



SUSAN COMBS, COMMISSIONER

# Texas Department of Agriculture Application Specialty Crop Block Grant Program

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## **ABSTRACT**

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Produce and horticulture remain a vital part of the Texas agricultural economy. To enhance the competitiveness of Texas produce and horticulture, the Texas Department of Agriculture (TDA) requests \$156,488.66 in program funds under the Fiscal Year 2006 Specialty Crop Block Grant Program for nine projects covering three key areas: increasing consumption and consumer awareness of Texas-grown produce and plants through retail promotions, creating new opportunities for suppliers of Texas produce and plants through wholesale promotions, and developing informational materials to promote the array of produce and plants grown in Texas.

The following are summaries of TDA's proposed activities to enhance the competitiveness of Texas specialty crops.

### **Retail promotions**

1. *Retail produce and horticulture promotions*  
In most retail stores, the produce department and floral department are combined, with the same employee handling purchases and consumer education. To capitalize on these combined departments, TDA will create promotional materials and marketing tools to inform retail consumers of the benefits of selecting Texas produce and plants as well as the availability of seasonal produce and plants.
2. *Retail watermelon promotion*  
TDA will create printing plates for watermelon bins to promote Texas-grown watermelons. The bins will carry the message that Texas watermelons are locally grown and great for kids to eat. TDA will work with retailers to monitor sales and set up in-store demonstrations with the watermelons.
3. *Blackboards*  
TDA will create blackboard displays for use as marketing tools at retail locations such as farmers markets, retail grocery stores, pick-your-own farms and other consumer events
4. *Farmers market promotions and advertisements*  
TDA will develop and purchase advertisements for Texas Certified Farmers Markets to inform the public about the hours and location of Texas farmers markets as well as the seasonal availability of produce and plants. TDA will also develop banners to place at the entrance to markets identifying it as a certified Texas farmers market.
5. *Pull-up display screens*  
TDA will develop pull-up display screens to promote Texas produce and plants at different marketing venues including, but not limited to, retail outlets such as nurseries, grocery stores, farmers markets, trade shows, festivals and other consumer and wholesale events. The pull-up display screens will allow TDA staff to conduct multiple high-profile promotions in different regions of the state.

## **Wholesale promotions**

6. *Chef demonstrations*

The demonstrations will offer consumers and retail buyers new alternatives on cooking with Texas produce, along with details on pairing featured dishes with Texas wines and other foods.

7. *Produce Marketing Association Fresh Summit*

TDA will help the Texas State Florist Association producer's exhibit at the Produce Marketing Association Show by paying for the booth space of the floral association. Growers participating in this show will pay for their registration fees. As the event will be held in Texas in 2007, more in-state buyers may be able to attend. This show will be an excellent opportunity for growers to showcase their products to a state and national audience of produce and floral buyers.

## **Informational materials**

8. *Horticulture Landscape Guide*

TDA will work with the Texas Nursery and Landscape Association to design and develop a horticulture landscape guide with information on regional Texas-grown plants, nursery locations and certified nurserymen. This guide will give consumers a better idea of the plants and horticulture resources available in their area. Each Texas region will have a publication specific to its area. The publications will be distributed at consumer functions attended by the Texas Nursery and Landscape Association, Texas Department of Agriculture, Farm Bureau's Planet Ag and Texas Cooperative Extension.

9. *Recipe cards*

Consumers, retailers and chefs are constantly looking for new ideas and ways to prepare meals. TDA will develop recipe cards to be used by school food service staff, restaurants, retail buyers and consumers. The recipe cards will provide ideas for using Texas produce when developing menus. These recipes and cards will also be used in conjunction with other marketing events, including chef demonstrations and retail promotions.

