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Marketing Sustainable and/or Organic Products in Small Metro Areas

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Non-Technical Summary

The goal of this project was to increase sales of locally grown organic foods in Fargo, North Dakota and its neighbor, Moorhead, Minnesota. The community population is approximately 125,000. Like many other small metro areas in the Midwest, Fargo-Moorhead had no established mainstream market for organic foods despite the growth of organic foods nationally. Consequently, producers sought to reach the growing segment of mainstream consumers who desired high-quality, earth-friendly foods, but who don't have the time to search around town for particular products. Project coordinators knew that selling to a wider range of consumers meant developing a reliable supply of organics to local markets.

Successfully mainstreaming organics meant working closely with retailers as well as consumers. Project leader, Ben Larson, a researcher at North Dakota State University as well as local organic farmer, contacted the Organic Alliance in St. Paul to develop a marketing, consumer education, and media plan. That marketing strategy was then presented to the managers of three local grocery store chains. An agreement was reached with two of those chains to sell certified organic products. Contacts with the media resulted in numerous newspaper and television stories about the project (see appendix).

A local consumer survey indicated strong interest in organic foods, especially in locally grown foods (Braun, 1999). To simplify the grocery stores' ordering procedures, coordination was established between local growers and grocers. One sales call was made each week to the grocery stores, offering them a wider selection of produce and reducing the number of calls that may otherwise have interrupted their work day. To promote the produce, each store was provided with attractive point-of-sale materials from the Organic Alliance in St. Paul, MN.

Project leaders also developed a new farmers market devoted to local non-certified organic foods. Advertising was purchased on public radio and in newspapers to promote the availability of the organic foods, both at the grocery stores and at the farmers market.

A sub-contract with the Northern Plains Sustainable Agriculture Society (NPSAS) resulted in the coordination of rural farmers interested in marketing their produce in Fargo-Moorhead.

The result was an increase in sales of organic products at grocery stores and at the new farmers market. Sales to grocery stores started well. In the winter of 1998-1999, one grower's packaged, certified organic potatoes sold much better than retailers expected, encouraging them to try more products. However, sales of other products were hit and miss. Muskmelons and watermelons sold well despite competition from low-priced conventional melons. However, a locally grown, organic sweet corn proved too expensive compared to machine-harvested corn, about four times less costly than the organic. Packaging and labeling of products (tomatoes, cucumbers, etc.) was difficult. The industry standard, PLU (price look-up) number stickers project leaders had hoped to purchase, were only available in large lots (500,000 or more). Future research may find a solution by a number of grower groups around the country purchasing the labels together, perhaps a purchasing co-op to allow them to buy in bulk.

In addition to labeling, a lack of certified growers limited the project's retail sales. The grocery stores wanted more certified produce than the organic farmers could supply. However, because of this project, five growers may seek organic certification and most of

the grocer-partners remain convinced of the consumer's interest in organic products. They now stock organic items from national wholesalers.

While the certified-organic farmers sold through the grocery stores, the non-certified farmers decided to initiate a farmers market. The market proved quite popular at its prime location on a busy street in an upscale neighborhood in south Fargo. Consumers said they liked the market's convenient location and after-work hours as well as its focus on organic foods. There was no rental fee for the farmers because the church that provided the parking lot site said it might attract new parishioners by providing the service, as well as helping local farmers, thus no fee.

Despite the success of the farmers market, it did not re-open the following year. The project leader grew weary of the hours and accepted another job, consequently down-scaling his own operation, and without his leadership the group apparently disbanded. Only one farmer wanted to continue, but did not. The group's champion speculated that lack of motivation, consistency, and poor salesmanship skills may hampered the growers' progress.

1) Abstract

Substantial progress was made to establish a market for organic and non-certified organic produce in the Fargo, ND and Moorhead, MN area. Partnerships were established early-on with two local grocery store chains, in part, due to professionally produced sales material from an already established organic marketing group. Local farmers improved sales through direct methods -- a farmers market and farm stands -- as well as through retailers – two local grocery store chains.

Initial retail sales of certified organic products at grocery stores was promising, and served to demonstrate to produce managers that demands for organics does exist in Fargo-Moorhead. Labeling and packaging local organic products proved difficult because only bulk quantities of bar codes are available. Three to four grocery stores are now carrying organic produce on a regular basis, consequently, the project leader believes he accomplished the group's goal to develop a mainstream market for organic produce.

Producers learned many new skills through this project. They attended conferences and farm tours that gave them the knowledge to solve problems in their own operations, as well as share skills and information they discovered. Market power through joint sales proved significant, but the failure to sustain that alliance is a disappointment. The grocers and the public appreciated the organic product, but ironically, the producer-supplier proved to be the main factor that was unsustainable.

2) Objectives

1. Increase memberships in community-support farms (CSAs*).
2. Increase sales at roadside stands and farmers markets.
3. Increase sales of certified organic products at retail outlets.
4. Develop producers' growing and marketing skills.
5. Form marketing alliances between rural and local producers.
6. Document the economic impact of local marketing.

* Community-supported agriculture (CSAs) offers a direct growing and purchasing relationship between the farmer and consumer. There are four types of CSAs: subscription or farmer-driven, shareholder or consumer-driven, farmer cooperative, or farmer-consumer cooperative (2000, Appropriate Technology Transfer for Rural Areas).

3) Methods/Approach

Increase memberships in community-support farms (CSAs).

After submission of the SARE grant proposal in early 1998, both CSA producers involved in this project saw their fields suffer from terrible weather in the summer of 1998. Knowing that recruiting in 1999 would be difficult, they aimed to maintain membership levels. What CSA producers tried were innovations in membership options. Ten members of one farm tried the "shopping share," which gave them the flexibility to come and shop for their produce whenever they could fit it into their busy schedules.

The CSA serving Fargo-Moorhead found it increasingly difficult to recruit members by going door to door, and found that radio advertising was even less effective. The ineffectiveness of traditional advertising reinforces the importance of word-of-mouth promotion in the growth of CSAs, suggesting that recruitment of friends and acquaintances of existing members is more effective. The three members interviewed for this final report are all faculty members at local universities. Perhaps their level of education validates the appeal organic foods have to a more knowledgeable population and future marketing efforts could be more focused on educators.

Here are comments from some of the members of the Moorhead, MN. CSA:

> "It was great, especially in the middle of the project," said a Fargo woman. She said she had a feeling of being a part of the agriculture community with people interested in the environment and the foods they ate. "You got the intrinsic feeling you were doing something good connected to agriculture." She likes organic because it is friendly to the earth and she knows where it came from and what farming practices were used.
>
> A Moorhead man said, "He was excited about the CSA because it allowed him to be connected with what he ate and to take a risk along with the grower. He found the farmer to be very knowledgeable, well read, and diligent about his use of organic methods. The farmer also seemed to have a commitment to the community and was also a good conversationalist. He was very principled in his approach."
>
> Another Moorhead man said, "The first two years of the CSA were really good, after that it appeared the grower was coasting to the finish line." The farm stand was on the honor system the last year, and that was a problem. People appeared to be taking from one another's food supply.

Increase sales at roadside stands and farmers markets.

Despite the risk of starting a new farmers market, three compelling reasons encouraged the group to do so. First, access. The existing Fargo-Moorhead farmers market excludes any new members. Secondly, six of the local organic growers were not, or have not yet been certified, so they could not sell to grocery stores as organic. And thirdly, we knew we could not sell all of our produce through existing CSAs or road-side stands. The original location, at a city park, was denied three weeks before it was scheduled to open. So contact was made with churches and businesses, which unlike governments, could quickly make a decision. The decision was made to work with one church that enthusiastically allowed the growers to set-up their market in their parking lot, which was located on a busy residential street in an affluent residential area. A formal agreement was drafted with the church, advertisements were placed in the local

newspaper and on public radio, and a brightly colored sign was set-up next to the market. The market started successfully and continued throughout the summer and fall. There was no cost to growers because the church believed it would benefit by increasing its own membership by providing this community service.

Here are some comments from vendors at the farmers' market:

"I thought the project went well in the summer of 1999," said a Fargo woman. She enjoyed everyone except one grower who was told not to return. "That guy came on too strong, yelling at people as soon as they got out of their parked vehicles, yelling at them to come over to his particular stand. It is important to have a friendly, but calm, laid-back atmosphere." She made money selling specialty spreads and breads, but she doesn't know how much. Although she wishes the farmers market continued in Fargo, she realized the growers didn't want to come back and the public expected more vendors and more variety.

A farm couple said they grew frustrated with the standards set at the farmers' market, i.e., magazine perfect looking produce. They prefer to sell at another local farmers market where it doesn't have to look perfect and you don't have to sell it yourself. They described themselves as introverts who found it hard to sell their own produce. They appreciated the times Larson sold for them. They have scaled back their farming operation because of low prices and now make most of their living in another occupation.

A Fargo vendor said she liked the organic marketing project at the farmers' market because she enjoyed the people and repeat business. She doesn't know how much money she made but appreciated the chance to get her name and product out to the public.

Increase sales of certified organic products at retail outlets.

Doubtful that small sales to small natural food stores would be profitable, the decision was made to only sell to larger grocery stores in Fargo-Moorhead. Since the project leader, Ben Larson, was unsure of the interest store-level produce mangers would have in buying certified organic produce, he wanted to give them one option, to say "yes." Consequently, he went straight to their boss (either the regional produce manager or the manager of several stores), hoping they would think selling "upscale" organic produce was an opportunity, rather than a risk. In preparing his sales pitch, Larson consulted the Organic Alliance in St. Paul, MN., a non-profit marketing group that has successfully promoted organics to retailers. (Organic Alliance also helped the project leader plan the local group's outreach and media campaign.)

The sales technique focused on the recent growth of organics in the Twin Cities and ways the Fargo-Moorhead growers could help the produce managers. Larson designed an attractive-looking letterhead and business cards with the name of the growers' group, Red River Organic Growers (appendix). These preparations prior to the initial sales calls worked. Of the three grocery store chains in Fargo-Moorhead, two agreed to start marketing locally grown organic produce. (The one chain that declined did so in part because its ordering is centralized through its Minneapolis area office.) The managers committed to work with certified growers (they did not want to sell any non-certified "chemical free" produce). Once they'd committed to trying organics, the

managers set up meetings with their store-level produce managers and the project leader to discuss the issues involved in buying and selling local organics.

The produce managers had many issues, and it was crucial to take their concerns seriously. They needed to know that the farmers would listen to their concerns; they seemed to like having an honest broker that would relay their concerns to the growers. Chief among their concerns was produce quality, appearance, and price. They said they only wanted good- looking produce priced at not more than 20% above conventional prices. However, given an exceptional product, they would accept a higher price. For instance, the produce managers raved about the organic carrots one local grower sold to them years ago, which were so sweet and delicious that consumers loved them even though they looked the same as the competition and were considerably more expensive than conventional carrots. Also, one organic producer delivered exceptional melons in 1999 and the managers wanted more and more of them. It was clear that the produce managers' sense of quality can be expanded to include taste and freshness (i.e., locally-grown) if they are provided with exceptional products. But produce managers do not share many of their consumers' ecological concerns.

