



United States  
Department of  
Agriculture

**Transportation and Marketing**  
Federal-State Marketing Improvement Program

## Fiscal Year 2018 Description of Funded Projects

**Number of Grants Awarded:** 9  
**Amount of Funds Awarded:** \$1,109,000.00

For more information, please visit the grant program's website: <https://www.ams.usda.gov/fsmip>

**NOTE:** The below project descriptions were provided by the grant recipients.

### Arizona

**Recipient:** University of Arizona, Tucson, AZ  
**Project Type:** Economic Research to Clarify Market Barriers and Opportunities  
**Award Amount:** \$98,301.00  
**Match Amount:** \$98,301.00  
**Total Project Amount:** \$196,602.00

#### *Identification of Opportunities and Barriers for Arizona to Supply Wood Fiber to South Korean Renewable Energy Markets*

The University of Arizona will identify opportunities and barriers for exporting wood fiber from Arizona to serve renewable energy markets in South Korea. South Korea is progressing towards offsetting coal in energy generation with renewable fuel sources, which includes woody biomass and wood heating pellets. This national effort parallels the events that occurred in the European Union that now serves as a significant export market for wood heating pellets manufactured in the southeast United States. Demand for wood fiber exceeds the capacity of South Korea's natural resources to supply the raw material. In Arizona, an overabundance of wood fiber is currently being generated through forest and grassland restoration projects on federal lands in Arizona. These landscape scale restoration efforts consist of thinning small diameter ponderosa pine from forests and removing juniper from traditional grasslands. There is currently 300,000 acres, in Arizona, that have cleared for treatment by the National Environmental Policy Act (NEPA) process and the on-the-ground work has begun. Other western states would find value in this project for identifying export markets to utilize logging and sawmill residues. Beneficiaries of the project include the businesses that process wood fiber and the agricultural producers that depend upon federal lands for grazing.

## Colorado

**Recipient:** Colorado State University, Fort Collins, CO

**Project Type:** Economic Research to Clarify Market Barriers and Opportunities

**Award Amount:** \$136,600.00

**Match Amount:** \$213,036.00

**Total Project Amount:** \$349,636.00

### *Emerging Market Opportunities for Colorado Craft Beverages: How will Access to Grocery and Convenience Stores Influence Consumer Choices, Marketing Strategies, and Supply Chains?*

The craft beverage industry in Colorado has an economic impact upwards of \$3 billion, generating significant demand for high value agricultural products. As of January 2019, a broader set of grocery and convenience stores will start selling full strength beer, and wine and spirits will later follow suit.

Although new channels represent a great opportunity for craft brewers, distribution via grocery and convenience stores presents additional strategic complexities. Colorado State University (CSU) will help managers navigate the change by helping craft brewers to prepare, reposition, and organize to enter new marketing channels. First, CSU will compile producer, distribution and consumer data via survey and interviews to generate a complete picture of the existing distribution chain, and how it will likely evolve under the new regulations. Based on these findings, CSU will identify a set of viable strategies based on successful firms in Colorado or states that experienced a similar transition, with a particular focus on how they are balancing new markets with continued sales opportunities at independently- or franchise-owned retailers. Finally, CSU will disseminate research and engage industry stakeholders in three workshops designed to inform managers and help them shape or refine profitable marketing strategies for a diverse range of buyers and marketing outlets.

## Michigan

**Recipient:** Michigan State University, East Lansing, MI

**Project Type:** Economic Research to Clarify Market Barriers and Opportunities

**Award Amount:** \$34,645.00

**Match Amount:** \$34,645.00

**Total Project Amount:** \$69,290.00

### *An Assessment of Manure-based Compost Markets in Michigan*

Michigan State University will complete an updated statewide comprehensive compost market assessment that results in information Michigan farmers can use to make informed financial decisions on making compost from manure and other agricultural by-products that result in increased farm income. The study employs a mail survey to solicit information from three groups – farmers, landscapers, and nursery operators. Individuals receiving a survey from these three groups will be selected using the stratified random sampling method. An updated version of an expert-validated survey instrument containing dichotomous, multiple answer types, of Likert scales, and open-ended questions will be employed for the study. The findings of this descriptive study will be the basis for a series of workshops to be held across the state where farmers learn how to make compost to sell into one or more of the markets identified by the compost market assessment report. It is anticipated that about thirty farmers who attend the workshops will assess the economic risk in establishing a

composting operation on their own farm. Profitability on 15 of those farms is expected to be enhanced by 10% without environmental consequences. The study will also determine the volume of carbon sources available for compost production in the state by conducting a web-based survey of equine operations in Michigan and extracting carbon source data from the Michigan Forest Biofuels Research and Michigan Waste Biomass Inventory to Support Renewable Energy Development websites.