## **PROJECT PURPOSE**

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Though horticulture remains a leading agricultural industry in Texas, its overall growth has been relatively limited. The value of nursery and greenhouse production increased by only \$2 million from 1999 to 2005, representing less than a 1 percent change. Ranked as the state's second-leading agricultural commodity a few years ago, horticulture now ranks fourth in the state. Similarly, the value of Texas vegetables has only grown 1 percent since 2004 and production has decreased 9 percent. The rising cost of fuel has caused companies to cut marketing expenses because of increased operational expenses. Each proposed project will increase the value of both produce and plants through promotional and educational activities.

### **Retail promotions**

1. *Retail produce and horticulture promotions*  
Public interest in buying local products continues to increase. However, producers have not been able to take advantage of this opportunity for increased sales because of a lack of funds for promotional projects. TDA's retail promotions will help producers showcase their products to this growing customer base.
2. *Retail watermelon promotion*  
Large watermelon producers in other states are partnering with Disney and Nickelodeon to develop marketing campaigns. The producers would purchase the display bins with artwork created from the printing plates to showcase watermelons produced in Texas, allowing them to compete with other national marketing programs.
3. *Blackboards*  
Producers have not been able to afford the added expense of point-of-purchase tools directed at consumers looking for locally grown produce and plants. The blackboard displays will offer information to consumers on sales and pricing of locally grown Texas produce and plants.
4. *Farmers market promotions and advertisements*  
The increased demand for locally grown produce is driving consumers to farmers markets. However, consumers are not always aware of the location and operating hours of local markets. TDA will explore ideas to inform the public about farmers markets, including hours, locations and the time of year that farmers markets are open. Farmers markets certified by TDA offer consumers quality, locally grown products. Banners and advertisements for farmers markets will identify them as certified farmers markets and encourage the consumer to stop and shop.
5. *Pull-up display screens*  
As produce and plants are available on a seasonal basis, marketing promotions must cover various parts of the state simultaneously in order to take advantage of crop availability. Putting on concurrent promotions is difficult without marketing

tools available to retailers in different locations around the state. Pull-up display screens will allow TDA staff to promote Texas plants and produce at many promotional events across the state at the same time.

### **Wholesale promotions**

6. *Chef demonstrations*

Large companies, marketing associations and cooperatives attract potential buyers to their booths at the Produce Marketing Association Show and the Texas Restaurant Association Foodservice Show through activities such as cooking demonstrations. However, TDA can help broaden these convention promotions by offering these cooking demonstrations with the vast and plentiful array of Texas vegetables.

7. *Produce Marketing Association Fresh Summit*

Texas growers sell to major retailers in Texas, but have not had the opportunity to showcase their products to out-of-state buyers at large venues. Providing booth space for the Texas State Florist Association will enable many additional growers to participate and network with out-of-state buyers.

### **Informational materials**

8. *Horticulture Landscape Guide*

These landscape guides offer information on finding certified nurserymen and quality Texas-grown plants. Specialty Crop Block Grant funds will enable this guide to be published to increase the awareness of the Texas horticulture industry.

9. *Recipe cards*

Consumers, retailers and chefs are constantly looking for new ideas and methods to prepare meals. The recipes and cards developed under this program will be a valuable tool for the produce industry to increase consumer awareness of their products.

## **POTENTIAL IMPACT**

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Already one of the nation's top three lawn and garden markets, Texas has the potential to expand its market share in the coming years. Horticulture is our state's fourth-largest agricultural industry, accounting for \$1.38 billion annually or 8.4 percent of total agricultural cash receipts. Overall, the green industry has an annual impact of \$9.7 billion on the Texas economy. Only 4.7 percent of this impact stems from sales outside the state.

Texas also remains a leader in the produce market. In 2005, Texas citrus growers produced 6.79 million boxes of grapefruits and oranges with an estimated value more than \$88 million. Texas producers harvested 87,900 acres of commercial fresh and processed vegetables in 2005, down 6 percent from the year before. Similar to the horticulture industry, the produce industry has only grown one percent over the past year.

The proposed marketing and promotional activities will assist horticulture and produce producers in Texas showcasing their products, increasing the value of the crops they produce and enhancing their competitiveness in the marketplace.

