The Organic Market in the Four Corners States: Opportunities for Growth

January 2008
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Organic agricultural producer survey analysis, case studies, expert interviews and recommendations for organic agricultural producers, manufacturers, distributors, retailers, non-profits, governmental agencies and policy makers in Arizona, Colorado, New Mexico and Utah.

Nessa Richman, Primary Author
Katy Pepinsky, Case Studies Author

Report available on-line at: http://www.swmarketingnetwork.org

Results of a survey by the Southwest Marketing Network and Colorado State University

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A Thank You to Our Sponsors

This project has been a collaborative effort between many institutions, organizations, and individuals in the “Four Corners” states of Arizona, Colorado, New Mexico and Utah. The project would not have been possible without the support of the following sponsors:

The USDA Western Region Sustainable Agriculture Research and Education Program (SARE), the Southwest Marketing Network, Colorado State University, University of Arizona, and the Colorado Organic Producers Association. Many other groups in the region also provided input into this project.

The Western Region SARE Program funded this project. The goal of the Western Region SARE Program is to foster sustainability through grants that enable cutting-edge research and education on agricultural sustainability across the western United States. Western Region SARE grants help advance profitable, environmentally sound farming systems that are good for communities.

Individuals actively involved with the Southwest Marketing Network (SWMN) conceived and developed this project. SWMN was initiated to increase marketing expertise and opportunities for farmers and ranchers in Arizona, Colorado, New Mexico and Utah. The goal of SWMN is to ensure that new, existing, and prospective producers have the connections with others, technical and financial assistance, marketing information, business and marketing skills, and peer examples they need to improve their marketing success, viability, and bottom line. SWMN strives to meet the needs of small-scale, alternative, and minority producers by bringing together participants and sponsors of projects already “on the ground,” to share information and learn together from successful projects and programs within the region. SWMN also acts as a bridge between the marketing and business planning resources that are available to producers, as well as between the producers themselves.

Colorado State University provided leadership and institutional support for this project. Assistance in identifying interviewees was provided as well by the University of Arizona and the Colorado Organic Producers Association (COPA).
# Table of Contents

**PART I: Executive Summary** ........................................................................................................ 1-3  
  Overview  
  Project Objectives  
  Organic Producer Survey  
  Highlights of Case Studies  
  Summary of Key Findings  
  Summary of Recommendations

**PART II: The Organic Market in Perspective: From International to Local** ..... 4-8  
  The Big Picture: An International Perspective  
  From Sea to Shining Sea: Organics in America  
  Organics at Home: What’s Happening in the Four Corners States Region?  
  Exciting Work Underway in the Four Corners States: Revelations from interviews with Regional Experts in Organic Agriculture

**PART III: Survey Overview, Key Findings, and Recommendations** ............... 9-20  
  Survey Data  
  Findings from the Four Corners States Organic Producer Survey  
  Key Findings  
  Recommendations

**PART IV: Case Studies** ........................................................................................................ 21-31  
  La Montanita  
  ShopNatural  
  Sunnyside Meats

**PART V: Conclusions** ........................................................................................................... 32

**Appendix A: Bibliography** ........................................................................................................ 33

**Appendix B: Survey** ............................................................................................................... 34-41

**Appendix C: Regional Experts in Organic Agriculture** ................................................. 42-43

**Appendix D: Project Member Contact Information** ....................................................... 44

**List of Charts and Tables** ........................................................................................................... Inside Back Cover
PART I: Executive Summary

Overview

Certified organic producers in the Four Corners States of Arizona, Colorado, New Mexico, and Utah want to be part of healthy food enterprises that benefit local (within the respective state) and regional (including neighboring states) economies; these producers are willing to work together in order to make this happen. But connecting the links in the organic marketing chain across the wide-open spaces that separate producers and consumers in this region has not been easy.

This project grew from a desire on the part of organic industry members, educational and governmental institutions, and non-profit organizations to foster the development of a strong market for organic products in the Four Corners States. The project provides a better understanding of the opportunities for and barriers to a larger, more vibrant organic food market in the Four Corners States. This report has been made readily available to a wide variety of individuals, including policymakers, industry members, educators, and members of non-profit organizations that promote the concepts and practices of sustainable and organic production of agricultural products. Understanding the organic market, including the demand for and supply of organic products in the Four Corners States, was accomplished through a four-stage research program consisting of: a comprehensive literature search; a survey of the certified organic producers for 2005 from the Four Corners States; a series of interviews with experts in the four states; and three carefully-selected case studies of notable businesses.

Project Objectives

The project had the following three objectives:

Objective 1: To better understand current and potential future regional organic markets through a comprehensive market supply analysis.

Objective 2: To identify specific market opportunities for organic and “organic-interested” producers in the Four Corners States and develop solutions to overcome barriers that exist in their markets.
Objective 3: To communicate findings to organic and organic-interested producers, and to extension agents, industry members, and non-profit organizations.

Organic Producer Survey

Survey data were collected from 141 of the 285 certified organic producers in the Four Corners States of Arizona, Colorado, New Mexico, and Utah.

Highlights of Case Studies

This report contains three case studies chosen to highlight some interesting and creative ways in which local organic agricultural businesses are operating within the region.

- An innovative regional distribution network initiated by a partnership between a successful natural foods cooperative and a regional producer group.
- A regional consumer owned distribution cooperative, serving the entire Four Corners States region, which specializes in natural and organic products.
- A newly built, family-run, small-scale, certified organic meat processing plant.

Summary of Key Findings

The project revealed valuable information pertaining to the organic agriculture industry in the Four Corners States. The key findings from this study can be summarized as follows:

- Demand for local, organic products is expected to continue to exceed supply for the immediate future.
- Organic producers are committed to their organic investments.
- Most organic producers are planning on either maintaining or expanding their certified organic acreage in the next five years.
- Over 60 percent of the certified organic producers sell all of their products within the region (the Four Corners States and neighboring states).
- Many of those producers who do not sell much locally are interested in overcoming barriers that have hindered them from selling their products locally.
- Processing and distribution sectors are weak within the region, and producers are interested in playing a part in strengthening those sectors.
- Almost 75 percent of the certified organic producers surveyed are interested in either entering the natural food stores market outlet or increasing their sales in this market outlet within the next five years.
• Currently about 25 percent of the organic producers are selling through the natural food store market outlet.

• Most producers are interested in taking part in new collaborative marketing initiatives, including producer-involved marketing efforts, producer-involved value-added processing facilities, and producer-involved transportation networks.

Summary of Recommendations

Through the survey and interviews with experts in the region, the project has outlined several needs of the organic agriculture industry in the Four Corners Region. In order for the organic agriculture industry to thrive in the region, the SWMN recommends the following:

• Plan a summit focused on regional marketing and distribution of regionally-grown organic products.

• Create an educational program that brings together both certified organic and non-organic producers to learn about the opportunities and challenges that the regional organic market presents, and provide additional resources on organic certification procedures that target non-organic producers.

• Improve regional efforts to assist producers with the expenses related to organic certification.

• Enhance assistance for local direct marketing of organic products.

• Develop a regional business incubator and innovation center for the organic agriculture industry.

• Perform targeted research focused on processing and distribution of local organic products.

• Promote policy improvements that support organic production and marketing in the region.
PART II: The Organic Market in Perspective: From International to Local

The Big Picture: An International Perspective

INTERNATIONAL, certified organic farming is practiced in approximately 100 countries, with more than 59 million acres now under certified organic management. Of this total, North America has almost 3.7 million acres (Willer and Yussefi, 2004).

According to the Organic Monitor, the global market for organic food and drinks reached $23 billion in 2002, reflecting a more than 10 percent increase over 2001. This increase in the global organic food industry was primarily fueled by an increase in consumption of organics in the North American marketplace. Continued growth for the global organic food industry has been predicted for the future (Organic Monitor, 2003).

From Sea to Shining Sea: Organics in America

Nationally, trends in organic production have increased dramatically in recent years (Table 1). According to the USDA Economic Research Service, total certified organic cropland and pasture for 2000 was less than 2 million acres; it increased to 4 million acres by 2005, an impressive 125 percent jump. Total certified organic livestock and poultry production was 3.2 million head (for all species combined) in 2000, but increased to 14.2 million by 2005, equating to an increase of 344 percent (http://www.ers.usda.gov/Data/Organic/).

Table 1: Increase in Certified Organic Acreage in the United States

<table>
<thead>
<tr>
<th>Time Span</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992 - 1997</td>
<td>45</td>
</tr>
<tr>
<td>1997 - 2002</td>
<td>43</td>
</tr>
<tr>
<td>2002 - 2005</td>
<td>111</td>
</tr>
</tbody>
</table>

Demand for organic agricultural products has spurred an increase in the production of organic products. Sales of organic products rose throughout the 1990s by 20 percent or more annually, and continued increases are predicted. As of 2006, organic products were available in nearly 20,000 natural food stores and 73 percent of conventional grocery stores in the United States. Organic products have gone from representing 1.2 percent of total food sales in 2000 to 2.5 percent in 2005, and they are projected to grow to between 5 and 10 percent of total food sales by 2010 (Table 2).

