Introduction to Economics

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August 14, 20235:02 PM ET By Jonathan Ahl

Sales of elderberries exploded during the COVID-19 pandemic. The fruit is often used as a nutritional supplement. Now, there's a debate among growers over expanding the crop's market even more.

AILSA CHANG, HOST:

Blueberries, strawberries and raspberries are top picks in the big business of berries. And now a tiny fruit, perhaps less well-known, might be getting a bigger share of the limelight. The COVID-19 pandemic saw a large increase in sales of elderberries, and now growers of this crop are at a crossroads, trying to decide whether to go big or stay small, as Jonathan Ahl of Harvest Public Media reports.

JONATHAN AHL, BYLINE: Elderberries are pea-sized, a little sweet and a little tart. They're also packed with antioxidants and have become popular as a nutritional supplement touted as a way to minimize cold and flu symptoms. Patrick Byers is a horticulturalist with the University of Missouri. He says elderberry products are a \$320-million-a-year business.

PATRICK BYERS: We've seen an explosive growth in the production, and we've seen an explosive growth in the development of markets for this crop.

AHL: Byers says while nutritional supplements are the biggest market for elderberries, in recent years, they've found use in flavoring beer and wine - as a natural food coloring - and in jams and jellies. And that's meant an increase in elderberry farms. Alan Helland is walking through his farm in central Missouri. He planted rows of these eye-high shrubs four years ago. In most ways, he's a typical elderberry farmer, so pretty small scale.

ALAN HELLAND: It's a portion of my farm income - 2 1/2 acres of new planting, you know, it wouldn't come up to a living.

AHL: It's hard to pin down how much land in the U.S. is dedicated to elderberry farms, but Missouri leads the country with 400 acres. But that's much less than even one modest corn or soybean farm. But it is more land than the state has devoted to blackberries, strawberries or blueberries. Helland says elderberry farmers have to do something else in addition, either growing other crops and raising livestock or being their own manufacturers and marketers.

HELLAND: If I was doing the secondary processing on all my own fruit here, then it very well might.

AHL: While no one is making a living just as an elderberry farmer, some say it's possible. Some industry analysts are predicting demand for elderberry products could grow by more than 30% by the end of the decade. Chris Patten, president of the Midwest Elderberry Cooperative, says now is the time for elderberries to go big.

CHRIS PATTON: And we have to be able to do large-scale commercialization so that we can meet the needs of the larger producers in the place of imports and meeting the high quality standards.

AHL: Patton says replacing just half the number of elderberries imported into the U.S. with American-grown crop would be huge. He sees elderberries having the potential to be as big as cranberries and end up in energy drinks, nutrition bars and many other products. But not all elderberry advocates agree. Heather Wilson is a sales and social media manager for River Hills Harvest, a Missouri-based company that makes elderberry products and gifts. She says going big presents big problems.

HEATHER WILSON: That's going to drop our price. And again, you're going to have to farm 40 acres of elderberries to just make the same amount that you could make right now on 2 or 3 acres.

AHL: She says the fruit's future is probably stronger in very small-scale producers who do more than just grow the crop - Think you-pick farms and agritourism. But for farmers like Helland, having the option to either stay small or be part of something bigger might be the most promising way to develop elderberry markets and farms.

HELLAND: It stays something that can be profitable for somebody on a couple acres, you know, kind of your thing. But then if it's organized correctly, I think there can also be the farmers who are doing, you know, 45 acres of it.

AHL: Regardless of size, elderberry farmers are currently very busy. The berries have a very short period when they can be harvested, a two-week window that usually arrives in August. For NPR News, I'm Jonathan Ahl in Rolla, Mo.

1) Describe what has happened in the market for elderberries in recent years.
2) Explain what will change in the market if Chris Patton has his way?
3) What is Heather Wilson afraid will happen if Chris Patton has his way?
3) What is freather witson an aid will happen if Chris Fatton has his way?
4) Identify as many economic concepts as you can in this article.
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