

# Value-added Agricultural Success Story

## *Plowboy Produce Auction*

This story is one of a special series of value-added agricultural enterprise successes in Tennessee. The entrepreneurs featured have worked with specialists at the Center for Profitable Agriculture in different ways to achieve various levels of start-up, sustainable and long-term enterprise success. I hope their stories will be interesting, informative and inspiring.

*Rob Holland, Director, Center for Profitable Agriculture*



*Plowboy Produce Auction in Lawrence County offers a variety of locally grown fruits and vegetables that are neatly packaged and displayed for the auction method of selling.*

**I**n December 2004, Will Hudson made a trip from Florida to his home state of Tennessee to attend the annual Tennessee Fruit and Vegetable Growers Association conference. His main objective was to meet with a produce broker interested in wholesaling tomatoes that Will might grow. During the same trip, while Will was visiting family in Lawrence County, an Amish man named John Yoder approached him with a different business proposition. Mr. Yoder wondered if Will would entertain the idea of owning and operating a produce auction.

Will was intrigued by the possibilities of the auction house, so he began researching and visiting other produce auctions. The results of his study indicated that if he could attract a steady source of quality fruit and vegetable growers and develop a core group of competitive buyers, he could succeed.

Will quickly contacted Dan Wheeler at the Center for Profitable Agriculture (CPA), who suggested a feasibility study. Rob Holland and Amanda Ziehl's study stressed grower participation and commitment. They also helped Will calculate expenses for the auction, and he took the next step of working toward financing the venture and securing the commitment from area producers.

To construct the auction house and open the business, Will received a Tennessee Department of Agriculture Agricultural Enhancement Cost-Share grant and borrowed start-up funds from 42 Amish farmers with the agreement that their repayment would come from auction profits.

To further reinforce grower commitment, Will contacted Lawrence County Extension agents Calvin Bryant (from UT) and Wendel Smith (from Tennessee State) to aid with hosting grower meetings.

Within a year of first discussing the possibility of a produce auction, construction of the auction house began. Will purchased the materials,



*Amish families migrated to Lawrence County in 1944 and have been a significant part of the local agricultural community ever since.*



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and the Amish provided the labor. "It was another way to make them feel a part of this whole venture. As a result, they're proud of it and we have a top-notch facility," says Will. "I was also fortunate to convince my employer (an agricultural chemical business) to relocate me to Lawrence County. It would've been hard doing all the work from Florida."

Plowboy Produce Auction, LLC opened in spring 2006. The auction operates seasonally, starting at 1 p.m. and ending when the produce is gone. Most of the sellers are Amish, but the auction is open to any produce seller. "The Amish are very committed; nearly every grower tries to bring something every week," says Will.

Auction buyers typically purchase the products to resell through roadside stands, farmers markets, retail stores or community-supported agricultural enterprises. Therefore, they sell the produce in lots versus retail quantities. However, individuals desiring small quantities can make purchases from a special sale table filled with the produce that does not fit into lots. Leftover produce is auctioned at the end of the sale. Plowboy Auction also hosts an annual consignment sale each fall. It is the only sale where non-produce items like Amish furniture, horse equipment and even livestock are auctioned.

Plowboy Auction has doubled the sales goals Will and the board of directors (five of whom are Amish) have set. In 2007, Will paid back 50 percent of the funds he borrowed. The number of growers and buyers has also increased each year. Wendel Smith estimates that Lawrence County vegetable acreage has doubled since the auction opened. He's optimistic that it could triple in the next three years.

Will admits they have struggled with a few things, such as finding the right advertising mix and the need to make the loading docks more accommodating for vans and trailers.

Will believes that the strong, core group of growers and the business philosophy of following the *Golden Rule* have been the backbone of Plowboy Auction's business. "It's been a win-win situation for the growers and the community. Growers are making more profits, and they have time for other important things in life. Plus, it's putting more money back in the local economy. It's been great. I'd do it again tomorrow."

**The mission of the Center for Profitable Agriculture is to help farm families improve income by identifying new ways to add value to food and fiber products through processing, packaging and marketing. We focus on three areas:**

- Working with families and entrepreneurs to analyze value-added agricultural enterprises;
- Implementing market development studies to determine the viability of new products;
- Conducting educational programs for Tennessee farmers and agricultural leaders.

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