clerk for them to announce the winning buyer and record their number on the lot tag. This wasn't necessary for well-known buyers since auctioneers seemed know their buyer numbers. There was a friendly atmosphere and joking around – most people seemed to know each other.
- Examples of sale prices: Asparagus (\$2.50/bunch; 16 bunches per box), Cucumbers (\$10 per ½ bushel box), Strawberries (\$4.20/quart – 602 quarts; others \$29/flat), Rhubarb (\$1.80/bunch), Hydroponic tomatoes (\$17 per 10 lb. box), Greenhouse Tomatoes (\$50 per 25 lb. box; \$41 per ½ bushel box), Tomato seedlings (\$5/flat), Spring onions (\$0.75 per bunch - 26 bunches), Spinach (\$8 for ½ bushel box), Hanging baskets (\$4.75-\$5 – apparently they can retail for \$11-13).
- There was an auctioneer, a clerk and a tag reader going along the row – the sales go fast and the clerk sometimes has hard time keeping up. The tag reader

- sometimes held up product to show it off and encourage bids.
- Buyers can be limited by the amount of space in their vehicle. Some buyers wrote down what they bought and others didn't. There were a lot of non-commercial buyers (especially for flowers – people putting in their gardens at home)
 - For the auction, \$15 is the average break-even point for each sale (which brings in \$1.20 as commission).
 - It's important to get growers committed.
 - Buyers – today there are 50% buyer/sellers (most from roadside stands). They have about 6 stores coming to purchase at the auction. Good buyers come with 2 cube trucks and fill them at the auction. The auction is an extra outlet even for established buyers.
 - Re: dividends – usually there is a minimum 5 years before paying out dividends (although for them it was 7 years).
 - The auctioneer is paid an hourly rate (they can charge from \$20-150 per hour). It's really important for them to be familiar with produce prices to know where to start off the bids.
 - Manager hours are typically from 8:30 or 9 am until 2 or 3 pm, 4 days a week (average of 3.5-4 hours per day during the time that the auction is open).
 - Carts: the manager bought used carts at a trucking depot for \$10/piece in an attempt to keep costs down. Before they used pallets and a forklift. Cardboard bins (for pumpkins, melons, etc.) are about \$14/each. Bigger auctions ask for a deposit of \$10 for a bin and skid.
 - Having a scale at the auction is a good idea so that growers can weigh their produce before placing it in a lot.
 - In the office, they have 2 payment windows (1 computer for each). The auction has modern office equipment and uses Microsoft Access. All they have to do is put in a buyer number and their bill is generated. They used to have spreadsheets, but they were cumbersome and couldn't print out cheques directly from the program. Auction programs exist, but they aren't set up to take off the commission rate, so they find MS Access a better program for them. They are looking into a laptop and wireless system to avoid mistakes, although it's good to have things recorded on paper as an addition to the computer. They use the paper clerk sheets to double check the sale if there is a discrepancy.
 - There is a \$550 licence fee that the auction has to pay on a yearly basis (perishable commodities act).
 - There were no coolers at the auction – it's best if items are harvested and brought to the auction right away. If produce has been in a cooler then it starts sweating and deteriorates 4 times as fast. Maintaining the cold chain depends on the item – strawberries and cantaloupe should be placed in a cooler as soon as they leave the auction. For peaches, if they aren't in a cooler before the auction they won't last more than 2-3 days.
 - Building: if the building is too open, the strong wind can dry out the flowers. Also, netting was installed on the ceiling to prevent birds from nesting. The auction owns a 5-acre piece of land, so there is lots of room to expand if needed. The building alone cost \$75,000 and the well and septic were \$20,000. The auction, as a subcorporation, raised \$222,000 in shares for the land and the

building. The shares were \$1000 each (\$250 per share and \$750 as a loan – the auction operates in the red to avoid corporate taxes). At least 5 shares were sold per person to make sure people were interested (and there is less paperwork). Shares are auctioned when a shareholder leaves or passes away. Fellow shareholders vote to decide on whether the share should be auctioned to other shareholders or the general public. Last year the auction paid out \$45 per share (6% interest) – it had \$9900 to distribute, so the payout depends how much the auction has in the bank.

