

Regional Marketing of

New Mexico

Green Chile

and

Value-Added

Frozen

Chile Products

Submitted By:

The New Mexico Department of Agriculture

Date: August 10, 2009

To: Ms. Trista Etzig

Specialty Crops Block Grant Program

Agricultural Marketing Service

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Washington, DC 20250-0235

Specialty Crops Block Grant New Mexico Green Chile Promotion Value-Added Promotion for Green and Red Chile Final Report

Green Chile Promotion

Project Summary

In May of 2008, the New Mexico Department of Agriculture (NMDA) submitted an application through the Specialty Crops Block Grant program (SCBGP) securing funding for the continued work on the New Mexico green chile promotion. The goal of the project was to maintain and expand market share for New Mexico green chile in a ten-state region. By lending support to the chile shippers and the retail industry, NMDA would provide training workshops, retail level educational/training material, chile roasting equipment, televisions for consumer education, and in-store demos.

Because of this funding, and funding secured in 2007 through the SCBGP, the New Mexico chile industry continues to solidify its' awareness in existing markets, and gain market strength in new areas. NMDA staff have also gained vast experience in determining target markets that lead to faster and more efficient market establishment. Furthermore, retailers in established markets have gained experience in handling the product as well as developed new and unique marketing techniques which have lead to increased sales.

Project Approach

In response to the needs of the shippers and their retail buyers, NMDA performed the following activities to ensure the success of the various in-store promotions:

- In cooperation with the New Mexico green chile shippers, NMDA hosted produce buyers, produce managers, and store directors on a fact-finding trip to the Mesilla and Hatch Valleys of southern New Mexico. The participants were taken to the production areas to walk through the fields and learn first hand how chile is grown and harvested. In addition, they toured packing sheds and research facilities at New Mexico State University. All participants were provided with chile "demo" kits and awards were given to representatives from three H-E-B Stores with the highest chile sales.

Buyers from California and Kansas were not hosted due to scheduling problems during the harvest season.

- NMDA marketing specialists conducted training workshops in: Austin and San

Antonio, Texas; Anaheim, California; and Denver, Colorado. Store personnel were given instruction on chile roasting, merchandising, and in-store sampling.

- A food consultant was hired to prepare green chile dishes from the new, "Get Your Fix Too" DVD. Buyers were also presented with other recipes that could be used for in-store demos and their deli sections.
- Provided chile shippers and their retailers (2,200 stores) with point of sale material which included DVD's, caps, recipes, pennants, and freezing instructions.
- Produced a "Get Your Fix 'Too'" DVD which featured quick and easy recipes for the consumer. 100,000 were replicated and distributed to retailers.
- Forty chile roasters were built and distributed to retail stores in California, Colorado, Texas, and Wisconsin. Televisions were also purchased and used during the promotion showing the new green chile DVD which was developed for consumer use.
- Food consultant/chef traveled to Texas and conducted cooking demonstrations during the retail chile promotions.
- NMDA representatives traveled to and worked with 68 stores in Texas, 24 in California, 6 in Missouri, 6 in Wisconsin, 4 in Colorado, 13 in Arizona, and 6 in Kansas, to promote New Mexico chile. While there, representatives conducted on-site roasting, in-store sampling, and customer education activities. Promotions were not conducted in Nebraska due to scheduling and travel conflicts.

Goals and Outcomes Achieved

- As a result of the workshops and buyer visits, retailers were better prepared to promote and sell New Mexico green chile.
- 40 new grocery stores were able to incorporate a chile roasting program into their promotion.
- The addition of the new, "Get Your Fix 'Too'" DVD provided consumers with *non-traditional* recipe options that are quick and easy to prepare.
- Maintained and established market share for fresh, New Mexico green chile through a ten-state region.
- It was estimated 475 truckloads of chile were shipped to retail stores that were directly related to NMDA marketing activities, which resulted in retail sales of over \$26 million.

Beneficiaries

Increased retail sales of New Mexico green chile benefits not only the five participating New Mexico green chile shippers, but the 60+ growers they represent.

