

**FY2008 CA
Specialty Crop Block Grant
Progress Report – Agreement #12-25-B-0843**

September 30, 2010

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Background

The United States Department of Agriculture (USDA), through the Agricultural Marketing Service (AMS), awarded Specialty Block Grant Program funding during the FY08 Competitive Act in the amount of \$135,841.32 to the Colorado Department of Agriculture (CDA). CDA allocated the funds to three projects which fell into the broad program area of market development & promotion. These projects supported CDA's over-arching goal of increasing the competitiveness of Colorado's specialty crops. The projects, as well as the start and end dates for each were:

Market Development and Promotion

- Colorado Proud (*July 1, 2009 – September 30, 2009*)
- Colorado Pavilion at PMA (*October 3, 2009 - October 5, 2009*)
- Colorado "MarketMaker" Online Portal (*January 1, 2010 – July 30, 2010*)

Summary

We believe the development and promotion projects funded have allowed us to develop a greater awareness of and investment in Colorado specialty crops. The 2009 Colorado Proud campaign was not only able to increase membership by 16% but also to the purchase of local specialty crops in 84% of consumers surveyed (up from 77% in 2008). The 2009 Colorado Pavilion has steadily increased Colorado specialty crop company participation in the Expo to drive interest from domestic and international buyers. And Colorado MarketMaker is quickly becoming a comprehensive marketing tool to bring specialty crop buyers and sellers together. Additionally, in total, each specialty crop block grant program dollar invested generated \$2.30 of additional investment.

Colorado Proud

Project Summary: Since its inception by CDA in 1999, *Colorado Proud* has served as the state's primary program to promote agricultural and food products that are grown, raised or processed in Colorado. The program is a great fit with the Colorado consumer's desire to buy local products. Surveys, as recently as August 2009, have found that 90 percent of Colorado consumers would be more likely to buy food that was produced in Colorado than outside of the state. The appeal for local products also lies with restaurants, chefs and retailers. A National Restaurant Association survey conducted in October 2009 found that 89 percent of chefs surveyed believe local produce is one of the "hot" new trends for restaurants.



The purpose of this project was to continue to educate consumers, retailers, and restaurants about the wide range and availability of Colorado specialty crops, resulting in increased purchasing of locally grown products. This was achieved through a fully integrated promotional campaign consisting of advertising, in-store merchandising, online communication, and public relations activities throughout Colorado. However, for purposes of this application, the primary focus was on television advertising.

This award directly supported the *Colorado Proud* project approved as part of CDA's FY2008 Specialty Crop Block Grant Program – Farm Bill application. The funds from these two projects provided the resources enabling CDA to implement an advertising campaign during the summer of 2009 aimed at encouraging consumers to "buy local" and emphasizing Colorado's fresh fruits and vegetables.

Project Approach: Approximately 1,200 companies, many of which are suppliers and processors of fresh fruits and vegetables, were participating in the Colorado Proud program when the advertising campaign with Channel 9 KUSA-TV was implemented in the summer of 2009. Project funds were utilized to continue the successful 2008 summer television advertising campaign. A new ad (which can be viewed at <http://bit.ly/ColoProudAd>) was developed, showcasing a variety of Colorado specialty products including cantaloupe, potatoes, onions, peaches and sweet corn and directing consumers to find the products at grocery stores, farmers' markets and restaurants. The advertising, which prominently featured Colorado's bountiful array of fruits and vegetables, was timed to coincide with harvest beginning in July and running through September 2009. Additionally, the ad was nominated for a Heartland Emmy award in 2010.



Based on viewer tracking surveys, household advertising reach and frequency for Colorado Proud ads only, was 98.1 percent and an average frequency of 14.4 times, resulting in 21,482,000 household impressions. Among the program’s target audience, adults 25-54, reach and frequency totaled 93.9 percent an average of 7.1 times, generating 11,627,000 target audience impressions. The goal was to reach 82 percent of the program’s target audience an average of 3.4 times.

In addition to the on-air campaign, Colorado Proud had a dedicated section on the www.9news.com website featuring recipes, a crop calendar, produce picking tips and other consumer information. The number of visits to this section increased by nearly three times from the previous year, with 62,546 visits in 2009 versus 23,075 in 2008.