The other major concern the produce managers had was receiving too many calls each week from growers. One of the regional produce managers suggested the project leader coordinate with the local growers and send the produce managers a fax once a week listing the available produce and prices. This approach worked well for both growers and grocers. The growers were able to just make one call to Larson, and likewise, the grocers received only one call from the project leader. The produce managers also seemed to appreciate telling Larson about problems with produce rather than telling the grower himself. Once the growers had product in the stores, they provided the grocers with attractive point-of-sale promotional materials produced by Organic Alliance.

Here are some comments regarding the project from produce managers from the two chains in the Fargo area:

> A northside grocer thought the project went well in the summer of 1999 and he appreciated Larson's efforts to coordinate the growers. He explained, he doesn't want ten growers calling him. He'd like to see it set up as a cooperative in the future with coordination provided for all involved.
>
> Another Fargo grocer said he doesn't deal with organic produce. He only sells Dole's organic salads shipped in from California. He said his small store doesn't attract organic shoppers.
>
> A southside grocer got more involved in the project and attributes some of the success to his clients who are more educated and affluent than other Fargo residents. He said he likes the grower to call him at least a week prior to when his produce is ready and make a deal. Unlike some grocers, he doesn't mind a number or growers calling him directly but he doesn't want "a hundred of them calling." It is difficult for the check-out clerks to identify the more expensive organic produce from the conventional produce. UPC stickers are needed, he said, and he's willing to put them on if provided with them. Since the local organic supply wasn't sufficient, he deals with a California company but would like to support farmers in the area, consequently he is considering a southern Minnesota organic company.
>
> A westside grocer in Fargo said the organic project "didn't really do anything." He doesn't have a whole lot of people looking for organic produce

because his store is located near numerous apartment buildings housing either young or elderly people who look for bargains when they shop. He also said it was difficult to deal with organic farmers at times because they were not consistent. "They appear to be very, very independent." Quality was also an issue, " The shoppers are picky and too often the farmer was inflexible, delivering product that had been sitting too long and had defects." Despite the shortcomings he said he is willing to try the project again and he still has the organic produce signage that he thought was well done, as well as the literature provided by this project.

A produce manager from another Fargo chain said he would definitely like to see a steady, local supply of organic produce but it just isn't there. Currently he buys from a Minnesota wholesaler who ships in organic produce from California. Potatoes are the only organic item he receives from a local grower. He has seen a growing interest on the part of shoppers for organic items. He also mentioned the problem check-out clerks have identifying organic items and pricing them accordingly. Despite his support of organic food, he was concerned about the growers' lack of reliability. It isn't just the local farmers at fault, he said, a large California organic company also keeps his trucks waiting for hours at a time, time they can't waste so at times they have to go to their next stop and eventually return to North Dakota without organic produce.

Two organic growers gave their perspective of the linkage this project provided them with grocers:

A Minnesota potato grower appreciated Larson's coordination of the orders as he took the role of a middleman between the grocery stores and grocers. He learned the hard way that people want good-looking produce if they are going to pay premium prices. Consequently, when his older, malformed potatoes didn't sell, he removed the organic sign and sold them as just "potatoes" for less. He sells a lot of his produce in Chicago and Minneapolis but is frustrated with trying to find transportation.

A North Dakota grower was disappointed that his organic melons didn't sell for a higher price in Fargo. He supplies stores elsewhere in the state and receives a much higher price (as high as 59 cents a lb. compared to a low of 30 cents a lb. in Fargo). He'd also like to sell three times the volume as he did in Fargo the summer of 1999, but he realizes cheaper, conventionally grown melons are beating out his produce at the store.

4) Results

Increase memberships in community-supported farms (CSAs).

CSA membership levels were maintained, which as a result of the difficult weather in 1998, was the goal CSA producers set. Cooperatively marketing produce benefits CSAs by providing a wider selection of produce to their members. For instance, one grower sold 1,500 pounds of potatoes to other CSA members. In the members' 1999 year-end survey, many expressed interest in getting local, organic meat. Members also expressed interest in garden flowers and bread as additional products they'd like to

receive through the CSA. Expanding the range of products and services provided to members is another way one CSA producer is expanding his operation.

Member surveys in 1999 indicated high overall satisfaction with the quality and quantity of produce received by the members. Over seventy percent of respondents said they were "very satisfied" with membership, and the remaining respondents said they were "satisfied".

Increase sales at roadside stands and farmers markets.

The remaining roadside stand operator (the other quit farming) implemented improvements to his service and products as part of the marketing project. Display of produce was improved with specially designed produce shelves and better labeling with industry-standard price channels. Advertising of the stand was improved in three ways: the operator paid for newspaper ads, put up road signs saying "organic produce", and handed-out "thank you" slips that listed the market's hours. This last technique proved very effective and inexpensive. Selection at the market was improved by buying produce the operator did not have at the time from other growers. Service was also improved by expanding the hours.

All four vendors who sold their products at the farmers market on a regular basis increased their sales compared to the previous year**.**

Increase sales of certified organic products at retail outlets.

Retail sales at the two chains' grocery stores were improved for three certified growers. Originally skeptical about demand for organic produce, the produce managers were surprised at sales and three stores (representing both chains) eventually started stocking small organic sections, which is the kind of reliable mainstream market the Red River Organic Growers wanted to establish.

Developed producers' growing and marketing skills.

Producers developed many skills. Five producers attended the Upper Midwest Organic Farming Conference in 1999 where they attended presentations on production and marketing organic crops and met other producers from around the Midwest. They also shared production skills with other organic growers in the Red River Valley at three farm tours. Four local growers attended the Northern Plains Sustainable Agriculture Society (NPSAS) summer symposium, where two organic vegetable growers gave farm tours. One producer enrolled in a specialty crop management course on crop nutrition and marketing, and also attended a workshop in 1998 on working with the media in promoting sustainable agriculture. Various informational materials, addressing such issues as cover cropping, weed management, marketing, and accounting, were shared amongst the growers. The most effective way producers developed their skills was through the frequent and ongoing conversations they had with each other at the farmers market.

Form marketing alliances between rural and local producers.

The Northern Plains Sustainable Agriculture Society (NPSAS) compiled grower information and made it available on the Internet, see www.npsas.org/DirectMarkets.htm and in the form of a booklet – an effort to link interested consumers directly with organic growers. The North Dakota State Agriculture Commissioner also provided a link on his web site to the NPSAS information. Growers were also encouraged to contact one

another to coordinate marketing efforts. A workshop is also offered at the NPSAS winter conference in February 2001 in Aberdeen, S.D.

5) Publications/Outreach

The Red River Organic Growers publicized their project through a variety of media. Larson produced a brochure on the organic farmers' market and farms that sell sustainable/organic products to local consumers. In April 1999 the growers handed-out hundreds of those brochures (appendix) to consumers at a tradeshow that attracted ten thousand local consumers (mostly women).

The growers' media outreach plan succeeded in getting favorable coverage in local newspapers and television stations. A spring article in the major daily newspaper announced the beginning of our sales of organic products to grocery stores (1999, The Forum). The growers published two stories in an alternative weekly newspaper, one on local farmers who sell their meat directly to consumers and the other on factory farms moving into the area (1999, High Plains Reader). In the summer of 1999, Larson worked with a local television station that broadcast two stories, one on a local CSA farm and the other, a live remote from the farmers market (Stone, 1999). A large color photo story on the cover of a local publication featured other CSA farmers (1999, The Forum). Two sustainable farmer-oriented newsletters with readers in the Dakotas and Minnesota, described the organic growers' marketing project (1999, Northern Plains Sustainable Agriculture Society Newsletter). All of these print pieces are included in this report's appendix.

Promotion of the farmers' market included a weekly newspaper ad in the metro-areas largest newspaper, The Forum (appendix) as well as daily announcements on the local public radio station, Prairie Public Broadcasting. Because of the project, one CSA farm is being profiled for an NDSU Extension publication on local farm marketing (North Dakota State University).

The project was featured at two conferences for farmers. It was presented to about seventy-five participants at the NPSAS summer festival, and also at SARE's Innovative Marketing Strategies Conference in Lincoln, NE, in November 1999.

6) Potential Contributions

Improving producers' skills has had and will continue to have a crucial impact. For instance, in 1999 one farmer learned how to grow tomatoes and peppers in a greenhouse, consequently he was able to provide more of his popular crops to his CSA members as well as customers at the farmers market and other farm stands. He also shared that technique with other growers. In another instance, a producer is raising beds to provide crops with better drainage and warmer soil, which promises to improve produce quality and value. Weed control is another skill CSA farmers are studying. Using educational materials provided through this project: a video on no-till vegetables, SARE's handbook Cover Cropping, and the handbook Steel in the Field, producers are working to control weeds with cover crops and cultivation.

7) Economic Analysis

This project made significant financial impact for five growers in 1999, and a modest impact for about eight others. It made significant impact by helping five growers make between $2,000 and $10,000 in additional sales a piece. Since these growers have relatively low gross incomes, that represents significant growth. This project made a more modest impact on the eight other growers by increasing their sales by less than $1,000 a piece. However, some of those growers, just beginners at selling to the public, were impacted more than the numbers might suggest. All totaled, the project increased producers' sales by about $49,000 in 1999.

Inroads were made through this project so in the future, organic growers will be able to profit if they meet the public's expectations. If they don't, organic growers in California will continue to benefit, as is the case locally in 2001.

8) Farmer adoption, impact, involvement

Eleven farmers participated directly in this project's marketing efforts, five of those participated on an intense, long-term basis, committing about 600 hundred of hours of labor and about $3,000 dollars in supplies and expenses. Three participating farmers handed out promotional materials to consumers at a local trade show entitled Women's Showcase (appendix, p. 17); five contributed food and labor to the "Organic Harvest" meal; about eight came to three mid-winter planning meetings; five went to the Upper Midwest Organic Farming Conference; four regularly marketed their products at the farmers market; three coordinated their sales to grocery stores; and about six participating farmers showed interest in forming a marketing co-op following the completion of this project.

Farmers improved many of their production, as well as marketing practices, as a result of this project. The farm tours allowed farmers the opportunity to learn from each other's practices, i.e., growing greenhouse tomatoes and better cultivation methods, as well as each other's machinery and operations. Washing and packing methods were also discussed and improved as a result. Farmers' product display and marketing improved by seeing others' methods. Farmers learned and discussed much at the conference. In our 1999 year-end survey, most farmers said they felt there is "great need" for farmers to work together on local marketing and said they found the marketing project "helpful" or "very helpful".

Our project demonstrated that through cooperating, small, sustainable farmers can market their unique products despite the increasing integration of the food system. Consumers still prefer the taste of home-grown tomatoes and other produce; and a number of consumers are concerned with how their food is grown. People will buy from small farmers, if the farmers work together and make shopping easier for the customer.

Small farmers should stop perceiving other small farmers as their competition. Instead, what they are really competing against is the conventional food system and the attitudes upon which it depends. According to the project leader, the organic growers are competing against Dole, Del Monte, a handful of California lettuce growers, and peoples' desire to spend as little money and time on their food as possible. Give consumers a reason to eat well, and eat thoughtfully, and the organic growers will have won the real "marketing" battle. Small farmers need to work together to build an alternative

marketing system that makes this kind of food culture not only possible, but practical. Farmers' markets, CSAs, farm stands and small sections of the produce section are where consumers will be able to directly participate in and prosper from this culture. In a world dominated by trans-national food corporations, and ever-growing farms, this alternative marketing system will seem modest, even miniscule. But the importance of this food system lies not in its scale, but in its promise.