- They don't have an order buyer, but point out it is best to have 2 because if 10 buyers go with an order buyer, then there are less bidders (the order buyer isn't going to bid against himself).
- Once the sale has taken place, the lot is the buyer's responsibility.
- The way to grow for the auction would be to have strategic planting times and not to plant all at once. For example, for 4 acres of sweet corn, it should be planted ½ acre at a time in 8 plantings since 2 bins each day makes more money than 8 bins all at once. It's good to be consistent and have to same amount at each auction. Grading and packing are the 2 biggest things to pay attention to.
- They have around 250 registered growers, most of which come from a 25-30 mi radius. Most growers in the area use the auction to some extent. They try 4-5 different items. The main piece of advice is to do a good job with whatever you grow. The auction has the right to reject produce if it is of inferior quality.
- The manager suggested we go into Halifax with an auction brochure to grocery store produce departments with the days and months of operation and when we'd expect certain crops. Other potential buyers to solicit would be restaurants, pizza shops and camps, instead of buying from distribution warehouses.
- He suggested to get people (auction manager and a few growers) from established auctions to come to talk to growers.



Leola Produce Auction

Leola, PA

Established in 1986

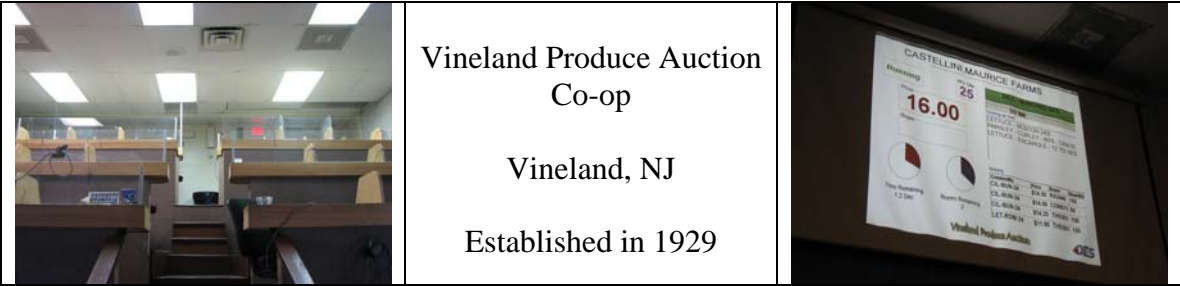


- The Leola auction leases most of their land. It is classified as an S corporation and has 22 shareholders, who pay the taxes for the auction at the end of the year.
- Leola is a licensed auction house (a 2-yr license costs \$500) and has an annual contract with the growers that outlines the commission rate for sales.
- There are 2 auctioneers. Flower sales start at 9:30 am and produce sales start at 10:30 am. Tuesdays and Thursdays are the busiest days.
- The manager and board treasurer, Michael Snider, finds it hard to find employees for seasonal work (March-November) – they don't have the same kind of EI