Findings from telephone surveys conducted by Survey USA of consumers in the Denver metro area found that 67 percent of consumers are aware of the Colorado Proud program- this was an eight point increase from the prior year! The survey also found that 84 percent of consumers had knowingly purchased at least some Colorado products in the prior 30 days.

Goals & Outcomes:

Performance Measure	Goals	Actual Result	
		2008 (Baseline)	2009
Percent of consumers aware of the Colorado Proud logo	62%	59%	67%
Number of online visits	25,400	23,075	62,546
Percent of consumers reporting purchases of Colorado products in the past month	80%	77%	84%
Number of Colorado Proud members	1,100	1,050	1,220 (16% increase)

Lessons Learned:

CDA’s Colorado Proud program plays an important role in encouraging consumers to buy food and agriculture products that are grown, raised or processed in Colorado. This helps to support Colorado’s fruit and vegetable producers and helps to position those producers to capitalize on current “buy local” trends. While advertising has proven an effective means of reaching consumers, Colorado Proud could be even more effective with a more fully integrated approach consisting of advertising, public relations, and retail marketing.

The 2009 campaign utilized FY 2008-FB and FY 2008-CA grant funds along with CDA matching. CDA should continue to explore avenues to develop the program to be state-wide and more year-round. Online communication initiatives have shown promise. Retail marketing initiatives could also help to facilitate the call-to-action message delivered by the advertising and public relations efforts.

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Colorado Pavilion at PMA

Project Summary: The Produce Marketing Association’s (PMA) Fresh Summit Produce Expo provides a unique opportunity for CDA to partner with Colorado’s produce industry. Since 2008 the establishment of a *Colorado Pavilion* at the Expo has provided much needed marketing support to participating produce growers by creating an expanded venue at which to promote their individual production and sales. Additionally, the *Colorado Pavilion* created greater awareness among produce buyers that Colorado is a supplier of a wide array of fruits and vegetables, encouraged broader industry participation in the Expo and assisted exhibiting companies by initiating and/or expanding export sales by internationalizing the *Colorado Pavilion*.



CDA Commissioner Stulp & Tim Larsen at Colorado Pavilion booth

Development of a *Colorado Pavilion* at the Expo provides the most cost efficient and effective means to assist Colorado’s produce growers enhance market competitiveness, as well as maintain and expand current customers and sales. CDA has built on the success from the 2008 Expo which was funded through the FY2006 SCBGP.

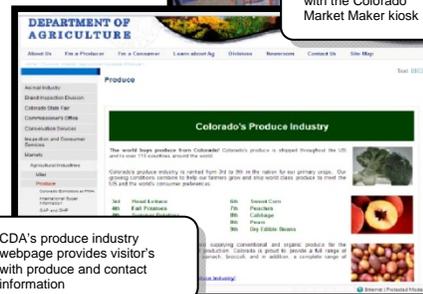


The Colorado Certified Potato Growers Association prepares for a busy day

Project Approach: CDA coordinated the development of a *Colorado Pavilion* at the PMA 2009 Fresh Summit Exposition held in Anaheim, CA October 3-5. The Pavilion provided needed marketing support to produce growers by creating an expanded venue to promote their individual production and sales. Additionally, the Pavilion continued to help create greater awareness among produce buyers of Colorado as a supplier of a wide array of fruits and vegetables, encourage broader industry participation in the Expo and assist exhibiting companies to initiate and/or expand export sales by internationalizing their domestic trade show presence. This year, in addition to CDA’s various display elements to identify the Colorado Pavilion, a Colorado MarketMaker kiosk was included to provide buyers with contacts for Colorado products. Advertising was expanded to include “The Packer” (<http://thepacker.com/>) and “Perishable Pundit” (<http://www.perishablepundit.com/>) websites as well. Links led visitors to producer information and contacts on CDA’s website.



Commissioner Stulp with the Colorado Market Maker kiosk



CDA's produce industry webpage provides visitor's with produce and contact information

The impact from Colorado Pavilion participation extended primarily to the produce growers and industries exhibiting at the Expo. Participation included Colorado’s potato, seed potato, onion and vegetable seed industries as well as dry edible beans and sweet corn.



Colorado Farm Fresh and Onion Association booths proudly display Colorado produce

Participants promoted conventional and organic produce. On a broader level, Colorado’s specialty crop industry benefited from this project as produce buyers from the U.S. and around the world became more aware of Colorado as a produce supplying state. Fresh Summit reported an all-time record of 19,070 attendees from 58 countries with more than 800 exhibitors from around the world attending the Expo.

