



Washington State Department of Agriculture

2006 Specialty Crop Block Grant Program

Final Performance Report for Remaining 3 contracts for Agreement 12-25-G-0574

December 14, 2009

Contacts

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Contents

- **Washington State Fruit Commission**
- **Washington State Potato Commission**
- **Washington Wine Industry Foundation**

The following were completed and the Final report was sent December 3, 2008 with a revised report sent March 23, 2009.

- **Washington Asparagus Commission (completed)**
- **Washington Apple Commission (completed)**
- **Washington Red Raspberry Commission (completed)**

Recipient: **Washington State Apple Commission (WAC)**

Project/Grant Name:

Washington State Apple Commission promotes a “healthy kids” Website.

Amount: **\$30,000**

Money Expended: **\$30,000**

Match: **\$26,375**

Status: **Completed**

Description/Goal: **The purpose of the Kids Website project was to redesign and update the Washington State Apple Commission’s “Just for Kids” section of www.bestapples.com website, to promote and increase the consumption of Washington apples and increase awareness of the healthy aspects of eating apples. The target was elementary school kids ages 7-11. Materials were redesigned (Healthy Choices brochure, apple poster for the classroom, downloadable apple-related information, and games and projects that enhance classroom activities) and sent to schools, free of charge, to alert them of this new resource.**

Project approach: **The Washington State Apple Commission (WAC) Kids Website project began by partnering with the Washington State Department of Information Services (DIS) Web division to assist in the redesign of the Kids portion of their website. The Kids Website Committee reviewed existing content and gathered new information to use in the new kids section.**

Measurable Outcomes/Results:

A whole new look and feel for the kids’ section was created. When kids go to www.bestapples.com/kids, they are greeted with a colorful, kid-friendly view of Mt. Rainier, blue sky and sunshine in the background and a limb of an apple tree in the foreground.

- 1. Track the number of hits to the Best Apple Website.**
 - For the ten months prior to August 1, 2008 launch of the new kid’s website section, the average number of monthly visits to the kid’s section was 2361. For the two month period after the August 1 launch the monthly average was 3599, a 52% increase. Visits to the website in October through December averaged at 2,830 which was a 20% increase from the previous year. It is important to note that the 52% increase was during the launch period and then visits to the website leveled out.**
- 2. Expect increase by 50% of entrants to the kids’ section of the Best Apple Website. A special measuring device placed on the website will track this outcome.**
 - For the launch period, a 52% increase was experienced in the two month period after August 1. The number of visits leveled out in October through November.**
- 3. Distributed the quantity of educational materials (brochures and poster) requested.**
 - Distributed 45,000 brochures in English and 45,000 in Spanish which included a letter outlining the program and the intent of the poster and brochure. These items are located on the website along with the Crispy’s Apple Stand Poster.**

These items were designed to draw people to the website. Since the final report, WAC mailed an additional 9,750 brochures in English and 8,555 in Spanish. They also sent 1,500 posters to Rainier Fruit Company and 1,000 to Stemilt for their food services divisions.

Additional Information:

The second phase of the project included designing and printing a tri-fold brochure and an 18 x 22 poster to send to selected elementary schools in Washington. WAC waited until the end of September to mail the poster and brochures to the schools to coincide with apple harvest and back-to-school. They targeted elementary schools in apple growing regions of Washington State, grades 1-5. The brochures were also printed in Spanish. Since the final report WAC sent their posters and brochures to an additional 623 classrooms in Washington State.

A press release was sent out to approximately 45 organizations.

Additional links:

**www.bestapples.com/kids/games/; www.bestapples.com/kids/puzzles/;
www.bestapples.com/kids/catch.shtml; www.bestapples.com/kids/kitchen/;
www.bestapples.com/kids/facts/index.shtml; www.bestapples.com/kids/teachers/**

Contact:

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Recipient: **The Washington Asparagus Commission**

Project/Grant Name:

The Washington Asparagus Commission/Asparagus Purchase Promotion Plan.