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**Recipient:** Michigan State University, Ingham, MI

**Project Type:** Economic Research to Clarify Market Barriers and Opportunities

**Award Amount:** \$185,700.00

**Match Amount:** \$185,702.17

**Total Project Amount:** \$371,402.17

*Maximizing Marketing Returns to Animal Welfare Practices and Biotechnology in Animal Agriculture*

Producers are facing a changing marketplace for food and agricultural products. Consumers are increasingly sensitive to the practices employed in the production of livestock and dairy products, not just the characteristics of the products themselves. In particular, practices related to farm animal welfare and the use of biotechnology in food production are gaining attention. Given the costs invariably incurred in changing any operation or adopting new technologies, there is a critical need for producers to understand the magnitude of the marketing opportunities represented by consumer reactions towards meat and dairy products produced with special attention to animal welfare and biotechnology. With the support and partnership of industry stakeholders, Michigan State University will use experimental methods to conduct economic research to clarify marketing barriers and opportunities in animal agriculture. The goal of this project is to increase the profitability of U.S. animal agriculture industries by informing production decisions based on consumer acceptance and demand for production practices. Supporting objectives include: 1) characterize the current environment surrounding farm animal welfare laws and regulations governing genetic modification of livestock; 2) assess consumer demand for on-farm production practices and acceptance of biotechnology in the production of livestock and dairy products in the presence of information; 3) communicate findings to industry through an integrated outreach program, specifically designed for the pork and dairy industries, to enable informed decision-making. This project benefits from the expertise of the research team in the areas of economics and consumer behavior and input from animal agriculture stakeholders.

## New York

**Recipient:** New York State Department of Agriculture and Markets, Albany, NY

**Project Type:** Economic Research to Clarify Market Barriers and Opportunities

**Award Amount:** \$144,149.00

**Match Amount:** \$311,000.00

**Total Project Amount:** \$455,149.00

*The Mighty Concord: Improving NY Grape Growers' and Processors' Bottom-line by Identifying Marketing Barriers and Creating Opportunities*

New York's Concord grape industry is an important part of the State's agricultural landscape. Grape-related production activities support nearly 2,000 jobs and contribute \$340 million in total economic impact. New York is the second largest Concord grape producer in the country, and the Lake Erie Grape Belt, known as "America's Grape Country," is the largest contiguous Concord grape-growing region in the world. In this state, nothing is as American as apple pie, except for Concord Grape pie.

Unfortunately, significant economic factors have collided to put this industry at risk. Recent declines in the consumption of juice, coupled with an over-supply of grapes, have led to financial challenges for Concord grape growers. The New York State Department of Agriculture and Markets intends to increase the profitability of the State's 800-plus Concord grape growers, regional grape juice cooperatives and manufacturers. The State will partner with Cornell University to achieve this goal by creating new uses for Concords and conducting economic market research to better understand supply chain issues, emerging market opportunities and consumer preferences. Leveraging the acquisition of new technology at Cornell's Food Venture Center that allow for novel processing methods, researchers will work to create new, value-added, minimally processed products. Simultaneously, researchers in Cornell's Dyson School of Applied Economics, will conduct consumer- focused research on these new products that will drive product development and influence commercialization and marketing. Additionally, the research team will conduct a comprehensive market channel and supply chain analysis to make practical recommendations on how to position the industry to take advantage of market opportunities.

## Rhode Island

**Recipient:** Rhode Island Department of Environmental Management, Providence, RI

**Project Type:** Cooperative Development

**Award Amount:** \$50,500.00

**Match Amount:** \$60,749.10

**Total Project Amount:** \$111,249.10

*Maximizing the Potential of Institutional Markets for Rhode Island Farms, Fisheries, and Food Processors: Implementing, Evaluating, and Communicating Best Practices*

The institutional food market is large, with a stable core of buyers and consistent buying patterns. Transitioning even a small percentage of the dollars spent on food at Rhode Island institutions to local providers would make a big difference for the state's economy, especially farmers, fishermen, and processors. The Rhode Island Department of Environmental Management will grow new local supply chains for institutions in the state via a process of supply chain facilitation, targeted training, and

marketing opportunities. The project will be completed in collaboration with other state-led local food initiatives and will result in: (1) building new local food supply chains via one-on-one supply chain facilitation, (2) educating key decision-makers across the supply chain via a series of targeted trainings, and (3) hosting Meet-the-Buyer events geared toward facilitating connections between Rhode Island farmers, fisheries, and processors and institutional buyers. The program will be rigorously evaluated in terms of both process and outcome indicators. Indicators tracked will include, but not be limited to, number of farms, fisheries, and local food processors with new sales to institutions; number of institutions with new purchases from local food providers, number of new contracts between participating institutions and local food providers, and dollar amount in new sales. Findings will be communicated to audiences at the state level including at the 2020 Rhode Island Food Summit, the state legislature Agriculture Day event, and via a written report distributed via the Department of Environmental Management and the Rhode Island Food Policy Council websites and social media platforms.