Goals & Outcomes:

Performance Measure	Goals	Actual Result	
		2008-Baseline	2009
Industry participation	To increase Colorado participation in the Expo to two associations and four companies	Three associations and four companies participated in the Pavilion – one other Colorado company exhibited but was not part of the Pavilion	Three associations and six companies participated in the Pavilion
Sales	To develop new sales as a result of exhibiting at the Expo	Participants reported booking a total of \$3.7 million in sales during the Expo from 316 domestic and 67 international contacts and projected additional sales of \$5 million to be completed in the next 12 months	Responding participants reported booking a total of \$510,000 in sales from 229 domestic and 79 international contacts during the Expo and projected additional sales of \$800,000 to be completed in the next 12 months
Online hits from website promotion	To increase hits to the CDA online searchable food and ag directory	Information about registered attendees supplied by PMA did not include e-mail links so CDA was not able to effectively carry out the planned online promotion	305 site hits from “The Packer” and 585 site hits from “Perishable Pundit” establish the baseline

Lessons Learned: Reported at-Expo sales were reduced because the largest vendor was not willing to share sales data this year. However CDA considers the increased presence at PMA to be a success for Colorado's specialty crop industry. New domestic and international contacts totaled to over 300 new potential buyers! This could lead to an estimated \$800,000 in new sales over twelve months. In addition, CDA was able to increase international contacts by visiting with representatives from the largest produce buyers from Taiwan. CDA should continue to increase buyer contacts through inclusion of promotional activities such as video development of Colorado's specialty crops as well as increasing industry participation by providing a funding source for more PMA industry groups to participate. Additionally, pre and post Expo promotion will help to drive prospective customers to the *Colorado Pavilion*, as well as support contacts made during the Expo.

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Colorado MarketMaker

Project Summary: The primary objective of Colorado MarketMaker (CMM) is to foster the development of local food systems benefiting Colorado’s fruit and vegetable producers through the advancement of an interactive online portal facilitating buyer-seller contact. CDA envisions CMM becoming a “one-stop shop” that will help connect Colorado fruit and vegetable producers with local, national and international buyers. CMM is working to assist local producers to access demographic and local market information central to successful implementation of local market and farm-to-cafeteria strategies. In addition to facilitating greater buyer-seller interaction, CMM is enhancing CDA’s capabilities to advise participating food and agricultural suppliers of business leads, market information and other opportunities to develop and expand sales.

This project is a continuation of work begun with funding from the FY2007 Specialty Crop Block Grant Program. Those funds were utilized to provide for the development of CMM within the framework of the National MarketMaker Initiative and establish program baselines. (Seventeen states participate in National MarketMaker) The funds requested in this application were central to supporting the roll-out of CMM, including increasing program awareness, demonstrating the benefits of CMM to both buyers and suppliers of Colorado specialty crops, and answering and addressing CMM questions and concerns.

Project Approach: CDA partnered with Colorado State University (CSU) to develop a state-specific, interactive online portal to facilitate buyer-seller contact and foster the development of local food marketing systems. The site (www.comarketmaker.com) went live in late summer 2009 and CDA utilized the fall to ensure the accuracy of the content before it began to promote the program in early winter 2009.

Since December 2009, CDA and CSU have promoted the portal as a tool



for specialty crop producers, retailers, and chefs at over 20 industry meetings, workshops, conferences, and events statewide. This past winter to gauge initial success, CSU identified a target group of 150 new and existing CMM enterprises to survey, of which 1/3 included Colorado Proud members. Surveys assessed awareness, program utilization and satisfaction. The initial results showed awareness was gaining a solid foothold among producers and suppliers with new entries signing up daily. Though satisfaction was lower than expected, many suppliers stated that CMM could still increase their sales.

In the spring of 2010 National MarketMaker focus groups’ stated strong

concern about the difficulty in obtaining new listings due to site usability problems. Colorado too saw a reduced number of utilization and satisfaction of CMM by listed food & agricultural product suppliers. After much discussion, the national MarketMaker advisory board decided to address this problem by hiring a consultant to improve site usability. Colorado took the time to address the issues with local producers and then discuss the enhancements that should be included with national MarketMaker. These improvements included a more flexible search interface, updated and intuitive mapping technology, inclusion of agritourism sectors and adding fields for information sharing and local branding program participation (such as Colorado Proud). The improvements allow Colorado to now have the most complete farm to plate software of any participating state.

