Final Reports from the Sustainable Agriculture Research and Education (SARE) Program's Market Research Grants in FY 2000: Highlights and Accomplishments

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EXECUTIVE SUMMARY

This document contains summaries of 24 marketing projects funded by the Agricultural Marketing Service's (AMS) Marketing Services Branch (MSB) in 2000 to encourage innovative sustainable agricultural practices. AMS and the Sustainable Agriculture Research and Education (SARE) program of the United States Department of Agriculture's Cooperative State Research, Education, and Extension Service (USDA/CSREES) partnered to provide a total of $500,000 in grants to producers. As a result of this partnership, MSB developed cooperative agreements with the universities that host each of the four SARE regions: University of Vermont, University of Nebraska, University of Georgia, and Utah State University. The overall objective of this project was to carry out marketing projects and examine the potential of new and emerging marketing opportunities in sustainable agriculture. University personnel from each region solicited, reviewed and selected projects, using its established producer grant review process, with the involvement of AMS marketing staff. A total of 35 projects were funded, of which 24 were completed by grant recipients. These projects were allocated across regions as follows:

- Northeast (8)
- Southern (3)
- North Central (3)
- Western (10)

The 24 projects listed in this document represent the diversity of producers and marketing channels that exist today. Projects cover such issues as agricultural entrepreneurship, ethnic markets, Native American products, Internet marketing, cooperative development, and niche marketing of meat and dairy products, including specialty poultry, lamb, beef, and cheeses. These case studies highlight the successes and challenges of the projects, so that other producers might learn from these examples, replicate these models, where appropriate, and be more effective in their marketing operations. In order to effectively communicate the relevant information by these projects, they are presented in the following format:

- Purpose – describing the overall objective(s) of the project
- Accomplishments – explaining what steps were taken to carry out project objectives
- Lessons Learned – identifying the specific lessons project managers learned from carrying out project objectives
- Conclusion – describing how project managers perceived the larger implications of the project for other agricultural producers

By publishing this document and sharing case studies from the field, MSB continues to contribute to the existing body of knowledge on alternative marketing channels for farm products, and develop materials that help producers take advantage of these emerging market opportunities.

Bird, Berry, and Blossom Subscription Program

Location of Project: Wiscasset, Maine (Northeast Region)

Purpose: Morris Farm, the sponsoring organization for this project, identified several goals and aspirations for their 2000 growing season. They included:

- Encouraging local, seasonal eating in the Wiscasset area and reminding residents in their area of the local availability of some staple foods,
- Providing a local, organic alternative to chemical-intensive, foreign-grown flowers,
- Educating participants about small-scale, organic food production,
- Investigating the viability of subscription marketing of fresh food as an alternative marketing strategy in mid-coast Maine, and
- Identifying and demonstrating the risks associated with those strategies.

Accomplishments: The first stage of the project involved planning the size of the subscription program, based on the farm's production capacity. Farm managers determined how many subscriptions the farm could handle and what the appropriate price should be for each subscription. The price scale was based on the costs of production for each crop, the standard prices for those crops in each region, and a price break for subscribers in exchange for advance payment. The final step in the planning process was to establish pick-up days and times for the subscriptions that would not interfere with farm operations.

When these schedules were determined, the subscription program was publicized through the Morris Farm's quarterly newsletter (which has a readership of about 900), local newspaper articles, a direct mailing of roughly 85 program fliers, and the Farm's website. The program was also promoted to attendees of Morris Farm special events and educational programs. The total number of subscriptions sold was 43, including 5 egg, 9 broiler chicken, 7 flower, and 22 raspberry subscriptions.

Production began immediately after the planning and publicizing process. The egg subscription was the first to begin, since the flock's production began to come out of its winter lull as soon as

the weather became consistently warmer. The first batch of chicks for the broiler chicken subscription arrived in April. Flower production began in early spring in the greenhouse by starting both annuals and perennials from seed, dividing perennials, renovating the Farm's existing flowerbeds and creating new beds. The raspberry patch was pruned, mulched, and fertilized according to its regular annual maintenance plan.

Lessons Learned: The first real challenge in the program was establishing a location for pick up. At the beginning of the season, the construction of the organization's farm stand was not completed. This created some confusion later on in the program because earlier in the season, subscribers were asked to come to the office, rather than to the farm stand, to pick up the merchandise.

In addition, all of the subscriptions, except for the eggs, started later in the season than planned because of the unusually cold, wet spring. As a result of the poor weather, the chickens were of a smaller size than hoped throughout the season, though feedback about their flavor and overall quality was consistently good.

Once the flower harvest season got underway, it was relatively successful. The cool weather was excellent for calendula and

some of the early perennials, such as Shasta daisies and lupines. Other varieties that proved excellent for cutting were iris, scabiosa, nigella, foxglove, yarrow, cosmos, phlox and various rudbeckias. Varieties that were introduced, but did not end up getting used for arrangements were lavatera, which had branching stems that weren't conducive to arrangements, salvia strata, which was too short and somewhat anemic, cleome, which had thorns, and larkspur and lobelia, neither of which germinated. Bachelor buttons provided an excellent filler, but were extremely labor intensive. In general, having the flowers mixed in with the vegetable garden added a great deal to the farm's aesthetic and captured the fancy of many of the farm's visitors.

The raspberries, which were expected to come into full production around the July 4th timeframe, did not come into production until mid-July, and instead of having a bumper crop, they came in a slow trickle for just barely eight weeks. The consistent rain during the pollination season may have kept a number of pollinators undercover, and the raspberry fruiting period appeared to have been undermined by migratory flocks of birds.

Had the raspberry production been closer to the projections that were made based on the variety and the age and health of the patch, the problems with the subscription pick up routine and with people forgetting their pick up day and time would not have been so severe. Making matters worse, the organization learned nearly 2 weeks into the raspberry harvest that the best way to store raspberries was not to cover them immediately with cellophane, but to let them dry first in the cooler before covering them.

The raspberry production was so low, in fact, that after the second week of the subscription, the organization had to split the subscribers into the two groups for pick up, one on Tuesday and one on Friday, instead of the original Wednesday pick up plan. With the change in the pick up schedule, it was necessary for the organization's representatives to be available for at least 2 hours, and usually more on Tuesdays, Wednesdays, and Friday afternoons, so that subscribers could pick up their merchandise. The change in scheduling also caused confusion among subscribers. The amount of time required to have managed two pick up days quickly outweighed the economic benefits of the program.

Conclusion: In the period of fast food convenience and seasonless, supermarket eating, it is quite possibly too much to ask modern consumers to

make a special trip at a specific time for only one, two or three specific items. Consequently, the more traditional community supported agriculture (CSA) model of large shares that include everything that is in season at a farm may be more reliable, more satisfying for members, and of greater economic benefit. Furthermore, as one of the participants pointed out during the end of the survey, with or without the recent rise of fuel prices, it does not necessarily make environmental sense to have consumers drive out of their way to a farm to pick up just a couple of food items (as opposed to a week's worth of produce) in an area that has no public transportation.

Several of the subscribers indicated that the primary reasons for participation in the program were to support the Morris Farm, to keep food dollars in the community, to obtain organic products or naturally raised food and flowers. Seven participants chose "other" as the reason for their participation, which included looking for something fun to do with their kids, not wanting to grow raspberries themselves and wanting high quality produce.

When asked in what ways the program could be improved, participants suggested either more flexibility or stability in the pick up schedule, an e-mail reminder list, making more produce

available for sale either through subscription or in the farm stand, and offering poultry year-round.

Building a Farmers Market Business

Location of Project: Syracuse, New York (Northeast Region)

Purpose: The Farmers Market Federation of New York and the New York State Department of Agriculture arranged a series of six regional workshops during late February and early March 2001. At each workshop, farmers market representatives from the region were given the opportunity to present a 10-minute presentation about their market. The audience was filled with farmers interested in locating farmers markets where they could sell their farm products directly to the public. The primary goals of the project were:

- Increase the profitability of small family farms by providing training on how to transition into direct farm marketing,
- Allow people to enter into agriculture in a cost-effective manner and with the basic knowledge and skills they needed to be successful,
- Introduce more growers and producers to direct marketing and increase participation in New York farmers markets, and

- Enhance opportunities for consumers to purchase local, nutritious, fresh fruits and vegetables, as well as other agricultural products, from producers.