- benefits as in Canada.
- They sell boxes, shrink wrap, etc. at the auction, everything that the buyers and sellers need to make it convenient and cost-effective for them. Growers don't have to sell in 'Leola' auction boxes.
 - They don't allow any shipped (i.e. out of season, non-local) produce to be sold. There is a big push for local produce. Buyers can get shipped produce at a terminal - the auction is for local only. Their receiving hours are 5 am to 7:30 pm every day.
 - In the summer, the minimum sale is 5 boxes (10 in a lot that could be sold as ½ or all) in order to speed up sales. Wagon lots are sold first, then bulk skid lots (sold as 15 or 30 boxes) and mini bulk (10 boxes). In this way, the auction accommodates larger buyers.
 - They have 799 permanent numbers so far.
 - That day the sales could amount to \$10,000, which was a slow day. Otherwise, a busy flower day could bring in \$100,000. On busy days, there are five ladies in the office and on slower days there are four, punching in the sales from the clerk tickets and getting bills ready for buyers that are checking out for the day. They work two days per week in March, then three days (Tuesdays, Thursdays and Fridays) in April, five days in May (Monday-Friday) and six days a week (Monday-Saturday) in full harvest season.
 - 90% of produce is picked in the morning – cantaloupes may be picked the evening before. The weather is a big factor that determines who's there and it can affect prices.
 - Auctioneers are paid hourly.
 - Buyers have their number pinned to their shirt and a few established buyers had a baseball hat with their number embroidered on the front.
 - It was nearly the end of the flower season – items were cheap: flat of snapdragon flowers \$4.50, \$1 per pot of germaniums, other flats going for \$2 each.
 - Prices for strawberries 8-quart flats were \$16, \$15, \$12, \$13, \$19.50, \$20, \$21, \$22.50, \$23, \$20, Early Glow strawberries go for highest price since they have a reputation for the best taste. Sugar peas (per 10 lb. box) went for \$27, \$35 and \$37. Zucchini's were \$15 for ½ bushel box. \$6.50 for ½ bu box of #2 zucchini. \$5.50 for a box of spinach.
 - Auctioneer's perspective: good quality produce sells at the auction. Growers are able to sell a lot at the auction, so it can be good for them. Sometimes prices are at retail price or higher, other times they are cheaper, but it tends to even out throughout the year.
 - I spoke with Aaron Hoover, the order buyer for Leola: buyers usually call before the sale starts. If there aren't many buyers, he calls stores on sales days to drum up orders. There could be up to 15 buyers in one day. Over time, you know buyers well enough to get to know what they want (there is a range in the quality needs of the buyers and what they are willing to spend). Some of the buyers who call in are from big grocery stores or roadside stands. Most pick up their produce the same day, but some come the next day (for items like cantaloupes and tomatoes). He doesn't get too many complaints about the quality of the produce. He is paid per hour by the auction and gets 3.5% of sales. The prices can be quite

good – the week before a flat of strawberries was going for \$35-40 a flat. Now tomatoes are starting and prices are high. The advantage of the Amish and Mennonite farmers is their large families, which provides lots of labour.

- A key to the auction is making it attractive to buyers – if they like it, they’ll come back. Some well-known buyers have credit with the auction to pay within a week of sale, but the norm is to pay cash or check on the day of sale.
- In the office: as the ladies transcribe clerk tickets into the computer program, many sales ended up being \$100-200 per lot. It takes about 30 minutes to sell a row of produce so they know when they’ll be getting the next clerk sheet and how much time they have to enter the numbers. They really liked their job (there were 3 sisters in the office), and said the only complaint they had was that they didn’t get unemployment insurance in the off-season because Amish and Mennonite shareholders don’t believe in it. Otherwise, it’s a well-paying job for the work (positions start at \$12/hour, meanwhile Pennsylvania minimum wage is \$6.75/hr).
- Sometimes prices are too high for some buyers. I met a buyer from a CSA in Philadelphia (about an hour away; www.greengrow.org) that buys meat, dairy, eggs, fruit and veggies and offers local food as a pick-up box program. This was her first time at the Leola auction and she felt like she needed to know the market better before bidding next time. She found the prices too high (they have a weekly budget in order to buy their products for the CSA) and as a result, didn’t get enough of what she needed.



- The Vineland auction is the only produce auction that uses an electronic clock. It cost them around \$100,000 and cut the time of the auction in half. The day that I visited, the auction took under two hours and grossed \$373,000 (the auction usually makes \$1.6-2 million per week, but they have \$7 million in debt to pay off). The ‘clock’ is a projected image of a computer screen, which includes the bid amount, the grower or farm name, the item and quantity being auctioned, a list of upcoming items for sale and two pie charts showing the number of bidders and the time remaining for each bid. The clock has eliminated a lot of error. Also, it was hard to find an auctioneer that knew produce really well. At the time they introduced it, there was resistance to moving away from a live auction, but they’ve tried to maintain the auction culture with the auction software designed to their specifications. Contrary to a Dutch clock that goes from high to low, the Vineland clock starts low and buyers bid against each other until there is a winner, just like a live auction. There is an auditorium in the ‘bidding’ room where the buyers watch the auction screen and bid using a button at their station.