### **Retail promotions**

1. *Retail produce and horticulture promotions*  
The proposed retail promotions at grocery stores and nurseries will reach more than 3 million consumers per week during product availability periods. By participating in wine and food festivals with chef demonstrations and informational materials, TDA will have the opportunity to reach more than 13,000 consumers.
2. *Retail watermelon promotion*  
The watermelon bins will help 80 watermelon producers in Texas identify their products as locally grown, develop customer awareness and increase sales.
3. *Blackboards*  
The blackboard displays will help more than 2,000 small producers identify their products as locally grown.
4. *Farmers market promotions and advertisements*  
These promotions and advertisements will assist 90 farmers markets across the state, targeting more than 100,000 consumers a week during peak season. Farmers markets in Texas provide a venue for over 2,000 small producers to sell their products.
5. *Pull-up display screens*  
These pull-up screens along with other promotional materials will give customers at retail stores and more than 30,000 attendees at wine and food festivals the opportunity to learn where to find locally grown produce and discover its seasonal availability.

### **Wholesale promotions**

6. *Chef demonstrations*  
By participating in the Texas Restaurant Association Foodservice Show, TDA has the opportunity to promote Texas produce to 30,000 buyers who are committed to using local produce in their restaurants. A chef demonstration at the Produce Marketing Fresh Summit will demonstrate new ideas for preparing produce to 17,000 produce buyers from across the country.
7. *Produce Marketing Association Fresh Summit*  
Participating at the Produce Marketing Association Fresh Summit will help expose Texas producers to 17,000 produce and floral buyers. All growers of

Texas potted plants, cut flowers, and fruits and vegetables will benefit from the exposure received at this summit.

**Informational materials**

8. *Horticulture Landscape Guide*

Fifty-thousand homeowners, landscapers, students and many others will gain knowledge from a horticulture landscape guide when it is developed. The publication will be available for the Texas Nursery and Landscape Association, TDA, Farm Bureau's Planet Ag and the Texas Cooperative Extension to distribute at consumer events.

9. *Recipe Cards*

TDA will distribute recipe cards to school food service staff, restaurants, retail buyers and consumers. The cards will provide ideas for using Texas produce when developing their menus. These information cards will be distributed to 50,000 customers over the course of the promotion.

SAMPLE

**FINANCIAL FEASIBILITY**

The proposed projects are not currently funded by state funds. Grant funds received by TDA under the Specialty Crop Block Grant Program will supplement the expenditure of state funds in support of Texas specialty crops.

The following is an estimated budget for the activities proposed in this Specialty Crop Block Grant Program application. During the implementation of these projects, distribution of funds may be modified to provide the maximum benefit to the produce and horticulture industry. However, funds will not be allocated to any project other than the proposed activities. Any budget adjustments will be minor and will be noted and discussed in the annual report.

<b>Estimated Budget – TDA Specialty Crop Block Grant Proposal</b>			
<b>Project</b>	<b>Horticulture</b>	<b>Produce</b>	<b>Total Cost</b>
<b>Retail Promotions</b>			<b>\$X</b>
Retail produce and horticulture promotion			<b>\$X</b>
Watermelon retail promotion			<b>\$X</b>
Blackboards			<b>\$X</b>
Farmers Market Promotions and Advertisements			<b>\$X</b>
Pull-up display screens			<b>\$X</b>
<b>Wholesale Promotions</b>			<b>\$X</b>
Chef demonstration			<b>\$X</b>
Produce Marketing Association Show			<b>\$X</b>
<b>Informational pieces</b>			<b>\$X</b>
Horticulture landscape guide			<b>\$X</b>
Recipe cards			<b>\$X</b>
Total			<b>\$X</b>

**Administrative Costs**

No Specialty Crop Block Grant funds allocated to TDA will be used for administrative costs or travel. Any administrative or travel costs incurred for the proposed projects will be covered by existing resources.

## **EXPECTED MEASURABLE OUTCOME**

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TDA will work with all project partners to develop mechanisms to measure increased sales and consumer awareness as a result of these promotions and informational materials. Estimated outcomes will be determined at the conclusion of each promotional period. The annual report will provide a summary of the impact of these projects to the Texas horticulture and produce at the end of the program year.