Accomplishments: The "Building a Farmers Market Business" project began by taking farmers and other interested parties on a series of farm tours during the 2000 growing season. They traveled throughout New York State in an effort to allow everyone an opportunity to visit farms that were using direct marketing techniques, with a special emphasis on farmers markets. The farms chosen for visits represented a diverse array of agricultural operations, including vegetables and fruits, value-added products, livestock and community supported agriculture.

When the tours were completed, the project leaders organized a 2-day workshop to educate transitioning farmers and new entrants to farming about production, business and marketing skills. Topics covered at the workshop included vegetables, small fruit production, greenhouse production, fresh cut flowers and herbs, and livestock marketing. Day two of the workshop was devoted to farmers market issues. Speakers shared information on what a farmer could expect at a farmers market, farmers market demographics, and a discussion on what types of rules and

regulations are typically encountered at a farmers market. One farmers market manager addressed how farm vendors should prepare themselves for selling at a farmers market, and discussed the importance of using tents or coverings, cash boxes, bags, display supplies, and signage. Another manager gave a slide show presentation on market displays, and pointed out the differences between effective and poorly designed displays. A third market manager discussed what extra information a farmer could provide to encourage repeat sales from customers. A Cornell University Extension Associate covered profitable pricing strategies. Finally, members of a consumer panel discussed what they look for from a farmers market vendor. In particular, they discussed what a farmer must do to attract their interest and what factors lead them to become repeat customers. They also explained their reasons for shopping at farmers markets and discussed what types of products were most important to them.

Proceedings for this workshop were collected and put into a binder for each of the attendees to take home. Additional copies of the proceedings are located at the Farmers Market Federation of New York's home office in Syracuse, NY.

Lessons Learned: The farm tours during the summer months were not very well attended, though the tours were only 3 hours in length and took place on off-market days. Several farmers indicated that although they were interested, they could not justify time away from their own farms, especially in light of the cold, rainy spring and summer. However, those that did attend the tours were interested in the details of the operation and asked several questions. Farm owners that hosted each of the tours were very open and discussed good and bad points in their operation and answered questions thoroughly.

The "Building a Farmers Market Workshop" that was held at the 2001 New York State Farmers Direct Marketing Conference was attended by over 120 participants. Seminar presenters were highly knowledgeable in their subject material and presented it in an easy to understand format. Each speaker held a brief question and answer session at the end of his or her presentation to be certain each attendee received all of the information they wanted from the presented topic. Evaluations rated this workshop very highly.

Conclusion: There is a definite need for new farmer training. The average age of farmers participating at farmers markets is increasing and there are too few people interested in replacing these market sellers as

they retire. New farmer training, which should include marketing skills, would help to encourage more people to enter into farming and use direct marketing channels to sell their products.

The Farmers Market Federation of New York will continue to offer workshops and seminars for new farmers and new farmers market sellers. The organization considers it important to continue to bring new producers into farmers markets to ensure that a steady and diverse supply of farm fresh agricultural products is maintained.

Harvest Home Organics

Location of Project: Moravia, New York (Northeast Region)

Purpose: The main purpose of the project was to investigate market opportunities for a subscription delivery business in organic vegetables.

Accomplishments: Subscriptions were established with 12 households. Baskets of fresh vegetables, flowers, and herbs with a newsletter and recipes to try were all delivered as promised in the shareholders certificates.

Lessons Learned: The first baskets were delivered to subscribers in June, although they were not as full as had been hoped. Baskets in subsequent weeks were also sparse until second plantings were ready to harvest. The battle to harvest an adequate supply continued through July because of unfavorable weather conditions; the National Weather Service reported it had been the second coldest and wettest July in 100 years.

A final questionnaire was offered to community supported agriculture participants, and 6 out of the 12 respondents all were satisfied with the amount of vegetables and the quality of the delivery. Nonetheless, several respondents indicated that they definitely would not participate again.

Conclusion: While the project manager believed the project was a worthwhile endeavor, it was a real challenge. Expenses exceeded the budget and more work than anticipated was required to provide a bountiful harvest in a less than perfect year. Upon reflection, the project manager concluded that future seasons should include working shares as an option, as the work involved in this type of endeavor is simply too much for one person to handle. Despite expectations that subscribers would voluntarily help work the farm, the reality was that most subscribers were uninterested in taking on the responsibility without any financial incentive.

Marketing Database for Ethnic Markets

Location of Project: Amherst, Massachusetts (Northeast Region)

Purpose: The goal of this project was to build a database specific to ethnic markets as well as give meat producers the ability to assess potential profits and improve marketing.

Accomplishments: Data on livestock buyers were collected and compiled using a computer database program, including contact information, demographic and economic information, and purchasing preferences. This effort included identifying the specific meat items wanted by particular ethnic groups, and the times of year when they tended to consume such items. The data was collected from interviews at markets, phone calls to ethnic buyers, selected statistics from feasibility studies, and available information on American demographic trends. Relevant information incorporated in the database included cooking preparations and recipes that were popular among particular ethnic populations.

Lessons Learned: The bulk of the work involved in this project comprised of data collection, data entry, and editing.

Conclusion: Creating this type of comprehensive reference material for livestock producers did not prove difficult to assemble.

Natural Beef Marketing Project

Location of Project: Medina, New York (Northeast Region)

Purpose: The goal of the project was to develop a local natural beef product in the upstate New York region through a marketing alliance, which would market this niche product in local area supermarkets. The focus of the project was the promotion of source-verified natural beef by exposing consumers to the product through supermarket sampling and advertising.

Accomplishments: A natural beef product line was introduced to area stores and markets. While distribution was limited to a handful of stores, the supermarket buyers that were involved in the product promotion reacted very favorably to the new items and the sampling program was fully supported by participating stores.

Lessons Learned: While there was a great deal of interest in the product, the packaging of the product was not up to the professional standards to which retail buyers were accustomed. A major problem was the fact that the processing plant that was purchased to produce

premium natural beef contained outdated equipment. Consequently, the marketing alliance was unable to offer satisfactory packaging to its customers, and it was unclear what direction could be taken by the marketing alliance to alleviate the problem, given the available infrastructure.

Conclusion: The primary goal of finding a retail market for locally-produced natural beef products was accomplished by attracting farmers to the idea of retailing directly to consumers. However, more professional packaging is needed in order to compete successfully for the retail customer.

Northern Meat Breeders Cooperative Plan

Location of Project: Enosburg Falls, Vermont (Northeast Region)

Purpose: The Pride of Vermont Farms is a cooperative of goat producers that attempted to use kid meat for making sausages. The reason for pursuing this strategy was that there were no markets for kid meat in the State, and that by putting it into sausages, consumers might be more willing to eat kid meat.

Accomplishments: With the assistance of the Vermont Fresh Network, connections were established with farmers markets and buyers' cooperatives, where sausage sales were well received. Taste sampling demonstrations were offered at different locations, as an extension to educational outreach activities, to give consumers the opportunity to sample different types of sausages, and educate them on how the sausages were made. Nevertheless, the sausage was a slow seller among restaurant customers, which caused the cooperative to switch to selling cuts of lamb during the month of August.

Lessons Learned: The cooperative found that it was too cost prohibitive to process kid meat for sausages, which led them to focus solely on selling lamb cuts. Accentuating the difficulty of the project was the fact that the cooperative had difficulty calculating their true product yields from slaughter, and the quotes they received from processors tended to underestimate actual processing costs.

Conclusion: While making sausages from kid meat in the upper New England area was a unique project, there did not appear to be enough demand to make the product profitable. Although the popularity of the sausage product was reasonably strong at local farmers markets, local area restaurants did not provide the same level of support.