9) Involvement of other audiences

Through outreach and the farmers market, this project contacted hundreds of people and educated them about the farm products and organic farm methods. For instance, hundreds of people at a consumers' tradeshow (Women's Showcase) were surveyed in Fargo. A sample of that audience was surveyed to ascertain their perceptions about, and preferences for organic foods (1999, Braun). A copy of the highlights of that survey is included in the appendix (p. 40-45).

At the weekly farmers market, held from June to late October in 1999, the growers met hundreds of interested consumers on a regular basis. Because the growers advertised the market as featuring local, organic products, they invited dialogue with consumers about their food and farming concerns. Identifying the products in this way appears to be one of the best ways to start dialogue with consumers. Also, in the Fall of 1998, farmers sponsored and prepared a meal at a Fargo café featuring local organic foods. About one hundred people attended that meal. In the Summer of 1999, NPSAS and local farmers set up a booth at the Fargo Park District's "Farming in the Park" event, working to educate parents and their children about local and organic foods systems. About 250 people were reached through that event. And finally, one farm held an heirloom tomato tasting party in September 1999 with about 30 people in attendance.

10) Reflections from the Project Leader

1. Remember that grocery stores have their own needs and concerns.
Learn what they are, and then see if you can address them.

2. Go to the top when approaching a grocery store chain. The produce manager in the local store is concerned about day-to-day practicalities, whereas the regional produce manager or chain manager is more likely to see produce as a marketing tool that can attract high-end customers that will keep them coming back. Also, if the boss is interested in organics, the produce manager is going to try harder at selling strawberries that spoil faster, lettuce that needs to be separated, potatoes that sprout, etc.

3. Organize the growers and market them as a group with a weekly availability list faxed to participating grocery stores.

4. Don't deliver the group's produce together, instead insist that participating growers deliver what and when they said they would to grocers.

5. Get good quality in-store labels, signs, and other promotional materials from groups like the Organic Alliance in St. Paul, MN.

6. Avoid growing loss leader crops like sweet corn or pumpkins unless your stores commit to buying yours at a good price, in sufficient numbers, and you can trust their word to follow through with the purchase.

7. Start early. Fall is the best time to start working with growers and grocers for deliveries promised the following summer.

8. Don't bother to do general market research. It's already been done and it all shows the same results, namely, enough people will pay a premium of 20% to 40% for organically grown produce if it's attractive, the supply is dependable, its convenient to buy, and they are educated on the merits of organic food.

9. Specific market research for your area is important, however. Remember to think like a customer, not a farmer. What do your customers want? How do they want it? Where do they want to buy your produce? How often do they want to buy it? When do they want to buy it?

10. Stop by and chat with the produce managers. They'll never call you. The produce industry is tight in the sense that it's dominated by individual brokers buying and selling increasingly larger proportions of vegetables. You need to act like you respect and care about your buyers. It may be in their economic interest to buy from you and your growers, but never take them for granted.

11. Get your friends and organic allies to talk to the produce managers. Hardly anyone does, except to complain. Many produce managers base their entire perception of the vegetables and fruit industry on their first-hand experience, and if no one says they want organic food, far too many managers conclude that no one wants it. In contrast, if a few customers go up to them and ask for it, they may conclude that lots of people want it.

12. Remember to consider class and educational differences. Generally speaking, because of their economic status and high school education, producer managers may not have the same perception of organic food as the more, successful organic customer. To most produce managers, fruits and vegetables carry none of the social, political and ecological connotations that matter to today’s organic customer.

13. Emphasize that your produce is local. Most customers respond to that, because it implies freshness, so you need to distinguish your items from the produce from California, Florida, or Mexico. Many customers will support local growers over outsiders if the product is as good or better than the competition.

11) Areas Needing Further Study

We found a number of areas that need further study. One is the need to find ways for small organic farmers to buy and use industry-standard labels, with PLU numbers, and packaging in order to preserve their products’ identity in grocery stores. The only

economical way to purchase such labels now is in large quantities (500,000 or more). What small organic produce growers need is a broker of sorts who can re-sell PLU labels to them at reasonable prices. Larson contacted Angela Stearns, marketing director of the Organic Alliance, about that need and ways the Organic Alliance might assist.

Secondly, the growers need data on the effectiveness of different kinds of advertising (i.e., the importance of using a combination of radio, newspaper, portable signs, etc.) in promoting farm stands, farmers markets and sustainable/organic products. Also, they need to better understand how to encourage word-of-mouth advertising -- encouraging customers to recruit other potential customers

Finally, the growers encountered a range of topics that deserve further study:

1. Pricing remains a difficult area for small growers because most consumers use grocery store prices as a benchmark, but large conventional growers enjoy technological, economic and climatological advantages over small Midwestern growers, and as the Red River Organic Growers encountered, grocery stores sometimes use produce as a loss leader.
2. In terms of production, weed control and crop protection from diseases, e.g., blight on potatoes, are perennial problems.
3. Some growers reported problems in recruiting and keeping workers, a topic that could be addressed by compiling other growers' successful recruiting and labor management practices.

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Red River Organic Growers logo, 1999, Fargo, ND.

red river
organic growers

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ORGANIC MARKETING PROJECT HIGHLIGHTS

Who we are

We are a group of organic family farmers located around Fargo-Moorhead and throughout North Dakota and Minnesota. We grow a wide variety of crops, including fresh produce, meats, grains and value-added products. As organic farmers, we strive to provide good value to consumers while protecting the environment. To us, "organic" means foods that are healthy, great tasting *and* earth-friendly.

What Our Goals Are

We want to increase sales of organic foods in Fargo-Moorhead. Nationwide, organic foods are one of the hottest trends in the food industry, growing over 20% a year for the last five years. At this rate, organics are going mainstream--and represent an expanding market to retailers. We know that consumers in Fargo-Moorhead would be interested in organics, too, if they were available on a reliable basis. We seek to reach the growing segment of mainstream consumers who desire high-quality, earth-friendly foods, but who don't have the time to search all over town for them.

What Our Plan Is

As farmers, we know that to successfully market organics in Fargo-Moorhead, we will need to work closely with a retailer who forms the key link in the local food chain. Success will take much more than simply growing and delivering the products. First, we will survey customers to determine what kinds of organic products they want. At the same time, we as farmers we will carefully plan our production so as to ensure a reliable supply. Then we will advertise the availability of the organic products and finally, when customers are in the store, we will offer them samples and point-of-sale information about organics.

What Resources We Have

Our effort is supported with a grant of over $40,000 from the USDA (Sustainable Agriculture Research and Extension program) that is being directed by Dr. David Watt, Department of Agricultural Eco nomics at NDSU. Grant support will fund our market research, advertising, in-store promotions, etc. Consultation in marketing, consumer education and media outreach is being provided by the Organic Alliance, which has successfully promoted organics in the Twin Cities. The Northern Plains Sustainable Agriculture Society (NPSAS) will coordinate rural farmers seeking to market their products in Fargo-Moorhead.

Red River Organic Growers' flier given out at Fargo-Moorhead grocery stores and the Farmers Market, 1999.

Farmers' Forum

FARM SECTION FRIDAY, JULY 23, 1999 FARGO-MOORHEAD

COUNTRYSIDE

Owen and Sharon Sivertson, shown with their dog Tullulah, farm organic vegetables northeast of Glyndon. The produce is delivered weekly to sharehold-

Nature's way best, couple finds

By Megan Christensen
The Forum

GLYNDON, Minn. – As Owen Sivertson works his organic vegetable stand in the Gethsemane Episcopal parking lot in south Fargo, he gently educates supermarket shoppers in the ways of a farmer's market.

The kohlrabi is 25 cents, with extra greens thrown in because they're small.

And, yes, that's what lettuce looks like without cellophane wrap.

Here, inventory means whatever might be ripe next week.

All good things in good time, provided the rain and weeds hold off. And supply is simply whatever the grower's hands can pick.

Sivertson and his wife, Sharon, farm 14 acres at Spring Valley Farm northeast of Glyndon.

They recently started participating in the new market, which runs Wednesdays from 4 p.m. to 8 p.m.

The couple have six grown children and always raised organic vegetables for their household. They tried to can or freeze 60 quarts each of corn, beans, peas and tomatoes every season.

When organic farming became an agricultural trend, they decided to go commercial.

Their farm still looks like a giant family garden since half of it is right in the front yard.

Owen, who grew up on a berry farm near Fergus Falls, has worked as a Greyhound driver and hybrid sunflower grower. Now he works the farm and takes various jobs in the winter. Sharon is a learning disabilities aide in Moorhead.

When they moved here in 1976, growing concern about insecticides made them choose chemical-free gardening. However, they are not sure if Spring Prairie Garden can ever be officially certified organic.

The fields are surrounded by commercial farmers who use chemicals regularly. Crop dusters buzz overhead as Owen plants his spring potatoes.

Organic certification often requires a 30-foot chemical-free buffer zone. The Sivertsons do not have that clearance everywhere, and it would be too expensive to rent adjoining space.

Either way, the Sivertsons will use organic methods.

This season they are fighting weeds, mostly with a hoe. When potato bugs attack eggplants, they are picked off by hand.

This summer, they boosted their 1,000 tomato plants with a layer of red plastic to stimulate faster growth. Owen would also like to try more ground-cover crops, such as rye, for weed control.

The Sivertsons recently built a second greenhouse to extend their growing season from February to November.

Their 70 subscription customers invest $250 each at the beginning of the season and receive a weekly share of the yield. The Sivertsons pack the veggies in 5 gallon Burger King pickle jars and deliver them weekly.

The farm offers salad greens, corn, beans, peas, potatoes, onions, melons, squash, pumpkins, basil, peppers and tomatoes.

Owen said everyone gets their money's worth in the end compared to the grocery store price.

They've tapped a renewed interest in local food supplies and chemical-free produce.

The biggest threat to business is an increasing number of people who don't eat vegetables.

"People talk about how their kids won't eat it," Owen said, shaking his head. "I tell them: You don't let them get hungry enough."

The Forum July 23, 1999, Farmers' Forum, p. 1, Fargo, ND.

Renaissance of small, diversified farms

By Ben Larson
Contributing Writer

The Murphys and the Jacobsons are on the forefront of a new trend in agriculture. On their farm in western Minnesota, Craig and Joanie Murphy grow sunflowers, corn, soybeans, wheat, barley and alfalfa as well as raise chickens, pigs and cattle. Likewise, on their farm in northeastern North Dakota, Terry and Janet Jacobson grow wheat, sunflowers, millet, flax, barley and alfalfa as well as raise sheep, cattle and pigs.

The Murphys and the Jacobsons are part of a growing movement to maintain small, diversified farms by marketing their high-value crops directly to consumers. At one time, this was a time-honored strategy pursued by most farmers, but over the past few decades most farmers have "specialized" in either growing crops or raising livestock (seldom both), expanded the sizes of their operations, and have come to rely on chemical pesticides and fertilizers. Crops from these farms become indistinguishable commodities, sold as relatively cheap raw materials to be processed, packaged and shipped before being finally sold to consumers at a substantial markup.