### **Retail promotions**

1. *Retail produce and horticulture promotions*  
The promotions at grocery stores and nurseries will reach more than 3 million consumers per week. Promotions at Texas wine and food festivals will inform more than 13,000 consumers about locally grown fresh Texas produce.
2. *Retail watermelon promotion*  
Retail promotions conducted with previous specialty crop funds resulted in an average sales increase of 48 percent. A similar outcome is expected with the watermelon bin promotions. Consumer awareness is expected to increase by the same amount.
3. *Blackboards*  
Retail promotions conducted with previous specialty crop funds resulted in an average sales increase of 48 percent. A similar outcome is expected with the creation and utilization of blackboards. Consumer awareness is expected to increase by the same amount.
4. *Farmers market promotions and advertisements*  
Attendance at farmers markets is expected to increase 10 percent as a result of these advertising promotions. This increase in attendance should translate to a comparable increase in sales for market vendors.
5. *Pull-up display screens*  
Promotions conducted with previous specialty crop funds resulted in an average sales increase of 48 percent. A similar outcome is expected with these screens. The number of hits to the GO TEXAN and Pick Texas Web sites is expected to increase by 10 percent as a result of these screens.

### **Wholesale promotions**

6. *Chef demonstrations*  
The addition of a chef to prepare meals with Texas produce will increase the number of visitors to Texas Town at the Produce Marketing Association Fresh Summit by 30 percent. Producers will showcase their products to these additional buyers. As a result of a chef demonstration at the Texas Restaurant Association

Foodservice Show and Texas food and wine festivals, more than 13,000 attendees will have an increased awareness of locally grown fresh Texas produce.

7. *Produce Marketing Association Fresh Summit*

The additional marketing programs at the Produce Marketing Association Fresh Summit will double the number of Texas exhibitors benefiting from increased exposure to buyers. This increased connection should increase sales of Texas products at the show by 10 percent.

**Informational materials**

8. *Horticulture Landscape Guide*

The horticulture landscape guide will be distributed to 50,000 homeowners across the state. A 5 percent increase in sales of Texas horticulture products is expected as a result of this guide.

9. *Recipe Cards*

The recipe cards will be distributed to 50,000 homeowners, chefs, school foodservice workers and grocery stores across Texas. Consumer awareness of Texas produce is expected to increase by 5 percent as a result of this promotion.

## **GOALS**

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The overall goal of the TDA Specialty Crop Block Grant proposal is to increase the competitiveness of Texas horticulture and produce. Both industries will benefit from the proposed marketing programs through increased consumer and buyer awareness of locally grown products, increased sales for producers and higher market value for Texas produce and horticulture.

### **Retail promotions**

The goal of the retail promotions is to increase customer awareness of locally grown Texas produce and plants as well as increase sales throughout the production seasons.

### **Wholesale promotions**

The goal of the wholesale promotions is to offer producers new venues and methods of exhibiting to showcase their products, resulting in increased sales to major wholesalers and distributors.

### **Informational materials**

The goal of the informational materials is to increase consumer knowledge of Texas plants and produce by showing the many benefits and uses of these products.

## **WORK PLAN**

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### **Retail promotions**

1. *Retail produce and horticulture promotions*

Initial production of materials for distribution and display items will begin in January 2007, or as soon as funding is available, TDA's marketing division will create informational materials and marketing tools to inform consumers of the benefits of selecting Texas produce and plants and the availability of produce and seasonal plants. Additionally, TDA will offer these materials at consumer events such as wine and food festivals and nursery retail demonstrations beginning in April 2007. TDA will work with project partners throughout the year to track participation in promotional events.
2. *Retail watermelon promotion*

Watermelon bin design will begin as soon as funds are available. Printing plates for watermelon bins must be in place with box suppliers prior to the start of the watermelon season in April 2007. Retailers and shippers will work with TDA to identify the increase of sales of watermelons during promotional periods.
3. *Blackboards*