<table>
<thead>
<tr>
<th>Organic Year</th>
<th>Organic Food ($Mil)</th>
<th>Food Growth</th>
<th>Total Food Sales ($Mil)</th>
<th>Organic Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$3,594</td>
<td>na</td>
<td>$443,790</td>
<td>0.81%</td>
</tr>
<tr>
<td>1998</td>
<td>$4,286</td>
<td>19.2%</td>
<td>$454,140</td>
<td>0.94%</td>
</tr>
<tr>
<td>1999</td>
<td>$5,039</td>
<td>17.6%</td>
<td>$474,790</td>
<td>1.06%</td>
</tr>
<tr>
<td>2000</td>
<td>$6,100</td>
<td>21.0%</td>
<td>$498,380</td>
<td>1.22%</td>
</tr>
<tr>
<td>2001</td>
<td>$7,360</td>
<td>20.7%</td>
<td>$521,830</td>
<td>1.41%</td>
</tr>
<tr>
<td>2002</td>
<td>$8,635</td>
<td>17.3%</td>
<td>$530,612</td>
<td>1.63%</td>
</tr>
<tr>
<td>2003</td>
<td>$10,381</td>
<td>20.2%</td>
<td>$535,406</td>
<td>1.94%</td>
</tr>
<tr>
<td>2004</td>
<td>$11,902</td>
<td>14.6%</td>
<td>$544,141</td>
<td>2.19%</td>
</tr>
<tr>
<td>2005</td>
<td>$13,831</td>
<td>16.2%</td>
<td>$556,791</td>
<td>2.48%</td>
</tr>
</tbody>
</table>


It should be noted recent studies have shown that organic price premiums have softened in some of the organic markets, even though organic sales continue to increase. For example, Huange and Lin (2007) report organic price premiums of 7 to 17 percent, down from the 40 to 90 percent range reported for studies conducted during the 1990s.

**Organics at Home: What’s Happening in the Four Corners States Region?**

Markets for certified organic products in the Four Corners States are also strong (Table 3). In 2002, the market value of certified organic products produced in these states was just under $18 million, accounting for 4.6 percent of the total organic sales for the United States (http://www.ams.usda.gov/statesummaries/).

“It should be noted recent studies have shown that organic price premiums have softened in some of the organic markets, even though organic sales continue to increase. For example, Huange and Lin (2007) report organic price premiums of 7 to 17 percent, down from the 40 to 90 percent range reported for studies conducted during the 1990s.”

Steve Carlton, District Produce Manager, Vitamin Cottage Grocers
Table 3: Market Value of Certified Organic Food Sales In The Four Corners States (2002)

<table>
<thead>
<tr>
<th>State</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Colorado</td>
<td>$12,500,000</td>
</tr>
<tr>
<td>New Mexico</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Utah</td>
<td>$437,000</td>
</tr>
</tbody>
</table>

Source: http://www.ams.usda.gov/statesummaries/

USDA figures indicate fluctuation within the Four Corners States in both the number of certified organic operations (Table 4) and the amount of certified organic acreage, including both cropland and pasture (Table 5). In terms of certified organic operations in the Four Corners States (Table 4), Arizona trended up consistently during these six years while the other three states dipped and then increased. (http://www.ers.usda.gov/Data/Organic/Data/PastrCropbyState.xls).

Table 4: Number of Certified Organic Operations in Arizona, Colorado, New Mexico, and Utah.

<table>
<thead>
<tr>
<th>Year</th>
<th>Arizona</th>
<th>Colorado</th>
<th>New Mexico</th>
<th>Utah</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>16</td>
<td>233</td>
<td>123</td>
<td>25*</td>
</tr>
<tr>
<td>2001</td>
<td>20</td>
<td>228</td>
<td>120</td>
<td>40</td>
</tr>
<tr>
<td>2002</td>
<td>23</td>
<td>201</td>
<td>105</td>
<td>36</td>
</tr>
<tr>
<td>2003</td>
<td>23</td>
<td>103</td>
<td>106</td>
<td>34</td>
</tr>
<tr>
<td>2004</td>
<td>23</td>
<td>107</td>
<td>84</td>
<td>40</td>
</tr>
<tr>
<td>2005</td>
<td>37</td>
<td>111</td>
<td>102</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: http://www.ers.usda.gov/Data/Organic/Data/PastrCropbyState.xls

* Does not include data from Utah’s state certified organic program which were unavailable.

The number of certified organic operations has decreased in two of the four states since 2000.
Table 5: Number of Certified Organic Acres (cropland and pasture) in Arizona, Colorado, New Mexico, and Utah.

<table>
<thead>
<tr>
<th>Year</th>
<th>Arizona</th>
<th>Colorado</th>
<th>New Mexico</th>
<th>Utah</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>7,849</td>
<td>349,463</td>
<td>40,826</td>
<td>30,891*</td>
</tr>
<tr>
<td>2001</td>
<td>8,933</td>
<td>331,614</td>
<td>42,113</td>
<td>33,530*</td>
</tr>
<tr>
<td>2002</td>
<td>9,450</td>
<td>123,210</td>
<td>44,564</td>
<td>16,295*</td>
</tr>
<tr>
<td>2003</td>
<td>9,277</td>
<td>102,777</td>
<td>48,659</td>
<td>32,803*</td>
</tr>
<tr>
<td>2004</td>
<td>9,829</td>
<td>87,348</td>
<td>49,861</td>
<td>43,066</td>
</tr>
<tr>
<td>2005</td>
<td>22,311</td>
<td>133,858</td>
<td>50,601</td>
<td>53,616</td>
</tr>
</tbody>
</table>

Source: http://www.ers.usda.gov/Data/Organic/Data/PastrCropbyState.xls

* Does not include data from Utah’s state certified organic program which were unavailable.

In terms of certified organic acreage in the Four Corners States, Colorado saw a reduction in the number of certified organic operations, which correlated with a reduction in certified organic acreage. With brief exceptions the amount of certified organic acreage has steadily trended upward for the other three states since 2000 (Table 5).

It is speculated that the implementation of the national organic standards in 2002, which replaced regional and state standards, was responsible, at least in part, for these uneven trends. Increased costs and record keeping may have been a disincentive, and the newly afforded option of exempt, non-certified status for small producers (those with under $5,000 gross organic sales) may have decreased certifications as well.

In this survey, producers were asked to indicate how their land was used. Table 6 indicates that pasture and field crops are the most predominant uses in the Four Corners Region.

Table 6: Organic Acreage Useage (2005)

<table>
<thead>
<tr>
<th>Use</th>
<th>Number of Organic Acres</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pasture, Grazed Land, Livestock Yards, and/or Facilities</td>
<td>96,092</td>
<td>63.70</td>
</tr>
<tr>
<td>Grains, Hay (Alfalfa, Grass, and/or Mixed) and/or Other Field Crops</td>
<td>31,041</td>
<td>20.58</td>
</tr>
<tr>
<td>Fallow</td>
<td>15,780</td>
<td>10.46</td>
</tr>
<tr>
<td>Vegetables (Including Melons and/or Sweet Corn)</td>
<td>3,740</td>
<td>2.48</td>
</tr>
<tr>
<td>Cover Crop(s)</td>
<td>2,370</td>
<td>1.57</td>
</tr>
<tr>
<td>Tree and/or Vine Fruit and/or Nut Crops</td>
<td>1,771</td>
<td>1.17</td>
</tr>
<tr>
<td>Herb Crops</td>
<td>38</td>
<td>0.03</td>
</tr>
<tr>
<td>Nursery, Floriculture, and/or Greenhouse Crops</td>
<td>13</td>
<td>0.01</td>
</tr>
</tbody>
</table>
Exciting Work Underway in the Four Corners States: Revelations from interviews with Regional Experts in Organic Agriculture

In-depth telephone interviews were conducted with 32 of the region’s top organic agriculture experts, and included producers, manufacturers, distributors and retailers, as well as individuals from the governmental, educational and non-profit sectors. Refer to Appendix C for the list of Regional Experts in Organic Agriculture.

There are a wide variety of innovative organic marketing projects underway in the Four Corners States. To provide an idea of the type and scope of projects in progress, a few, identified in the expert interviews, are outlined below:

On the production level, the Navajo Agricultural Project in Farmington, New Mexico, had 50 certified organic acres in 2006 and is being courted by a tortilla chip company to plant blue corn for chips (Expert Interview with Lance Eggers, Briggs & Eggers Orchards, Wilcox, Arizona). The Rocky Mountain Small Organic Farm project established an organic research and demonstration facility for the Intermountain region at Colorado State University’s Horticulture Field Research Center in Fort Collins, Colorado (Expert Interview with Frank Stonaker, Director of the Specialty Crops Program at Colorado State University).

In terms of manufacturing, the Taos County Economic Development Center in New Mexico has helped 45 clients process products in its kitchen for a variety of buyers (Expert Interview with Elena Arguello, Food Center Manager, Taos County Economic Development Center, Taos, New Mexico).

On the distribution front, Veritable Vegetable distributor out of Los Angeles, California, is working with some growers in the Four Corners States to deliver their products (produce only at this point) to many small grocery stores along their truck routes, providing a way for regional distributors to connect with larger truck routes and operators (Expert Interview with Tom McCracken, Growers’ Organic in Denver, Colorado). According to retail owners and distribution experts in the region, ShopNatural (formerly Tucson Cooperative Warehouse) in Tucson, Arizona, and La Montanita Cooperative Distribution Center in Albuquerque, New Mexico, are connecting local and regional producers, distributors and retailers.

On the marketing level, programs such as the Slow Food movement and “Utah’s Own”, which encourage consumers to buy local food products, are making differences by increasing consumer awareness about the benefits of eating locally-produced food (Expert Interviews with Le Adams, New Mexico Slow Food; Dave Bell, Utah Slow Food Movement; and Seth Winterton, Utah Department of Agriculture and Food).