Processing Champlain Valley Apples

Location of Project: Churubusco, New York (Northeast Region)

Purpose: The overall goal of the educational project was to facilitate the establishment of home kitchens, train apple processors, and expand markets for processed apple products. The project offered education to interested individuals about how to process apples for commercial use. Classes also featured education on kitchen certification requirements, canning, labeling, insurance, and recipe development.

Accomplishments: Informational packets were sent out to over 150 farmers, agri-businesses, and processors from a list of individuals compiled by the Cornell Cooperative Extension of Franklin County, inviting them to attend a class on basic processing techniques. The class:

- Provided guidelines about kitchen certification requirements;
- Educated individuals on how to have recipes approved for processing; and
- Discussed requirements for jars, labels, and insurance.

Instructors also provided a guided tour of Adirondack Kitchens to show participants how a typical commercial processing kitchen facility operates.

Lessons Learned: There appears to be an untapped potential market base for Champlain Valley apples and other local farm products. One workshop participant successfully started her own roadside stand, selling apples, fruits, jams, jellies, and fresh baked goods. Such success enabled her to expand her marketing efforts to include Christmas trees and have a pumpkin patch.

Conclusion: Project researchers suggested that the State agriculture and education departments consider combining their resources to market New York State agriculture products. One possible area of collaboration they identified was a project aimed at making New York apples available for school fundraising projects.

Research, Development, and Marketing of Value-Added Pork Products

Location of Project: Mifflinburg, Pennsylvania (Northeast Region)

Purpose: The primary goals of this project were to conduct research in order to help small/independent pork producers market value-added pork products to consumers, and develop appropriate pricing structures, labels, packaging, products, and marketing materials to support these efforts. This effort was led by agents from the Pennsylvania State University Cooperative Extension Service and officials from the Bucknell University Small Business Development Center.

Accomplishments: To support an expansion of direct sales of value-added pork products by farmers, the project was divided into three distinct phases: research, product development, and marketing. During the research phase, a variety of issues pertaining to retail meat marketing were explored. These issues included USDA and Pennsylvania Department of Agriculture meat retail regulations, legal and liability issues, refrigeration systems, certified slaughter facility requirements and the probable availability of consumer

markets for locally-raised pork products. To carry out this phase of the project, the following activities were undertaken by project organizers:

- Making numerous phone calls to pertinent government agencies to understand the current regulatory environment for meat marketing
- Arranging a meeting with an attorney to discuss various types of potential business structures
- Arranging meetings with various insurance agents to receive multiple quotes on liability policies
- Touring potential slaughter and processing facilities
- Visiting various farm markets where meat products are sold directly to consumers
- Conducting literature searches at the library and on the Internet
- Contacting producers who were likely to be interested in value-added marketing of pork products
- Checking newspaper and phone book advertisements about refrigeration systems appropriate for storing and transporting meat products

- Subscribing to and reading trade magazines to remain current with consumer trends and value-added marketing

The product development phase involved formulating a business and marketing plan, establishing pricing structures, designing a logo, labels, and packaging for the pork products, and creating promotional brochures. To accomplish these goals, project managers worked with a graphic designer at Bucknell University's Small Business Development Center to develop a logo and labels that would solidify brand identity and comply with government regulations. During this phase of activity:

- Slaughter and processing facilities were chosen;
- Hazard Analysis Critical Control Points (HACCP) guidelines were established;
- Required licenses and liability insurance were acquired;
- Pork products were developed and packaging was selected;
- Slaughter and processing schedules were developed;
- Labels and promotional brochures were printed; and
- Advertising was purchased.

Marketing, the third and final phase of this project, included the actual process of taking orders, processing hogs into retail pork

cuts, and delivering products to customers. This phase involved selecting market days, taking orders, determining the number of hogs needed to meet the orders and sending the hogs to the chosen slaughter facility. Project managers also needed to decide exactly how the various primal cuts of meat would need to be processed to meet customer demand (e.g., fresh or smoked pork chops, whole or sliced hams, etc.)

After extensive research and time spent on product development, the first pork products were retailed in December 2000. While there were many obstacles to overcome and deadlines for reaching the individual goals were delayed, the overall project goal of creating a technically and regulatory sound method for adding value to the hogs was accomplished.

Lessons Learned: Some unexpected findings involved the meat processing portion of the project. The biggest surprise to the project managers was the small number of properly regulated slaughter/processing facilities that were available and willing to work with the group on the project. The unconventional idea of "the farmer" also being "the retailer" was foreign, if not downright suspicious, too many of the slaughter/processors interviewed. Additionally, under the new Hazard Analysis and Critical Control Point (HACCP) regulations

and two-tier government certification process in Pennsylvania (one for slaughter, one for further processing), it was discovered that the only way to get pork products processed in a regulatory sound fashion was to utilize two separate USDA certified facilities, one for slaughter/packaging and one for processing. This additional step resulted in increased expense, communication, time delays, and a greater potential for error.

Given the complication involved in needing to use two separate USDA certified facilities, the biggest economic challenge of this project was ensuring that producers were able to make profit at each stage of further processing without making the cost of the finished product prohibitive to the consumer. Large companies that specialize in one or more of these processing steps usually have economies of scale, proper equipment, sufficient markets and efficient systems in place for adding value with low overhead. Because of the newness and small size of the project, higher overhead costs were incurred, resulting in smaller profit margins. Unfortunately from the consumer's perspective, this resulted in higher prices over many brand name pork products. However, many consumers felt that the quality and the local origin of the products were worth the price difference.

The other advantage that large commercial slaughter/processing facilities have developed is the capability of utilizing every part of the hog. The parts discarded in the value-added process could represent a major difference in the final profit margin. A representative of a very large commercial slaughter facility interviewed by the project managers noted that the key in being efficient and realizing a sizable profit was by using "*all parts of the pig except the squeal.*" At that facility, ears and hooves were processed into dog chews, blood was collected for blood meal, bones were ground into bone meal, and many other by-products were created in order to help lower the cost of the premium products.

The third major economic consideration of this project and how it relates to the farm profitability was the size of the project. Compared to standard processing businesses that produce 6,500 to 7,000 market hogs annually, this project only utilized 27 hogs in a 3 month period. On an annual basis, that would equate to approximately 108 hogs per year. Even with a substantial profit per hog, the revenue obtained from processing 108 hogs would not be enough to sustain the operation. Greater production volume would need to be established in order to profitably sustain the hog enterprise. Wholesaling to supermarkets, getting a food distributor

to carry the products or further outsourcing of portions of the marketing activity would be necessary.

Conclusion: Over the course of the project, the project managers changed some of their initial marketing ideas, eventually concluding that product research and development need to evolve in tandem with marketing efforts. In addition, they recommend taking the following actions to increase the chances that a direct marketing campaign for value-added pork products will be successful:

- Strong emphasis on advertising
- Website development
- Catalog development with full color photographs of the products
- Assembly of a refrigerated delivery system, crucial to future sales growth
- Modification of slaughtering, processing, and packaging activities to become more efficient
- Discovery of uses for parts of the animal that are presently discarded

Cooperative Marketing of Organic Produce and Animal Products Directly to Consumers

Location of Project: Mount Judea, Arkansas (Southern Region)

Purpose: A number of members of an Ozark growers association sought to combine the marketing and distribution efforts of a diverse mix of growers and producers. The product line included the sales of produce (fruit, vegetables, & mushrooms), meat, poultry (including eggs), beef, pork, and lamb. The group initiated the project by undertaking a feasibility study and demographic analysis designed to help them expand their market in the Little Rock area as well as sections of northwest Arkansas. They later decided to consider other areas as potential market opportunities.

Accomplishments: The greatest successes involved sales made directly to consumers and to high-end restaurants. Direct-to-consumer sales were achieved by working with an established Community Supported Agriculture operation (CSA). The results of the project indicated that a CSA could be started or even expanded to include all of the items produced by the growers' association and that if properly managed (i.e., able to supply enough products on a consistent

basis), could be potentially profitable to farm participants. A working relationship was also developed with the Heifer Project CSA program, which offered meat and poultry products to their members. The group coordinated deliveries of produce to CSA members in Conway and Little Rock twice a month to CSA members. This strategy worked well and appeared to be worthwhile; CSA members provided very positive feedback about the products they received.