Amount: **\$30,000**

Money Expended: **\$30,000**

Match: **\$38,000**

Status: **Completed**

Description/Goal: **The purpose of the Asparagus Purchase Promotion Project was to showcase the Washington asparagus grower's product to a state, national and international audiences of buyers at the Produce Marketing Association (PMA) Show. They also invited buyers on a "tour of asparagus" to increase their awareness of the thriving and growing fresh asparagus industry which can deliver a high quality product over a long period of time to their retail customers. They provided a report that will allow the Washington asparagus industry to assess changing food safety standards and how to respond to packaging changes for the industry. Following the PMA show, the Analysis of Buyer Requirements for Asparagus Food Safety survey was given. The survey gathered information that the industry needs to stay viable in today's market place. In order to be viewed as the premier source of asparagus during our harvest window we must know what food safety issues are in front of us and how they relate to the way our asparagus is grown, handled and packaged.**

Project approach: **The Washington Asparagus Commission had a booth at the PMA show. The goal was to educate asparagus buyers on these basic points: 1) The Washington Asparagus Commission has a thriving fresh industry that is growing in size; 2) The state of Washington and the industry have invested heavily into automation to reduce costs and remain competitive; 3) Our beds relatively young, which translates into high productivity and assurances that we will be there for a long time; and 4) A commitment to quality including a move toward a higher level of food safety.**

Measurable Outcomes/Results:

- 1. Increase by 25% the number of buyer contacts.**
 - The Washington Asparagus Commission attended PMA and contacted 69 new entities which represent a 25% increase from combined previous marketing contacts.**
- 2. Increase sales of asparagus by an additional one million pounds of asparagus in 2008.**
 - The Washington asparagus industry produced 29.6 million pounds in 2007 and 25.9 millions pounds in 2008, a 3.7 million pound decline. The reason for this decline was two-fold. First, the high cost of labor due to the indexing of minimum wage reduced net returns to growers. The decline in profitability resulted in substantial acreage being removed from production. Second, the early season was cool and contained several frosts that hurt grower production.**
- 3. Conduct a "food safety as it relates to marketing" survey to gain an understanding of what the commercial purchasers of Washington asparagus see as important issues**

ahead for our industry and provide a report to the Washington Asparagus Industry on how to respond to packaging changes.

- **The survey was conducted throughout U.S. and Canada. One hundred eleven entities were contacted and 93 surveys were collected. As a result of the survey, they received many recommendations including food safety being a major concern and priority in the industry. They intend to incorporate these into standard operating procedures (SOP) for both the growers and the handlers.**
- **The survey responses and report on how to respond to packaging changes were provided to the industry in the following ways: 1) discussion at their annual meeting; 2) circulated survey responses and report to all growers by mail; 3) copies available at the office; and 4) posted on the website.**

Additional Information:

One problem mentioned by many of the respondents was that the Washington asparagus harvest window is too short. This shows that it may be in the best interest of the industry to put efforts forth into research on varieties of asparagus that extend the window into one direction or the other.

Contact:

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Recipient: **Washington Red Raspberry Commission**

Project/Grant Name:

Washington Red Raspberry Commission/Research Technology Advancement to Lower Raspberry Production Cost.

Amount: **\$28,000**

Money Expended: **\$28,000**

Match: **\$31,159**

Status: **Completed**

Description/Goal: **The purpose of this project was to support the partnership with other Specialty Crops partners in exploring and developing pruning and tying technology that benefits raspberry growers. The short-term goal was to use the information and resources developed through the Specialty Crops Research Team (SCRT) and the tour/workshop as the foundation for an on-line trade magazine for the dissemination of innovative practices to berry growers. In the long-term, an on-line trade magazine would have to remain timely and accurate, regularly updated and continually improved to keep pace with innovative practices.**

Project approach: **The Technology Advancement Project to lower production costs of red raspberries workplan initially started with the identification of growers who are interested in participating in the SCRT. The Washington Red Raspberry Commission provided information and solicited participants and got them involved in SCRT activities. Participants attended meetings and conferences identified by the Commission to meet and interact with growers, researchers and manufacturers. The initial project was amended to replace the workshop piece with the Innovation Tour. The scholarship piece was also amended to develop the on-line trade magazine.**

Measurable Outcomes/Results:

- 1. Include a minimum 25% of the current 145 raspberry growers in the Specialty Crop Research Team (SCRT) activities including national conference calls, national meetings and workshops. The development of an on-line trade magazine is a deliverable that accomplishes this goal.**
 - The SCRT workshop was held at the Three Rivers Convention Center in Kennewick, WA on July 28 – 29, 2008. They brought together approximately 120 people which included regional producers and processors of specialty crops, public and private sector researchers, equipment and technology providers, state and federal research institutional leaders and policy makers. During this workshop they addressed regional needs, offered presentations and information on new technology tools in use as well as in the development stage. They also developed a regionally-focused strategic plan to guide public and private efforts. Regional working groups were also created at this workshop.**
- 2. The expected workshop was refocused into a tour which allowed more visual demonstration and engagement with those implementing new technology and innovative field practices.**

- **The Washington Red Raspberry Commission held an Innovation Tour in Lynden, WA on February 18, 2008. The tour was attended by more than two dozen growers, researchers, and industry representatives. A morning bus tour of manufacturing facilities in the Lynden area, followed by an afternoon of discussions: SCRI, the economics of innovation, and the needs of the small fruit industry.**
- 3. The scholarships did not work out because they were unable to attract applicants with small dollar grants. The new strategy refocused into on-line communication to all growers and manufacturers beyond just the berry industry for achieving our cost reduction goal.**
- **The Berry Innovation News is an on-line trade magazine which focuses on information about innovative tools for the berry industry; those currently in use and those in development stage. In addition to news, the site contains still photos and a slideshow of innovative machinery. It is a forum concept and allows members to create a new topic and reply to any postings created in the topics. It is a way for those interested in innovation to connect and discuss the needs of the berry industry. The site includes this and much more (link attached below).**
- 4. We were probably imprudent in shooting for a 30% labor savings on pruning and tying the canes within the short timeframe of this project.**
- **It will be necessary to make a shift to robotics to realize this kind of labor savings. The work that was done under this grant has advanced knowledge of what is available in robotic technology and has provided the linkages between our growers and other fruit growers who are investing in technology platforms for similar reasons. It also facilitated dialogue with several research universities (most notably Carnegie Mellon) and private manufacturers.**
 - **The grant also provided the basis for continued dialogue on such matters as witnessed in the berryinnovation.com site. Adopting robotics is not a gradual process but a significant step in this direction and the investments made by this project brought us significantly closer to our goal.**

Additional Information:

Berry Innovation News on-line trade magazine: www.berryinnovation.com.

Contact:

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Recipient: Washington State Fruit Commission (WSFC)

Project/Grant Name:

Ukraine Cherry Trade and Production Analysis.

Amount: \$30,000

Money Expended to date: \$30,000

Project Summary:

The purpose of the project was to examine in-depth the Eastern European fresh sweet cherry production and its threat to our current and future European market share. Funding also supported one new European promotion. The research results were distributed to our industry members of Washington State to help them to better understand the European Union (EU) cherry industry and their potential to become a world supply competitor.

Project Approach:

The grant's work plan consisted of:

- Fifteen trade interviews.
- The gathering of information on pre/post harvest practices, government policies, and infrastructure development that affect cherry production and exports.
- Compilation of all data related to industry trends and forecasts.
- Preparation and dissemination of the final report.
- Initiated a market retail promotion with an EU country to expose Eastern Europeans to our premium sweet cherries.

Goals and Outcomes Achieved:

The overall goal of this project was to help the WSFC and Washington cherry growers better understand the EU market opportunities, the current trade and production dynamics of the EU cherry industry, and assist the WSFC in determining strategic shifts, if any, of its current marketing program for penetration and development of the European market.

The three short-term measurable outcomes identified in our contract were:

1. At least 15 in-country interviews of officials with knowledge of the Ukrainian and Eastern European cherry industry will be conducted.
 - The in-country trade interviews were completed and the list has been distributed along with the final report to our industry members. See Appendix A.
2. The analysis from this research will be used for a minimum of one strategic planning discussion with the cherry industry.
 - WSFC has shared the report with our growers as well as the California Cherry Advisory Board (CCAB) so that we could implement strategic planning as a whole industry. As a cooperator of the Foreign Agriculture Service (FAS) Market Access Program (MAP), we are required to collaborate with CCAB. As an element of the MAP program, we have together created an industry-wide Comprehensive Industry Strategic Plan (CISP). This industry CISP is almost identical to the CISP of the WSFC. While there is some good information in the