“Everything that I grow is pre-sold. There is a long line of people who want to buy products from us. If I could get a larger thing going I would.”

David Bell, Owner, Bell Organic Gardens
PART III: Survey Overview, Key Findings, and Recommendations

Survey Data

The project conducted the survey of certified organic producers in the Four Corners States in 2006. The survey questionnaire was divided into three main sections:

1. Demographics,
2. Marketing, and
3. Information resources.

A copy of the survey is in Appendix B. For a list of responses to survey questions visit the SWMN website at: www.swmarketingnetwork.org. The responses will be posted on the web by the end of February 2008.

The survey was sent to 285 certified organic producers in the Four Corners States; of these, 141 were completed and returned (Table 7).

<table>
<thead>
<tr>
<th>Table 7: Surveys Received by State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveys</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>Mailed</td>
</tr>
<tr>
<td>Received</td>
</tr>
<tr>
<td>Percent of Total</td>
</tr>
</tbody>
</table>

The data provide a snapshot of the current state of the organic industry in the region and a glimpse of its potential future. Responses from the questionnaire indicate where certified organic farmers in the Four Corners States are currently selling their products, how they would like to sell their products in the future, and what types of marketing initiatives are of interest to them.

“In the Four Corners States, there is high demand for organic land and little availability.”

Sonja Tuitele, Director of Investor Relations for Wild Oats Markets
Findings from the Four Corners States Organic Producer Survey

Demographic Information About Survey Respondents

• 78 percent men and 22 percent women

• Average age: 51

• Average number of years classified as certified organic: 7

• 59 percent consider their business a “Family farm or ranch”

• 35 percent consider their business a “Family partnership or corporation”

• 12 percent attribute some of their sales from agritourism activities

Producer Views on the Organic Market

• Over 40 percent of producers plan to increase their certified organic acreage in the next five years.

• Less than 3 percent plan to decrease their certified organic acreage in the next five years.

• Most make the majority of their income from organic products. Less than 10 percent said they suffered net losses from their organic operations.

• Almost 80 percent indicated they felt organic certification made them more profitable.

• Less than 10 percent indicated they felt organic certification made them less profitable.

• Profitability played a significant role in producers’ decisions to be certified organic in the first place.

“Production to meet demand is going to be key in the next few years.”

Robin Seydel, Membership and Community Outreach Coordinator, La Montanita Cooperative Market
• The most common reason respondents gave for being certified organic was “Higher prices received for certified organic products” (Table 8).

<table>
<thead>
<tr>
<th>Table 8: Why Producers Are Certified Organic</th>
<th>Percent of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher prices received for certified organic products</td>
<td>34</td>
</tr>
<tr>
<td>Belief in the overall philosophy of organic production</td>
<td>28</td>
</tr>
<tr>
<td>Lower health risk associated with organic products</td>
<td>14</td>
</tr>
<tr>
<td>Better market access</td>
<td>9</td>
</tr>
<tr>
<td>All other reasons combined</td>
<td>15</td>
</tr>
</tbody>
</table>

**Current Sales Outlets**

Organic producers in the Four Corners States currently market their products through one or more of the three primary sales outlets: consumer-direct, direct-to-retail, and wholesale.

• Most producers sell some product locally, often directly to consumers, and many want to sell even more through consumer-direct outlets.

• About 80 percent reported selling some percentage locally and/or regionally (defined in the survey as within the Four Corners States and neighboring states).

• Over 60 percent of survey respondents reported making all of their gross sales locally and/or regionally (defined in the survey as within the Four Corners States and neighboring states).

• Many of the producers using these market outlets must sell outside of the region due to market barriers even though they may prefer to sell within the region.
Consumer-Direct Outlets (Chart 1)

- The most common direct-to-consumer outlet for organically produced agricultural products was farmers’ markets.
- Over 30 percent of all respondents sold some product at farmers’ markets.
- Nearly 30 percent of all respondents sold at on-site locations.
- Much less common direct-to-consumer outlets included sales through mail order, Internet, and Community Supported Agriculture (CSA) programs.

Direct-to-Retail Outlets (Chart 2)

- The most common direct-to-retail market outlet was natural food stores.
- 26 percent of all respondents reported selling some organic products directly to natural food stores.
- Less than 5 percent reported selling organic products directly to conventional supermarkets.
- 18 percent of all respondents reported selling some organic products directly to restaurants and caterers.
**Wholesale Outlets (Chart 3)**

- The most common wholesale outlet was processors, mills, and packers.
- Currently 29 percent of respondents sell to processors, mills, and packers.
- 26 percent sell to distributors, wholesalers, re-packers, or brokers.

> “Local is as important as organic to my customer base.”
> David Bell, Owner of Bell Organic Gardens
Future Sales Outlets

- Many producers were interested in making more of their sales through local direct-to-consumer channels in the next five years (Table 9).

- Almost 60 percent reported interest in selling more through farmers’ markets, and 51 percent reported interest in selling more through on-site locations in the next five years.

- Compared with other marketing channels, survey respondents indicated the most attractive market outlet is natural food stores.

- Almost 75 percent of respondents said they want to start selling (or to sell more than they currently do) to natural food stores in the next five years.

- Over 60 percent said they were interested in selling to natural food store chain buyers.

- Producers who want to sell to natural food stores or other large retail venues often face challenges related to meeting quantity, quality and delivery specifications.

- Some producers have been successful in meeting these challenges through cooperative processing, distribution, and/or marketing efforts.

- An innovative partnership between a regional natural food chain and a regional producers’ marketing cooperative is highlighted in case study #1 later in this report.

Table 9: Where Do Producers Want to Sell in Five Years?

<table>
<thead>
<tr>
<th>Market Outlet</th>
<th>Percent Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Consumer Direct</td>
<td></td>
</tr>
<tr>
<td>Farmers’ Markets</td>
<td>60</td>
</tr>
<tr>
<td>Onsite</td>
<td>51</td>
</tr>
<tr>
<td>Mail</td>
<td>48</td>
</tr>
<tr>
<td>CSAs</td>
<td>32</td>
</tr>
<tr>
<td>B. Direct-to-Retail</td>
<td></td>
</tr>
<tr>
<td>Natural Food Stores</td>
<td>74</td>
</tr>
<tr>
<td>Restaurants</td>
<td>56</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>41</td>
</tr>
<tr>
<td>Institutions</td>
<td>27</td>
</tr>
<tr>
<td>C. Wholesale</td>
<td></td>
</tr>
<tr>
<td>Natural Food Store Buyers</td>
<td>61</td>
</tr>
<tr>
<td>Distributors</td>
<td>49</td>
</tr>
<tr>
<td>Processors</td>
<td>48</td>
</tr>
<tr>
<td>Supermarket Buyers</td>
<td>45</td>
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<tr>
<td>Grower Co-op</td>
<td>39</td>
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</tbody>
</table>
Value-Added Processing

- Only about 20 percent of respondents said they were currently performing any sort of value-added processing.
- Only 9 percent said they sold all of their products processed.
- Over 50 percent of respondents said they sold all of their products fresh.

Product Labeling (Chart 4)

- Product labeling was being used by 59 percent of respondents.
- In addition to the USDA certified organic logo and state certified logos, the most popular labels associated with organic products were socially responsible logos and regional/local labels.

Producer-Identified Barriers Impeding Growth of Organic Markets

- Over 75 percent of respondents filled in an open-ended survey question about the biggest market barrier they currently face.
- Producers most often cited lack of regional distribution and processing facilities (grain elevators, milling facilities, beef processors, refrigerated trucks) as their major market barrier.
- Respondents also cited lack of consumer education, labor issues, and cheap national and international competition as significant barriers for local and/or regional sale of their certified organic products.

“Even if producers make incredible products, many have difficulty marketing them.”
Elena Arguello, Kitchen Manager, Taos County Economic Development Center
• Some Barriers to Selling Certified Organic Products Locally:
  Distance from consumers
  Scarcity of farmers’ markets
  No organic dairy processing facilities
  No organic beef processing facilities
  No organic wheat milling facilities
  Lack of refrigerated transportation vehicles
  Lack of processors who focus on selling locally

**Producer Interest in Potential Future Marketing Initiatives**

• A majority of certified organic producers in the Four Corners region want help with marketing and are open to innovative new marketing initiatives (Table 10).

• Producers were most interested in taking part in development of a “regional marketing effort,” a “value-added processing facility,” and a “regional transportation network.”

**Table 10: Potential Marketing Initiatives by Percent of Producers Interested**

<table>
<thead>
<tr>
<th>Marketing Initiative</th>
<th>Percent Interested</th>
</tr>
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<tbody>
<tr>
<td>Regional marketing efforts</td>
<td>64</td>
</tr>
<tr>
<td>Value-added processing facility</td>
<td>60</td>
</tr>
<tr>
<td>Regional transportation network</td>
<td>59</td>
</tr>
<tr>
<td>Distribution operation</td>
<td>56</td>
</tr>
<tr>
<td>Statewide direct marketing association</td>
<td>54</td>
</tr>
<tr>
<td>Local/regional labeling/marketing program</td>
<td>54</td>
</tr>
<tr>
<td>Farm-to-school program</td>
<td>42</td>
</tr>
</tbody>
</table>

**How and Where Organic Producers Get Information About Organic Production (Chart 5)**

• 67 percent of the producers find production information from “Other Producers” to be “Useful” most often.