The upshot of these trends is that compared to 40 years ago, most farmers are growing fewer crops for a smaller share of the consumer's food dollar but are faced with steadily rising costs, especially for chemicals.

But not so with the Murphys and the Jacobsons. They don't want to go down that road. Instead, they want to stay small, diversified and organic. By buying food directly from farmers, Terry Jacobson says, people are in effect "casting a vote, playing a role in preserving the family farm."

In an age of larger and larger farms, the small, diversified farm may seem like a throwback to an earlier age. In an economy dominated by large firms and factory production, the small, diversified farm may seem inefficient. And in an age of highly processed and pre-packaged foods, the small, diversified farm may seem obsolete.

But despite these common misperceptions, the Murphys and the Jacobsons are on the forefront of a new trend in farming. Like many other small farmers, the Murphys and the Jacobsons see the future of their farms in marketing high-value foods to particular people — not in just dumping off wheat, corn or other commodities at the elevator.

An increasing number of farmers are bucking the trend toward specialization and simplification because they see the advantages of maintaining diverse farms and pursuing direct marketing.

And these are not just hobby farmers. The Murphys and the Jacobsons are full-fledged, full-time farmers. Craig Murphy is the fourth generation in his family to farm their 480 acres, located near Morris, Minn. The Jacobsons are the third generation to farm Janet's family's 640 acres, located near Wales, N.D.

"I'm trying to put a face on the customers," Murphy says. "I like that connection...we're trying to keep the food fresh."

The Murphys and the Jacobsons are reaching out to consumers who are looking for high-quality meats raised in a humane and sustainable manner.

To help them reach customers, the Murphys teamed up with other sustainable farmers in western Minnesota to create a website for their farms. HYPERLINK http://www.prairiefare.com www.prairiefare.com, which describes their farms, how they farm and what products they have available.

Direct marketing allows Terry Jacobson to have the kind of personal contact he likes to have with his customers. He says, "I'm delighted to tell the story of our farm and why it's important to pay me a fair price for the pork."

Jacobson says that he once had a customer ask him if he was getting enough money for his beef so that he'd be able to raise more next year. "I've never had a grain trader ask me that," Jacobson says.

The Jacobsons sell their beef, pork and lamb directly to consumers, and they have for many years sold their beef at the Amazing Grains natural food store in Grand Forks.

Consumers are behind the renaissance of the small, diversified farm. To the surprise of industrial agriculture's proponents, many consumers do care about how their food is raised. For instance, consumer demand for organic foods, driven by concerns over pesticide residues on foods and environmental impacts, has been increasing over 20 percent a year for the past seven years.

In January, the USDA announced that it will allow meat and poultry to be labeled organic. In making public the new policy, Agriculture Secretary Glickman said, "this announcement means more information — and more choice — for American consumers. It will help organic family farmers and ranchers further expand their already growing markets."

To label their meat organic, farmers need to meet certain requirements, including feeding their animals only organic foods, giving animals access to the outdoors, and not using hormones and antibiotics.

Consumers are also concerned about quality — how fresh, nutritious and tasty their food is. Everyone can taste the difference between a vine-ripened tomato and one grown 2,000 miles away, picked green and then gassed to make it turn red.

Jacobson's customers say they can taste the difference in his meat, too. "We have customers whose kids do not eat meat anymore unless it's from our farm — they just like the way it tastes so much better."

(Ben Larson is an organic market gardener at the Old Trail Market in north Moorhead. For more information on where consumers can buy locally grown and organic foods, please call Larson at 231-7466.)

High Plains Reader, Feb. 18, 1999, Fargo, ND, p. 7

Organic produce program takes root

NDSU project receives financial boost from federal grant

By Mikkel Pates
The Forum

A federally funded program is helping area organic fruit and vegetable growers get more aggressive in selling their products at home.

"We have local grocers that have bought organically grown potatoes from a California company that gets some of their product from North Dakota," says Ben Larson of North Dakota State University.

"It's shipped down there, and then some of it is shipped back up here again. We think some of this produce could be marketed right here."

Larson coordinates "Right in Our Backyard," a project of the university's agricultural economics department.

NDSU won a $41,000 grant from the U.S. Department of Agriculture, under the Sustainable Agricultural Research and Education program. It will probably pay for work over two years.

The national organic food market is small, but growing by leaps and bounds. Organic food is grown without man-made pesticides or fertilizers, and is seen by some consumers as superior.

The NDSU project emphasizes fruits and vegetables, but also some organically grown meats, grains and processed foods from the region.

"There are people here looking for organic produce; there are growers here growing the food," Larson says. "We need to jump-start the market by advertising the availability and promoting it in the stores."

As part of the project, Larson this winter helped organize a group called the Red River Organic Growers. Larson will help coordinate the sales from the group so grocery store produce managers don't have to deal with a dozen smaller producers.

"They want to do one order through our growers for, say, a week's worth of produce," Larson says.

Jim Keller, produce manager for Hornbachers Southgate on 32nd Avenue South in Fargo, started with the program this past weekend. The first display was Hugh's Gardens red potatoes from Halstad, Minn.

"Right now, it's a growing thing," Keller says of an expanding organic section started a year ago in the store. Keller says getting the produce from local growers directly will assure a much fresher product for consumers.

Organic produce is a premium market, although prices will vary. While a 5-pound bag of organically produced red potatoes can cost $2.99, a conventionally grown bag can be purchased for $1.29.

Organic whites are $1.99 for five pounds while conventional whites are $1.39 for five pounds.

Keller expects to buy watermelons, muskmelons and tomatoes from the region. "It should help both of us," he says.

Part of the effort is to find grocers in the area looking to get into this market but have little experience with it.

Larson also is working with the Organic Alliance, an organic marketing group in St. Paul, for advice on how to promote organic produce in stores using labels and promotional materials.

Larson believes the local market for organic products has been overlooked.

"The supposition is that rich folks on the East Coast with Ph.D.s are the market," Larson says. "We've found that a lot of people in town would be interested."

Larson says direct marketing can work, but only a small percentage of people will "go out of their way" for it.

"We're trying to reach the larger segment of the population who will choose organics if they're in the grocery store," Larson says.

He is coordinating local consumer surveys on organics this spring. One will be at the Women's Showcase, April 24, at the Fargodome. "It's primarily women doing shopping, and primarily educated women who are interested in organics," Larson says.

Ingredients not found in organic food

Organic food is produced (grown, shipped, handled, stored and processed) without "residual toxic chemicals," particularly petrochemicals.

Among the prohibited substances:

- Fertilizers such as potassium or calcium nitrate, urea and anhydrous ammonia.
- Any micronutrient used as a herbicide.
- Synthetic growth promoters or genetically engineered organisms.
- Petroleum distillate herbicides.
- Most synthetically compounded insecticides, nematicides, rodenticides, or traps containing these substances.
- Most synthetic fumigants, sprouting inhibitors, ripeners, growth regulators, insecticides, preservatives or coloring agents in stored products.
- Growth hormones for livestock.
- Planned or periodic use of antibiotics in livestock.

Source: Organic Alliance, St. Paul.

Nick Carlson / The Forum

Ben Larson of the North Dakota State University agriculture economics department, left, and Southgate Hornbachers produce manager Jim Keller look over the organic potatoes at the store.

The Forum, March 8, 1999, Fargo, ND, p. C-1.

NPSAS Submits Comments to USDA on "Issue Papers"

USDA published three "Issue Papers" in the Federal Register asking for comments from the organic industry and the public concerning livestock confinement, the use of antibiotics and parasiticides, and termination of certification by private certifiers. The NPSAS Organic Standards Task Force developed positions on each of the issues. These positions were submitted to the USDA and sent out to NPSAS members encouraging them to submit comments.

Issue Paper #1 dealt with the issue of livestock confinement in organic production systems. In this paper the USDA asked if livestock confinement should be allowed and if so under what specific conditions. USDA proposed four options for dealing with this issue. The first was to retain the "current" language (of the original proposed national organic standards published December 1997), but elaborate on its intent.

USDA's second proposed option was the establishment of animal space requirements in animal feeding operations and option 3 entailed the establishment of requirements for access to pasture. *NPSAS took the position that the current language needs to be changed to include all of the NOSB recommendations as baseline conditions on animal confinement. None of these requirements by themselves can substitute for the full NOSB recommendations.*

The final option proposed by the USDA concerning livestock concentration was that "pasture-raised," "free-range" or "never confined in a feedlot" not be requirements for certification but be additional label claims that could be tacked on to the "organic" label. *This lower organic standard is not acceptable. These claims are all important components of an organic production system and NOSB's recommendations; they must be part of the standards and certification. However, the right of public or private certification agencies to certify to a higher standard and make additional label claims must be upheld. The national organic standard cannot be a maximum standard.*

Issue Paper #2, entitled "The Use of Antibiotics and Parasiticides in Organic Livestock Production" proposed three options. *NPSAS found none of the options acceptable in and of themselves. Should antibiotics be necessary to restore an animal's health when organic methods have proven inadequate, the antibiotics must be administered. However, as the NOSB has recommended, "thereafter the animal cannot be used for organic production." Regarding parasiticides, NPSAS's position is that parasiticides are synthetic materials and should not be allowed in an organic production system.*

Finally, **Issue Paper #3** addressed the termination of certification by private certifiers. USDA contends that there is no legal mechanism to allow private certifiers to decertify and only the USDA can do so. *NPSAS maintains that the USDA's role is that of an accreditor of certification organizations. The certification organizations must both certify and decertify in order to insure the integrity of organic certification and protect the public from fraud.*

The deadline for submission of comments on these issue papers was December 15th. NPSAS's full letter to the USDA is on file at the NPSAS office.

Northern Plains Sustainable Agriculture Society (NPSAS) Newsletter, January 1999, Fullerton, ND, p. 3.

Northern Plains
Sustainable Agriculture Society

Newsletter

July 1999 — Vol. 19, No. 3

Organics Showcased in F-M Area

Increasing the visibility and availability of organically produced foods in the Fargo-Moorhead metropolitan area has been the goal of a year long project funded by the Sustainable Agriculture Research and Education (SARE) Program.

Representatives of NPSAS set up a booth along with the Red River Growers, an organic produce growers group based in the Fargo area, during Women's Showcase at the Fargo Dome in April. The booth featured samples of organic lamb chili and roast leg of lamb served cold with a rhubarb glaze. Both entrees were prepared by NPSAS board members, Diane Schill and Janet Jacobson. Samples of organic produce and snacks were also served. The day long event provided NPSAS and organics good exposure to the public with over 10,000 women in attendance.

A survey was also carried out during the course of the event. With the help of researchers from Moorhead State University's Small Business Develop Center, students randomly interviewed attendees to develop a better understanding of consumers' perceptions and attitudes toward organic products. Highlights of the results were that 90% of the people who had purchased organic food in the last three months said they were satisfied and would purchase it again. A surprisingly high number of respondents said they had purchased organic food in the last three months.

In July NPSAS worked with the Fargo Park District to provide activities and educational information during an event called "Let's Go Farming." NPSAS set up a booth on organic agriculture with information and literature explaining what organic means and where families can purchase organically produced foods. In addition, folks were encouraged to sign up for a directory outlining where they could purchase organically produced meats, produce and other items directly from the farm. (For information on listing your farm in this directory, please contact the office immediately as the directory will go to print the first part of August.)