Extensive research was conducted into refrigerated storage and routing options to determine the most economical methods for moving product between producers and buyers. Arrangements were made for producers with available storage to drop off and pick up product at certain delivery points over a period of several months.

A database was also created to track customers and prospects as well as billing and collections. By using the database, reports were generated to show product sales by customer, grower, route, and product. This process led to the evaluation of each route so they could determine its profitability and track how many product sales were necessary to break even with delivery costs.

Lessons Learned: There were many challenges faced with this project, but the most challenging and costly was the distribution of product to different retail establishments, namely restaurants. The logistics of distributing products from a centralized drop-off point to individual restaurant customers were difficult to coordinate and proved to be quite costly.

Conclusion: The results of this project support direct to consumer marketing and suggest that the best chance of success would likely be accepted with a CSA or buyer's clubs, where growers agree to pick-up merchandise from an agreed-upon collection point. Meat and poultry, combined with fruits, vegetables, garlic, herbs, fresh eggs, and perhaps fresh cut flowers, seem to offer the greatest potential for success.

Marketing Edamame Soybeans in Kentucky

Location of Project: Owensboro, Kentucky (Southern Region)

Purpose: Farmers in the South are challenged by the uncertainty of tobacco quotas and markets as well the continuing low prices for bulk commodities such as corn, soybeans, and wheat. Many Southern states, for example, North Carolina and Kentucky, are exploring marketing concepts such as vegetable cooperatives and farmers markets to increase their cash sales of crops. In this project, several producers decided to grow edamame soybeans and test market their product in farmers markets in Owensboro, KY and Evansville, IN. They developed educational programs about edamame, which they offered at farmers markets, schools, food service associations, and even a local radio talk show.

Accomplishments: The producers were involved with growing edamame soybeans, a variety that can be eaten fresh, to be promoted in farmers markets in Owensboro, KY and Evansville, IN. As part of this promotional effort, brochures and banners were designed to feature Kentucky-grown labels. Easy-to-prepare recipes, as well as the most current

health claims and sources regarding soy foods research, were offered to those who expressed interest.

A workshop was conducted to coincide with the annual meeting of the Kentucky School Food Association in Owensboro, KY, which featured presentations on edamame soybeans. Approximately 195 participants attended the event from across the State. Participants were able to receive information regarding the history, the nutritional value, and the health benefits of edamame soybeans, as well as observe demonstrations by local chefs, who prepared various dishes featuring edamame in recipes listed in the promotional brochure.

The ways in which edamame soybean products were sold varied depending on the specific market outlet. At farmers markets, the producers sold one pound bundles of beans, equivalent to around 15-18 stalks, on the stalk, for $2.00. At other types of produce stands, beans were typically sold off the stalk, in the pod, also for $2.00 per pound.

One of the producers served as a guest on a WVJS radio talk show in Owensboro every Monday morning to provide food safety, cooking, and recipe tips for local listeners. The radio audience for

the segment reached about 9,000 people across Daviess County. During the segment, she discussed the nutritional components and recipes for edamame, and told listeners to expect these beans at the Owensboro Farmers Market. At the market, samples from various recipes were made available for tasting and samples were also given away so that consumers could experiment with recipes.

This same producer also published a monthly county consumer newsletter in Daviess County that reached nearly 500 families. In July 2001, she wrote an article for the newsletter that featured edamame as a vegetable with new crop possibilities, and discussed the health benefits of edamame soybeans and offered several recipes.

Another producer partnered with staff members of the University of Kentucky to create a website to promote edamame soybeans. The website can be found at www.uky.edu/ag/hortbiz under the "edamame soybean project link."

Lessons Learned: While producers had some modest success selling edamame, they encountered resistance from many customers who knew nothing about this new product.

Conclusion: Because customer awareness of edamame was so limited, farmers must discover ways to promote this product in order to be successful. Farmers markets provide an excellent atmosphere for such promotional activities. These may include easy-to-use recipes and tips in preparing and storing the beans. Media coverage – newspaper food sections, radio talk shows, and television cooking shows – have the potential to greatly enhance consumer awareness of not only edamame but other soy foods as well.

Open Pollinated Garden Seed as an Alternative Crop:

A Demonstration and Outreach Project

Location of Project: Mineral, Virginia (Southern Region)

Purpose: The growers at Acorn Farm purchased Southern Exposure Seed Exchange (SESE) in 1999, with the intent of diversifying the farm from a Community Supported Agriculture (CSA) operation to a seed production farm. The opportunity to explore the rebirth of regional seed growing as a viable source of income in the Southern region offered some excitement and hope to local growers.

Accomplishments: During the 2000 growing season, 30 different varieties of vegetables, 12 different varieties of flowers, and 8 different varieties of herbs were grown. Most of the varieties were offered in the 2001 SESE retail seed catalog, along with 13 organically certified seeds. Much of the 2000 spring season was spent identifying potential growers within the area by mass mailing and distributing flyers. Over 400 people received invitations to become growers for SESE, 150 of whom were local organic growers. Many local farmers, market growers, and backyard gardeners called to find out more

information about growing for SESE, with the result that the organization had to create a waiting list of potential growers.

During the fall of 2000, Acorn Farm held a harvest party and demonstration day to provide a tour of the farm, seed production processes, seed saving techniques, and seed business. Thirty-five people attended the demonstration day, including 15 potential growers. It was hoped that relationships would continue to flourish between Acorn Farms, local growers, and the larger community, so that customers and growers could be educated about the benefits of seeds that are naturally resistant to local diseases and pests.

Lessons Learned: In redirecting Acorn Farms from a CSA operation to a seed production operation, the productivity and income of the farm has increased. Many companies are looking for good sources of locally grown roots as well as seed stock grown with the use of alternative and sustainable agricultural methods.

Conclusion: The results of this project suggest that there are many marketing opportunities that can be attained by producers who focus on producing seeds that directly address local needs. Growing seeds for use in specific geographic regions appears to offer expanded income potential for smaller-scale agricultural producers. This area of agriculture is quite new,

suggesting that many opportunities remain for educating producers and customers about the benefits of using locally-grown seeds.

A Cooperative Approach of Farmer and Chef to Create a Profitable Niche Market for the Small Farm That Would Increase the Variety and Use of Specialty Potatoes

Location of Project: Wooster, Ohio (North Central Region)

Purpose: The objective of this project was threefold:

- to increase the number of potato varieties grown and available to the consumer in Ohio;
- to give economic incentive and support to local direct marketing; and
- to provide specific educational information to consumers about how to best use each specific potato variety.

Accomplishments: Seventeen varieties of specialty and gourmet potatoes were grown for 2 years at Muddy Fork Farm on an experimental basis. The field was prepared by tilling cover crops with a tractor and equipment belonging to Muddy Fork Farm. Project organizers from Muddy Fork Farm were responsible for preparing initial production plans and purchasing seeds and supplies, while the planting, weeding, picking of insects, and harvesting were done

manually with hoes and shovels by farmers from Muddy Fork Farm and other local producers.

The potatoes were marketed directly to consumers through the North Union Farmers Market at Shaker Square in Cleveland and through area restaurants. Several local newspapers publicized the project. Information about specialty potatoes and recipes were distributed to consumers at the farmers market and Parker's restaurant. During 2000 over 1,173 pounds of specialty potatoes were harvested and sold at $2.00 per pound for total sales of approximately $2,350, while during 2001, approximately 849 pounds of potatoes were sold at the North Union Market and area restaurants at $2.00 per pound, for total sales of approximately $1,700.

Lessons Learned: ***Production lessons.*** All the varieties grew well, although yields were well below average in 2001 because of damage to foliage and slow growth caused by unfavorable weather conditions. With more normal yields and somewhat larger-scale production (i.e., 10 acres rather than one acre), the project managers believed that specialty potato production could generally be a profitable operation for small farmers. The cost of the seed potatoes in 2000 and 2001 were between $500 and $600, and the cost of labor,

based on the 70 hours spent to plant, weed, water, and hand harvest the crop at $10 per hour equaled approximately $700. By adding the $700 devoted to labor costs, plus the cost of the seed potatoes, total production costs ranged between $1,200 and $1,300 over the 2 year period. Taking into consideration these costs, plus $100 for marketing expenses, the producers made a profit of $950 in 2000 and $300 in 2001, which they believed was relatively good considering that the crop only yielded half of its potential in 2001.