• Producers listed Appropriate Technology Transfer to Rural Areas (ATTRA), textbooks, industry specialists, New Mexico Organic Commodity Commission (NMOCC), retailers, Stockman Grass Farmer (a farming magazine), site visits (where technical assistance is provided to growers on site), and warehousemen as individual resources which were very helpful for production information.
How and Where Organic Producers Get Organic Marketing Information (Chart 6)

• None of the sources of marketing information exceeded a 50 percent rating.

• Of the eight choices of sources of marketing information, “Other Producers” was rated as the most “Useful.”

Sources of Marketing Information Utilized by Producers in the Four Corners States

• Acres.USA monthly magazine
• Appropriate Technology Transfer for Rural Areas
• Colorado Department of Agriculture’s Organic Inspector
• Colorado State University Extension
• Eliot Coleman publications
• Growing for Market newsletter
• New Mexico Organic Commodity Commission
• Organic Materials Review Institute
• Peaceful Valley Farm & Garden Supply catalog
• Rodale Press publications
• Stockman Grass Farmer magazine
• Sustainable Agriculture, Research and Education (SARE) publications
• USDA National Organic Program

• Producers’ favorite sources of marketing information included brokers, friends, cold calls to retail outlets, restaurants, Stockman Grass Farmer (a farming magazine) and word of mouth.
Key Findings

The project revealed valuable information pertaining to the organic agriculture industry in the Four Corners States. The key findings from this study can be summarized as follows:

- Organic production is growing and demand for local, organic products is expected to continue for the immediate future.

- Most of the certified organic producers surveyed continue to be committed to their investment in organics.

- The majority of organic producers are planning on either maintaining or expanding their certified organic acreage in the next five years.

- Over 60 percent of the surveyed certified organic producers sell all of their products within the region.

- Many of those producers who do not sell much locally are interested in overcoming barriers that have hindered them from selling their products locally.

- Processing and distribution sectors are weak within the region, and producers are interested in playing a part in strengthening these sectors. Innovative approaches, including small-scale meat processing plants and regional food distribution networks, have been identified as promising opportunities.

- Almost 75 percent of the certified organic producers surveyed are interested in either entering the natural food store market outlet or increasing their sales in this market outlet over the next five years.

- Currently about 25 percent of the certified organic producers are selling through the natural food store market outlet.

- Most producers are interested in taking part in new market initiatives, including producer-involved marketing efforts, producer-involved value-added processing facilities, and producer-involved transportation networks.
Recommendations

Through the survey and interviews with experts in the region, the project has outlined several needs of the organic agriculture industry in the Four Corners Region. In order for the organic agriculture industry to thrive in the region, the SWMN recommends the following:

**Plan a Regional Organic Summit**

- Organize a summit on regional marketing and distribution of organic products bringing together a coalition of organic and “organic interested” retailers and distributors, as well as producers and manufacturers, to develop a comprehensive Four Corners States organic product marketing plan. This plan should address educational, financial, and direct-marketing needs, as well as other topics to be decided upon.

**Enhance Producer Education**

- Create an educational program that brings together both certified organic and non-organic producers to learn about the opportunities and challenges that the regional organic market presents, and provide additional resources on organic certification procedures that target non-organic producers.

**Enhance Producer Financial Assistance**

- Improve regional efforts to assist producers with the expenses related to organic certification.

**Enhance Local Direct-Marketing Assistance**

- Develop a comprehensive program of local direct-marketing assistance designed to assist entry into local direct-marketing outlets.
Develop an Organic Agriculture Industry Business Incubator and Innovation Center

- Initiate an organic agriculture industry “business incubator and innovations center” for the region, to provide support for the entrepreneurial processes within the organic agriculture market, especially for small-scale producers and community-based value-added processors. A regional “business incubation meeting” is suggested in order to “jump-start” this proposed center.

Perform Targeted Research

- Perform targeted research on processing and distribution in the Four Corners States, including mapping, categorization, and census of all organic and non-organic processing and distribution operations in the region.

Promote Policy Improvements

- Promote policies in support of organic production and marketing in the region, including continued cost-sharing from USDA for certification, increased support from Four Corners State departments of agriculture for organic production, transition, research and promotion, and increased USDA research funding for organics.

These recommendations are intended to stimulate dialogue between industry members, governmental and educational institutions, and non-profit organizations. An open discussion among all interested parties about this report and its recommendations is a critical step toward reaching the project’s goal. You can participate in this discussion at the next SWMN annual conference. Contact SWMN annual conference organizers at http://www.swmarketingnetwork.org to be notified of date, time, and meeting details when these become available.
Part IV: Case Studies

Case Study #1

La Montanita Cooperative Markets and Beneficial Eco-Label’s Food Shed Project, Albuquerque, New Mexico

The Case for Buyers to Invest in a Local Distribution Network

La Montanita is a member-owned, cooperative grocery store chain in New Mexico. Started in 1976 in one location, they have expanded to four locations in the state. In the 1980s and 1990s La Montanita shaped its image by becoming an activist co-op, which helped propel them into what has become a successful model for the store. Since then, they have continued to develop their niche as a small, neighborhood-based, community store that supplies as much local, organic food as possible to their customers.

A commitment to work with local organic producers –

La Montanita currently sells 1,100 ‘local’ products from 400 vendors grown or produced in the Four Corners States which makes up 20% of the store’s total product purchases. They carry local eggs, fruit, health and beauty aids, cheese, salsa, ice cream, lamb, chicken, beef, pies, cakes, breads, and other small deli items. Many of these products are organic, some are not, but all come from local farms and ranches.

La Montanita tracks 450 vendors in their system, many of which are local, which requires the store to pay a larger accounting staff to mail and print more than 300 checks per week. Although this has created extensive work for the staff, Robyn Seydel, Membership and Community Outreach Coordinator for La Montanita, says it has all been worthwhile because the co-op has created their niche as a store that offers a great selection of local products.

Working with local producers, although sounding rosy on the consumer and producer end, can have its challenges for retailers. Seydel identifies a lack of local reliable supply, mainly attributed to availability and distribution issues, as an ongoing challenge for La Montanita.

Having stocked shelves is critical as a retailer, so La Montanita has had to find balance between carrying as much locally produced food as possible and satisfying customers’ needs. Seydel says finding balance can make working with local producers more difficult, but by remaining committed to both local vendors and customer satisfaction La Montanita developed creative solutions to supply and distribution challenges.
**Buyers investing in a local distribution system –**

One very unique way in which La Montanita is dealing with distribution issues is by providing distribution transport for local growers through the Food-Shed Project. Based on a 20-year plan approved by their all-volunteer Board of Directors, La Montanita has partnered with Beneficial Eco-Label to distribute local farm and ranch products within a 300-mile radius of Albuquerque.

**Beneficial Eco-Label –**

According to Steve Warshawer of Beneficial Eco-Label, the company started in 2005 “as a response to the industrialization of organic and the growing demand for local food.” Certified Beneficial Eco-Label products carry the words “fresh, chemical-free and local,” on their labels in an attempt to differentiate local producers by sharing their stories and uniqueness with the region. The process of beneficial certification requires growers to certify other growers and adhere to four basic organic farming principles, similar to that of organic certification. In 2006, Beneficial Eco-Label was working with forty-eight regional producers.

In January of 2007, La Montanita and Beneficial Eco-Label opened the 11,000 square foot Cooperative Distribution Center (CDC) in Albuquerque. The CDC, now also La Montanita’s administrative headquarters, has both frozen and refrigerated freezer capacity and dry storage, and operates one refrigerated truck with plans to add a second in the summer of 2007. In addition to providing delivery service to their four stores, La Montanita has expanded their route to include the Las Cruces Food Co-op, the Dixon Co-op, Cid’s in Taos, the New Mexico Raley’s grocery store chain, the New Mexico Whole Foods locations and two area Community Supported Agriculture programs. In 2006 La Montanita and Beneficial Eco-Label, with one delivery truck and two drivers, successfully distributed approximately $100,000 worth of meat, eggs, milk and produce from 30 local farms and ranches.

**Organic certification –**

Brett Bakker, organic inspector with the New Mexico Organic Commodity Commission (NMOCC), worked with La Montanita to develop the Food-Shed project. On his recommendation, the store is now the first NMOCC certified organic distributor, meaning La Montanita maintains an accurate paper trail for the local, organic products they move around the state. He also says the federal organic rules currently don’t say anything about a distributor being certified, but when La Montanita distributes to other stores they are way ahead of the game because they can already prove organic integrity.

**Challenges –**

**Consolidation of Markets**

- Having a central warehouse facility to supply a chain of grocery stores is not a new idea. Many stores have such warehouses, used to consolidate, repack, and truck merchandise from all over the country to each of their stores. On the grocery store end, central warehouse facilities ensure greater buying power, uniformity, and control over the truckloads of product that end up on grocery store shelves. However, central warehousing can require producers to sell product to grocery stores in the quantities they demand, which can be challenging to small producers.
**Consistency and Quality**

- Supplying a grocery store means supplying the store with a consistent, quality product in the quantities they need. Clark Driftmier, a marketing consultant for Aurora Organic Dairy, best describes the seriousness of this trend. “Grocery chains are demanding 95, no it’s more like 99 percent, perfection rates in shipping, meaning that you have one chance in 100 to screw-up [an order] without being dropped [as a vendor].”

- Steve Ela, a fruit farmer on the Western Slope of Colorado who sells a portion of his product wholesale, says the most pressing issue at the retail level for selling local, organic products is: “Consistency in supply – the supply needs to be there when the retailer is expecting it. The more consistent you can be, I think, the better.”