Because these changes were not live until late summer 2010 when a follow up survey was conducted there was not enough time for Colorado users to acquaint themselves to the new interface to warrant an accurate evaluation. This led to a low response rate to the survey. However, the initial high level of engagement (many profile updates) to the enhanced site suggests an improved perception of the site by many of the users.

Goals & Outcomes:

Performance Measure	Goals	Actual Result	
		2009	2010
Number of supplier listings	Increase supplier listings from 1,400	As of December 31, 2009, there were 1,568 new entries of which 1,262 are Colorado Proud members	For the period of January - July 2010, there were 205 new listings. However, 1,200 updated profiles since December 2009 shows high level of engagement
Number of site visitor counts	Establish visitor counts	Monthly visitor count was 146,381 based on a six month average (July – Dec 09)	Monthly visitor count was 199,910 based on a six month average (Jan – Jun 10); a 36% increase
Satisfaction and utilization of CMM by listed food & agricultural product suppliers	75% of the food and ag suppliers to express satisfaction	60% of CMM users surveyed were satisfied enough to believe CMM could help increase their business sales	Too few survey responses to report, but of the 1,200 updated profiles in the past six months, 10% were done in the one month after the enhancements; suggesting an improved perception of the site by users
	25% of food and ag suppliers to credit CMM for generating business inquiries and/or sales	54% business suppliers credited CMM for increased annual sales	Too few responses to survey to report, but increased visitor counts suggest potential increase in future sales

Lessons Learned: The continued increase of site visitors shows that CMM is quickly becoming the resource for connecting Colorado fruit and vegetable producers with buyers. It also shows that through CDA and CSU outreach, producers and buyers alike are becoming more aware of this resource and are utilizing it.

Those producers that were not participating were not doing so because the usability was too difficult. National MarketMaker took the initiative to address the problems and make the fixes. Thus, this year's outreach efforts combined with site functionality improvements lead CDA to believe that CMM is now positioned to improve agricultural supplier satisfaction and continue to increase visitor site utilization. These improvements will facilitate a greater buyer-seller interaction and enhance CDA's capabilities to advise participating food and agricultural specialty crop suppliers of business leads, market information and other opportunities to expand their sales.

CDA and CSU consider the greatest success being the influence Colorado had in framing the MarketMaker enhancements that would make our users happier with this new marketing resource. CMM is a very powerful and comprehensive tool for bringing buyers and sellers together. The initial level of activity by producers and sellers who list and visitors seeking to buy is the best indicator of user perception. Recent months have shown significant increases in all activity level. Participants see MarketMaker as a low cost, high visibility option to showcase their products. Enhancements such as the ability to add custom pictures\logos and the Market Place (buy and sell forum) page allow them more flexibility in how they promote their products and to whom. In fact, one participant said "The more I can tell my customers, the better chance I have of making a sale. Colorado MarketMaker is a great place to inform potential new customers."

Additionally, CSU will continue outreach efforts by training their Extension personnel so there are county based agents who can introduce this resource to producers at the local level. CDA plans to expand awareness and benefits of CMM to its wine industry and to international buyers to further benefit Colorado's specialty crop producers as well.

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Additional Information

Financial Summary

	Initial Amount Approved	Final Authorized Budget	Total Invoiced	Balance Remaining	Cash & In-Kind Contributions Reported
Colorado Proud 2009 Summer Campaign ¹	\$68,971.00	\$68,971.00	\$68,971.00	\$0	\$162,058
Colorado Pavilion at PMA ²	\$48,120.32	\$47,915.49	\$47,915.49	\$0	\$137,250
Colorado MarketMaker ²	\$18,750.00	\$18,954.83	\$18,954.83	\$0	\$12,500
Administrative Fee	\$0	\$0	\$0	\$0	\$0
Total	\$135,841.32	\$135,841.32	\$135,841.32	\$0	\$311,808

Notes to Table:

1. Budget was supplemented with an additional \$81,029 from the FY2008 Specialty Crop Block Grant Program – Farm Bill
2. The \$204.83 that remained from Colorado Pavilion was applied to Colorado MarketMaker as approved by USDA/AMS