

Direct Marketing Activities in USDA/AMS

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To start, I'll give you three primary reasons why USDA's Agricultural Marketing Service is focusing on direct marketing.

- The 1996 Farm Bill focused on marketing, particularly on export markets, as commodity support programs are phased out. USDA is now placing increased emphasis on marketing.
- The Small Farm Commission report identified marketing as a critical issue in the continued viability of small farmers. The Commission recommended that USDA emphasize marketing, citing the loss of marketing channels for small farmers as a particularly significant issue.
- Consumers are increasingly interested in buying products directly from farmers. The explosion of farmers markets, roadside stands, pick-your-own operations, catalogue sales, and other direct marketing throughout the country demonstrates this fact.

For these reasons, AMS is focusing on direct marketing. We have worked in direct marketing for several years, particularly in farmers markets and public markets. Our efforts today enhance and expand upon the technical assistance we have traditionally provided.

We began our current small farm direct marketing initiative in August 1998 with the implementation of our Farmer Direct Marketing Action Plan, built upon recommendations in the Small Farm Commission Report (January 1998) to identify USDA's role in supporting marketing opportunities for small farmers. The Plan is designed to enhance small farmers' ability to thrive in their businesses by facilitating the marketing of their agricultural products. The initiative also defined a collaborative approach for leveraging resources with other USDA agencies.

Four objectives outline the AMS direct marketing strategy:

- Identify farmer direct marketing issues and

opportunities for small farmers.

- Promote farmers markets and other marketing activities that support small farmers.
- Serve as a one-stop information source for farmer direct marketing activities.
- Conduct, support, and promote research in farmer direct marketing.

AMS has made substantial progress in meeting these objectives.

1. Focus Group Study-We are finalizing a report on five regional focus group seminars, conducted to fulfill the first objective of the Farmer Direct Marketing Action Plan - to identify farmer direct marketing issues and opportunities through public input. The report, Direct Marketing Today - Challenges and Opportunities, outlines strategies for expanding AMS direct marketing activities using the results of the focus group sessions with marketers and representatives from organizations that support direct marketing.

Locations for the groups - the Northeast, Midwest, and Southeast - were selected to contrast regional differences in production and marketing practices of small producers and the issues faced by service providers who facilitate direct marketing programs. Sessions helped gain a broad understanding of the challenges and opportunities of direct marketing, including how producers use direct marketing channels, recurring problems, information gaps, expansion prospects, and how USDA can enhance direct marketing.

I'll highlight three key findings. First is where direct marketers get their information. Contacts/networking is first, followed by conferences, growers, and trade associations. Key problems of direct marketers include producer perceptions of cost, followed by regulations and technical assistance/grants. Last, we asked about the USDA involvement in direct marketing. Data collection and applied research ranked number one, followed by "how to" manuals and small producers selling to school

districts.

2. Farmers Market Directory-We publish a directory of more than 2,700 farmers markets, including a summary of market locations, contacts, telephone and fax numbers, days and hours of operation, and participation in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and food gleaning/food recovery.

3. USDA-Sponsored Farmers Markets-These markets began in 1996 and operate at USDA headquarters, the USDA Beltsville office facility, and the Departments of Labor and Transportation. They are part of USDA's commitment to develop effective direct marketing strategies for small farmers.

4. USDA Agricultural Marketing Service Farmers Market Hotline-We established an 800 telephone number (800-384-8704) to provide information on the Farmers Market directory and the USDA-sponsored farmers markets on Federal property.

5. AMS "How To" Brochure-"How to Establish a Farmers Market on Federal Property" is a brochure developed to address issues associated with organizing a market on federal property. It lists guidelines and procedures to follow to establish a successful market.

6. Farmer Direct Marketing Bibliography-The bibliography lists publications dealing with the setup and operation of farmers markets, roadside stands, pick-your-own operations, and community-supported agriculture, as well as surveys/analyses of consumers and vendors, marketing plans, production, small farmer concerns, and legal issues.

7. Farmer Direct Marketing Home Page-This Web site provides a range of USDA and non-USDA resources and information. It can be accessed at www.ams.usda.gov/directmarketing.

FY/2000 Program Planning/New Initiatives
Recommendations in a focus group report, *Direct Marketing Today - Challenges and Opportunities*, have helped to shape several new projects this year. These initiatives, plus several ongoing projects, establish an ambitious agenda for direct marketing activities in AMS.

- Develop a detailed national directory of farmer direct marketing associations.

- Develop a series of manuals on startup and expansion of direct marketing associations as a means of facilitating farmer direct sales to consumers. This project draws directly from the focus group feedback on networking and contacts with other growers.
- Develop a technical workbook to assist farmer direct marketers in making decisions relative to market channel alternatives, business direction, and diversification strategies.
- Develop a series of "How To" manuals to target specific areas of farmer direct marketing.
- Conduct a comprehensive survey of farmer direct marketers in a major direct marketing state to study the contribution of direct marketing to farm entry and farm viability.
- Develop an electronically available training program for managers of farmers markets and marketing information programs for small farmers.
- Continue expansion of new direct marketing networks and identify and respond to marketing issues affecting small farmers by sponsoring workshops, exhibits, and training sessions.
- Maintain a current directory of all active farmers markets on the Internet, with a new directory published biennially.
- Conduct new feasibility studies for developing year-round farmers market facilities and other seasonal direct marketing operations.
- Implement long-range initiatives for farmer direct marketing research and technical assistance as recommended in *Direct Marketing Today - Challenges and Opportunities*.
- Promote increased participation by limited-resource, women-owned, and/or minority-owned farms in direct marketing.

FEDERAL STATE MARKETING IMPROVEMENT PROGRAM (FSMIP)-The Federal-State Marketing Improvement Program (FSMIP) provides matching funds, on a competitive basis, to State departments of agriculture or similar State agencies to conduct studies or develop innovative approaches related to the marketing of agricultural products. FSMIP funds can be requested for a wide range of research and service work aimed at facilitating the marketing, distribution, and utilization of agricultural products. While all proposals which fall within FSMIP guidelines will be considered, States were encouraged in the 1999 solicitation to submit proposals to develop direct marketing strategies and initiatives that benefit small farms, to partner with community-based

organizations interested in pursuing local or regional food system strategies, and to address marketing issues of particular importance to limited-resource farms. Information on FSMIP projects can be found at www.ams.usda.gov/tm/fsmip.

Thank you for allowing me to share our direct marketing activities with you. We are very excited about building on the work we have done and look forward to working with you to create new opportunities for direct marketers.