**Opportunities –**

*Retailers Committed to Local Producers*

- Regional cases demonstrate that when a store is committed to a product they work in creative ways to ensure its receipt. According to Joan Quinn of NMOCC, “La Montanita now has four stores in New Mexico and is looking into further expansion...They have an emphasis on buying local products and helping the small producer without the regulations that larger retailers require.”

*Market Opportunity*

- Being a cooperative grocery store, La Montanita is committed to meeting the desires of its membership. In an effort to do so, annual surveys are conducted to gauge member satisfaction. In member surveys conducted in 2002 and 2003, local products were listed as the most important thing the co-op offered its membership. At the time of the surveys, La Montanita’s total local product sales were at sixteen percent, and the company made it a goal to increase that number by roughly one percent per year. In 2003, the company developed a marketing campaign for this effort, which included new signs for local products and featured as many as three stories on local products in every newsletter. In 2006, local products made up twenty percent of all store purchases. Seeing this increase, La Montanita’s new goal is that in the next five years, local (organic, if possible) produce will account for fifty percent of total purchases.
**ADVICE TO PRODUCERS**

**Build win-win relationships:** La Montanita is committed to working with local producers to create solutions to product supply, distribution, and consistency issues.

*Action:* Forge relationships with buyers that are committed to producer-retailer involved solutions to regional supply and distribution issues.

**Supply:** For most buyers, consistency and availability are just as important as the quality of the product they receive.

*Action:* Supplying a grocery store means supplying the store with a consistent, quality product in the quantities they need.

**Maintain market diversity:** Steve Ela, who is a medium-sized grower on the Western Slope of Colorado, relies on three types of marketing to make his operation work, although his largest number of sales comes from grocery stores.

*Action:* Don’t put all your eggs into one basket. Sell through several outlets for better overall product sales security.

**Keep records:** Maintaining an accurate paper trail for agricultural products is important.

*Action:* Working with an accredited distributor provides accountability for agricultural products through a well-maintained paper trail.

**Obtain organic certification:** A certified organic distribution effort maintains organic product integrity.

*Action:* Working with an organically certified distributor is good for producers and retailers because it maintains the integrity of organic products during delivery.
Case Study #2

ShopNatural Cooperative, Tucson, Arizona
The Case for a Consumer Owned Regional Distributor

ShopNatural Cooperative has been in business for over 30 years. Started in 1973 as a small co-operative warehouse (The Peoples’ Warehouse), it was one of many similar efforts that emerged during that time throughout the country. Within a year, the small warehouse was incorporated as Tucson Cooperative Warehouse (TCW). Volunteers packed product and drove a single truck with organic and natural grains, juices, and other bulk items, distributing product at wholesale prices to the owners. During that time, TCW was instrumental in growing and expanding the availability of organic products in the region.

As the years passed, TCW outgrew its warehouse space and moved to its current location near downtown Tucson, Arizona. The new warehouse is filled with more than 7,000 products ranging from frozen salmon to vitamins and baby care products to organic millet. Today their membership is comprised of thousands of individuals who receive deliveries in Texas, New Mexico, Colorado, Arizona, Utah, and Nevada.

Favoring local products –

ShopNatural’s General Manager, Reggie Smith, admits local organic products do not currently make up a significant percentage of the cooperative’s total sales. However, she is working with some small, local organic vendors to supply meat, produce, and organic grains and flour throughout the region. Smith is committed to expanding the organic part of the business, and finding more outlets for local organic products.

Lance Eggers, owner of Briggs and Eggers Orchards, is an organic apple grower from Wilcox, Arizona who sells to ShopNatural. Eggers, who is a large-scale producer, sells his products wholesale, through direct sales at farmers’ markets and at his roadside stand, and to processors. He considers ShopNatural a company that can help him market his products. Says Eggers, “I can grow it, pack it, put it in a box, but I have trouble marketing my stuff.”

Fair pricing –

ShopNatural offers organic food at a price consumers can afford through numerous buying clubs, and provides farmers with fair prices for their products. Although Smith feels current growth of the organic market and national interest are a threat to companies like ShopNatural, she believes they are still filling a niche that has the potential to double in size.

Re-packing for small, local, organic growers –

ShopNatural, in addition to being a certified organic distributor, is a certified organic re-packer. This means they re-pack bulk organic products into smaller packages for re-sale. Certification as an organic re-packer requires a specific license from an accredited organic certifier, at a price that keeps increasing. Smith says ShopNatural pays thousands of dollars per year for their various certifications. A warehouse that deals with organic and conventional products also demands a level of staff education and commitment to keep ‘contamination’, contact between conventional and organic products, from happening. ShopNatural only re-packs organic product once a week, and must prepare the warehouse for this each and every time.

Most farmers that Smith knows in the region are selling to small, local retailers rather than to wholesalers. She notes that the top products in demand from consumers are milk and other dairy products, meat, produce, and grains. She said that if ShopNatural could source these products locally, they would. To help small-scale organic producers sell wholesale, Smith fancies
developing a collaborative packing initiative at ShopNatural. “We could collectively pull products from various small, organic growers and pack them under ShopNatural’s label, even in very small quantities.”

**Furthering connections with local organic producers –**

ShopNatural is looking for a better way to connect with organic growers and products in the Four Corners States. They currently advertise their services in The New Mexico Organic Commodity Commission (NMOCC) organic directory, but Smith stated that most of the relationships they’ve developed with local vendors started through word-of-mouth and via personal referral. She is interested in a regional workshop to link producers, distributors, and retailers where she could connect her business with more interested growers.

**Challenges –**

**Transportation**

- Joan Quinn of NMOCC states, “One of the biggest obstacles to growth in the regional organic market is transportation. Due to the size of [the region] producers have to put in a lot of driving to get to the best markets and they are not equipped for transport.”

**Small-Scale, Isolated Producers Selling Wholesale**

- According to Sonja Tuitele, Director of Investor Relations for Wild Oats Market, “It is hard for small farms to market their product when their yields are smaller and more inconsistent. Small farms also often have higher operating costs, which lead to higher price points on the product. The higher price points are not attractive to the mass market, so smaller farms have a hard time marketing and selling their product. Small farms also struggle with post harvest handling processing of product, shipping of product, certification, and compliance with PACA [Perishable Agricultural Commodities Act].”

**Producer-Run Distribution Efforts**

- Aside from getting growers together to haul each others’ products around, collective distribution requires a qualified staff with leadership and know-how in the areas of marketing, bookkeeping, trucking, and staff management. It must be run no differently than any other business, with capital and organization. “There are numerous barriers for farmers trying to build distribution capacity themselves. I don’t know of any local group that has done a good job with distribution,” says Dan Hobbs, Cooperative Specialist with the Rocky Mountain Farmers’ Union and organic grower and owner of Gabacho Farm.

**Opportunities –**

**Collective Re-Packing**

- Brian Freeman of Growers Organic in Denver, Colorado, states “a lot of smaller growers have consolidated to form ‘packing houses’ in order to stay in business. This is a win-win situation. It gives me flexibility to order from a number of growers at once and gives the growers the opportunity to stay in business.”
Growing Market Demand

• Many cities and towns in the region have demonstrated a strong, growing demand for locally grown, organic products. In addition to the urban centers, rural areas also support a strong market for local organic products. Stores like The Organic Peddler in Del Norte, Colorado; The Food Conspiracy in Tucson, Arizona; and The Silver City Food Co-op in Silver City, New Mexico show that even in more rural, isolated areas, the demand for locally grown organic products is growing.

• Reggie Smith, General Manager of ShopNatural, states, “We are proud of our cooperative roots and proud of the values that drive this business. Our commitment to sustainable agriculture, our support of family owned farms and small vendors and producers, sets us apart from billion dollar natural foods giants that are only interested in the bottom line.”

ADVICE TO PRODUCERS

Seek viable distribution opportunities: ShopNatural works with isolated producers to reduce the distance they must travel to sell their products and take the pressure off them to make their own deliveries.

Action: Research existing distribution efforts in your area and whether they work with local producers to distribute to retail and/or wholesale accounts. Pay attention to the percentage they charge to be the middle-person, and if that percentage pencils out to at or above your bottom line.

Consumer-run distribution efforts: ShopNatural is a consumer-run distribution effort. This model encourages consumers to have vested interest in a wholesome supply of locally grown, organic food, which is good for producers and consumers.

Action: Talk with representatives of the cooperatively and/or consumer-owned/run businesses in your area to see if their company might be interested in, or already offer, distribution services for local growers. You might be surprised!

Fair pricing: ShopNatural is dedicated to offering organic food at a price consumers can afford and provides farmers with fair prices for their products.

Action: Have this conversation with the distributor you find. Remember, fair pricing is what will ultimately keep you in business.

Consistency in supply: ShopNatural assists growers by providing greater producer support with consistency in supply, making local products, sometimes hard to source, more attractive to buyers.

Action: Be consistent in what you supply to retailers and distributors. It is one of the most important factors buyers use in selecting the producers they work with.

Collective re-packing: Helping small-scale, isolated producers sell wholesale by collective re-packing could solve one of the biggest obstacles to growth in the regional organic market.

Action: For small-scale producers who want to sell wholesale, seek out other growers of equal size and product availability to re-pack under one collective label.

