



Expanding Markets for Southwest  
Small-Scale, Alternative, and Minority Producers

[www.swmarketingnetwork.org](http://www.swmarketingnetwork.org)

# Market Survey of Organic Producers in the Four Corners States

---

Colorado State University and SW Marketing Network (SWMN)

Dennis Lamm, CSU (Principal Investigator)

Nessa Richman, Organic Marketing Consultant

Lydia Oberholtzer, Economic Research Service, USDA

Katy Pepinsky, SWMN

Russ Tronstad, Univ of AZ

Jim Dyer, SWMN

Funded by Western SARE

**Available On-Line at [www.swmarketingnetwork.org](http://www.swmarketingnetwork.org)**

# Methodology

---

- A comprehensive survey sent to 285 certified organic producers in the four states (141 returned)
- 32 in-depth expert interviews
- Three detailed case studies
- Outreach through a comprehensive report, a concise brochure, multiple presentations at regional conferences

# Who Are the Certified Growers in the Four Corners States?

---

- 141 of the 285 certified growers responded
- Most were small, family owned farms and ranches
- Average age — 51 years old
- Average time certified — 7 years
- Make majority of income from organics
- Over 40% plan to increase certified acreage in next 5 years

# Producer Profitability from Organics

---

Feel organics makes them more profitable 78%

Feel organics makes them less profitable 8%

Feel it doesn't affect profitability 14%

# Why Producers Are Certified Organic

---

34%	Higher prices
28%	Belief in the overall philosophy
14%	Lower health risk
9%	Better market access
15%	All other reasons combined

## Number of Certified Organic Operations

Year	Arizona	Colorado	New Mexico	Utah
2000	16	233	123	25*
2001	20	228	120	40
2002	23	201	105	36
2003	23	103	106	34
2004	23	107	84	40
2005	37	111	102	45

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.

## **Fresh vs. Value-added**

---

- Over 50% marketed all of their products as fresh
- 9% marketed all of their products as processed

# Where Do Producers Sell Now?

---

## **Consumer Direct:**

Farmers' Markets	35
Onsite	26
Mail	8
CSAs	5

## **Direct-to-Retail:**

Natural Food Stores	27
Restaurants	18
Supermarkets	4
Institutions	2

## **Wholesale:**

Processors	29
Distributors	26
Natural Food Store Buyers	19
Grower Co-op	5
Supermarket Buyers	3

# How Important is the Local Market

---

80% sell at least some locally &/or regionally

61% sell all locally &/or regionally

# Why Local Food?

---



Supports local farmers and ranchers.

Can preserve open space.

Can be more fresh and diverse.

Keeps money in local economy.

Allows better producer-consumer communication.

Uses less energy.

# Where Do Producers Want to Sell in 5 Years?

---

## **Consumer Direct:**

Farmers' Markets	60
Onsite	51
Mail	48
CSAs	32

## **Direct-to-Retail:**

Natural Food Stores	74
Restaurants	56
Supermarkets	41
Institutions	27

## **Wholesale:**

Natural Food Store Buyers	61
Distributors	49
Processors	48
Supermarket Buyers	45
Grower Co-op	39