## Tennessee

**Recipient:** The University of Tennessee, Knoxville, TN

**Project Type:** Economic Research to Clarify Market Barriers and Opportunities

**Award Amount:** \$181,677.00

**Match Amount:** \$181,784.00

**Total Project Amount:** \$363,461.00

### *Market Feasibility Assessment for Hard Cider Production and Sales from Tennessee*

Craft hard ciders are one of the fastest growing segments in the beverage sector. Despite their popularity, Tennessee only has seven hard cider makers. Craft hard cider making could provide a business opportunity for small business entrepreneurs, for example startups or existing wineries, to open cideries and for apple orchard growers to provide cider apples to a growing craft industry or add value through an on-farm cidery. The University of Tennessee will assess the market feasibility for Tennessee craft hard ciders and cider apples, and educational materials, including decision tools, to assist business decision-makers with interest in craft hard cider-making and cider apple production in Tennessee. Three surveys will provide information regarding this emerging market with a) respect to consumers' preferences for a locally produced craft hard cider, b) retail sellers' product preferences for selling local craft hard ciders, and c) winery and orchard fruit growers' interest in producing cider apples and/or on-farm cider-making. A feasibility analysis for Tennessee craft hard ciders will be conducted incorporating survey results including pricing, volumes, demographics, retailer needs, and producer/grower interest. Budgets for cider apple production (including heirloom varieties) and craft hard cider-making will be constructed including the costs of an on-farm operation versus selling through other retail outlets. Cider apple production and cider making budget spreadsheet-based decision tools will be developed. Educational materials will include instructional documentation for the spreadsheets and startup guides to craft cider production and cidermaking that incorporate financial, risk, marketing, and regulatory and legal aspects of cider making.

## Texas

**Recipient:** Texas Tech University, Lubbock, TX

**Project Type:** Economic Research to Clarify Market Barriers and Opportunities

**Award Amount:** \$145,740.00

**Match Amount:** \$145,740.00

**Total Project Amount:** \$291,480.00

### *Consumers' Perceptions and Preferences for U.S. and Texas Beef in International Markets*

Accounting for about \$160 billion in total value of output (production or sales) and generating close to one million jobs, the cattle production industry is a very important component of the U.S. economy. Beef production is also a very important component of Texas history and economy. Cattle ranching in the state dates back to as early as the 1690. Texas has also the most cattle in the country. The cattle and calves inventory in Texas in 2015 totaled 11.8 million (about 13% of all the cattle in the United States). The U.S. beef industry faces several challenges including a decline in domestic beef consumption and international competition for export markets. A potential strategy to overcome these challenges is the promotion of U.S. beef products in domestic and international markets. In this study, Texas Tech University will explore the use of "U.S." country of origin and "Texas" geographic indication information for consumer advertising of beef products from cattle raised in this state. The project will develop and apply a theoretical framework and instruments (i.e., consumer surveys) for the evaluation of foreign consumers' perceptions and preferences for US and Texas beef products in the Mexican and Chinese markets. Results of this project can help to improve our understanding of the current status of Chinese and Mexican consumers' preferences for U.S. products relative to beef from other countries and for the design of marketing strategies and promotion campaigns aimed to improve the competitiveness of U.S. and Texas beef in foreign markets.

## Vermont

**Recipient:** Vermont Agency of Agriculture, Food & Markets, Montpelier, VT

**Project Type:** Agricultural Product Development

**Award Amount:** \$131,688.00

**Match Amount:** \$131,691.00

**Total Project Amount:** \$263,379.00

### *Creating Wealth through Marketing Vermont Agricultural Products: A Four Tiered Collaborative Approach*

The Vermont Agency of Agriculture, Food, and Markets (VAAFAM) will take a strategic approach to addressing market development, distribution, and marketing of products grown and made in the Green Mountain state. Through collaboration with multiple partners, VAAFAM will be: effectively serving retail grocers, distributors, and producers in an effort increase total in-state sales; strengthening local and regional distribution channels; researching and developing opportunities for regional, national, and international sales of specialty cheese; and continuing to showcase the best Vermont has to offer at leading trade shows. Specifically, tasks include: retailer training and educational resource development; distribution system development; training technical assistance providers on the use of a distribution analysis tool; mixed pallet pilot for cheese; international market research; a buyers' mission; and, trade

show attendance. VAAFMs will build on years of relationship growth and engagement in the Vermont food system and includes partner organizations who share the mission of developing the agricultural economy through stronger sales and smarter distribution efforts.