Production of blackboards will begin in January 2007. These boards should be available to farmers markets and retail stores to be used in conjunction with in-store demonstrations and farmers market advertisements. TDA will work with retail stores and farmers markets to determine the increase in sales during promotional periods.
4. *Farmers market promotions and advertisements*

Each market will be showcased in regional advertisements at the beginning of the season in April 2007. Banners to be placed at the entrance of the markets will be developed in February 2007. The banners will be used during the entire period the market is open. TDA will work with each market to track vendor sales during these promotions and determine the economic impact.
5. *Pull-up display screens*

The pull-up screens will be designed and produced in January 2007 in order to be ready for retail promotions in February 2007. TDA will work with retailers to determine the increase in sales during promotional periods.

### **Wholesale promotions**

6. *Chef demonstrations*

Planning for chef demonstrations will begin in February 2007. The first demonstrations will occur in April 2007 during the Texas wine and food festival season with the next demonstrations at the Texas Restaurant Association

Foodservice Show in June 2007. The last demonstrations will be in October 2007 at the Produce Marketing Association Fresh Summit. TDA will work with industry associations and producers to determine the increase in sales as a result of these promotions.

7. *Produce Marketing Association Show*

Booth space for this show will be purchased in February 2007. Promotional materials will be available for the show in October 2007. TDA will work with industry to determine the increase in sales as a result of participation in this show.

**Informational materials**

8. *Horticulture landscape guide*

TDA will work with the Texas Nursery and Landscape Association to gather information for the guide as soon as funds are available. Research and planning for the guide should take four to five months. The printed brochure will be ready by June 1, 2007, for distribution at summer consumer events. The largest distributions of the guide will be at Farm Bureau's Planet Ag at the State Fair of Texas in October 2007, and to the Texas Cooperative Extension Service. TDA will work with these partners to track distribution of information and with retailers and the Texas Nursery and Landscape Association to determine the actual impact on sales of Texas horticulture products.

9. *Recipe cards*

Research and development of the photos and text for the recipe cards will begin as soon as Specialty Crop Block Grant funds are available. Cards will be printed in March 2007 for distribution during the first major consumer event in April. Distribution will continue throughout the year at many marketing events including those mentioned in this plan. TDA will work with food service and retail stores to determine increase in consumer awareness as a result of the promotion.

## **PROJECT OVERSIGHT**

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TDA's Marketing Coordinator for Horticulture, Produce and Forestry Marketing will directly oversee the development and implementation of the proposed Specialty Crop Block Grant projects. TDA's Governmental Affairs division will monitor the performance of all project activities and ensure that the work is completed within the required time frame and complies with all program regulations. This division will ensure that grant funds supplement the expenditure of State funds in support of Texas specialty crops.

Governmental Affairs staff will meet on a quarterly basis with the Marketing Coordinator for this project. The result of the quarterly meeting will be a written and verbal report on the status of projects in this program and allocation of funding.

Currently, the Horticulture Marketing Coordinator manages more than \$100,000 in similar marketing programs. The Governmental Affairs division successfully manages 12 grants totaling more than \$21 million funded through USDA, the state of Texas and private contributions.

## **PROJECT COMMITMENT**

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TDA will work with several commodity groups to build a quality program that is beneficial to the Texas horticulture and produce industry. The Texas State Florist Association will organize growers to participate in the Produce Marketing Association Fresh Summit in Houston, Texas. The Texas Nursery and Landscape Association will help provide informational materials for the Horticulture Landscape Guide. The Texas Watermelon Association and the Texas Produce Association will provide guidance in developing retail promotions to best support and enhance the competitiveness of their industries. TDA staff from all departments and regions will work together to make sure each project is run in accordance with federal and state guidelines.

Letters from several of these partner organizations expressing support for these projects are attached to this application.

## **MULTI-STATE PROJECTS**

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TDA is not partnering with any other states in the development or implementation of these projects.