Although ShopNatural ceased operation December 2007 (due to various reasons), this distribution model deserves consideration.
Case Study #3

Sunnyside Meats, Durango, Colorado
The Case for Organic Meat Processing Facilities in the Four Corners States Region

Sunnyside Meats, who opened their meat processing facility less than five years ago, is bringing regional meat producers and processors together in the Four Corners Region. Jerry Zink, owner of Sunnyside, processes meat for a number of area ranchers, several of which are organically certified. According to Zink, “[Meat] processing is related directly to the producer and how they want to see their meat handled and sold.”

Antonio Manzanares, owner of Shepherd’s Lamb in Tierra, New Mexico, makes the trip north to Zink’s facility in order to process his organic lamb. For Manzanares, Sunnyside is the closest federally inspected organic processor to his ranch, and he enjoys and trusts the working relationship he and Zink have developed over the years. Manzanares used to process his lamb in New Mexico, but he could only sell that meat in the state. Now he takes his lamb to Sunnyside for processing and can sell his product all over the country.

History –

Zink, whose family has a history of farming and ranching in the Animas Valley, was in the habit of attending area cattle and ranching meetings. In 2001 he saw a great deal of frustration amongst ranchers due to the lack of local meat processing facilities. Realizing the need for a local meat processing plant, he completed a feasibility study based on two rancher-owned feed-lot/slaughter operations, both of which did not look favorable economically. Zink still felt, however, he had enough personal capital, determination and a local high-end market niche to make an operation work in the region. He tried to secure funds from the United States Department of Agriculture (USDA) and Colorado Department of Agriculture, but ended up financing his operation off personal capital and a $1.25 million loan from the bank.

Feasibility –

Zink created a site-specific design for his operation, which has the capability to process roughly eight head of cattle per day. He continues to grow pasture and hay on his land, as he has for 29 years, and has incorporated the farm into the processing business to help finish animals as they arrive to be slaughtered.

Jerry Zink admits there are challenges to operating a plant of his size. Since he opened Sunnyside five years ago, he has lost about $900,000 on the business. According to Zink, who provides a health program for his workers, labor is a big cost, but is also important. Other costs include those for plant supervision, workers compensation, liability insurance, electricity, water use, rent, supplies, and accounting fees.

Price resistance has also always been a challenge Zink’s operation battles with. “Not because the processing is more expensive, but at this scale it makes the price higher. I can process about eight head per day. The plants in Greeley [Colorado] can do eight per minute. [We must] get past the cheap food mindset that all Americans have and sell the idea that we should nurture our local economy versus buying from national and multinational corporations.” To overcome this resistance, Zink likes to respond to customers directly by marketing locally. He feels this offers consumers the opportunity to “look the farmer in the eye and learn how their food is produced and to ask questions [of the grower].”
**Organic Certification –**

Sunnyside is living testament to the ease of organic certification for a processor already keeping good records. “I don’t understand why other facilities aren’t doing it,” Zink said. Because he already does such a good job keeping each grower’s animals separate during processing, the only thing he has to do differently when slaughtering organic livestock is to not spray them down with insecticide before entering the kill chamber. Zink realizes he is unique in the area. “It’s not a big market,” he says, “but I have all of it. Being certified organic allows me to enter new segments of the business. The need is coming as we urbanize, and I want to be ahead of the pack.”

In order for meat to be sold on the retail market it must be processed in a federal United States Department of Agriculture (USDA) inspected slaughter facility or, depending on the state, a state level inspection may be available to processors at a lesser rate for retail meat processing. To be sold across state lines, however, all meat must be processed in a federally inspected facility. If the product is to be considered organic for retail sale and sold across state lines, it must not only be slaughtered and packaged in a federal facility, but it must also be one that has been organically certified by an accredited organic certifier.

**Challenges –**

**Availability of Meat Processing**

- There is limited availability of inspected meat processing facilities in the Four Corners region, which creates a challenge for producers who want to process their meat locally for sale on the retail market.

- Organic meat processing poses an even greater challenge. For the purposes of this study, five organic meat processing facilities were identified in the region: four federally inspected plants in Durango, Colorado; Phoenix, Arizona; Moriarty, New Mexico; and northern Texas; and one state inspected facility in Fort Sumner, New Mexico.

- In addition to inspection costs, many of the families operating processing facilities are having trouble passing on the business.

**Current Supplies Do Not Satisfy Demand**

- There is considerable documentation that although the regional market for organic beef remains small, it is significant and seems to outweigh the current supply and availability of meat processing.

- Carrie Balkom, Director of the American Grassfed Association, states, “The demand for organic beef is growing, but most of the supply is coming from out of the country due to cheaper price points and a lack of national supply.”

**Opportunities –**

**Ease of Organic Meat Processing Certification**

- Given how much beef is produced in this country, Brett Bakker, an organic inspector for the New Mexico Organic Commodity Commission, is an advocate for processors getting organically certified. “Getting certified as an organic beef processor is fairly easy. Federal or state [slaughter] processing facilities already must have a Department of Agriculture Inspector on hand to monitor each kill and keep records. This means they have traceability records and are already [in the process of] documenting. Really all they have to do on top of this is demonstrate they can keep the organic meat separate from conventional [meat].”

- Federal facilities need United States Department of Agriculture (USDA) inspectors; state facilities need state Department of Agriculture inspectors.
Growing Market Demand

• The organic processors that exist in the region claim organic livestock processing currently consists of two to three percent of their total business, but they all realize the growth that is taking place in the organic and ethnic sectors of the industry. In response to this growth Mike Minifie, owner of Western Way Custom Meat, LLC in Moriarty, New Mexico, plans to open two additional processing facilities in the region by 2009. He intends to have both plants federally inspected and organically certified to meet growing demand for the organic, kosher, Halal, and natural meat processing services he can no longer meet with just one facility.

• Amidst all of the challenges, numerous operators in the region produce organic meat, and as consumer demand continues to rise, more and more farmers may be tempted to participate in organic meat production. To support this, nearby organic processing facilities will be needed.
## Advice to Producers and Processors

### Inspections:
Sunnyside is registered as a federally inspected plant and provides an office for an on-site USDA inspector who keeps records of each kill. The plant is also certified organic by the Colorado Department of Agriculture both as a processor and as a farm.

**Action:** Providing good, on-site accommodations for your USDA inspector is beneficial for the plant and its operations. Also, make sure your record keeping is impeccable.

### Capacity:
Sunnyside processes a range of beef cattle, lamb, and hog, some of which are certified organic. Some months cattle numbers reach 60-70 and other monthly totals are around 10-20.

**Action:** Be prepared for spikes in production at certain times and try to fill in the slow spots that you know are on the way.

### Processing:
Sunnyside processes beef one day, hogs the next, lambs the next, and certified organic livestock on a specific day of the week.

**Action:** Make sure that you keep your organic production separated as the law demands. Try to organize your schedule in order to make things as simple as possible for your crew and your operation.

### Energy Costs:
Three-phase power is important for operating industrial electric motors. Three-phase motors are less expensive, smaller and less complicated, and more efficient and reliable than single-phase motors of the same horsepower. Sunnyside required three-phase power, which in a rural area can be difficult and expensive to secure.

**Action:** In many cases, meat processing equipment is not available with single phase motors. Things such as vacuum pumps on packaging equipment, sausage stuffers, hoists, saws, grinders, and especially refrigeration equipment all require three phase power to operate.

### Equipment:
Meat processing equipment is very specialized depending on the product. There are very few meat plants as small as Sunnyside, and finding equipment for small operations can be difficult and costly.

**Action:** Thoroughly research equipment options and costs, and consider the feasibility of building your own equipment.

### Crew:
Finding trained people to work in a small plant is becoming harder and harder.

**Action:** One of the biggest obstacles to running a successful operation is to find skilled laborers to perform this heavy, dangerous work. Consider a reduced number of people to do the work that a small plant requires. Continuing education increases the quality of the work and worker satisfaction.
PART V: Conclusions

This report comes at a critical point in time for organic agriculture in the Four Corners States. The importance of consuming locally produced agricultural products is growing, and consumer demand for certified organic products is at an all-time high. A growing number of conventional retail outlets, including chain supermarkets and restaurants, are choosing to offer organic products to their consumers. According to the market research firm Packaged Facts, locally-grown food sales are expected to increase to $5 billion in 2007, up from $4 billion in 2002 (Delicious Living Annual Guide, 2007).

The information gathered through this project identifies strategies that will assist the regional certified organic market to grow to develop into its full potential.

A key insight obtained from certified organic producers and experts in the Four Corners States is that consumers want locally-grown and certified organic products. Producers in these states want to overcome existing market barriers regarding processing, distribution, and market coordination so they can sell more products locally.

“We can live without most of the stuff in the world that’s out there, but we can’t live without clean air, clean water, and clean food. We need to do all we can to keep people in the world that produce clean food.”

Sarah Grant, Staff and Treasurer, New Mexico Farmers’ Market Association
Appendix A: Bibliography


Survey of Organic Farmers and Ranchers from the Four Corner States for 2005

This survey relates to “certified organic” agricultural production or organic production that is exempt under USDA’s National Organic Standards (NOS). When the term “organic” appears in this survey, it refers to “certified organic” production or production that is exempt. Certified organic production means that the farm site, production, and any processing methods are certified by an individual accredited by the USDA. The exception to this rule is producers/processors who use organic methods defined under the USDA’s NOS, but sell less than $5,000 in organic goods and are thus exempt from third-party certification. Both certified and exempt organic producers should fill out this survey.

Certified Organic Status

Q1. Were you a certified or exempt organic farmer or rancher (producer) in 2005?