The two day event included hands-on demonstrations on making butter and ice cream, a petting zoo with a variety of farm animals, John Deere tractors from 1939 and 1999, a state historical society display, and our own NPSAS members helping children and their parents plant bean and flower seeds. Manning the booth on Satur-

(Continued on page 4)

Northern Plains Sustainable Agriculture Society (NPSAS) newsletter, July 1999, Fullerton, ND, vol. 19, no. 3, p. 1.

Genetic Heritage, *(Continued from front page)*

over thousands of years. These choices are represented in the genetic material that they chose to conserve, because they thought it was good. This genetic heritage is valuable and should be conserved, but it is also important to conserve the idea that it represents — that each of us can influence the future by shaping the plants that will sustain us and our children. We need to save people who save seeds even more than we need to save germplasm."

NPSAS members Don Vig (ND), David Podoll (ND), Tom Tomas (NE) and program assistant Tonya Haigh (SD) attended a July 10th farm tour of The Grain Place near Marquette, Nebraska, to learn more about on-farm seed saving and breeding. Tom Thomas was a speaker, explaining why he thought farmers need to begin saving their own seeds for replanting.

Dr. Raoul Robinson also spoke at the event, sharing his ideas about farmers undertaking an on-farm breeding project with any crop — to improve its resistance to disease and its performance under site-specific conditions, and to create new non-GMO seed varieties which could be sold to others.

In a tour of The Grain Place's farm, Mike Herman showed plots of open-pollinated field corn, which he has been working to improve over the last couple of years by hand-selecting the plants and the kernels of corn that he considers superior. Traits Mike looks for include stalk strength, as well as specific seed quality markers.

Five members also shared their experience with seed saving at NPSAS's Summer Symposium on June 27th. Diane Schill explained in the workshop how she and her husband have addressed the problem of the high cost of some crop seed. This year they planted small plots of some crops specifically for saving seed, which they will then plant next year for a full crop. David Podoll and Diane further explained their methods for saving seed on an agricultural level. They simply harvest their crops, put them through on-farm cleaners, and select the heaviest seed for replanting. Selecting the heaviest seed leads to annual improvements in the crop.

David suggested that if farmers are interested in improving specific traits in their crops, such as lack of lodging, they could also go into the field at the appropriate time and mark the plants that best meet the goal. These plants could be hand harvested before the rest, and again the heaviest seed should be selected.

Tom Tomas and Brad Brummond explained that at a garden level, seed saving is even easier. They just keep a few fruits from plants that perform the best in their gardens and produce the best tasting food, and let those fruits and seeds ripen. Some seeds, such as tomato seeds or watermelon seeds, are ready for harvesting at the same time as the fruit is ready to eat, so the seed saver can taste test before deciding which seeds to save.

Tom suggested having a watermelon eating party and setting out multiple buckets for spitting seeds into. One bucket would be for spitting the seeds from the watermelons that the guests thought tasted the best. Easy! Other veggies, such as cucumbers or lettuce, require letting the plants grow past the point of prime eating before the seeds are fully developed.

(Continued on page 15)

Northern Plains Sustainable Agriculture Society (NPSAS) newsletter, July 1999, Fullerton, ND, vol. 19, no. 3, p. 4.

Agriculture in transition

Breaking The Bonds Of Tradition

By Skip Wood

I called Lani Jordan, Director of Corporate Communications for Cenex Harvest States, and told her I wanted to talk with someone who could tell me what agriculture would be like in the next millennium. She gave a hearty laugh and said, "Call us when you find out."

Okay, so it's impossible to know for sure what lies around the century's turn, but we know change is inevitable, and some of the biggest changes have already begun. Genetic engineering, the race for vertical integration, the deeper issues in our current farm crisis, the outlook for the family farm, new ideas and trends ... these are huge topics, each of which could fill volumes, let alone one magazine article.

Undaunted, here's our partial list, our cursory discussion, of changes reshaping the rural economy.

Genetic Engineering, Despite Consumer Concerns

It's a young industry that's already huge. The Gen Directory, a biotech directory published by Genetic Engineering News, lists 3,500 companies directly or indirectly involved with genetic engineering. This year's edition added 600 listings. Already, 33% of the corn and 44% of the soybeans planted in the U.S. are genetically engineered for pest control or herbicide resistance - up from 0% in 1995. In the future, we could see crops that treat ailments, act as vaccines, last longer on the shelf, harvest earlier, and increase yields. The possibilities are unlimited.

Also seemingly unlimited are the number of Internet Web pages devoted to concerns about genetic engineering. Will pest-resistant plants kill too many good bugs? Will such plants give rise to pests resistant to control? Will pollen from genetically engineered crops pass traits to other varieties? Could an epidemic of food allergies occur? How those fears balance with scientific development is one of the big wild cards of the next millenium.

Dwight Aakre, NDSU Extension Farm Management Economist, says the impact of genetic engineering could be quite astounding, but the controversies can't be discounted. "A large sector of the world's population is very reluctant to purchase genetically engineered commodities," says Aakre. This is particularly true in Europe, where labeling is required for foods with genetically engineered ingredients. A British poll this spring found that 9 out of 10 shoppers would switch supermarkets to avoid genetically modified food. Already, some U.S. grain terminals won't take genetically engineered crops that aren't approved for use in Europe. There is also concern that a two-tier price system could develop.

There's less uproar in the U.S., where no labeling is required. Most of us eat genetically modified food daily. However, the debates about genetic engineering and labeling are bound to grow as more genetically modified products reach the marketplace. Aakre says there's an assumption made by the big agribusinesses that the public will get over a reluctance to support genetic modification, but he's not convinced that assumption will hold true.

So, are businesses that make a play in the genetic marketplace making a mistake? Mark Dillon, executive vice president at Golden Growers Cooperative, says if there's a mistake being made, it's probably in failing to communicate adequately with consumers. "I think time will show that these products are safe." He feels the opposition in Europe isn't really about food safety. He says it's a trade issue, "protecting other producers from suddenly very aggressive trade opportunities by the country of origin for these products."

Traceability ... Instead Of Organic

Public opposition might slow the pace of genetic engineering, but it appears unlikely to stop it. So as more and more products get

Wood, August 1999, SmartBusiness, Fargo, ND, p. 12

developed with special traits, there comes a need to track these commodities from the field to the grocery store. The wheat that fights arthritis, or the beans that lower cholesterol, can't be mixed with the regular crops at the elevator.

The demand for traceablility extends to nonmodified crops as well. Dillon calls it 'prescription agriculture,' whereby specific varieties are needed for specific consumer goods. "More and more of the characteristics a processor

wants is going to be bred into the grain," says Dillon.

Noel Estenson, Cenex Harvest States CEO, says, "With identity-preserved grain, we need an information system that will track that grain from the time it is planted in the ground until it ends up in the processors' hands or maybe even in the grocery store." His company hopes to roll out a prototype tracking system at the annual stockholders meeting in December.

Contracting For Premium Prices

As consumer demand and genetic engineering turn historically generic crops into specialty crops, and as the ability to trace these crops gets easier, contracting becomes more important. Dillon speculates that contracting could claim 10 to 30 percent of the commodity market in a few years - up from almost zero not too long ago. And the contract is likely to cover much more than just seed. "The fertilization, the chemical treatment, a lot of those things could be dictated by the contract," says Dillon.

So will contracting – with the premium it includes – be good for farmers? Mark Watne farms near Velva and has had a few commodity contracts. He says they've typically been pretty reasonable contracts, but that farmers tend to bid for them. "What starts out as a seemingly good concept, soon becomes not much more than what the commodity market would deliver when you have added expenses in keeping that product separate from the rest." He says it all depends on how the contracts are written. If the company shares the risk, he says the contracts look much better.

Economist Aakre says farmers need to move to the position that if a contract price isn't good enough, farmers refuse to produce

Wood, August 1999, SmartBusiness, Fargo, ND, p. 14.

at all. He acknowledges that such supply side control is a real hurdle. While other industries routinely control supply, it's been almost impossible with the independence found in agriculture. "The love of independence is a great asset, but it's also one of the biggest reasons for failure," says Aakre.

The Race For Vertical Integration

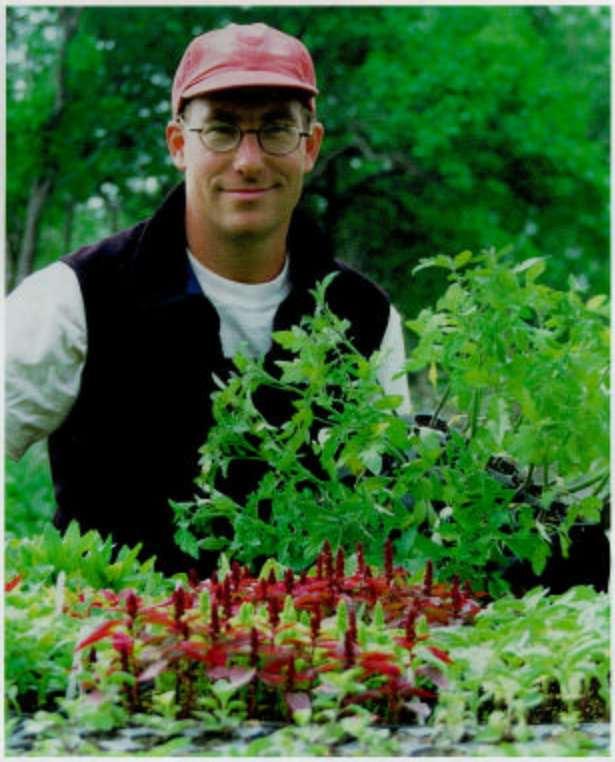
Vertical integration refers to companies becoming involved with everything from planting to retail. What Tyson Foods did decades ago with chicken - owning everything from the egg to the final supermarket product - is an advanced example. Estenson says the hog industry is consolidating and integrating in much the same way. "And in observing the multinationals, Cargill, ADM, it's happening in grain," says Estenson. "They are going to the farmer and saying we can offer you the credit, the fertilizer, everything on the input side, and we'll do the marketing for you."

This isn't just happening from the top down. Farmer co-ops like Estenson's are also working on vertical integration. The recently announced merger of Cenex Harvest States and Farmland Industries is a case in point. "We will grow value for the farmer by being that link between the producer and the consumer," says Estenson.

"It's a race for ownership," observes Watne, "into that processing, into the developing niche products - identity preserved and genetics. If farmers could own that, I actually think that we would maintain people on the land, and the family farm would probably survive. If industry does it, then I don't think the family farm survives."

The Family Farm's Future

The move to get bigger and to become more efficient is hardly a new trend. As Dillon puts it, "The social structure in rural America has been changing since Columbus landed." He says there's a lot of good in the social structure of rural America and a lot worth saving, but "the focus will not be so much on preventing change, but rather adapting to change that will happen anyway in ways where people can be successful and still enjoy the quality of life."



"It's a way... to get into agriculture without having to spending a lot of money."
–Ben Larson

The pace of this change is particularly high right now, thanks to the current farm crisis. Bob Schneider of the Job Service office in Dickinson, ND says there are 1,400 North Dakota farmers that currently can't meet their expenses.