final report, none of our growers or board members felt compelled to set a special industry meeting for a strategic plan adjustment. As the report shows, while there are cherries in the Ukraine and Poland growing regions, these regions are not yet capable of getting their product into the foreign markets of Europe, or at least not capable of getting them to the markets in a state that would be acceptable to the consumer. For Turkey, the report confirmed our thoughts that they are and will continue to be a major competitor for the European market. The largest European cherry grower resides in Turkey and they have the ability to ship a product that the consumer is willing to purchase at a lower price than we can sell our cherries. Their labor and freight costs are less expensive in addition to having tariff free trade of sweet cherries within the EU. Our best European and global strategy is to continue to become a niche product that the Trade and the Consumer recognizes and trusts.

3. A minimum of one new European promotion will be conducted.
 - In 2008, the NW cherry crop was down 34% from the previous record breaking year of 2007. Because of that shortage, domestic and international demand for our cherries remained unusually high, to the point that many of our sales people refused to supply new customers. That being said, the WSFC approached WSDA to request the in-store promotion element of this grant be delayed until the 2009 cherry crop. This move allowed us, as stewards of the tax payers' money, to realize a sound return on investment.

In 2009, WSFC teamed with the retailer Delhaize Group of Belgium to run an in-store demo program in 25 of its outlets on August 13 & 14. The week prior to the cherry demos, Delhaize moved just 1,830 cartons (5 kg equivalents) of cherries in their retail chain. In anticipation of the 2 day promotion, Delhaize purchased 5,000 cartons (5 kg equivalents) to be split amongst their 25 outlets participating in the promotion. One store sold approximately 156 5 kg cartons (780 kgs) in just one day. The results were positive and Gwendy Rousell, the senior buyer, told our in-country representative "The NW Cherries promotion drove business like not before and extended the season vs Canada, can we have more next year?" The week after the promotions sales fell back to 1,100 cartons (5 kg equivalents). With the lift being 354% overall, more consumers were exposed to our niche product and once again, it was proven to WSFC that in-store demos are effective even in a time of global financial turmoil.

Beneficiaries:

The market study report that was generated from this grant is definitely a tool that the industry needed, as there really wasn't a concrete analysis of the EU cherry industry for our industry members to reference previously. Definitely, this report will be a tool the industry will refer to in making their strategic plans in expanding their market opportunities.

Lessons Learned:

The sweet cherry industries of Turkey, Ukraine and Poland all represent various levels of development and future competition in the EU and Russia. Turkey leads the commercial sweet cherry trade and is home of Alara, an aggressive and modernized company that is seeking to become the world's largest cherry exporter. Alara has set their strategies for growth by diversifying their current production by adding some of the earlier varieties of California cherries

which will put them in the marketplace sooner, and adding the later Canadian varieties which will keep them in the market longer.

The growth of international demand for sweet cherries is largely responsible for the burgeoning interest in sweet cherry production in Eastern Europe. Rising disposable incomes in nearby markets, particularly Russia, has increased the demand for fresh fruits including sweet cherries. Russia is one of the top market destinations for the European grown cherries. The Ukraine, for example, sends nearly 90% of its exports to Russia.

Thus, the lesson for our growers is to find that niche market by consistently supplying only the highest quality premium cherry that is not yet produced in the EU, by developing strong relations with the Trade, and by becoming a recognized supplier (branding) trusted by the consumer.

Contact:

B.J. Thurlby, President

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Additional Information:

The research made available through AMS funds was of great necessity to a viable agricultural product from Washington. Exports make up 28% of our annual production, a percentage on the rise annually, worth an estimated \$128 million in 2008. Also important to the economic picture for our industry and state are the 31,000+ jobs directly related to our export volume, the local economic impacts of \$560 million in 2008, and the tax coffers (a 30 to 1 return on the federal investment marketing dollar in 2008).

Annually, we have new acreage/plantings coming into production. Because cherries cannot be stored in modified atmosphere buildings for delayed shipping, building new markets and maintaining current export markets is imperative to keep a high value product in demand. Knowing and understanding our competition's strategies and seizing opportunities for market growth is our target direction for the Washington State Fruit Commission and our Washington cherry growers.