- There are around 25-30 regular buyers. While the sale is under \$9 the bidding increment is 10 cents, and above \$9 it's 25 cents.
- Growers can bring a sample of what they have for sale instead of the whole lot. Farmers call in load slips of what they have for sale before the auction. Most growers are at the auction while it's taking place. They have a room to themselves where they can see the projected auction 'clock' and the amount that lots are selling for. When their produce is being sold, the grower goes into the 'bidding' room where the buyers are. If the grower thinks the price is too low, they can opt for 'no sale'. The commission rate is 4%.
 - Produce can be brought to the auction prior to the sale and stored in the cooler. The auction owns 36 acres and has 180-200,000 ft² of platform space. It resembles a food terminal. Twenty-nine buyers rent permanent platform space at the facility (with signage at their location – i.e. Consalo & Sons – mostly Italian names). Either produce is sold through the auction (60%) or sold directly to the broker at their platform (40%). There is an ice plant that produces 25 tons of ice per day (which is now too small a volume for their needs) to sell to farmer members and customers. Ice is used for corn, brassicas, etc. and sold in 3, 5 and 7 lb bags. There is also a warehouse for boxes, packing supplies and everything else farmers need for produce sales (pints, quarts, twist ties, etc.). Cold storage is rented to buyers to maintain the cold chain. They have hydro, air and vacuum cooling facilities. The vacuum coolers are rented from May until September and cost \$1250 per week. There are 5 or 6 forklift operators that move pallets of produce to and from coolers and trucks. The operation of cooling facilities is very energy intensive and their power bill is approximately \$130,000 per year.
 - All growers are co-op members (\$10 membership fee). They sell a range of quantities from 5-10 packages to trailer loads of produce, everyone is given the same opportunity and there is no minimum lot size. There are 160 registered growers and maybe 40 present at the sale. Some specialize in certain crops and are only at the auction seasonally and others grow a range of crops. The grower number is getting smaller, but they are producing more. Some growers sell before they have harvested everything – if the prices are high, they will call home to tell them what to harvest before the auction is done. This way, they don't harvest more than they sell and sell more of what is getting a good price.
 - Buyers go on grower reputation. In this area (New Jersey), there are 2nd and 3rd generation growers. Price reflects produce quality and timely delivery. The auction gives farmers a better price. Otherwise, the broker/buyer has the upper hand. It also performs mediation between buyers and growers if needed. They welcome buyers and cater to them, but look out for growers first. Everything has been built with farmers' dollars.
 - They had an online auction previously, but it didn't work out well. It may have been flawed due to decision-making of the management at the time. They are looking into a new online system, but the brokers feel threatened since the bidding would be open to grocery chains and their livelihood could be at stake since their clients could buy directly from the auction themselves. When there is a real and 'virtual' (i.e. online) auction happening at once, it changes the dynamic of the auction. It has a psychological effect on farmers when they see fewer buyers

present (or if no buyers are there in person). One buyer I spoke with liked the online system since he could bid at night and have the produce on next day by noon, but he prefers the atmosphere of a live auction because it's more engaging and he can see who he's bidding against. At the moment, they have a 'members only' space on their website and wi-fi in the building so that buyers can login while they are at the auction to access what they've bought, to find the farmers ticket number for each sale, etc., and it refreshes every 10 seconds.

- They try to eliminate order buyers because they need bidders. The order buyer gets billed for each sale, and it's their responsibility to collect from the buyers.
- There are 2 full-time employees that work in the office and one full-time seasonal. Employees in key positions are on salary and others are paid hourly.
- The auction gives growers an instant feel of the market. If the price is cheap here, it's cheap everywhere. If there's not enough volume, it inflates the market and if the market is flooded the price goes down.
- The 'Auction master' (who runs the computer 'clock' program) must have control of the auction. He knows the produce industry and the buyers, and knows how to deal with them. He said the electronic system is quick and precise and it's easy to fix mistakes. That day there were 60 trucks and 724 sales that went through auction in less than 2 hours, which was produce from 60 farmers. They don't limit who they sell to – small, big and in between, every grade of every commodity – there's always someone who can buy it.
- Advice: participation is key for successful co-op. If growers go around the auction, it weakens the market. If our growers came to visit the auction, they would put on a mock auction. They suggest our growers should start by selling 10% of their produce through the auction to try it out. A benefit for starting in the beginning would be for growers to have cheaper shares (the share value tends to go up over time).