While the crisis is in part a short-term situation – the Asian economic woes hurting demand just as bumper crops drive up supply – it's also driven by new trends. Aakre says some areas of agriculture have lost the potential for profit from production. He says domination by a few large companies has pushed the profit totally into the processing sector. "It's market power," says Aakre. "The agribusiness community has exerted market power, and the individual producers have been unable to fight back."

Another cloud on the horizon is the promise of huge production advances in other countries. Noel Estenson made a trip to South America in February. He says at least 50 million acres will come into production in the next 10 years. Some reports put the potential for new cropland as high as 200 million acres. To put such lofty figures in perspective, consider that the United States has less than 970 million total acres in production. Consequently, even as

the Asian economy makes a comeback. Estenson doesn't think the long-term picture for commodity prices is good.

Even further into the next century looms the prospect of global warming. If that comes to pass, vast amounts of land could become suitable for planting in Canada and Russia.

Will the family farm survive? Farmer Mark Watne says, like it or not, the lifestyle of a family working the farm as their sole source of employment is for the most part already gone. He says it's a matter of how many off-farm jobs are needed "just to supply the family living while the farm stands alone." Economist Aakre agrees. He sees mid-sized farms becoming part-time farms. "The middle is a difficult place to stay," says Aakre.

The alternative is to grow into something more than a family farm, but Watne says that more and more he hears farmers talk about their comfort level, remaining at a size the family can manage, while holding down other jobs. Instead of buying more land, they are investing in the vertical integration through co-ops or other investments.

Small Farm Revival

While the midsized farm struggles, there's been a revival of sorts for the smallest of farms that stay away from the commodity crops, opting for fresh produce, flowers, and specialized niche items. Ag Economist Dwight Aakre says it's a part of the market where the independent-minded person can still reign.

These farms, which are typically 30 acres or less, grow varieties bred for taste, not for shipping and handling. Like midsize farms, the owners of market farms usually have off-farm incomes. But unlike midsize farms, their numbers are growing, up by two million farms in the last 20 years. Ben Larson and Isis Stark recently reopened the historic Old Trail Market just north of Moorhead. Larson calls himself a market gardener. "It's a way for people to get into agriculture without having to spend a lot of money," says Larson. "It's a trend I see continuing. It provides a lifestyle a lot of us like."

He says there's a desire among the public for something other than the standard offerings at the grocery store. Large operators can't take a chance with unusual varieties, but for the market gardener, it's standard fare.

Many of these market farms are organic, capitalizing on a demand that has grown by 20% every year in the last 7 years as the public responds not only to the quality, but to the environmental sensitivity. Larson says organic food is now a $4 to 5 billion dollar industry.

But market gardening is not for everybody. Aakre says such direct sales requires marketing skills and people skills that are not important when wholesaling to elevators. "I think that's probably the biggest single factor in determining success or failure," says Aakre.

Larson's marketing strategy includes subscriptions, whereby customers pay in advance for a share of the crop. A full share entitles a customer to a bushel of produce every week from June to October. Larson says the subscription business accounts for as much as one-third of his business.

The Old Trail Market can trace its history back to the 1860s. It closed about 20 years ago. In reopening, perhaps it proves the adage that even in agriculture, the more things change, the more things stay the same.

(Skip Wood is a reporter/producer for Prairie News Service. He also freelances as a writer, TV producer and publicist. Before striking out on his own, Wood spent 22 years at KXJB-TV in Fargo as news producer. He can be reached at ***skip@pol.org****)*

Wood, August 1999, SmartBusiness, Fargo, ND, p. 15.

3) Interviews conducted by Kathy Coyle, Quentin Burdick Center for Cooperatives, North Dakota State University, Fargo, ND

Theresa Podoll, executive director, Northern Plains Sustainable Agriculture Society (NPSAS), interviewed January 5, 2001.

What was your overall reaction to the organic marketing project?
It was Ben Larson's idea to do the project. He played the lead role. He was the most committed and perhaps the others didn't pick up on it.

When they talked at the winter conference of NPSAS about alliances, it may give insight in how other members viewed the project. If one person can sell the others, it may continue but if the other growers don't buy into the dream, the project fails after that one person leaves (which Ben did). You need more than one person being the spark plug.

I'm sure there is more to setting up an alliance than I know at this point, she said. It needs to be structured properly. The Extension Service in ND has been working on alliances through marketplace last year, Rudy Radke. NPSAS and Extension have been working on it and Rural Studies Enhancing Local Food Systems for Sustainable Regional Development has a workbook that Ben was actually doing some work on. The three entities will be doing another round of those. A contact person is Tom Hanson, Minot Research Extension Center, Sustainable Ag Coordinator for the Land Grant Universities in the Dakotas. He's been working with a woman near Minot, who grows vegetables in the corners of her non-irrigated field corners and has marketed them to Minot stores. She's working with one more producer, with the help of a SARE producer grant.

There are producers across the state who couldn't participate in the Fargo project because of distance and transportation but it spawned the idea of doing a farmers' market director and the NPSAS directory in connection with the North Dakota Department of Agriculture which was a direct affect of Ben Larson's project.

In South Dakota they worked with Rural Action, a non-profit which also did a directory that is on the NPSAS web site. Consumers can go to that web site to find growers who would like to sell to them directly. Potential customers are currently looking at local farmers' markets but can't find all they want so via this web site, they may find what they want. For instance, Golden Flax.

What advice do you have? There is a need to provide an increase variety to consumers rather than just fruits and vegetables. Meat for example is on the web site. You can buy it in quarters, halves, you can buy chickens that have been processed on the farm and pork. Meat is usually not sold at the farmers market. The ND State Ag Dept. publishes the farmers market directory.

How do people find out about this? NPSAS did a press campaign for its web site and local foods available for holiday meals.

Was there a response? NPSAS has not asked producers if they have gotten calls or noticed increased sales.

She does not have a list of people involved in the Larson project. I asked what her involvement was since Ben told me she received some of the grant money and was contracted to do some work for him. She said she just gave Ben a list of NPSAS people to call. She went to the initial meetings that Ben held in the winter and got some of her members to attend those, as well. She and Ben talked several times. He was frustrated trying to get the growers involved but she said if he pushed, he would only get them for a short time. Instead only the committed ones would be worthy partners.

Most producers are grain farmers, not vegetable. They don't even feed themselves, she said, let alone their local community. They are into raising hundreds of heads of cattle and large volumes of wheat. So the local food concept is foreign to them. In Wisconsin, the farmers are smaller so its more workable. 6-10 quarters of land in ND. This may be a niche market for producers, but you've got to sell the farmers on that first. Young producers with limited capital may enter into farming this way.

Ben Larson's organic farm, Grazeland, was in part a CSA (Community Supported Agriculture) and a farmers' market. She doesn't know how successful he was doing that here but he did it successfully near Minneapolis before moving to rural Moorhead.

Was it subscription farming with people buying in early and receiving a portion of the crop each week? Ask Ben, she said.

Ben asked her if producers would like to sell meat directly through the farmers market. She doesn't know if that happened and if so, what the percentage earned on that was, but she does know that trying to set up meat sales took a lot of Ben's time and energy. It may have reflected a lack of professionalism and discipline on the part of the producers. Theresa gave Ben three names of meat producers about mid-way through the summer, after consumers asked for meat at the farmers' market. It had to be organic.

They – Larson, NPSAS members, and 4-H members -- worked with the Fargo Park District and offered a program for the general public. They helped children plant tomato and squash seeds. As that was going on, parents looked at the NPSAS organic farming information and visited with she and others about the merits of such farming. Two adults and three 4-H youth participated. The public was also told where and when the farmers market was held. They reached about 171 children and 79 adults for a total of 250 people.

What were some of the failings of the farmers market and sales in grocery stores?
She said most farmers don't spend a lot of time marketing. They just sell commodities. Organic farming weeds out those not willing to sell because to be an organic farmer, you also have to find your own market. At the same time that type of farming is very time consuming and back breaking. You also have to do your paperwork to become certified organic. You have to sell to the public and many aren't willing to do that, consequently Hugh's Garden sells to brokers for growers.

This project asked producers who are already working full time to become salesmen/woman – to market their own goods, she said. There may be a need for more

local middlemen. The alliance may have continued if enough money was there to hire a point man to deal with grocers (which is what Ben did under this grant).

There are higher expectations by consumers for organic because they are paying more. It's not just because they don't want the pesticides. They want the status symbol of buying organic, so the growers need to know that and produce that caliber of vegetable and other items. However, organic farming is a lot of hand level work so they get upset when the public doesn't want ill-formed produce. Perhaps the alliance is the answer. Each grower can grow one item and you pool it together. It is very labor intensive and there are only so many man-hours in the day.

Produce manager interviewed January 26, 2001.

What was your overall reaction to the organic marketing project?
He said the SARE project was a good idea, but he wishes it had worked out.
All he got involved in was potatoes from a local grower. He would definitely like to see a steady, local supply of organic produce but it just isn't there, he said. Currently he buys through Rust David, a Wadena, MN. wholesaler of organic food. He faxes Rust David a week in advance and it is then faxed to a California distributor. They buy their dry goods through SuperValu.

He believes there is growing interest on the part of his customers in organic produce. They are stocking more items all the time at his store. Some aren't feasible, however, because they need misting and it gets confusing, putting them next to regular produce. The checkout clerk finds pricing a challenge, not able to figure out which is organic and which isn't. People are willing to pay more to buy organic.

Currently he sells organic oranges, apples, celery, cauliflower, carrots, baby carrots, broccoli, celery hearts, and potatoes. The potatoes are the only item produced locally. That producer continues to contact him, even now after the SARE project. The store continues to deal with that grower, however, the grocer had not heard from the grower for over a month, consequently, he is currently selling California organic potatoes. The local potato is a good product but their Moorhead store hasn't sold it because the produce manager reportedly wants a steady supply. It also takes a while for customers to learn of the produce, be sold on it via word-of-mouth, and then it moves nicely. Which is the case at his Fargo store.

The natural foods section manager in his store visits with customers one-on-one regarding her offerings and then she encourages them to consider the fresh, organic produce, as well.

Where do you get a reliable supply of organic produce?
Earth Bound Organics in California is not always reliable either. Sometimes the grocer's trucks wait for two hours for their loads and that causes the drivers to have delays elsewhere. In the fall of 2000, they couldn't get a delivery every other week from CA. Consequently, it is not only the local organic growers who are not consistent.

Produce manager interviewed January 25, 2001.

What do you remember about the organic produce marketing project one and a half years ago?
It didn't really do anything, he said. I'm not sure what happened, he added. He doesn't have a whole lot of people looking for organic produce. Since the project, he's started carrying an organic peeled carrot, 3 organic salads, and one spinach but he said his store is located near many apartments and the older and young shoppers they attract don't seem interested in paying the extra money for organic produce. It may be different at the other stores in Fargo that are located in residential areas dominated by single- family homes.

He said Ben struggled to get the farmers to cooperate. It was a hit and miss deal. You weren't sure if you'd get a call back. Organic farmers appear to be very, very independent. The customer isn't willing to pay the price the farmer wants. Ben was suppose to be the go-between but couldn't seem to get enough product. One farmer in particular he called a "stinker" because he has no concept of the sale-ability of his organic items. It has to be top of the line if the public is going to buy it. Shoppers are picky and too often the farmer was inflexible, delivering product that had been sitting too long and had defects.