According to the market managers, one of the advantages to smaller producers of the specialty potato market is that the consumer market is too small to be attractive to large-scale agricultural competitors. Therefore, smaller producers have more of an opportunity to carve out a profitable market niche.

Marketing lessons. The producers found that targeting the right kind of consumers was critical in enabling them to obtain the premium prices for specialty potatoes. It was their impression that the customers who were comfortable paying such a price were generally well-educated, relatively affluent, and interested in gourmet foods. To be most effective in marketing specialty potatoes, the producers found that customers must be approached directly and provided with ideas and recipes for potatoes.

Fingerling potatoes stood out as a variety sought after by gourmet consumers. The purple viking variety was popular for its large tubers and good mashing quality, while the red gold variety was appreciated for its taste. The all-blue and all-red varieties were tried by consumers for their novelty value. Special recipes were developed for each type of potato, which were designed to showcase each potato variety's unique qualities.

Conclusion: The acceptance of the new varieties was widespread once consumers tried specialty potatoes, and many of them repeated their purchases. The circulation of educational information and recipes added value to the product and resulted in a very loyal and knowledgeable customer. Growing specialty potatoes may be a good choice for the small farmer, who has proper equipment, good soil to work with, and direct access to his/her customers. To increase the scale of potato production, a mechanical harvester would make the job much easier, although hand harvesting could be an alternative option. The demand for specialty potatoes and the profit potential appears to be good.

iowafood.com: The Development of an Alternative Marketing Strategy

Location of Project: Colo, Iowa (North Central Region)

Purpose: The project's goal was to develop alternative marketing strategies, national markets, and logistical infrastructure for small family farms in Iowa and enable them to direct market organic poultry to household consumers. This plan was carried out by establishing a farmer-owned company that would purchase poultry directly from farmers and sell the processed products under a uniform brand to consumers via the Internet. By bypassing a large-scale processor and supplying consumers directly, the project leaders attempted to increase the prices they could receive for organic poultry, which was estimated at $0.95 per pound for chicken.

Accomplishments: The managers of the project successfully completed a feasibility study for direct marketing in its test market of Des Moines, IA, designed a website and marketing materials, completed research of the market, wrote a business plan, and met with other producers across the state. After doing the background research necessary to get this potential project off the ground, the project managers then

implemented their business plan, accepted orders from gourmet restaurants for free range chickens, organized a producer production schedule, developed infrastructure for processing and distribution, and successfully marketed its first products in June 2001. Thirteen poultry producers were involved in the early stages of the project and 10 producers ended up marketing their organic poultry through this marketing arrangement. Approximately 40 percent of the company's revenue was returned to the farmer members. To document their experiences and the information they collected, the project managers compiled a handbook on organic production and marketing practices, which they shared with producer members and other interested farmers at local conferences.

Lessons Learned: It is almost impossible for medium-sized poultry producers to sell all of their production in their local rural community. Therefore, it is essential that they form marketing alliances that enable them to pursue larger markets in the metropolitan area. To be most successful, direct organic chicken marketing in Iowa should be, at minimum, a state-wide effort. Otherwise, localized groups tend to compete against each other for the same limited local market, which prevents anyone from having the production capacity to

supply consumers in population centers, where premium markets exist.

Some of the farmer members of the marketing alliance had difficulty accepting the level of expenses that needed to be directed toward transportation, storage, marketing, and administration. According to the project manager, these are issues that need to be addressed upfront, if this type of marketing alliance is to be successful.

Conclusion: Overall, the project accomplished more than anticipated. The project had a major impact on the community by providing a marketing outlet for approximately 10 organic poultry farmers, with additional producers and customers indicating their interest in participating. Furthermore, the project demonstrated that direct marketing of organic agriculture on the Internet provides a potential opportunity for small farmers to enhance their quality of life and make rural farming more economically viable.

Sheep and Lamb Leather Marketing

Location of Project: Elkhart, Iowa (North Central Region)

Purpose: The primary goal of this project was to create a market for a currently unused commodity, sheep pelts, to enhance the profitability and economic viability of raising sheep. With sheep hides worth less than $5.00 apiece on the market, farmers have typically paid to have them disposed, rather than taking the time to find buyers. The project was designed to expand the opportunity for marketing sheep pelts by processing the pelts into leather and developing business partnerships with local leather workers to manufacture finished leather products. A second goal was to enhance the income of local locker and leather processors and develop a working relationship that would be beneficial to all parties involved.

Accomplishments: The managers of the project operate a small, diversified grain and livestock farm in Central Iowa. They farm approximately 290 acres of row crops, with an additional 25 acres of hay and 75 acres of rented pasture.

In order to carry out the goals of the sheep pelt marketing project, the producers at Prairie Hill Barn attempted to:

1. Increase its ewe base from 225 to over 260 ewes
2. Sell more frozen lamb to local restaurants and farmers markets in the area
3. Process at least 200 leather hides for retail products,
4. Set up a web page
5. Hire local supporters to assist in sewing leather
6. Contract with area businesses to sew vests, belts, and purses
7. Sell most of the leather inventory at trade shows throughout the state

Steps one through six were all started and at least partially completed. Feed expenses for the flock were reduced, and sales of lamb as a retail product grew from 5 head in 1997 to more than 350 in 2001. The price received for the lamb from restaurant customers was quite steady. However, when it came to generating sales of leather goods, the project managers had little luck finding markets for their leather products. Few leather sales were made and no sales were generated from the web site, which was poorly advertised.

Lessons Learned: By cutting out the middleman, all of the financial and labor responsibilities were in the hands of the project organizers. Labor costs represented 84 percent of the finished leather goods, and as a result, were too expensive to produce at a competitive price.

Conclusion: This project proved to be more complicated than anticipated. While the lamb sales component of the project was successful, the experience of the project managers suggests that the direct marketing of finished leather products is not likely to be a profitable endeavor for small farm producers. Labor costs appear to be too expensive to allow producers to direct market finished leather goods at a competitive price.

As a general rule, the project managers believe that producers are much more likely to be successful in direct marketing ventures to the extent that they have taken extensive training in marketing promotion and/or business plan development, such as a NxLevel class. By having this educational background, they will be better equipped to evaluate the likelihood that a business venture will be successful.

An On-Farm Education Approach to Directly Marketing "The Other White Meat"

Location of Project: Honokaa, Hawaii (Western Region)

Purpose: One of the primary goals of the project was to be able to utilize high quality hogs in ways other than selling a few live animals off the farm. By changing their marketing approach and opening an on-farm "Educational Store and Visitor Center," the producers hoped to increase their production and sell more market-ready hogs to the local ethnic market. The "Educational Store and Visitor Center" was designed to educate visitors about the importance of pork to the local culture and inform them about the differences between local pastured-raised pork and mainland pork.

Accomplishments: The producers involved in the project opened an "Educational Store and Visitor Center." With the help of publicity in the local community, the producers gained recognition as a source of high quality, locally-produced, pork products, and customers expressed a lot of interest in the farm and the pork products they manufactured. Throughout the duration of the project, customers were asked to fill out a comment form. The responses on those

forms helped the producers better accommodate the needs of the customers. Tracking the types of pork cuts and products that were sold most frequently proved to be a good way to determine what needed to kept in stock. The results of customer evaluations were as follows:

- 100 percent of the store's visitors said that they would recommend the on-farm pork market to friends and family.
- 95 percent of the store's visitors purchased pork from the store during their visit.
- 95 percent of the store's visitors felt that their visit gave them a better understanding of the differences between local pork, mainland pork, and natural pork.
- 90 percent felt that the traveling distance to the farm was insignificant.
- Nearly all of the customers felt that the following items were extremely important when purchasing pork: the price of pork, location of the origin of the pork, the feed type (swill or grain), and farm recycling and sustainability.