Lessons Learned

As we continue to promote fresh green chile, it is becoming easier to enter into new markets. As we all know, retail chains are continually looking at what the competition is doing to maintain or gain market share. The green chile promotion is proving to be an "attention getter." As consumers become familiar with chile, they are purchasing it at the store as well as complimentary products offered through cross promotions, thus increasing overall store sales.

NMDA has become better at identifying the types of retail chains whose customers best match the consumer profile and are more apt to purchase and try New Mexico green chile. Staff have also become better at identifying store types that are willing to commit store resources towards a successful launching of a new product.

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Value-Added Frozen Chile Products

Past success in promoting fresh, New Mexico green chile has created inroads to new markets for the processed/value-added sector of both red and green chile. When marketing fresh chile in urban areas, we learned that many consumers did not have the freezer capacity to store freshly roasted chile for use throughout the year. Therefore, the goal of this project was to bring a processed product to these consumers through their local retail stores making New Mexico chile accessible year-round.

Project Approach

Local processors contacted NMDA and requested assistance in developing new markets for their processed red and green chile products. Potential marketing regions were identified by the processors and, through the use of their brokers, attempts were made to secure shelf space into retail outlets.

NMDA representatives traveled with company representatives to North Carolina and worked with two retail chains representing 8 stores to introduce value-added green chile.

NMDA representatives worked with one manufacturer to introduce a frozen line of

value-added products into two major retail chains in the southwest.

NMDA funded three companies to attend trade shows, one each at the National Restaurant Association, Comida Latina, and the Fancy Food Show.

Red chile demo DVD's were also offered to stores for both consumer and in-store use.

Goals and Outcomes Achieved

- One manufacturer who carries both frozen green and red chile identified a distributor in North Carolina securing shelf space and market presence in one retail chain.
- Maintained market share
- Showcased new frozen lines of chile/mexican food products
- Compiled sales leads from trade shows
- One manufacturer successfully acquired market share with two major national retailers in the southwestern U.S.
- Based on product investment and retail shelf space, sales are projected to exceed \$100,000. However, due to proprietary disclosure, exact sales data is not available.

Beneficiaries

Similar to the fresh green chile promotion, the benefits of increased sales of the value-added chile products trickle down to the producers. One manufacturer, who is the second largest chile processor in the state, represents approximately twenty growers. The other manufacturer processes their own chile in addition to the chile they purchase from 4-5 other growers. As other new markets are tapped, the need to purchase more chile from New Mexico growers will increase.

Lessons Learned

Although market presence was established in two retail chains, finding additional retailers who were willing to carry these value-added chile products proved to be more difficult than originally anticipated. Some of the constraints included freight costs, willingness of the retailer to provide valuable shelf space for a new product, and lack of consumer awareness. Additional resources were needed for advertising, product sampling, consumer materials, and travel in order to effectively establish market presence in new regions of the country.

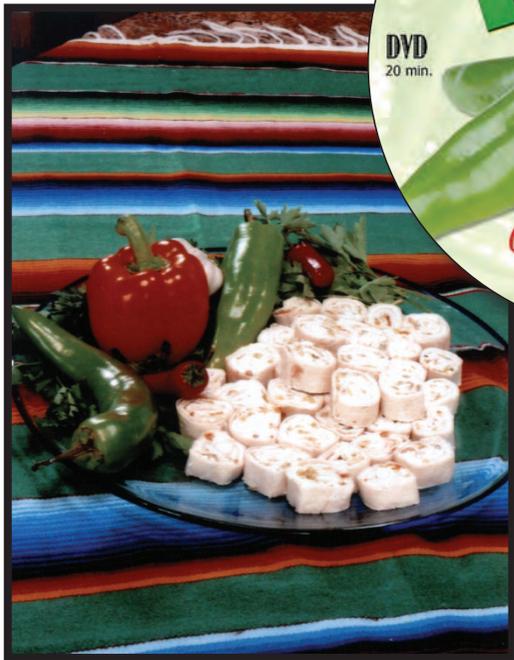
NMDA is committed to continue working with these manufactures and brokers to address these constraints as it is critical to the success of the program. Also, NMDA will offer assistance to other processors/manufactures that sell value-added red and green chile products.