Were there any good qualities about the project? What did you think of the organic literature Ben provided? The literature was good, he said. The signage was also good in fact he thinks he still has it. But organic produce is a tough sell, he said. Also, if the program doesn't follow through, then it will be harder to accept it the second time around. He quickly said, however, that he is willing to try it again.

Produce manager interviewed January 26, 2001.

What was your overall reaction to the organic marketing project?
He said they are trying to get more organic growers to bridge the communication gap. For instance he did not know of any organic melon producers until Ben Larson introduced him to a grower from Tappen, ND. He bought a load from that farmer in the summer of 1999 and again in 2000.

How do you like to deal with local growers?
He likes the grower to call him at least a week prior to when his produce is ready and make a deal. Local farmers just call him directly. That doesn't bother him, but he said he doesn't want a hundred of them calling.

How do you deal with price?
Price depends on supply and demand. When the weather gets hot the local, non-organic melon dealer arrives at his store with many to sell, so the price drops and the organic melons sitting next to them don't sell as well. The price varies. It is hard for the check-out clerks to know the difference between regular and organic produce, such as melons. A method is needed to wrap it or label it so it is recognizable as organic.

Who should be responsible for labeling? The grower or the grocery store?

He said he was willing to put the stickers on if they had them.
When they buy their organic produce from Freda's in California, it has a UPC code for scanning. That code automatically explains the variety and size of each item.

Tips for others? There aren't that many growers out there and organics haven't hit here very much yet. It's still coming, he said. It's hard to sell sometimes because the quality isn't the greatest and it's hard to get the price the grower wants. For example, a local organic potato farmer delivered small, inferior grade potatoes to begin with but after the grocer told him he wanted a higher quality, the grower responded. The grocer figures the grower was just trying to sell his left-overs someplace but south Fargo customers weren't buying them.

This grocer likes to give customers new things to try. Currently he has the following organic produce from Freda's in California: mini-peeled carrots and onions. However, they are currently investigating the possibility of buying from a Minnesota organic distributor, such as Roots and Fruits and another possible one, both in the Minneapolis area. His supervisors are pursuing that. The California produce isn't as fresh as it could be by the time it reaches North Dakota. Orders are taken on Wednesdays and the items arrive in Fargo on the following Tuesday. Transportation costs drive up the price. They'd like to support local, or at least regional farmers, if possible.

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Produce manager interviewed January 26, 2001.

What was your overall reaction to the organic marketing project?
He does not deal with organic produce. He only sells organic salads that he thinks are shipped in from California. He has a small store so he deferred to his company's larger stores in Fargo.

Produce manager interviewed January 26, 2001.

What was your overall reaction to the organic marketing project?
He did not have anyone approach him with produce in the summer of 2000, but he thought the initial project in the summer of 1999 went well considering it was the first year. He created a special table to sell organic peppers, tomatoes, and cucumbers. Some of it sold but it is hard, he said. His store sells less compared to the company's southside store. He has many elderly clients who are less educated and have less income than clients in south Fargo. The southside store has mostly double-income families who are college educated. In contrast, he has nursing home and assisted-living residents shopping at his store. They are looking for price and quality. Many of his older clients have also grown up on a farm so don't react to frightening stories in the media that may cause others to buy organic.

What about the future?
He thinks the e-coli outbreaks are coming from organic growers who are using manure.

He thinks there is a catch 22 created when promoting something as "organic". He anticipates more laws in the future regulating organics.

He appreciated Ben Larson's efforts to coordinate the growers because as a produce manager he doesn't want ten growers calling him.

Would you be interested in dealing with growers again if the effort was coordinated?
Yes, he'd like to see it set up as a co-op that would provide coordination for all involved.

CSA member interviewed January 29, 2001.

What was your overall reaction to the organic marketing project?
She was a CSA member for three years with a half membership that fed 3-4 people. She said, "It was great, especially in the middle of the project." The problem was, you were at the mercy of the elements. 1999 was the best – with the best variety and quality. She also was friends with Ben Larson's partner, so this member received special privileges such as picked raspberries and asparagus at various times. The last year, 2000, she said Larson's heart just wasn't in it and it was evident. The amount of produce they got didn't match the money spent. By August, Larson was working full- time so he only had evenings to work. As a result, some produce may not have gotten harvested.

What impressed you in the beginning?
She said she had a feeling of being a part of the agriculture community with people interested in the environment and the foods they ate. You got the intrinsic feeling you were doing something good, she said, connected to agriculture.

Was it your first experience with a CSA?
No. In the Twin Cities (Minneapolis area) it is a really big thing. Tons of CSAs are available, she said. One CSA had the philosophy that you should receive more food than you could use so you'd be encouraged to store and freeze your food. That CSA didn't conform to contemporary society. In contrast, Ben was excellent at figuring out how much food you needed and what varieties you wanted.

Did you encourage others to join the CSA?
Yes. She encouraged a couple of friends who did join.

Were they well educated?
Yes, both were. She added, it seemed that most members of the CSA were at the local universities and/or professionals.

Why did you join the CSA?
She joined to get fresh, organic vegetables to supplement what she grows. She likes organic because it is friendly to the earth. She knows where it came from and she knows what practices Ben used. She said Ben even had a bumper sticker that read: "Treat your dirt well!" She'd like to see more CSAs forming – small scale, consumer oriented groups, but instead there are none at this time, she said.

CSA member interviewed January 29, 2001.

What was your overall reaction to the organic marketing project?
He was a member of Ben Larson's CSA for three years. The produce he received included: mixed herbs: thyme, basil, parsley, zucchini, cucumbers, salad greens, peas, baby carrots, beets, onions, potatoes, corn, tomatoes, squash, pumpkins, egg plant, strawberries, and raspberries.

He liked the fact that he was forced to be creative, sometimes surprised by what he received, so had to adjust menus. He was excited about the CSA because it allowed him to be connected with what he ate and to take risk along with the grower. He found Ben Larson to be very knowledgeable, well read, and diligent about his use of organic methods. Larson seemed to have a commitment to the community and was a good conversationalist as well as grower, he said. He was a CSA member for three years, first as a half member for $250 which he shared with two other people (rather than $400 for the full membership), and the final year he was a full member (which fed a total of four people).

As time went on Ben narrowed down the days on which members could get their already picked produce. At the end it was once a week. It was obvious that Larson had grown tired of sitting at the produce stand for long periods of time, so hours were cut.
He noticed that some potential customers only wanted a specific item and would leave disappointed and empty-handed if it was not available. Some also complained about the mile (or miles) they had to travel to reach the market, but he enjoyed the brief journey into the country (which is actually in the city limits of Moorhead).

He was glad the other farmers market in the community had competition. A friend of his had sold bread at the Fargo location until he was told he could no longer because he wasn't one of the handful of growers who ran the site (which is located on public land). He called the growers a monopoly that obviously fixed its prices at "pretty high levels". He thinks those growers would attract more customers if they allowed more growers and homemade item producers to sell rather than the approximately six growers now involved.

Is he a member of a CSA now that Larson is out of business? He is not aware of any current CSA in the Fargo-Moorhead area. He would be interested if there is one.
He said it was exciting to have Ben's interest in organic farming in our community.
He was very principled in his approach.

CSA member interviewed January 29, 2001.

What was your overall reaction to the organic marketing project?
He was a CSA member for three years, with a half membership that fed his family of seven. The first two years were really good, he said. They got a lot of produce for what they paid. The last year was disappointing due to the weather and it appeared that Larson was coasting to the finish line (Summer 2000). The member didn't see Larson often during the last summer, the variety was less, and the quantities were much less. Especially at the end of the season there wasn't much at all, he said. The farm stand was on the honor system at that time and that may have been part of the problem, as people may have been taking from one another's food pile so when this member arrived later, his food was depleted. He called that a serious problem.

Did you know others involved in the CSA?
He knew four others. He recommended it to others in the beginning but most did not want to take the extra effort to drive out to the Larson stand. They wanted convenience so they favor the grocery store. He told both faculty and students at his college but they didn't follow through because organic produce wasn't a priority to them.

What caused you to make the extra effort to buy organic?
He's always been concerned about chemicals in our food system. He has a number of children and doesn't want them to be impacted by chemicals.

He's not in a CSA now but he goes to Tochi (Fargo natural foods store) where he buys two cases of milk each visit and he buys produce from the farmers market in the summer and fall at Dike East in Fargo. Those items are not organic but the farmers, especially one in particular, is conscientious and uses chemicals responsibly. He buys organic items from Hornbachers grocery store (Dole salad) and dry goods and canned goods. He buys organic meat from Terry and Janet Jacobson from Grafton, ND who have the "Northern Outback" which Larson recommended to him. It is certified organic meat as is the Jacobson's neighbor's lamb and chickens. He also buys responsible conventional pork from farmers in that area.

Organic farmer interviewed January 4, 2001.

What was your overall reaction to the organic marketing project?
He sold some organic melons to Fargo stores through the Larson project. It wasn't a real big deal he said. He always certifies anyway. He sold about 50-100 melons per store for a total of 300 melons a trip (which is 135 miles one-way).
He had to compete against the conventional melons on price. He couldn't get a premium price when competing against non-organic melons from the same area, the Red River Valley. He thinks Ben could have done more homework on it to get a better price. By the time the stores wanted it, his crop was slowing down. He made three trips to Fargo.

Was that profitable, or did you lose money by the time you paid your transportation costs?
He didn't lose money, he said. He only sold to four stores from the same company, not the other chain or the farmers market.

What kind of prices do you get?
Conventional melons go for $ .25 a pound compared to $.30 for organic and he wanted $ .35 a lb. He's able to charge $ .50 a lb. at his stand near his farm (in between Jamestown and Bismarck). He sells his melons to stores in Dickinson, Jamestown, Bismarck and sometimes Minot. The price can be as high as $ .59 a lb.
He covers all of western ND from Jamestown on and he'd have no problem traveling to Fargo if the market was there. He'd like to see a volume of at least 800-900 melons in Fargo (compared to 300). In Bismarck he stocks four stores and sells anywhere from 1000-1400 melons a trip.

Because of this project he got the impression he would be moving large volumes of melons so he put more acres in (10 acres), so when it didn't prove successful, he got discouraged. Did he contract to sell melons in the summer of 2000? He said they didn't give him a commitment the fall prior so he didn't plant that volume. You have to know you have a "home" for your melons, otherwise you end up selling "cheap" and that drives the price down to $ .20-$ .25 a lb.
It's been $ .30 a lb. for about 10 years. He didn't sell at the farmers market because he doesn't want to sit all day to just sell about 100 melons at $ .45-$ .50 a lb. Instead he wanted to spend three hours going to the stores and selling 1000 melons a trip.

His season is from the end of August until the first two weeks of Sept. He only has 3 weeks to sell his melons. In a cool year it may go later into Sept. It's hard to sell melons up here, he said. He also sells squash which has its season for three weeks after the melons.

Farmers market vendor interviewed January 26, 2001.

What was your overall reaction to the organic marketing project?
She thought the project went well in the summer of 1999. She thought more people came to the farmers market in the beginning because of all of the publicity but as time went on, fewer came. She speculated that more advertising might have helped but wondered if the project could afford that expense.