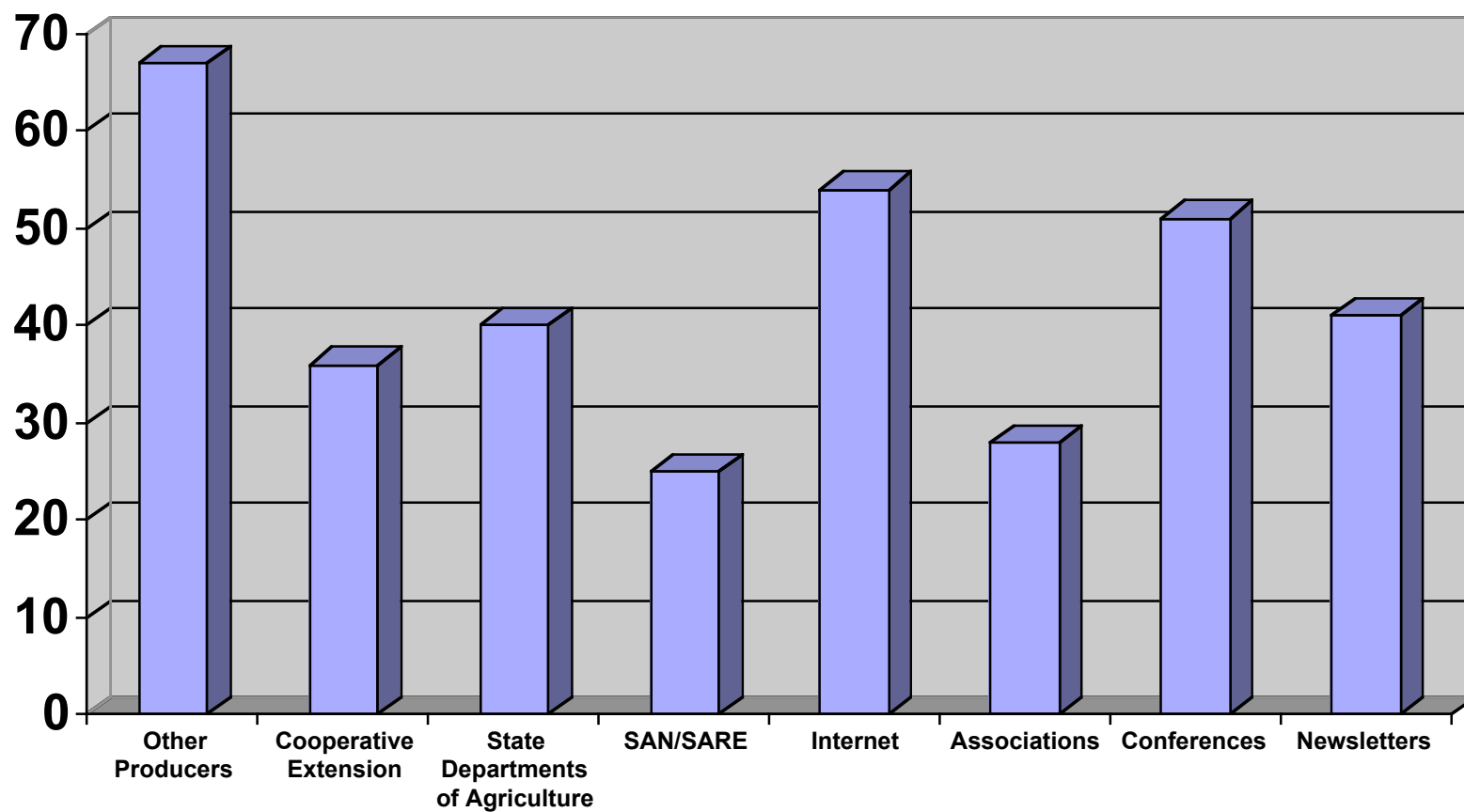
# Interest in New Marketing Initiatives

---

- Producer-involved marketing effort: 64%
- Value-added processing facility: 60%
- Transportation network: 59%
- Distribution operation: 56%
- Statewide direct marketing association: 54%
- Local/regional labeling/marketing program: 54%
- Farm-to-school program: 42%