(WSFC's Final Report - see Attachment 1)



APPENDIX A

Interviewees for the “Analysis of Sweet Cherry Trade and Production in Turkey, Ukraine, and Poland”

Turkey

1. Çağdaş Güneş, reporter on fresh fruits from the Aegan Export Association, Tel. +90 232 488 60 24
2. Göktuğ Bey, Turkish Statistical Institute, Tel. +90 312 417 64 40 / +90 312 410 02 30
3. Serkan Gür, cherry producer, expert on pre/post-harvest practices, Tel. +90 212 5493320, www.cherrykiraz.com
4. Recep Çarpıcı, Alara Tarım Manager, Tel. +90 224 2808040
5. Dr. Kemalettin Taşdan, Agricultural Economic Research Institute, Tel. +90 312 287 58 07 - 287 58 33
6. Unnamed official from the Aegan Export Association, <<http://www.egelihracatcilar.com/Asp/Content.asp?MS=1&Id=0>>

Ukraine

7. Shkliar R.V., a private entrepreneur, located in the Pidgorne, Dnipropetrovsk region
8. Melitopolska Chereshnia Ltd., an agricultural farm, located in the Sadove, Zaporizhyia region
9. Ludmila-NBM, a private enterprise, wholesaler, located in the Rokitne, Kyiv region
10. Interenergogas Ltd., wholesaler, located in Zaporizhyia
11. Vladi & Co., wholesaler, located in Kyiv
12. Ukrainian government official who wishes to remain anonymous (provided sweet cherry export data)

Poland

13. Mr. Makosz, a professor from the Agriculture Academy in Krakow
14. Ms. Elzbieta Rozpara of the Research Institute of Pomology
15. Edward Zurawicz of the Research Institute of Pomology

Recipient: Washington State Potato Commission

Project/Grant Name:

Washington State Potato Commission/Research and review supply-chain challenges and transportation synergies to deliver fresh potatoes to the eastern seaboard and to western Russia.

Amount: \$16,198

Money Expended to date: \$16,198

Project Summary:

The purpose of the Potato Exports Identification of Market Opportunities project was to research and review supply-chain challenges and transportation synergies to deliver fresh potatoes to the eastern seaboard and to western Russian a new market for Washington potatoes. The research was shared with the processing potato industry to help determine the most efficient product pathway for delivery of fresh primarily and frozen product to this region. This project's information will be utilized in the long-term development of new markets for the state's fresh potatoes.

Project Approach:

The Washington State Potato Commission partnered with Washington State University (WSU) to conduct an in-depth study and information collection effort for transportation alternatives and possibilities of accessing export markets in western Russia. This will be evaluated from the perspective of shippers from central Washington and the shipping alternatives through supply-chain channel.

Goals and Outcomes Achieved:

1. To produce an inventory of all feasible transportation and shipping alternatives from central Washington State to St. Petersburg, Russia for primarily fresh potatoes and frozen secondary.
 - This research report has provided information and analysis regarding the potential for Washington potato exports to western Russia. It gathered compiled and evaluated information from a variety of sources to compare/contrast different transportation alternatives for shipping fresh potatoes from central Washington to St. Petersburg, Russia. The three primary export gateways included truck and truck/rail combinations for shipments leaving 1) west coast ports; 2) gulf coast port; and 3) east coast port.
2. Additionally the project will analyze all of the supply-chain information obtained and hold a minimum of three interactive discussions with the industry to help determine the most efficient product pathway for product delivery. (See Attached Industry Meeting Final Report.)
 - An Amendment was signed extending the performance period to August 31, 2009 to complete the three interactive discussions with the industry to help determine the most efficient product pathway for product delivery. These meetings were held in Mt. Vernon on March 26, 2009, Moses Lake on April 8, 2009 and in Richland on April 9, 2009.

The program was conducted by Matt Harris, Director of Trade for the Washington State Potato Commission. It consisted of a review of current Washington State fresh potato trade, an EXCERPT review covering the protocols to export to Russia, fresh potato

logistics to western Russia, and available trade insurance programs. State and federal personnel were available to answer questions about specific shipping or inspection requirements.