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Filming of
"Get Your Fix Too"
DVD





HEB Visits
New Mexico

Workshops and
Chile Roaster
Training



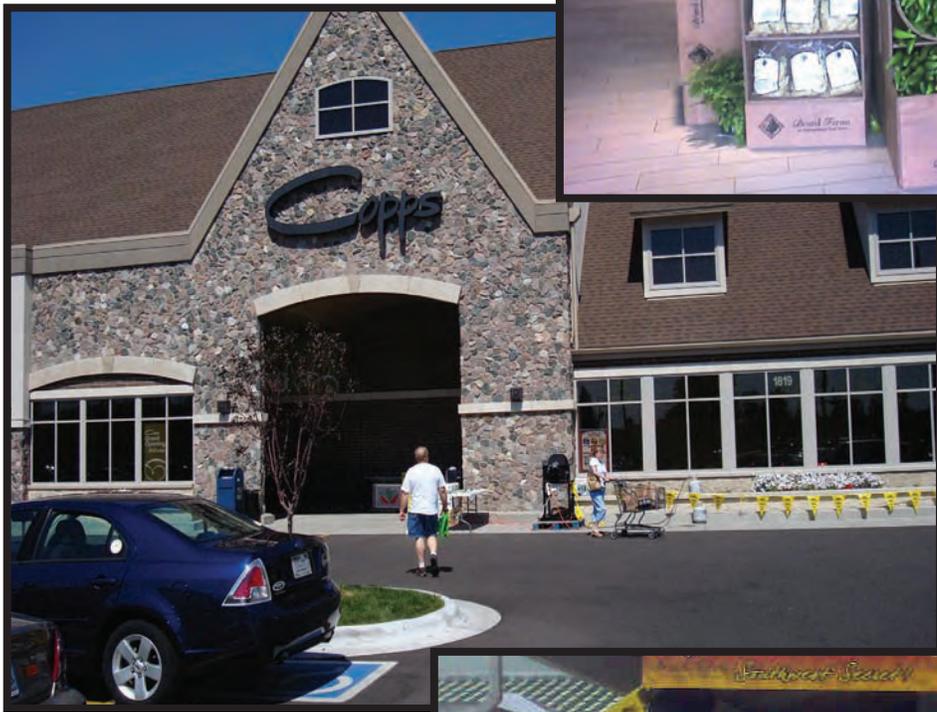


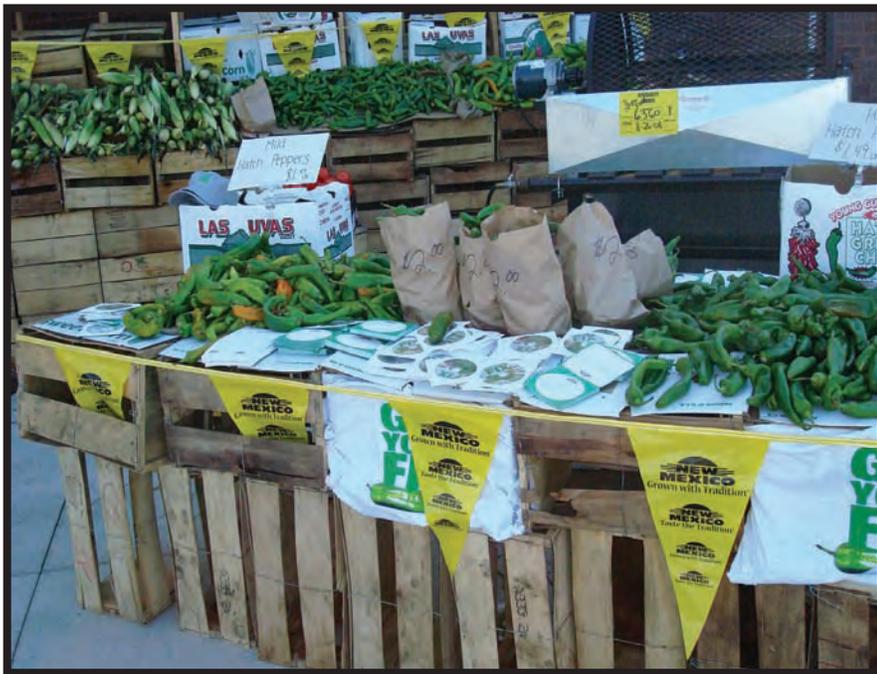
In-Store Displays











Point-of-Purchase Materials



2008 Hatch Festival Specialties

<p><u>Produce</u></p> <p>Fresh Hatch Chiles (Mild & Hot) \$1.29 per lb \$25.00 per case</p> <p>Roasted Hatch Chiles (Mild & Hot) \$2.79 per lb \$28.00 per case</p> <p><u>Market</u></p> <p>Pork Sausage (Mild & Hot) Chicken Sausage (Mild & Hot) Hamburger Patties (Mild & Hot) Tamale Pork Tenderloin Tamale Chicken Breasts Hatch Meatloaf Hatch Stuffed Pork Chops</p> <p><u>Seafood</u></p> <p>Spicy Crab Cakes w/ Hatch Chiles Spicy Salmon Cakes w/Hatch Chiles Hatch Cocktail and Remoulade Sauce Hatch Shrimp Escabeche Hatch Bacon-wrapped Shrimp</p> <p><u>Deli/Cheese</u></p> <p>Hatch Pesto Boconcini Hatch Quesadilla Cheese Texas Jersey Monterrey Jack With Hatch Chiles Phil's Hatch Pimento Cheese Spread Hatch Mozzarella Rolls</p>	<p><u>Grocery</u></p> <p>Hatch Canned Products: Green Chile Enchilada Sauce (Mild, Medium & Hot) Enchilada Sauce (Mild, Medium & Hot) Diced & Whole Green Chiles (Mild & Hot) Jalapeno Slices Cookwell & Company 2 Step Green Chile Stew Robert Rothschild Hatch Chile Dip and Jam CM Hatch Chips CM Hatch Red and Green Salsa Bueno Foods Frozen Green Chili Sauce w/ Pork Cherith Valley Hatch Pepper Corn Relish Comida Loca Green Chile Corn Chowder</p> <p><u>Bakery</u></p> <p>Hatch Hot Dog Buns Hatch Hamburger Buns Hatch Chile Loaf Hatch Brownies Hatch Corn Rolls Hatch Cornbread Hatch Pie Hatch Cobbler Hatch Sourdough Bread Hatch Tortillas</p>	<p><u>Chef's Case</u></p> <p>Hatch Roasted Chile Pesto Hatch Twice Baked Potatoes Hatch Risotto Cakes Hatch Pesto Cream Sauce Hatch Turkey Meatloaf Look for Hatch featured items in our Daily & Weekly Specials</p> <p><u>Dairy</u></p> <p>Simply Sauces Queso de Mexico Leah Oliver Hatch Queso</p>