☐ 1. Yes, all or some acres were certified for all or part of calendar year 2005 → Skip to Q3
☐ 2. Yes, we are exempt because we have less than $5000 in gross sales → Skip to Q4
☐ 3. No, we are not certified OR we only had transitional organic acreage in 2005 → Please answer Q2 and return the questionnaire in the enclosed envelope.

Q2. If you answered “No” to Q1, and did not grow or market organic products in 2005, what changes took place in your operation and why?

☐ 1. We were certified organic, but are no longer farming
☐ 2. We were certified organic and we are still farming, but using non-organic methods
☐ 3. We were certified organic and still use organic methods, but we are not currently certified
☐ 4. We have never been certified organic and have no organic transitional acreage
☐ 5. We have never been certified organic, but we do have some organic transitional acreage
   (How many acres do you have in transition: _____________)
☐ 6. Other (please specify): __________________________________________

Q3. If certified, how many years (total) have you been a certified organic producer?

_____ Total years a certified organic producer
About Your Farm or Ranch

Q4. What are the top 3 reasons you use organic methods in your operation? (Please rank 1-3 with 1 being your top reason).

- Higher prices
- Reduced production costs
- Lower health risk for self and family
- Better for environment and/or animals
- Better market access
- Consumer health
- High product quality
- Better in the overall philosophy of organic production
- Other (please specify): ___________________________________________

Q5. How many organic acres were owned, privately rented, publicly leased (e.g., grazing permits), sharecropped, or used free of charge by your operation in 2005?

- Owned
- Privately rented
- Publicly leased
- Sharecropped
- Used free of charge
- Other

Q6. Please estimate how many acres you had in production for the following categories in 2005? (Acres should include those owned, rented/leased, sharecropped, and used free of charge).

<table>
<thead>
<tr>
<th>Categories</th>
<th>Organic ▼</th>
<th>Transitional ▼</th>
<th>Non-organic ▼</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetable crops (including melons &amp; sweet corn)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pasture, grazed land, livestock yards, and facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tree or vine fruit and/or nut crops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grains, alfalfa, mixed hay, and/or other field crops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nursery, floriculture, and/or greenhouse crops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Herb crops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fallow or idle (acres not in production at all in 2005)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cover cropped for entire growing season</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other uses (please specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other uses (please specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q7. Was your 2005 harvest normal, above normal, or below normal?

- Normal
- Above normal → by what percentage: _____%
- Below normal → by what percentage: _____%

Q8. Over the next 5 years, do you plan to increase, decrease, or maintain your organic acreage?

- Increase 6% – 33%
- Increase 34% - 66%
- Increase 67% - 100% or more
- Maintain acreage within 5%
- Decrease 6% – 33%
- Decrease 34% - 66%
- Decrease 67% - 100% or more
Q9. How profitable do you feel organic production is for your farm when compared to conventional or other production techniques and markets?

☐ 1. > 50% more profitable
☐ 2. 26-50% more profitable
☐ 3. 5-25% more profitable
☐ 4. Does not affect the farm's profitability
☐ 5. 5-25% less profitable
☐ 6. 26-50% less profitable
☐ 7. > 50% less profitable

Q10. Please list the top 3 fresh organic commodities that you grew/raised in 2005 and the percentage of total organic sales they represented. (Please be specific—e.g., cow milk, beef, apples, squash).

<table>
<thead>
<tr>
<th>Fresh organic commodities</th>
<th>% of total 2005 gross organic sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>__________________________</td>
<td>____________________________________</td>
</tr>
<tr>
<td>1. ________________________</td>
<td>........................................</td>
</tr>
<tr>
<td>2. ________________________</td>
<td>........................................</td>
</tr>
<tr>
<td>3. ________________________</td>
<td>........................................</td>
</tr>
</tbody>
</table>

Q11. Please list the top 3 processed or value-added organic products that you made in 2005 and the percentage of total organic sales they represented. (Please be specific—e.g., goat cheese, jam, processed beef).

☐ Check here if you did not make processed or value-added organic products

<table>
<thead>
<tr>
<th>Processed or value-added organic products</th>
<th>% of total 2005 gross organic sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>_______________________________</td>
<td>........................................</td>
</tr>
<tr>
<td>1. ________________________</td>
<td>........................................</td>
</tr>
<tr>
<td>2. ________________________</td>
<td>........................................</td>
</tr>
<tr>
<td>3. ________________________</td>
<td>........................................</td>
</tr>
</tbody>
</table>

Q12. If you regularly used claims or labels on either your organic or non-organic products in 2005, please indicate the types that were used.

☐ No labels or claims were used on any of our products in 2005.

<table>
<thead>
<tr>
<th>Type of label or claim</th>
<th>Label/claim used on organic products?</th>
<th>Label/claim used on non-organic products?</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDA logo</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Organic certifier’s logo</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Global organic seal or logo (e.g., IFOAM)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Sustainable agriculture (e.g., Food Alliance)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Socially responsible (e.g., Fair Trade)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Eco-label (environmentally friendly)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Natural</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Regional or local (“buy local” or state labels)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Free-range or pasture based production</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other (please specify): __________________________</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
About Your Marketing

Q13. What percentage of your total 2005 organic sales was marketed as fresh product and what percentage was marketed as processed or value-added product?

________ % was marketed as fresh product

________ % was marketed as processed or value-added product


<table>
<thead>
<tr>
<th>% of total 2005 gross organic sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer-Direct</td>
</tr>
<tr>
<td>On-site (e.g., farm stand, U-pick) ................................................................. ____ %</td>
</tr>
<tr>
<td>Farmers’ markets................................................................. ____ %</td>
</tr>
<tr>
<td>CSA shares ................................................................. ____ %</td>
</tr>
<tr>
<td>Mail order/Internet ......................... ................................................................. ____ %</td>
</tr>
<tr>
<td>Other consumer direct (please specify) .......................................................... ____ %</td>
</tr>
<tr>
<td>Direct-to-retail</td>
</tr>
<tr>
<td>Natural food stores (cooperatives and supermarkets)................................. ____ %</td>
</tr>
<tr>
<td>Conventional supermarkets ......................... ................................................................. ____ %</td>
</tr>
<tr>
<td>Restaurants/caterers ......................... ................................................................. ____ %</td>
</tr>
<tr>
<td>Institutions (e.g., hospitals, schools) .......................................................... ____ %</td>
</tr>
<tr>
<td>Other direct-to-retail (please specify) .......................................................... ____ %</td>
</tr>
<tr>
<td>Wholesale markets</td>
</tr>
<tr>
<td>Natural food store chain buyer ......................... ................................................................. ____ %</td>
</tr>
<tr>
<td>Conventional supermarket chain buyer ................................................................. ____ %</td>
</tr>
<tr>
<td>Processor, mill, or packer ................. ................................................................. ____ %</td>
</tr>
<tr>
<td>Distributor, wholesaler, broker, or repacker ................................................................. ____ %</td>
</tr>
<tr>
<td>Grower cooperative ......................... ................................................................. ____ %</td>
</tr>
<tr>
<td>Other wholesale (please specify) .......................................................... ____ %</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

Q15. Please estimate the percentage of your 2005 gross organic sales that you transported to points of sale that were:

<table>
<thead>
<tr>
<th>% of total 2005 gross organic sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local/regional (within the Four Corner states and neighboring states)......... ____ %</td>
</tr>
<tr>
<td>National ................................................................. ____ %</td>
</tr>
<tr>
<td>International ................................................................. ____ %</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

Q16. If you do not sell as much of your product locally or regionally as you would like, briefly describe the reasons why.
Q17. Briefly describe any producer-involved marketing effort/cooperative of which you are a member.

☐ Check here if you are not a member of a producer-involved marketing effort or cooperative.

Q18. Over the next 5 years, which organic markets are you interested in entering or expanding into?

<table>
<thead>
<tr>
<th>Market Type</th>
<th>Very interested</th>
<th>Moderately interested</th>
<th>Slightly interested</th>
<th>Not interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer-Direct</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>On-site (e.g., farm stand, U-pick)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Farmers’ markets</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>CSA shares</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Mail order/Internet</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Other consumer direct (please specify)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Direct-to-retail</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Natural food stores (cooperatives and supermarkets)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Conventional supermarkets</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Restaurants/caterers</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Institutions (e.g., hospitals, schools)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Other direct-to-retail (please specify)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Wholesale markets</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Natural food store chain buyer</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Conventional supermarket chain buyer</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Processor, mill, or packer</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Distributor, wholesaler, broker, or repackers</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Grower cooperative</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Other wholesale (please specify)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
</tbody>
</table>

Q19. Describe any new fresh or processed organic products that you are planning to produce in the next 5 years.

Q20. Rate your interest in taking part in the following possible new marketing initiatives for organic products.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Very interested</th>
<th>Moderately interested</th>
<th>Slightly interested</th>
<th>Not interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer-involved value-added/processing facility</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Producer-involved distribution operation</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Producer-involved transportation network</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Producer-involved marketing effort</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Statewide direct marketing associations</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Label/marketing program for local/regional products</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Farm-to-school program</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
</tbody>
</table>
**Q21.** Do the following aspects create a problem when marketing your organic products?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Major problem</th>
<th>Moderate problem</th>
<th>Slight problem</th>
<th>Not a problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting specifications (e.g., delivery time, packaging)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Meeting quantity requirements</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Meeting consistency requirements</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Communications issues (e.g., electronic ordering)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Contractual issues (e.g., poor agreements)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Problems with marketing (e.g., no expertise, no time)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Lack of consumer education about organic</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Competition from large national producers</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Other (<em>please specify</em>)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
</tbody>
</table>

**Q22.** What have been the major recent challenges or barriers in selling your organic products (both demand and supply issues)?