Lessons Learned: The results of the project suggested that it would be highly effective if an educational program were incorporated into the on-

farm pork market, so that youth who visit the facility on tours would be given the opportunity to learn where pork comes from and how it gets to the table. Also, creating and offering a greater selection of specialty processed products at the store could be expected to increase sales and profits.

Conclusion: The project has the potential to influence other livestock producers, who look to expand their market. By finding successful ways of cultivating markets for pasture-fed, locally-raised pork, farmers and ranchers in Hawaii may have the opportunity to eliminate the costs of importing livestock feed from the mainland.

The comment form served as an excellent means to realize the store's potential, by allowing the producers to monitor and respond to the needs of local consumers in a timely manner.

Expanding the Marketing Outlets of Local, Traditional, Vegetable and Fruit Crops in America Samoa

Location of Project: Tutuila, America Samoa (Western Region)

Purpose: The American Samoa Marketing Directory was created to facilitate direct contact between producers and commercial/institutional buyers in America Samoa, and provide clear information about commodity prices in the local marketplace, thus allowing producers to expand their marketing opportunities. The project consisted of three parts: a buyers' survey, a market price survey, and a producers' survey.

Accomplishments: ***Buyers' survey:*** Retailers, restaurant and hotel/motel managers provided input about the types of products they wished to purchase from farmers, identifying niche markets for specialty products such as red radishes, chayote, okra, rambutan, and durian. By conducting this survey, it was hoped that local farmers would have greater success in marketing their produce or making connections with potential customers.

Market price survey: Because produce at the local farmers market was sold in various units of measure – by the pile, the bag, the basket, or individually – the intent of the market price survey was to determine the average price per pound for the various agricultural commodities sold by local farmers. To accomplish this, five random selected samples of a given commodity were selected from each vendor, then weighed and calculated on a per pound basis.

Producers' survey: Market managers were surveyed, mostly through one-on-one interviews, about the types of products they purchased from local producers.

Lessons Learned: Collecting market price information from the farmers market proved to be the most problematic aspect of the project. On Saturdays, most farmers wanted to sell their produce as quickly as possible, and they felt that the survey methods interfered with their sales. Because of resistance from vendors at the farmers market, the day used to collect price information from vendors was changed to a weekday, which caused researchers to miss a lot of reliable information about many of the commodities since they were only marketed on Saturday, the most important market day.

Conclusion: The farmers and consumers that were surveyed felt that the concept of the survey was a good idea and a positive effort, and it marked a step in the right direction in terms of addressing current marketing problems. Both producers and buyers found it useful to receive information about local supply and demand conditions.

Internet Marketing of Organically Grown Wyoming Gourmet Garlic

Location of Project: Powell, Wyoming (Western Region)

Purpose: The overall purpose of this project was to promote the sale of gourmet garlic and to provide information for residents in the Big Horn Basin community of Wyoming that were interested in forming a garlic growers association.

Accomplishments: A website, www.wygourmetgarlic.com, was created by Heart Mountain Gourmet Garlic Farm and associates. The Internet presence allowed two local growers to connect with wholesalers, who purchased all of the hardneck gourmet garlic that was produced by these farmers. Consequently, these farmers found that they were able to make more money through Internet sales than through their standard direct sales outlets, such as retail grocery stores, restaurants, farmers markets, and roadside produce stands. Because of their success with the Internet site, they were inspired to consider expanding their businesses.

Lessons Learned: During the process of building the website, the growers involved in the project learned that having a website presence was mandatory, rather than optional. The credibility of a business is increasingly being judged by having a website that provides instant access to sales, product use information, and effective e-mail communication. The website allowed Heart Mountain Gourmet Garlic Farm to communicate with necessary information customers economically and efficiently.

Conclusion: Internet marketing has become a valuable marketing tool for growers of organically grown Wyoming gourmet garlic. The response to the website was very favorable throughout the first year. Because of its success, plans were initiated by the end of the project to sell gourmet garlic powder, special garlic spice mixtures, and gift baskets. Special educational seminars were also being planned to provide farmers and local consumers with guided tours and information about local garlic growing operations.

Montana's Natural Lamb Awareness

Location of Project: Reed Point, Montana (Western Region)

Purpose: The primary objectives of this project were to increase product awareness of lamb among consumers in the Billings, Montana area through in-store taste demonstrations in order to increase sales for Montana Natural Lamb (MNL), a business consisting of four producers.

Accomplishments: MNL was awarded funds to conduct an in-store product demonstration program designed to let consumers taste properly cooked, locally-raised lamb. Recipe cards were distributed, cooking tips were provided, and consumers' questions were answered by individuals in charge of the in-store demonstrations. A total of 42 demonstrations were conducted in independent grocery stores during the grant period by MNL representatives.

The most significant result of this demonstration effort was the relationship MNL developed with Walkers Grill located in Billings, MT. The head chef of this downtown high-end restaurant became very excited about the top quality lamb available from

MNL, and he bought all of the lamb racks MNL could supply. The chef had included MNL lamb as a regular item on his menu, but MNL was not able to keep up with demand. He tried substituting lamb from a large food distributor but he was not satisfied with the quality, so he decided to include MNL lamb as a special menu item wherever MNL lamb was available.

The chef also indicated a willingness to buy cuts other than just racks. Because of the significant potential that Walkers Grill represented in terms of lamb sales, MNL gave them 34.5 pounds of lamb ribs to try on their menu. That promotional effort eventually paid off, and Walkers Grill was again buying all the racks of ribs MNL could supply.

However, despite the willingness of Walkers Grill to buy some the lesser quality cuts from a carcass, they could not buy all of them, and therefore the issue of how to market the lesser quality lamb cuts continued to be an issue for MNL. When MNL felt they needed to raise the price of lamb burger from $2.00 to $2.50 per pound, the sale of ground lamb at the Good Earth Market, located in Billings, dropped off almost completely from the 60 pounds per month that they had been buying. MNL struggled to figure out

how they could regain this sales volume while maintaining a sufficient profit margin.

Unfortunately, prolonged droughts in Montana also dealt MNL a setback. Its May 2001 rainfall, the wettest month of the year, was the lowest on record at three-tenths of an inch. The lack of grass as a result of the drought put pressure on MNL's producers, making it difficult to predict whether or not they could produce enough lamb to meet demand, particularly with the volume of demand generated by Walkers Grill. During the middle of June 2001, the area received over 3 inches of rain, which helped to turn things around slightly, but the ill effects of the earlier drought were still felt.

Lessons Learned: The demonstrations produced interesting comments from people in the area. Almost half the people that were asked to taste MNL lamb would not even try it. One frequently mentioned reason was that they had tried lamb years ago, and they didn't like it. Other customers expressed an aversion to eating a "cute little lamb." In addition, many of the store's customers who tried the lamb were surprised at how good it tasted, but did not know how to prepare it. Only about a quarter of those who stopped by the in-store

demonstration had had lamb before, liked it, and were happy to see locally-raised lamb available in a store.

The recipe cards were very important to provide an understanding of cooking lamb. Providing MNL contact information on the recipe cards also gave leads to those individual household consumers who might want to buy a whole or half carcass directly from MNL at a later time. The in-store demonstrations helped develop a network of future contacts.

All indications suggest that the hard work involved in carrying out the in-store demonstrations paid off. A representative of MNL approached a grocery store in the small town of Absarokee about conducting in-store sampling programs. Because of previous demonstrations conducted at other stores, the Absarokee grocer was aware of MNL, and agreed to allow demonstrations in his store. He sold 20 pounds of MNL lamb in the first week.

Conclusion: MNL was generally satisfied with the results of its project. Walkers Grill purchased all of the lamb racks MNL could supply, and locally raised lamb was introduced in six independent grocery stores in the Billings region. These promising results were countered somewhat by the fact that MNL's market penetration of

the retail grocery sector was slow and somewhat difficult. While grocery store sales were strong as long as demonstrations were being conducted, they fell off after demonstrations ceased. The main recommendations from MNL for others contemplating in-store sampling of lamb products were:

- Producers should conduct the demonstrations on-site rather than hire a sampler service. The direct personal interaction between customer and producer is important to convey the quality of the product and to provide cooking tips.
- Building a strong relationship with the grocery store meat department manager is critical when carrying out in-store demonstrations.
- Distribution of recipe cards is critical to the success of demonstration programs for lamb products, due to the fact that many consumers are unfamiliar with cooking lamb.
- Demonstrations performed in the same store should be conducted on different days of the week. This allows producers to reach different people, as the same shoppers tend to come to the grocery store at the same time during the week.