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Hatch Chile Cooking Classes available in the Cooking School - Check the schedule for the Dallas store online at www.centralmarket.com or in our Foodie magazine - for reservations and information call 214-361-5754.



www.melissas.com

Chile Roasting

STEP-BY-STEP








Puncture each chile with a knife before roasting to prevent them from splitting.

Roast each side about 3 minutes on high heat until charred. Watch them carefully so they do not burn.

Place roasted chiles in a heat-proof dish and cover with a kitchen towel or paper towels to steam for a few minutes.

When cool enough to handle, carefully peel charred and loose skin off chiles.

Use for chile rellenos, rajas, fresh salsa, or simply eat as a delicious side dish with meals.

If making salsa, simply blend chiles with garlic and salt to taste and put in freezer-safe containers to freeze for later use. Fresh, simple and delicious!

Chile Recipes on Back!

New Mexico Chile in the News!

Business

THE LAS CRUCES
Bulletin
FRIDAY, AUGUST 1, 2008
SECTION B

Chile reaching far and wide

HEB produce managers get first look of Mesilla Valley

By NATASHA HALEY
The Las Cruces Bulletin

As part of its efforts to market New Mexico green chile throughout the region, the New Mexico Department of Agriculture, teaming up with Chileline Produce, invited Texas HEB supermarkets' top-three sellers to Las Cruces, so produce managers could get a first-hand look at how the chile is grown, harvested and processed before it's shipped to their stores.

Before touring local facilities, the managers were treated to a complete meal with green chile incorporated in each course.