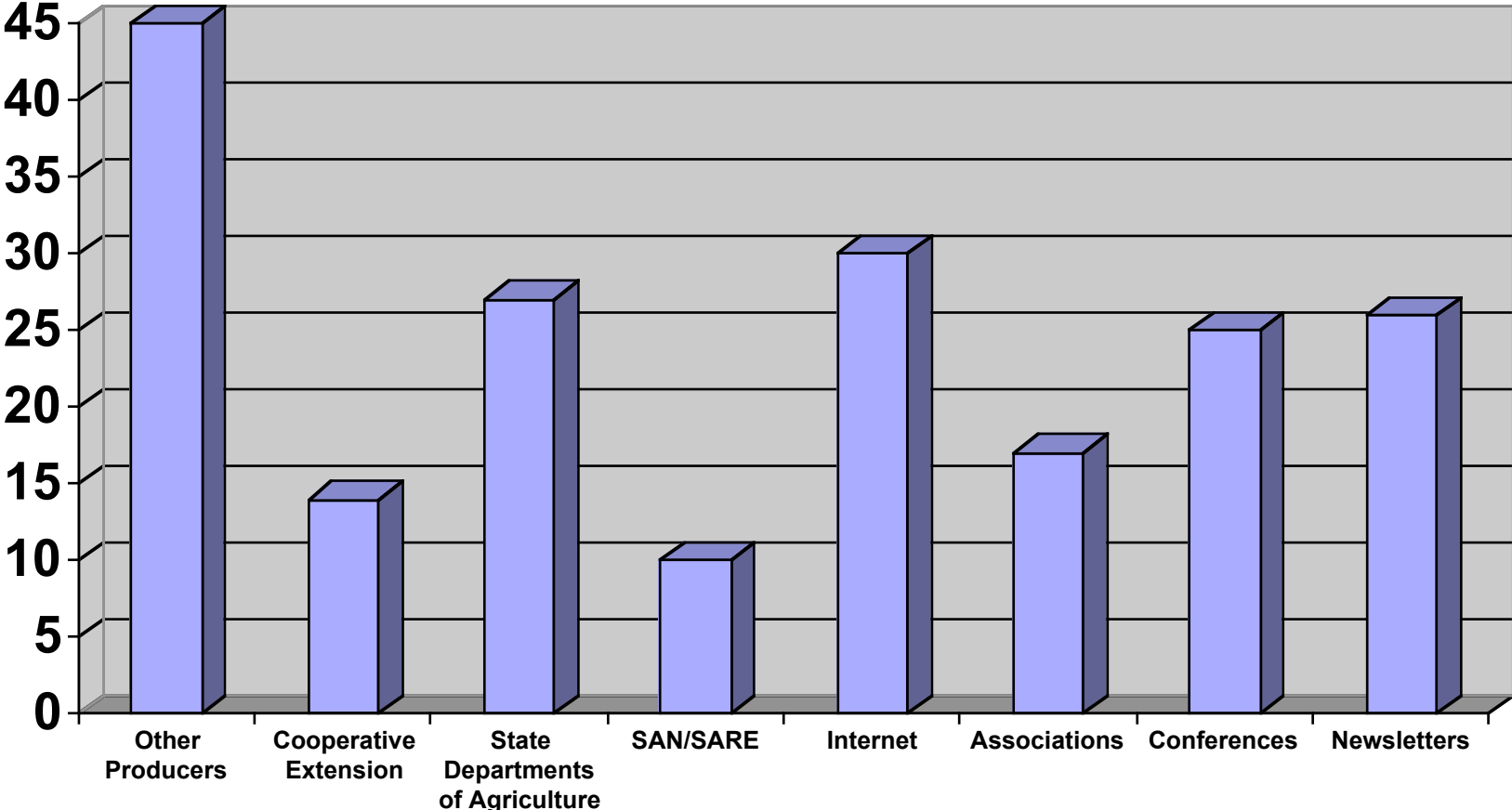
# Finding Production Information

(% rated as "useful")