According to Russian import statistics, the country imported 331,000 MT of fresh and processed potatoes in 2007, representing a 22% decrease in volume from the previous year. Fresh table-stock and chip-stock potatoes comprised the majority of imports, representing 73% of the Russian potato import market. Egypt is currently the largest supplier of potatoes to Russia accounting for 20% of all imports. These imports consist primarily of table-stock and chip-stock potatoes. Azerbaijan and China are other top suppliers of table-stock and chip-stock potatoes to the Russian market. The major suppliers of dehydrated potatoes and frozen fries are the Netherlands, Poland, and Germany.

Beneficiaries:

The list of shippers (see below) control approximately 99 percent of the fresh potato crop grown in Washington State. That represents about 1 billion pounds of packed fresh potatoes of which approximately 17 percent is exported to the Americas, Asia and Pacific Rim.

The list of potato shippers received a copy of the report (see Attachment 3) and will receive benefit from this extended marketing program for Western Russia. It included: Agri-Pack, Inc., Andrus & Roberts Produce Co., Baker Produce, Inc., Baker Produce North, Blue Sky Mgt. LLC, Pacific Produce, Skone & Connors Produce, Inc., Blakal Packing, Inc., Blue Ribbon Produce Company, Inc., Bouchey Potato, Desert Ridge Produce, Erickson Farms, Inc., G&D Wallace, Inc., Kiska Farms, Inc., Knutzen Farms LP, Maple Wood Farm, Inc., Norm Nelson, Inc., Pioneer Potatoes, Balcom & Moe, Inc., Harvest Fresh Produce, Inc., Jones Produce, Puget Sound Potato, Skagit Valley's Best Produce, Tri-Cities Produce, Inc., Tri-Fresh, LLC, South Basin LLC, Valley Pride Sales, Inc., Wahluke Produce, Inc., Bob Bishop and Tim St.Germain with APHIS.

Lessons Learned:

Generally, the economy of Russia has improved markedly since the economic and financial collapse of the late 1990s through a combination of liberalized reforms, increased public spending and rising energy prices (oil). Most indications are positive for continued growth in the near future with increased consumer spending and the growth of the middle class.

Challenges still exist for trade with Russia, primarily phytosanitary regulations and inadequate infrastructure investment and capacity at ports.

The Russian market represents a significant potential given the high per capita consumption of potato products for Russian consumers and the increase in imports of fresh potatoes over the past ten years.

The Russian market has not historically received many shipments of potato products from the U.S., with most of the agricultural trade from U.S. to Russia being frozen poultry, bulk grains and other meat products.

Of the three export port shipping alternatives considered, the east coast provides the shortest transit time (especially New York and Boston) and currently provides the best combination of shipping time and cost per delivered pound. This is driven primarily by the closer geographic

proximity and ocean container shipping schedules that for west coast ports are primarily aligned with providing service to/from Asia.

Incorporating the services and future expansion plans of Railex, the east and gulf coast ports become more advantageous for accessing western Russia, reducing transit times and providing multi-modal competition/service to the east coast of the U.S.

On average, potato shipments leaving a west coast port will require 35.6 days to arrive in St. Petersburg, Russia at a cost of 20.5 cents per pound. This is 2 days longer than going through a gulf port (33.7 days) and over 6 days longer than using traditional truck/rail service to exit an east coast port (29.5 days). Utilizing Railex would improve transit time savings by an additional 6 or 7 days at approximately the same cost per pound.

Table E1: Summary of Average Shipping Times and Costs for Export Port Alternatives

Export Coast Alternative	Shipping Days	Cost in Cents / lb.
West Coast	35.6	.205
Gulf Coast	33.7	.226
East Coast 1	29.5	.246

¹ All these options represent historical truck and class I rail service out of Washington State. Utilizing the five day delivery guarantee from RailEx to the East Coast would improve this time expectation by 6 or 7 days.

This project has been useful as it provided a generalized review of time and cost to deliver product from Washington State to St. Petersburg, Russia. Through this research process we have uncovered other logistical pitfalls such as port capacity short comings in St. Petersburg, corruption, and other issues that will better help our shippers deliver product to this market. Those who attended the seminars provided feedback and suggested the best option for shipping product to Western Russia would be all water through the Ports of Seattle/Tacoma. The rationale for this decision was based on price. Overall the potato market is price sensitive and any cost savings will help put our product at a cost advantage over our competitors. Our next phase of this program will be to attend the World Food Moscow trade show this September and identify potential buyers.