"It's really about the chile," said Kelley Coffeen Holt, who prepared the meal. Coffeen Holt has written several cookbooks featuring Southwest recipes that include green chile and is assisting the NMDA with their marketing efforts.

For appetizers, Coffeen Holt prepared grilled chile rellenos, stuffed with Monterey Jack cheese and wrapped in prosciutto, and "salgate tensors," or green chile tortilla wraps filled with chopped green chile and cream cheese and flavored with garlic and kosher salt.

A green chile corn chowder

served as the next course. The chowder includes succini and corn in a cream sauce topped with sharp cheddar cheese.

"I created this recipe from an old Mexican side dish of calabacitas (squash)," Coffeen Holt said.

Grilled steaks accented with a green chile relish and served with baked potatoes was the main course, and for dessert — a hot fudge sundae topped with a green chile pistachio brusch.

Of 50 HEB supermarkets that were involved with the green chile promotion, NMMA Marketing Director Edward Avales thought a delicious meal and the first-hand look at the Mesilla Valley would be a good reward for the

top sellers. "We want them to come to the chile-production area and see where the chile is grown and how the chile is grown," Avales said. "That way, they can go back to the customers and have more knowledge about the New Mexico chile pepper."

The group embarked on a "fact-finding mission" to New Mexico State University to meet with chile breeders and discuss the different varieties of chile and how they're developed. From there, the group

traveled to Hatch to tour chile fields and visit a packing shed. The last leg of the tour was a stop at M.A. & Sons red chile-processing plant.

"This green HEB personnel a total picture — the chile is planted, it goes through its



COOKBOOK AUTHOR KELLEY COFFEEN HOLT STIRS GREEN CHILE CORN CHOWDER TO PERFECTION WHILE PREPARING A FULL MEAL FOR HEB SUPERMARKET PRODUCE MANAGERS WHOSE STORES SOLD THE MOST GREEN CHILE.

green phase then turns red and is processed," Avales said. "They came in today (Tuesday, July 22), we'll bombard them with chile facts for two days and then we'll send them home."

See Green chile on PAGE B4

It's really about the chile.

KELLEY COFFEEN HOLT
LOCAL COOKBOOK AUTHOR

A woman who means business

Publication honors Dolores Connor

By NATASHA HALEY
The Las Cruces Bulletin

Las Cruces City Councillor Dolores Connor is a woman who means business, according to the New Mexico Business Weekly,



them all, and I made some great contacts."

In addition to being recognized at the banquet, each honoree was featured in a supplemental publication titled "Women Who Mean Business,"

news and politics centered around economic development may have had something to do with it.

Starting as a teller at Mutual Building and Loan, Connor stayed with the bank for 18 years, moving up to a vice president position before it was sold.

Looking for a new opportunity, Connor explored a business venture with a

www.lcsun-news.com

Thursday

LAS CRUCES SUN-NEWS

Our 128th year, No. 115

Southern New Mexico's Newspaper

★ July 24, 2008 ■ 50 Cents

Inside today

Sports

WAC rank

The New Mexico State Aggie football squad was picked to take seventh place in the nine-team Western Athletic Conference.

Page 1B

Headlines



Hello Dolly

Hurricane Dolly made landfall, raking Texas with rain and wind, but weakened Thursday night.

Page 3A

Business

HOT DEAL



SUN-NEWS PHOTOS BY NOWY DETLAFF
James Ditmore, 55, center, of the New Mexico Department of Agriculture, explains the properties of the green chile Wednesday to Texas grocers in a chile field in Salem. The NMMA was giving a tour of the green chile industry for a campaign aimed at expanding the market for fresh green chile outside New Mexico.

GISD tastes too rich?

Working lunch cost \$2,326, draws fire from some.

By Ashley Meeks
SUN-NEWS REPORTER

ANTHONY — A working lunch at a Texas steakhouse for Gadsden Independent School District administrators has some residents riled at what they see as an unfair extravagance.

A total of 91 principals, assistant principals, directors and coordinators went on the trip to Cattle-

Tradeshow Booth



Tour of Red Chile Processing Plant



In-Store Displays Fresh Red Chile



