

CENTRAL



Commerce booms in the heart of it all

BY AMY BELL

Central Texas includes 20 counties and covers 17,400 square miles in the heart of the Lone Star State. Comprising hill country, prairie, creeks, and lakes, this region stretches from the city of Waco in the north along the I-35 corridor to San Marcos in the south. The area is bordered by Interstate 45 on the east and extends to where the San Saba and Colorado rivers meet in the west.

Central Texas is home to approximately 1.2 million people, accounting for less than 5 percent of the state's total population, but the region's population grew by more than 10 percent between 2010 and 2019.

While the area's agriculture sector is not driven by fruit or vegetable production, Central Texas does boast a diverse fresh produce pipeline. Wholesalers, importers, and suppliers across the region reap the benefits of the area's robust restaurant scene and an ever-expanding customer base.

"There's an advantage to being located in Central Texas, where all the current growth action is happening," comments

Raul Esqueda Jr., president of 1st Commercial Credit, LLC in Austin, which specializes in factoring invoices for the industry.

"Central Texas-based cities are some of the fastest growing cities in the country," Esqueda adds, "offering higher wages and an economic boom not experienced anywhere else."

To learn about produce trends, challenges, and predictions for the burgeoning Central Texas region, read on.

Hot Commodities

Central Texas farmers grow a wide range of fruits and vegetables from strawberries, grapes, and peaches to asparagus, broccoli, and tomatoes.

"The great thing about Central Texas is we have two growing seasons, so there are many items that grow here," points out Nora Chovanec, deputy director of the Texas Farmers' Market in Austin.

Offering two year-round, producer-only markets in the Austin area (at Lakeline Mall and Mueller), Texas Farmers' Market is



Photo courtesy of Texas Farmers' Market.

organized under F2M Texas, a nonprofit corporation focused on growing a sustainable food system.

"Peaches are really big here in Central Texas in the summertime," explains Chovanec. "In the fall, we have pecans. We also have a lot of hot-weather crops like okra, tomatoes, beans, eggplant, and peppers.

"In the winter months," she continues, "we have cooler vegetables like leafy greens, chard, kale, collard greens, broccoli, cauliflower, and cabbage. You name it, we can pretty much grow any vegetable here in Central Texas. And we can grow most fruit as well."

Chovanec says locally grown, sustainable produce is in high demand with

Central Texas consumers, and their farmers markets benefit greatly from this trend. "All of the produce sold at our markets comes from within 150 miles of Austin," she adds.

Major Metro Areas

Central Texas is home to some of the fastest-growing metro areas in the state. Nearly 40 percent of the regional population is concentrated in Bell County, which includes the cities of Temple and Killeen.

Over the last decade, the Killeen-Temple-Fort Hood metro area has grown into a thriving industrial hub. With easy access to the I-35 corridor, Temple is

known for its manufacturing operations and distribution and logistics companies.

Killeen, located at the center of the Central Texas region, is home to Fort Hood, the largest active-duty base of the U.S. armed forces.

Waco, located on the north side of the Central Texas region, serves as the county seat of McLennan County. Consistently rated as one of the top places to live and work, this metro area continues to attract residents and businesses. With a bustling downtown area and prime riverfront properties, Waco is home to three industrial parks and bountiful development opportunities.

The capital of the Lone Star State, Austin, is a dynamic city with a booming business scene and rapidly increasing population. Round Rock, a suburb of Austin, was ranked as the 8th fastest-growing city in the nation by WalletHub in 2020.

"Austin is just a great place to live and work," says Bill Price in sales with CFS, Inc. "The advantage of being in Austin is that it's within a few hours' drive to both South Texas and Dallas and has good air service to other parts of the country from our airport."

Specializing in custom and stock labels, CFS was formed in 1986, initially selling computer forms and other business supplies. With the advent of laser printers and the internet, the company changed its focus to selling labels, thermal printers, and software specifically for the produce industry.

Foodservice Trends

Central Texas, particularly the Austin metro area, typically boasts a flourishing foodservice scene. Unfortunately, like the rest of the nation, the pandemic forced widespread restaurant, hotel, and institution closures, which in turn forced suppliers to switch gears, selling restaurant-quality fruit and vegetables directly to consumers.

For instance, when 80 percent of its restaurant and hotel customers shut down, the Austin branch of wholesaler Hardie's Fresh Foods transitioned to pop-up markets, selling directly to consumers. Customers place their orders online, then choose between home delivery or curbside pickup at various locations.

Other Central Texas foodservice suppliers redirected their fresh produce volume to regional farmers markets.



Photo courtesy of Texas Farmers' Market.



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"We've definitely seen an influx of produce, especially at the peak of the pandemic shutdowns," says Chovanec, who adds that many of the market's producers split their business between direct-to-consumer sales and selling to restaurants and other foodservice customers.

"When everything closed, the bottom fell out of those restaurant sales, but consumer demand for local, sustainable food went up," she explains. "Many farmers were able to reroute products to our markets and stay afloat during a time when things were so unstable. These farmers are thankful to have access to so many consumers interested in shopping at our markets for locally grown produce."

As restaurants, hotels, and other facilities reopen, some foodservice produce suppliers say things are looking up in Central Texas.

"I think things are starting to improve," observes Peter Huynh, president of A-A1 Foodservice. "Here in Austin, we have a relatively strong economy, a younger workforce that's open to takeout, and decent weather that has allowed restaurants to offer patio and outdoor seating.

"This has all led to fairly stable business," Huynh points out. "It's not as strong as it was pre-Covid, but certainly much stronger than it was in the early stages of the pandemic."

The Road Ahead

While Central Texas produce businesses have faced unprecedented challenges in the past year, most remain optimistic about the future.

"We've been fortunate during this very unsettling year," says Price. "We have

wonderful customers who have been able to weather the storm and are still out there working to feed the nation."

What he is most looking forward to is the country getting back to normal in 2021, especially as vaccines become more widely available to the general public.

"Once vaccines are available, restaurants and the other surviving service industries will be able to get back to business, and the economy should recover," he forecasts. "Once this happens, hopefully sooner than later, 2021 should be a great year."

Esqueda echoes this enthusiasm, predicting that 2021 will be a more prosperous year than 2020. "However, more consumer confidence will be required to stimulate the economy," he adds.

In the meantime, some Central Texas produce suppliers are using the downtime as an opportunity to improve their operations and plan for future development.

"The reduced demand of the past several months has given us a chance to take a step back and think about how to become more efficient in our operations in the future," says Huynh. "Even with the uncertainty of Covid, we definitely see a long-term future of continued growth." **BP**

FRESH FORUM

What do you consider the most critical issue facing businesses in the Central region this year?

Peter Huynh, A-A1 Foodservice

The uncertainty with restaurant demand. It's great there's a vaccine, but there's still uncertainty about when things will get back to normal and whether things will get worse before they get better.

Nora Chovanec, Texas Farmers' Market

Not just this year, but next year and the decades after, climate change is a huge issue for our farmers. In the six years I've worked for the markets, we've seen increased drought and flooding. It's something our farmers and ranchers are getting more and more worried about. It's already difficult to grow in Texas, and things are just going to get more volatile as the changing climate impacts the environment.

Amy Bell is a professional freelance writer with more than 15 years of experience. She writes for publications and companies across the nation.