Contact:

Matt Harris, Director of Trade
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mharris@potatoes.com

Additional Information:

An additional outcome if funding becomes available in the future will be to develop this study into a model that can be utilized by other Washington State commodity groups to overcome transportation/logistical barriers that currently impede international trade with western Russia. The long-term outcome is to increase the exports of potatoes by a minimum of 15%.

(Washington State Potato Commission's Final Report - see Attachment 2 and 3)

Recipient: Washington Wine Industry Foundation

Project/Grant Name:

Building Sustainability in WA Wine Grapes to Maintain Global Competitiveness.

Amount: \$30,000

Money Expended to date: \$30,000

Project Summary:

The purpose of the Vinewise project was to enhance the use of Vinewise – an interactive on-line learning and self-assessment tool created to help Washington wine grape growers and vintners determine their current level of sustainability in their business and viticultural practices (See www.vinewise.org). The goal was to ensure that the 300 plus growers in the state have evaluated their business practices to ensure those practices will carry them into the future and maintain and improve their competitive position in the global marketplace and the wine industry. The project aims to develop a current benchmark of sustainability for the Washington Wine Industry as a whole and to enhance overall awareness of Vinewise. This will help plan the direction of educational and research programs to ensure quality is maintained and increased in order to compete in a global marketplace.

Project Approach:

Accomplishments through Jan. 31: The Washington Wine Industry Foundation hired a contractor to provide the technical skill set to work directly with the wine grape growers on self-assessment.

A pre-survey of the industry was conducted and distributed to wine grape growers and the information was used to help benchmark the general awareness of Vinewise. About 12% responded that they had used the self-assessment tool portion of Vinewise.

A general and specific orientation about the project was held at the annual meeting of the Washington Association of Wine Grape Growers (WAWGG). They partnered with the Washington Wine Industry in this effort. The general orientation session was called: How to: Sustain Your Vineyard. The session covered three aspects of sustainability: environmental, social and economic efforts in the vineyard and winery and will cover what Washington wine grape growers are doing to address the issue of sustainability with an overview of what Vinewise is and how to use it.

Accomplishments through June 30: The one-on-one contact with growers was made to gauge the awareness and interest of Vinewise (this is ongoing). E-mail alerts/updates were sent out to the growers on how to use Vinewise. Cooperation was obtained from the major Washington wineries to aid in the distribution of information on how to use Vinewise which included an informational flyer. It was estimated that 100 growers or more would be receiving the flyer directly delivered by winery viticultural technical staff.

Accomplishments through Sept. 30: They directly approached small and larger groups of growers with information and presentations on how and why to use the Vinewise online guide. This included meeting groups of growers in office spaces, coffee shops, tailgate meetings or even meetings on their farms. Many growers preferred to get a “walk-through” of Vinewise and a discussion over the telephone. This approach was used a great deal. They estimated that about

100 wine grape growers and 12 groups were directly contacted with information about Vinewise. Most of the growers contacted were aware of Vinewise at the time they were first contacted, but were also happy to receive more information and appreciated the presentations. However, overall, growers expressed difficulty finding time to prioritize this new concept of using an online tool to aid them in their sustainable farming approaches.

Goals and Outcomes Achieved:

1. Over 50% of the 300 producers will complete a Vinewise self-assessment that documents current practices.
 - 159 self-assessments were received, which represents 53% of the producers.
2. At least 10% of producers will develop action plans resulting from the self-assessment and producer awareness of the self-assessment will increase by 25%.
 - Final estimates indicate that 15% of producers have developed and implemented an action plan resulting from the self-assessment. Overall producer awareness of the self-assessment tool increased by 115%, with a total of 150 growers completing the self-assessment by the end of the grant period.
3. A pre and post survey of general awareness is planned to determine increases.
 - The pre-survey conducted prior to the Vinewise awareness showed 66.7% of those surveyed had heard of or used Vinewise. The post-survey conducted afterwards showed that 93.6% of those surveyed had heard of and/or used Vinewise. This represents an increase of Vinewise of 26.9%.