**Q23.** Briefly describe the new trends or opportunities you perceive in the market for organic products you currently produce:

---

**How You Get Information and Services**

**Q24.** How useful were the following information sources in assisting you with your organic production in 2005?

<table>
<thead>
<tr>
<th>Information Source</th>
<th>Very useful</th>
<th>Moderately useful</th>
<th>Slightly useful</th>
<th>Not useful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other producers</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Cooperative Extension</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>State Department of Agriculture</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Sustainable Agriculture Network (SAN) or SARE</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Internet</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Associations or non-profit organizations</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Conferences or workshops</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Newsletters/Trade Magazines</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
<tr>
<td>Other (<em>please specify</em>)</td>
<td>□ 1</td>
<td>□ 2</td>
<td>□ 3</td>
<td>□ 4</td>
</tr>
</tbody>
</table>
Q25. How useful were the following information sources in assisting you with the marketing of your organic products in 2005?

<table>
<thead>
<tr>
<th>Information Source</th>
<th>Very useful</th>
<th>Moderately useful</th>
<th>Slightly useful</th>
<th>Not useful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other producers</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Cooperative Extension</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>State Department of Agriculture</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Sustainable Agriculture Network (SAN) or SARE</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Internet</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Associations or non-profit organizations</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Conferences or workshops</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Newsletters/Trade Magazines</td>
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<td>Other (please specify)</td>
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Q26. Please list three specific information sources that you find the most helpful to you in either organic production or marketing (e.g., specific publication, conference, personnel).

1. _____________________________________________________
2. _____________________________________________________
3. _____________________________________________________

Q27. Please list any organizations related to producing and/or marketing organic products of which you are a member.

________________________________________________________________________

Operation and Producer Characteristics

Your answers are completely confidential and will be released only as summaries in which no individual’s answer can be identified.

Q28. What is your age? __________

Q29. What is your gender?

☐ 1 Male   ☐ 2 Female

Q30. In what state/states and county/counties is your operation located?

_____________ State/States in which you grow, process, and/or handle organic products
_____________ County/Counties in which you grow, process, and/or handle organic products

Q31. What is the business structure of your operation?

☐ 1 Single family   ☐ 4 Cooperative
☐ 2 Family partnership or corporation   ☐ 5 Property management
☐ 3 Partnership or corporation, non-family   ☐ 6 Educational/research operation
Q32. How many full-time (40 hour/week) employees (including yourself and family members) did you employ in 2005? (Use decimals to report part-time and/or seasonal workers).

________ Number of full-time individuals employed on an annual basis

Q33. What was your operation's gross sales amount in 2005 from all product sales and activities?

☐ 1. Less than $2,000 ☐ 8. $50,000-99,999
☐ 2. $2,000-$4,999 ☐ 9. $250,000-$499,999
☐ 3. $5,000-$14,999 ☐ 10. $1 million or more
☐ 4. $15,000-$29,999 ☐
☐ 5. $30,000-$49,999

Q34. About what percentage of your operation's net farm income do you attribute to organic products?

☐ 1. loss from organic ☐ 4. 40%-59%
☐ 2. 0%-19% ☐ 5. 60%-79%
☐ 3. 20%-39% ☐ 6. 80%-100%

Q35. Did your operation have sales from agri-tourism related activities (e.g., education tours, Bed & Breakfast, pumpkin patch, hay rides, flower, craft, or ornamental sales) in 2005?

☐ 1. Yes ☐ 2. No

Thank you for participating in the study. The data will be used to help gain a better understanding about organic producers in the Four Corner states. Please check here if you would like any of the following reports sent to you. Email and address information will be kept separate from survey data and used only to send you the reports.

☐ PDF copy of the final project report with survey results → (your email) ________________________________
☐ Report: Certification & Labeling Considerations for Agricultural Producers (please provide address below)
☐ Report: Western Profiles of Innovative Agricultural Marketing: Examples from Direct Farm Marketing and Agri-Tourism Enterprises (please provide address below)

Mailing address:

If you have any comments about this survey or comments related to topics covered in this survey, please write them in the space below.

Please return your completed questionnaire to:
Dennis Lamm, Principal Investigator
Colorado State University
121 Shepardson Building
Fort Collins, CO 80523-1101
Office Phone: 970.491.2074; Email: Dennis.Lamm@colostate.edu
Appendix C: Regional Experts in Organic Agriculture

Members are listed with their affiliations at the time of interviews.

Le Adams, Co-Director
Farm to Table / New Mexico Slow Food

Elena Arguello, Food Center Manager
Taos County Economic Development Center (TCEDC)

Brett Bakker, Chief Inspector
New Mexico Organic Commodity Commission (NMOCC)

Carrie Balkom, Director
Denver Chef’s Collaborative / American Grassfed Association

David Bell, Owner
Bell Organic Gardens / (also a Producer-Member of Utah Slow Food Movement)

Adrian Card, Small-Acreage Extension Agent
Colorado State Cooperative Extension, Boulder County

Steve Carlton, District Produce Manager
Vitamin Cottage Grocers

Patrick Clay, Agricultural Extension Agent
University of Arizona Cooperative Extension, Maricopa County

Katie Decker, Public Information Officer
Arizona Department of Agriculture

Clark Driftmier, Director of Marketing
Aurora Organic Dairy

Lance Eggers, Owner
Briggs and Eggers Orchards / President Arizona Apple Growers Association

Steve Ela, Owner
Ela Family Farms / (also President of Organic Farming Research Foundation (OFRF))

Ron Englander, Grocery Manager
Durango Natural Foods

Dr. Constance (Connie) Falk, Professor and Director
Organic Agriculture Students Inspiring Sustainability (OASIS), New Mexico State University

Cindy Gentry, Director
Community Food Connection

Sarah Grant, Staff and Treasurer
New Mexico Farmers’ Market Association
Regional Experts Continued

Jim Hergenreder, Operations Manager
Twin Peaks Seed & Grain, LLC

Dan Hobbs, Owner
Gabacho Farm (also a Cooperative Specialist for Rocky Mountain Farmers Union)

Jim Keyes, Agricultural Extension Agent
Utah State Cooperative Extension, San Juan County

Shanti Leinow, Owner
Whipstone Farm (also an Independent Organic Inspector)

Tom McCracken & Brian Freeman, Co-General Managers
Growers’ Organic

Suzanne Murphy, Quality Assurance Manager
Compliance and Purchasing, Rudi’s Organic Bakery (a Division of Charter Baking)

Joan Quinn, Education and Marketing Coordinator
New Mexico Organic Commodity Commission

Jim Rubingh, Director of Marketing Division
Colorado Department of Agriculture

Robyn Seydel, Membership and Community Outreach Coordinator
La Montanita Cooperative Grocery Store

Reggie Smith, General Manager
ShopNatural Cooperative (formerly Tucson Cooperative Warehouse)

Frank Stonaker, Director
Specialty Crops Program, Colorado State University

Sonja Tuitele, Senior Director of Corporate Communications and Investor Relations
Wild Oats Markets, Inc.

Patty West, Director
Applied Ethno-Ecology Lab, Local Foods Program, Center for Sustainable Environments, Northern Arizona University

Seth Winterton, Deputy Director
Marketing and Development Division, Organic Food Program, Utah Department of Agriculture and Food

Jerry Zink, Owner
Sunnyside Meats
Appendix D: Project Member Contact Information

Jim Dyer
Project Director
Southwest Marketing Network
jadyer@frontier.net

Dennis Lamm
Professor and Extension Specialist
Colorado State University
Dennis.Lamm@colostate.edu

Lydia Oberholtzer
Consultant
lydiaoberholtzer@gmail.com

Katy Pepinsky
Consultant
Local and Regional Food Systems
pepinkp@hotmail.com

Nessa Richman
Consultant
Organic and Local Food Markets
Nessa.Richman@gmail.com

Russell Tronstad
Specialist and Professor
University of Arizona
Tronstad@ag.arizona.edu
List of Charts and Tables

Tables

Table 1: Increase in Certified Organic Acreage in the United States ........................ 4

Table 2: Total Foods and Organic Foods Consumer Sales and Penetration, 1997-2005 ................................................................. 5

Table 3: Market Value of Certified Organic Food Sales In The Four Corners States (2002) ................................................................. 6

Table 4: Number of Certified Organic Operations in Arizona, Colorado, New Mexico, and Utah .......................................................... 6

Table 5: Number of Certified Organic Acres (cropland and pasture) in Arizona, Colorado, New Mexico, and Utah ..................................... 7

Table 6: Organic Acreage Useage (2005) ................................................................ 7

Table 7: Surveys Received by State ...................................................................... 9

Table 8: Why Producers are Certified Organic ...................................................... 11

Table 9: Where Do Producers Want to Sell in Five Years? ................................. 14

Table 10: Potential Marketing Initiatives by Percent of Producers Interested ...... 16

Charts

Chart 1: Consumer Direct Outlets ....................................................................... 12

Chart 2: Direct-to-Retail Outlets ........................................................................ 13

Chart 3: Wholesale Outlets ................................................................................ 13

Chart 4: Organic Product Labels ........................................................................ 15

Chart 5: Production Information Sources Rated as “Useful” ............................... 17

Chart 6: Marketing Information Sources Rated as “Useful” ............................... 17
Report available on-line at: http://www.swmarketingnetwork.org