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Assessing Grower Marketing Needs to Capture “Local” Retail Opportunities

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In Arkansas and across the nation, local food marketing has expanded beyond the farmers' markets and food stands. Through emerging local and regional supply networks, farmers are gaining access to customers in new and innovative ways. Locally and regionally produced food products are demanded by consumers across the United States at unprecedented levels. This demand is driven by consumers' desire to support local economies, reduce food miles, encourage sustainable agricultural practices, and have greater access to healthier and fresher produce.

A collection of resources to assist both growers and consumers in identifying “local foods” has emerged to meet this rising demand. One group of resources gaining popularity is electronic marketing networks that gather information from producers and potential customers and give farmers greater access to local and regional markets. Large retail chains are now exploring how electronic markets can be used to increase consumer market share by meeting customer demands for fresher, locally grown foods. These new and emerging direct markets potentially offer benefits to producers by providing known and stable markets. However, before producers can realize the full potential of these new marketing avenues, several barriers must be overcome. Farmers must deal with myriad regulatory

and contractual issues that should be addressed to successfully market directly to retail and wholesale outlets.

The University of Arkansas Center for Agricultural and Rural Sustainability and Applied Sustainability Center along with the National Agricultural Law Center have undertaken a project in cooperation with national retailers, NGOs, CBOs, and other land-grant universities whose goal is to provide risk-management opportunities for producers interested in engaging in these emerging markets.

The goal of our project is to expand marketing risk management education programs for specialty crops to producers across the South, focusing on growers interested in direct marketing of their products. The project includes curriculum development and grower assessments. Preliminary analysis of surveys collected at the two regional grower workshops reveal that 1) producers responding to the survey were primarily engaged in vegetable, berry, and pumpkin production; 2) the two most commonly reported marketing channels used were farmers markets and direct to grocery retailers; 3) 55 percent of respondents indicated they were interested in using an online, electronic direct-marketing system; and 4) producers identified limited product availability as the primary barrier to selling to large retailers.

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