Navajo Small Farmers Marketing Resource Guide for Traditional Corn and Corn Products

Location of Project: St. Michaels, Arizona (Western Region)

Purpose: The project was designed to help a segment of the community that was interested in trying to grow and sell traditional corn crops. Traditionally, these crops had been picked, carried, husked, and shelled all by hand. To make the production and processing of traditional Navajo corn products more efficient, a guide was developed that identifies sources of appropriate small farm equipment for handling these products. The guide also provides an overview of the types of traditional corn products sold in Navajo country, and provides a profile of current marketing channels.

Accomplishments: Researchers began their quest for small farm equipment by searching on the Internet and by speaking with small farmers of traditional Navajo crops. Through this research, it was discovered that several types of corn processing equipment made it easier to cut kernels off the corn and to husk, shuck, shell, and clean the corn used in manufacturing traditional Navajo corn products.

Researchers also made site visits to numerous flea markets within the Navajo reservation in Arizona and New Mexico to collect and document the following information:

- Tribal and federal law and permit requirements for selling traditional corn products
- Location of flea markets near and around the Navajo reservation
- Types of labeling that appeared on traditional Navajo corn products

Lessons Learned: The popularity of using small-scale mechanical equipment to produce and process traditional Navajo corn products has grown significantly in recent years, partly because farmers have used the Internet to communicate their successes with other interested producers. The properly scaled mechanical equipment makes it much easier to cut kernels off the corn as well as to husk, shuck, shell, and clean the corn for several traditional corn products such as kneel-down-bread, corn mush, and neeshjizhi.

Conclusion: Many Navajo small farmers want to combine non-traditional technology with traditional crops to increase their yields and crop quality. The need to have small-scale farmers produce Navajo traditional products is considered vital if traditional Navajo foods

are to remain accessible to the Navajo people. There is also a strong desire within the Navajo community to expand access of traditional foods for nutritional reasons, as it is believed that incorporating traditional foods into peoples' diets may reduce the current prevalence of diabetes and obesity.

Paradox Valley Heirloom Foods and Native Seed Grow-Out Project

Location of Project: Bedrock, Colorado (Western Region)

Purpose: Using endangered Native American and pioneer heirloom food crops and organic methods, the Native Seeds/SEARCH organization hoped to initiate restoration of overgrazed floodplain to healthy farmland in western Colorado. The organization anticipated that regional heirloom crops would be more resistant to drought, heat, and pests, which would permit lower impact gardening and reduce reliance on irrigation. To facilitate the spread of heirloom agriculture, the organization cultivated heirloom summer vegetables to sell at farmers markets, where growers could share gardening information one-on-one with consumers, and relate the importance of:

- Open pollination;
- Seed-saving;
- The conservation work of Native Seeds/SEARCH;
- Native horticultural knowledge; and
- The high nutritional content of heirloom varieties.

Accomplishments: A Native Seeds/SEARCH representative sold heirloom summer vegetables and held discussions with 1,100 interested consumers at 26 farmers markets in Moab, UT, Blanding, UT, and Ridgway, CO during the summers of 2000 and 2001. He also shared information about organic gardening with heirloom seeds, nutrition, traditional recipes, and cultural knowledge. Another 600 people were reached at 12 farmers markets and 2 workshops in Tucson, AZ during the winter season of 2000-2001. As a result of these activities, an estimated 400 seed catalogs were given out over a 17-month period, along with hundreds of recipes, brochures, and a list of contacts for additional networking purposes.

Lessons Learned: The outreach aspect of this project was highly successful. These outreach activities consisted of:

- Hands-on programs at the local charter school;
- Seed saving demonstrations at farmers markets featuring fresh winter squash;
- Craft workshops using materials from the garden; and
- Food preparation and canning workshops

The market and workshop venues were very useful for communicating educational messages and for scheduling events. Through cooperation with the local farmers markets, the

organization was able to create a local market niche for heirloom foods. Local residents appeared interested in experimenting with new heirloom bean varieties, heirloom spices, and winter squash.

However, the labor requirement of this project also made it difficult to sustain. One person, with an occasional volunteer or paid helper, was not capable of sustaining a project of this scope. When there was more than one person in the garden, the manual work, such as moving a heavy discharge hose, went much more smoothly and rapidly. The ability to get regular paid help is critical so that the heavy, awkward loading and unloading required for farmers market participation can be handled adequately. Several family members, or a small cooperative group with a mutually vested interest in market success, would be an ideal size to handle the amount of work involved.

Transporting produce from rural areas to farmers markets was also difficult. Access to a processing facility, within a 2-3 hour drive, where organic produce could have been flash-frozen, chopped, and packaged, would have greatly facilitated the marketability of products. The experience at the farmers market indicated that raw heirloom foods, unless they were easy to prepare or ready-to-eat,

were typically only purchased by unusually experienced or open-minded cooks, not the average buyer, thus limiting sales volumes.

Conclusion: Despite great consumer interest, sales of the heirloom foods were not sufficient enough to pay the expense of transporting the products to the market. It was necessary to supplement farmers market income by selling artwork, Native crafts, and herbs. Of all the heirloom produce items offered at the market, colorful, rare dry beans were the best market sellers.

The primary success of this project was the outreach to hundreds of people who were exposed to eating, and will hopefully soon grow, their own heirloom foods.

Test Marketing Pasture Produced Artisan Cheeses

Location of Project: Orland, California (Western Region)

Purpose: The project managers sought to work with a cheese manufacturer to transform an old milk-manufacturing site into a product development plant for specialty cheeses. They also sought partnerships involving custom manufacturing and co-packing to support the development of new local artisan cheese products, which would then be publicized through in-store sampling programs. The primary objectives for this project included:

- Conducting market research related to the niche market potential for artisan cheeses produced on pasture-based farms, to include surveys of retail cheese buyers, consumer focus groups, initial product development and test marketing;
- Developing product identity (label development) linked to pasture-based farms which would differentiate the production practices of grass-based dairy farmers from intensive dairy systems; and

- Conducting test marketing for a newly developed cheese with a brand image of quality and authenticity linked to sustainable production.

Accomplishments: Telephone and focus group interviews and in-store product sampling assessed the shopping habits and opinions of selected specialty cheese consumers. A total of 47 telephone interviews were conducted, 34 people participated in focus groups, and 36 people participated in the in-store sampling programs. Thirty-eight percent of the consumers interviewed on the telephone reported that they purchased specialty cheese on a weekly basis. Nearly half of those interviewed (48 percent) reported that specialty cheeses represented more than 75 percent of their total cheese purchases. Respondents purchased European specialty cheeses most frequently (57 percent), followed by California specialty cheeses (32 percent) and other U.S. specialty cheeses (11 percent).

Lessons Learned: Artisan cheese consumers must be able to sample an unknown cheese before they will buy it. Although price is not a major factor in purchases, consumers will not buy premium-priced cheese without sampling it first. Artisan cheese consumers are very reliant on the deli/cheese counter staff for recommendations and view cheese buying as an educational process.

They really appreciate unlimited sampling in an unhurried/low-pressure environment and consider themselves "food experimenters." Store staff can have a significant impact on sales in this process, both by providing a high level of customer service and by possessing extensive knowledge of the product being sold.

Packaging for artisan cheeses appeared to be unimportant. Consumers used tasting and staff recommendations for cheese selection. Making sure the sales staff knows as much as possible about the cheese, who makes it, and what the farm practice is like, will help drive cheese sales. If cheese makers are selling through a distributor, they should be sure to educate the distributor about their product and do in-store demonstrations whenever possible.