Originally the best practices knowledge base was a long-term activity. WSDA was able to help them accomplish this activity using the remaining funds. An Amendment No. 2 was signed extending the date to June 30, 2009. It was agreed that they would do the following:

1. A documented industry benchmark of current sustainability and establish Industry Best Practices in each category.
 - Over the course of developing Vinewise, industry experts and stakeholders met regularly to identify, define and establish the most desirable practices for sustainability within each topic of Vinewise. These practices were rated in categories on a scale of 1 to 4, with category 1=poor, category 2=fair, category 3=good, category 4=best. Once the self-assessment results were collected, scores were averaged by topic to determine where participants rated on the scale. These average scores identified the “benchmark”, or where the industry currently ranks on each of the topics within Vinewise. In comparing the benchmark to the best practices, we identified topics where the average scores fell below 50% into the poor and fair categories. This red-flagged a number of topics within Vinewise where additional industry education is needed in order to improve performance in those areas.
2. A summarized aggregated self-assessment and “industry benchmark” to the industry for planning, directing of education programs, assessing research needs to ensure overall industry quality if maintained and increased.
 - Accumulating the individual assessments into a summary document identified areas of strength and weaknesses by topic area. Topics were flagged as those with the poorest level of sustainability if they hit 50% and below. These topics provided documentation for planning and directing future educational efforts. The future efforts could include tutorials or workshops aimed at increasing the overall industry

performance in the areas of greatest need thus ensuring industry quality is maintained and increased.

3. The aggregated information, in report form, will be distributed to leading organizations within the Washington grape and wine industry.
 - The summary information was distributed to the leading wine and grape organizations within Washington on June 24, 2009. The industry letter pointed out the strengths of the aggregated data but also shared that the industry has “an opportunity for education in that there are categories where our growers fared “less well” and we have identified the following categories as needing attention in the future so as to continue with our trend towards greater sustainability”. The letter shared that the self-assessment evaluation, in such detail, provided documentation for the industry to plan and direct future educational programs, as well as assess research needs to ensure overall industry quality is maintained and increased. The report went to the Chairman of the WA Association of Grape Growers, Executive Director of the WA Wine Commission, Executive Director of WA State Grape Society, Vinewise Steering Committee Chair, Winewise Steering Committee Chair, Research Task Force Chair and WSU Viticulture and Enology Director.

Beneficiaries:

Washington wine grape growers yield an annual farm gate value of over \$113 million, the Washington wine and grape industry generates \$3 billion for the economy, and employs over 14,000 people. Currently, over 300 growers cultivate over 30,000 vineyard acres, supplying nearly 500 wineries with premium grapes.

A grower program of sustainable viticulture directly affects and impacts all 300+ growers as well as the more than 600 wineries they sell their grapes to under contract because this program is used as a marketing tool by wineries to differentiate themselves from the hundreds and even thousands of wine labels in the market place. In fact, some wineries are encouraging their growers to participate in the sustainable viticulture program specifically to enable the winery to use their growers’ participation as a marketing tool.

Producers of over 50 % of all wine grape acreage have completed a self-assessment to document current practices. It is assessed that at least half of the wine grape acreage in Washington is under management by individuals that are using Vinewise and that have done part or all of the Vinewise self-evaluations for the acreage they manage.

Lessons Learned:

The following are lessons learned from the results of the project: 1) Growers are generally not comfortable completing self-evaluations in a social setting of other growers or under supervision of a Vinewise facilitator. Most growers prefer to work on self-evaluations independently, which makes it difficult to accumulate results; 2) Reliable, timely response by the Vinewise website manager to requests for updates and changes is necessary to maximize Vinewise benefits to growers; 3) After discussing wine grape growing sustainability and Vinewise with many Washington wine grape growers, the facilitator noted that a major obstacle in getting growers to focus more on their sustainable practices is that many growers have yet to see an obvious benefit from spending the extra time, dollars and management resources needed to do so; and 4) By comparing the industry benchmark to establish best practices, we identified topics where the

average scores fell below 50% into the poor and fair categories. This red-flagged a number of topics within Vinewise where additional industry education is needed in order to improve performance in those areas.

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Additional Information:

Through additional discussions with wine grape growers it became apparent that it would benefit growers to have the option of a 3rd party sustainability certification program tied in with Vinewise. Because of grower interest, work was done to create a link between Vinewise and the Low Input Viticulture and Enology 3rd Party Certification Program (LIVE) that provides certification to growers that meet set sustainability standards.

(Washington Wine Industry Foundation Final Report – see Attachment 4)