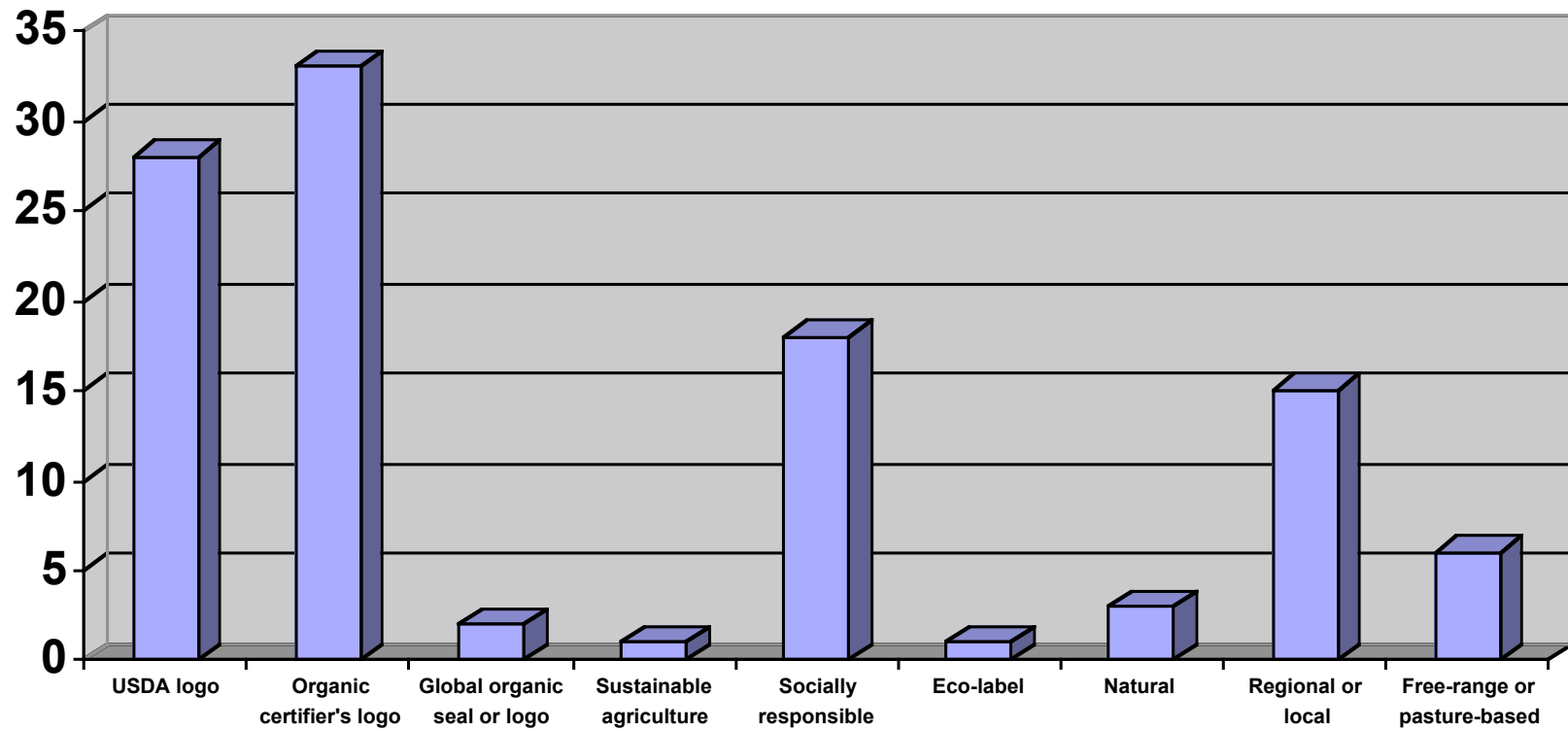


# Finding Marketing Information

(% rated as "useful")



# Labeling



# Organic and Beyond

---



- Organic performs well in:
  - Reducing synthetic chemical use
  - Using on-farm resources
- Organic is less effective in:
  - Reducing energy use
  - Conserving soil and water
  - Preserving family farms
  - Maintaining local economies
- Two Strategies:
  - Additional label claims used by producers
  - Organic evolves to be more comprehensive

# Shop Natural Co-op

---

- Distribution co-op owned by local buying clubs
- Texas to Nevada
- Able to repack including organics
- More local products

# La Montanita Co-op Foodshed Project

---

- Customer-owned NM co-op store chain
- 20-year Foodshed Project Plan
  - Distribution warehouse
  - Pick-up & deliver for local growers
  - Beneficial Eco-label
  - From 20% to 50% local in 5 years

# **Sunnyside Meats**

## **Durango, Colorado**

---

- Five years old
- Cattle, sheep, hogs, goats, bison
- Custom, USDA, and organic processing available
- [www.sunnysidemeats.com](http://www.sunnysidemeats.com)

# Recommendations

---

- Provide assistance for marketing and certification.
- Develop a regional business incubator/innovation center.
- Hold regional discussions on organic marketing and distribution.
- Research organic processing and distribution.
- Promote policies supporting organic production and marketing including certification expenses.

# Next Steps

---

- **Attend:** SWMN Conference 5-7 May in Santa Fe
  - Call 505-473-1004
- **Go to:** [www.swmarketingnetwork.org](http://www.swmarketingnetwork.org)
- **Contact:** [jadyer@frontier.net](mailto:jadyer@frontier.net)