Artisan cheese consumers pointed out that product quality and freshness and the perception of quality/freshness were far more important factors to them than whether a product was organic/sustainable or made locally. While artisan cheese consumers were somewhat interested in supporting organic or local production, they were not willing to do so at the expense of quality/freshness. However, consumers of artisan cheeses were very concerned about the use of hormones and antibiotics in dairy production systems. "Antibiotic-free" and "hormone-free" foods appear to be very important to the artisan cheese consumer.

Conclusion: The information from this project should help producers more effectively target their promotional efforts for artisan cheese marketing. It should also help them educate their distributors and appropriate marketing partners to help determine what types of product descriptions and in-store marketing practices are the most effective in driving cheese sales.

For the sensory analysis (i.e., in-store sampling) part of the project, project managers believe it would have been helpful to carry it out in a more relaxed setting where people could focus on the food (and not their shopping list). The project managers would also have preferred to more closely control the way in which the cheese was served (e.g., temperature, humidity, time from cutting to consumption) and to have given more detailed instructions on how to complete evaluation forms.

The Farm to Fork Exchange

Location of Project: Twin Falls, Idaho (Western Region)

Purpose: The Farm to Fork Exchange was envisioned as a promotional campaign for locally produced farm products. During the initial stages of the project, project organizers attempted to combine a web site that featured the offerings of local producers with a professional quality brochure that would promote buying local products. The goal of the project was to improve the profitability of local farmers by expanding existing marketing opportunities, creating new ones and providing incentives for additional cooperative marketing ventures.

Accomplishments: The project team consisted of seven local farmers, who developed the 'Farm to Fork Exchange' website at www.farmtoforkexchange.com. The website consisted of a home page, several additional pages and individual websites for four producers. Four web developers were hired to assist the primary project team members in creating the web pages. The website was publicized in the Idaho Rural Council's newsletter, at the Council's 2000 and 2001 annual meetings, the 2000 Harvest

Dinner, and at several other sustainable agriculture meetings. Nevertheless, the producers featured on the web site generated only a modest number of market leads as a result of their Internet site.

Lessons Learned: The Farm to Fork Exchange was not a great success. The project fell far short of reaching its original goal of increasing sales for participating producers. The principal problem with the project was that many of the participants were not ready for the project and the number of participants was too small. Producers were often not prepared to take full advantage of the project because they did not have the capacity to produce additional products to sell directly to consumers, and they were quite uncomfortable with computers or unfamiliar with the Internet.

Conclusion: To have a successful Internet-based cooperative marketing project, the project organizers concluded that one needs a critical mass of producers willing to make the investment in time and effort to develop a new market, and become proficient in Internet technology. They observed that:

- Having an Internet site is no substitute for a marketing plan

- Consumers need to know local products are available on the Internet
- Project participants must be fully committed to the project
- Doing homework/research on web page design and finding individuals who are capable of developing a professional quality web site is essential for developing a successful Internet-based business

Uniting Small Producers to Serve a Unique Consumer

Location of Project: Holyoke, Colorado (Western Region)

Purpose: The project's goal was to explore direct marketing opportunities with an urban community. The potential partners selected were the members of a 1,200 member parish in Denver, CO. The direct marketing project was seen as a means to both build a bond between urban and rural residents, and meet some of the fresh food needs of the parishioners.

Accomplishments: The pastor wrote a letter to his parishioners expressing his support of the direct marketing project and encouraging them to participate in a survey, which asked about their family's food purchasing needs. Of the 1,254 surveys mailed, 170 were returned; 34 survey respondents had children 12 years and older and 69 survey respondents had children younger than 12. Of the completed responses:

- Ninety respondents (53 percent) wanted to purchase naturally produced meat,

- Eighty respondents (47 percent) wanted fresh, naturally grown vegetables but did not wish to purchase meat,
- Eighty respondents (47 percent) wanted to visit the farm(s) where the food was produced, even though this would require traveling between 100 to 200 miles,
- Seventy-nine respondents (46 percent) out of 170 families owned storage freezers,
- Fifty-two respondents (31 percent) indicated a desire to be kept informed of the project's progress, and
- Thirty-nine respondents (23 percent) expressed their support of local agriculture.

Lessons Learned: The project yielded some evidence that the cost of food was not necessarily the most important element in families' food purchases. Survey results suggested that consumers based their food purchasing decisions on such considerations as *freshness, quality, price, convenience, and naturally or organically-produced.*

The price of food was not an overwhelmingly critical factor in food choices, with the exception of the cost of white bread.

Conclusion: The survey demonstrated that household consumers place importance on the source of their food, and suggested that the potential exists to build new direct marketing alliances between urban and rural communities.

Veneta Cooperative Farm Stand

Location of Project: Veneta, Oregon (Western Region)

Purpose: This project was started by four farmers and two restaurant owners who combined forces to develop a cooperative, organic farm stand, called the Jubilee Farm Stand, in Veneta, Oregon. The objectives of this project were to:

- Provide a direct market outlet for the very small growers who cannot afford the time to attend neighboring farmers markets;
- Provide an opportunity for local farmers who already travel to neighboring markets to develop a closer-to-home marketing base without a large time investment;
- Introduce organic products to the Veneta community and partner with a local restaurant that is doing the same;
- Create a venue for carrying out consumer education projects such as demonstrations by local master gardeners, preservers and composters; and
- Display information on local alternative agricultural ventures such as CSAs, organic farms, and alternative products.

Accomplishments: The project started in April and ended in December of 2000. The stand operated every Thursday evening, 3-7 p.m., in the parking lot of Our Daily Bread Restaurant, from June through September. The timing of the stand's operation was purposely designed to correspond with the restaurant's popular all-you-can eat spaghetti special. The stand itself consisted of an 8' by 10' wooden booth, two large display racks and two market umbrellas with tables. It was set up and taken down each week.

Jubilee Farm Stand proved to be a successful small step to building a viable local, organic market in a small town. Because the project was managed by a group of experienced farmers and restaurant owners working cooperatively, they were able to share a significant amount of expertise on merchandising, advertising, and direct marketing. The growers and restaurant owners pooled their financial resources for advertising, and shared responsibility for selling and merchandising products. In fact, the growers and owners were so impressed with what results were achieved that they agreed to increase their cooperation in planning their production and delivering/selling their merchandise in the future.

On any Thursday, an abundance of honey, vegetables, fruits, flowers, nursery plants, herbs, and eggs could be found at the farm stand. As one participating grower noted, "we were a great advertisement

for local, organic produce". Even though none of the growers made a substantial amount of money from the farm stand, they were able to introduce excellent quality local produce to the community and community members responded in their purchasing habits. Approximately 775 Veneta community members purchased food at the market between June and September out of a town population of approximately 3,500. The average customer count was 45 per evening, with the peak customer count reaching about 70.

Not only did the stand introduce locally-grown organic produce to household consumers in the community, it also supplied produce to the local restaurant partner, Our Daily Bread. This enabled the owners to meet a primary goal of participating in this project: the ability to purchase more locally grown organic vegetables.

The stand was well received by the community as well as the neighboring city of Eugene. One radio announcer on a local community college station in Eugene aired several unsolicited plugs for Jubilee Farm Stand. A local entertainment weekly also included the stand on their weekly calendar for several months.

Lessons Learned: Partnering with the restaurant was a mutual win-win situation. Not only did the farm stand allow the restaurant to provide more local

organic produce, it also attracted new customers to the restaurant, helping them build business in the face of new national-chain, fast-food establishments. The stand also benefited from the restaurant partnership by developing a steady flow of patrons who learned about the farm stand after visiting the restaurant next door. It enjoyed the additional advantages of having access to an excellent location complete with water, storage and electricity at no cost, and the credibility of being associated with a known business establishment.

Conclusion: Overall, the Jubilee Farm Stand was quite successful in obtaining its objectives. A good number of customers attended the stand, over 700, and 13 local organic farmers participated to make a grand total of $4,099.93 in gross sales. Although the stand did not attract as many customers as growers would have liked, the customers they did attract were very supportive of its operation. All the farmers who participated felt the stand was a worthwhile endeavor and were eager to do it again.