She said the public expected more producers at the farmers market than was represented. She and her business partner were positive about the experience saying it got their name out as the providers of sour dough bread and a variety of spreads. The health department told them early on to provide nutrition labels, which she said was a positive move, because it forced them to comply rather than procrastinate. They still sell their goods in the summer at a large flea-market south of Detroit Lakes, MN. and at a resort grocery store in that same area. She is disappointed the Fargo farmers market did not continue. She made money but doesn't not know how much money.

When asked whether she enjoyed the experience (she is a people-person and a local jazz entertainer), she said she enjoyed everyone except one grower who was told not to return. That fellow came on too strong, she said, yelling at people as soon as they got out of their parked vehicles, yelling at them to come over to his particular stand. She said it is important to have a friendly, but calm, laid-back atmosphere.

Although she wishes the farmers market continued in Fargo, she realized the growers didn't want to come back and the public expected more growers and more variety.

Organic farmer and distributor interviewed December 29, 2000.

What was your overall reaction to the organic marketing project?
He delivered organic, bagged potatoes to local grocery stores under the Ben Larson project. He has been in the business for 10-12 years so has been selling through local grocers prior to 1999, but he appreciated Ben's coordination of the orders – acting as the middleman between the grocery stores and the grocers.

He did not participate in the Farmers Market. He ships wholesale so he did not have the time to sell the produce himself at the church parking lot once a week. There are too many pressing things to get done. Also, there wasn't a consistent amount of growers there – mainly Larson and a farmer who is not yet certified.

He is certified and mainly markets potatoes (some squash) grown by his brother and nephew who farm 80 acres near Moorhead. He also sells another local man's potatoes whom has 100 acres. He does business in Minneapolis and Chicago. He does some in the Fargo-Moorhead area but he said people are not willing to pay the market price yet for organics. He has to settle for below market price in Fargo-Moorhead. College towns, Minneapolis and the East and West Coasts are the best markets for organics. It worked best when he had a greater volume to sell and he could afford to sell them at a lower cost in Fargo-Moorhead.

Price: When he deals with Lund's grocery store chain in the Minneapolis area, he receives $1.60/5 lbs (nets $1.50 after transportation costs to Minneapolis are factored in). Lund's sells it for $3.69/5 lbs compared to $3.49/5 lbs for conventional potatoes.
In Fargo-Moorhead he receives $1.20 ($1.00 net) per 5 lbs. bag that is sold to the public for $1.99/5 lbs.

Quality: When he sells to Lund's, they expect a higher quality than Fargo-Moorhead accepts. He will sell his poorer quality potatoes without the organic label in Fargo-Moorhead in order to keep the public image of a good looking, high quality organic potato.

He spent a lot of time years ago, establishing a market in Chicago. For the past 6-7 years he has been selling there. His biggest problem is transportation. Few truckers will accept less than a truckload and they want it on schedule. He has found carriers who will accept his potatoes and will then round out their load with items from other clients.

He packed potatoes for 5-6 people last year. Their income goals were too high considering the poor quality of gourmet potatoes they were growing. They lost money so were dissatisfied so he's not brokering their potatoes anymore. There is not a market for number two organics. People want it to look nice if they are going to pay premium prices. Both the stores and the customers demand premium-looking organic produce.

Rancher, past-president of the Northern Plains Sustainable Agriculture Society, interviewed December 28, 2000.

What was your overall reaction to the organic marketing project?
He didn't have much to do with the project in fact he had a hard time remembering anything about it. He is a grain farmer near Buffalo, SD that is south of Bowman, ND. He saw the material regarding the organic project and it was discussed at the NPSAS annual meeting but he deferred me to Theresa Podoll, the executive director of NPSAS. The current president of NPSAS is Janet Jacobson who is not into organics either so he did not recommend I call her.

Farmers market vendor interviewed December 28, 2000

What was your overall reaction to the organic marketing project?
She liked the organic marketing project. She and her business partner sold their homemade spreads and bread made by a local man. They sold jalapeno pesto, basil mayo, tomato cucumber, and tofu based. Garlic dill and roasted bell pepper are the most popular. The sour dough bread also sold out nearly every week.

When asked if they made money at the Farmers Market each Wednesday considering the time commitment from 4pm-9pm, she said she'd have to look at her books but she figures they did or they wouldn't have kept participating. At first two participated at once but they quickly realized they needed to take turns. She said it was a shame it didn't reopen in the summer of 2000. I asked why it didn't and she did not know. She said she enjoyed the people – the farmers and the customers. There was a lot of repeat business each week, especially from people who had food allergies so they preferred the organic produce free of pesticides and bread and spreads free of preservatives.

The summer of 2000 was so hectic because they catered food for a number of community festivals – the Garden Festival near Sabin, MN., the Blues Festival in Fargo, and the Street Fair in Fargo. However, she would still like to have more business

Organic farmer , wife interviewed December 28, 2000.

What was your overall reaction to the organic marketing project?
He grew one acre of sweet corn for the Red River Organic Growers project in 1999. He was unavailable for comment.

Organic farmer interviewed December 28, 2000.

What was your overall reaction to the organic marketing project?
This farm couple sold garlic, beans and a few other vegetables through the project in the summer of 1999. The farm wife said her husband decided not to continue growing organic certified produce because of the distance and expense to reach customers in the Fargo-Moorhead area, about 75 miles from his farm. He also grew frustrated with the standards set at the Farmers Market, i.e., magazine perfect looking produce. It That was difficult for her husband to produce but she said it was "a neat project". When asked if the trip to Fargo was worth the money they received for their produce, she said she finds other reasons to make the trip, too, so that wasn't an issue. Since the project, they have scaled down because of the lack of money in farming. They just grow produce for themselves, however, they still sell garlic, peas, dill, and a variety of other produce at the Farmers Market in West Fargo. It doesn't have to look perfect at that market, "it is more real," she said. Also, it doesn't have to be organic, its pretty open and you don't have to sell it yourself. She described herself and her husband as introverts who found selling at the south Fargo Farmers Market, difficult. However, they did like it when Larson sold for them. In West Fargo, they sell to the market manager.

They wanted to give the organic effort a good try but the certification process costs quite a bit and they only have forty acres. The husband has a full-time job in another field so they scaled back their farming operation. Also, in the Oakes area there is a pick-your-own farm that sells raspberries, potatoes, and strawberries and many residents have their own gardens so it doesn't pay for them to sell their produce. It would make a difference selling produce -- in time, energy costs, and freshness -- if they were closer to Fargo, but they are not.

4) Braun Survey

POTENTIAL PURCHASES OF ORGANIC FOODS

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METHODOLOGY

The following survey instrument was utilized at the Women's Showcase held on Saturday April 24,1999 at the Fargo Dome from 9:00 a.m. to 6:00 p.m. Most of the attendees of the Showcase are women.

Surveyors were stationed at the three locations in the Fargo Dome from 9:30 a.m. to 5:30 p.m. The surveyors completed 178 surveys by stopping women and asking them the questions. An answer card was used for ranking the selection factors and for the income question. Only females were asked to complete the survey.

The data in this report is of two types; the first is a frequency analysis in which the number and/or percentage of people who gave each answer to a question is reported. The second type of data is cross tabulations. All cross tabulations included in this report have passed three tests for statistical significance. Cross tabulation tables show how people grouped by a similar characteristic, such as age, or income, etc. answered another question. For example there is a difference in the way different age groups answered how likely they would be to purchase organic foods.

REPORT HIGHLIGHTS

The following are highlights of what the respondents to they survey said.

- 77% said they ate fresh vegetables 3 or more days a week.
- When buying fresh vegetables
  - 97% said quality and freshness were first or second most important.
  - 52% said price was first or second most important.
  - 31% said convenience was first or second most important.
  - 10% said locally grown was second most important. No one said it was most important.
  - 10% said organically grown was first or second most important.
- 70% had purchased foods at a farmer's market or farm stand last year.
- 85% agreed or strongly agreed they buy locally grown foods whenever they find them.
- 55% agreed or strongly agreed they had never given much thought to organically grown foods.
- 16% disagreed or strongly disagreed that paying more for organically grown foods is a waste of money.
- 57% said they had purchased organically grown foods in the past year. 92% of these people said they would buy them again.
- If organically grown foods were available in the grocery store, 26% said they would buy them most times they shop and 48% said they would buy them some times. Of these people:
  - 73% would be likely to buy organically grown vegetables.
  - 71% would be likely to buy organically grown fruits.
  - 44% would be likely to buy organically raised chicken.
  - 37% would be likely to buy organically raised turkey.
  - 34% would be likely to buy organically raised beef.
  - 31% would be likely to buy organically raised pork.
  - 37% would be likely to buy organically produced milk.
  - 40% would be likely to buy other dairy products that were organically produced.
- The grocery stores usually shopped at were:
  - 34% at a Hornbachers.
  - 13% at a Sunmart.
  - 19% at a Cashwise.
- 83% were between the ages of 25 through 64.
- 57% had two or three in their household.
- 45% had household incomes between $35,000 through $74,999.
- Older women were more likely to eat fresh vegetables more often than younger women were.
- 39% of the women from 45 to 54 years old said they would buy organic foods in a grocery store most times they shopped. They were also most likely to buy they following types of organically grown foods: vegetables, fruits, pork, milk, and other organically produced dairy products. They were tied in the likelihood of buying turkey.

- 24% of the women 55 or older said they would buy organic foods in a grocery store most times they shopped. They were also most likely to buy the following types of organically grown foods: chicken and beef. They were tied in the likelihood of buying turkey.
- 50% of those who bought at a farm stand or farmer's market last year said they eat fresh vegetables 5 or more days a week.
- Those who have bought at a farm stand or farmer's market in the last year are more likely to:
  - say they buy organically grown foods whenever they can find them.
  - to disagree that they had not given much thought to organically grown foods.
  - to disagree that paying more for organically grown foods is a waste of money.
  - 68% have bought organically grown foods in the last year.
  - 31% say they would buy organically grown foods in the grocery store most times they shop.

Key to coded responses

Note: these are my categories that I imposed on the variety of unprompted, spontaneous answers to the questions quoted below.

Questions 10-12: "Why would you choose to buy organic foods?"

1. less pesticides
2. ecological concerns
3. health
4. home grown
5. other
6. taste
7. freshness

Questions 13-15: "What is the biggest drawback to buying organic food?"

1. price
2. availability
3. do not trust that it is actually organic
4. do not know about organic
5. other
6. bugs!

Why would you choose to buy organically grown foods?

Q10-12 Why would you choose to buy organically grown foods?

	Number	Percent
Wouldn't	37	18 %
1	97	48 %
02	2	1 %
03	33	16 %
4	2	1 %
05	11	5 %
06	13	6 %
07	7	3 %
10	2	1 %

Number Of Cases = 178
Number Of Responses = 204
Average Number Of Responses Per Case = 1.1
Number Of Cases With At Least One Response = 178
Response Percent = 100 %

What is the biggest drawback to your purchasing organically grown foods?

Q13-15 What is the biggest drawback to your purchasing organically grown foods?

	Number	Percent
No answer	28	14 %
1	83	42 %
2	61	31 %
3	3	2 %
4	4	2 %
5	17	9 %
06	1	1 %

Number Of Cases = 178
Number Of Responses = 197
Average Number Of Responses Per Case = 1.1
Number Of Cases With At Least One Response = 178
Response Percent = 100 %