MINNESOTA'S CERTIFIED ORGANIC FARMERS CONFIDENT WHEN IT COMES TO MARKETING:

Results from the 2007 Minnesota Department of Agriculture Organic Farmer Survey

Gigi DiGiacomo, Endowed Chair In Agricultural Systems Program, University of Minnesota

Jane Grimsbo Jewett, Minnesota Institute for Sustainable Agriculture

JANUARY 2008

The School of Agriculture Endowed Chair in Agricultural Systems

MISA

MINNESOTA'S CERTIFIED ORGANIC FARMERS CONFIDENT WHEN IT COMES TO MARKETING:

Results from the 2007 Minnesota Department of Agriculture Organic Farmer Survey

Gigi DiGiacomo, Endowed Chair In Agricultural Systems Program, University of Minnesota

Jane Grimsbo Jewett, Minnesota Institute for Sustainable Agriculture

JANUARY 2008

TABLE OF CONTENTS

MINNESOTA'S CERTIFIED ORGANIC FARMERS CONFIDENT WHEN IT COMES TO MARKETING:

Results from the 2007 Minnesota Department of Agriculture Organic Farmer Survey

Gigi DiGiacomo, Endowed Chair In Agricultural Systems Program, University of Minnesota

Jane Grimsbo Jewett, Minnesota Institute for Sustainable Agriculture

JANUARY 2008

I. Background

Organic crop and livestock demand has continuously outpaced supply—putting many organic growers in the driver's seat when it comes to marketing. Navigating the organic marketplace, however, can be a bumpy ride—with prices fluctuating dramatically and new, unfamiliar buyers entering the marketplace. As demand for organic products continues to grow, so too will the need for information about how certified organic farmers market their products, the challenges they face in doing so and their related resource needs. This type of information is invaluable to beginning farmers, to experienced organic growers looking to refine their marketing practices or expand and to conventional growers interested in transitioning to organic management. Information about how farmers market is also useful to lenders who must qualify loans for organic enterprises, to researchers who are monitoring this dynamic marketplace and to Extension Educators and government representatives who must develop tools that will be useful to future generations of organic growers.

In response to demand for marketing information, six marketing-related questions were added to the Minnesota Department of Agriculture's 2007 Organic Farmer Survey. These questions were developed in collaboration with the University of Minnesota's School of Agriculture's Endowed Chair Program. The data captured through these new marketing-related questions will serve as a baseline for future surveys.

In February 2007 the Minnesota Department of Agriculture (MDA) mailed 532 surveys to Minnesota's certified organic producers of which 209 usable surveys (39 %) were returned.

Descriptive data are presented for the six marketing questions and several income-related questions. Conclusions are drawn based on calculations of means, medians, standard deviations, and linear correlations as appropriate to the data (Appendix B). In many cases data are analyzed using subgroup populations when fewer than 209 survey respondents answered a question. Subgroup population values are always noted.

Comments and recommendations welcome, please contact Gigi DiGiacomo, University of Minnesota, Endowed Chair In Agriculture Program, 612-710-1188 or rgdigiacomo@earthlink.net. For full survey results, contact Meg Moynihan, Minnesota Department of Agriculture, 651-201-6616 or meg.moynihan@state.mn.us.

II. Marketing Results Overview

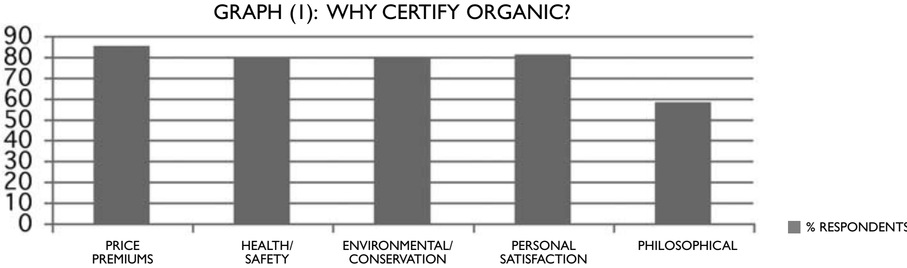
Minnesota's organic farmers are confident marketers who use and would prefer to continue using a variety of distribution channels and sales practices to move field crops, produce, livestock and dairy products. The majority of survey respondents choose to certify their operation as organic for three or more reasons such as financial, environmental, safety reasons and philosophical reasons suggesting that Minnesota's organic farmers are not just "in it for the money."

When asked how much of income comes from the sale of organic products, more than half of all respondents said organics accounted for 90 to 100 percent of sales. Very few farmers marketed certified organic products in conventional markets—suggesting that demand for organic commodities produced in Minnesota was strong in 2006.

Most producers use word-of-mouth to identify buyers, although a number of Minnesota's organic farmers make good use of member organizations, conferences and trade shows to line up sales. When asked about current marketing challenges, a majority of respondents indicated "competition from imports" as a problem, and expressed concern about the impact of these commodities on domestic prices. Minnesota's organic farmers also expressed concern over what they consider a lack of public knowledge or understanding of "the benefits of organic production." When asked what type of marketing resources would be "most helpful," more than 40 percent of producers favored an "Organic Buyer Directory" and another 38 percent called for price reports. Detailed survey results follow.

A. ORGANIC CERTIFICATION. Eighty-two percent of survey respondents cited three or more reasons for certifying. Price premiums, health/safety, environment/conservation and personal satisfaction were selected almost equally (Graph (1)).

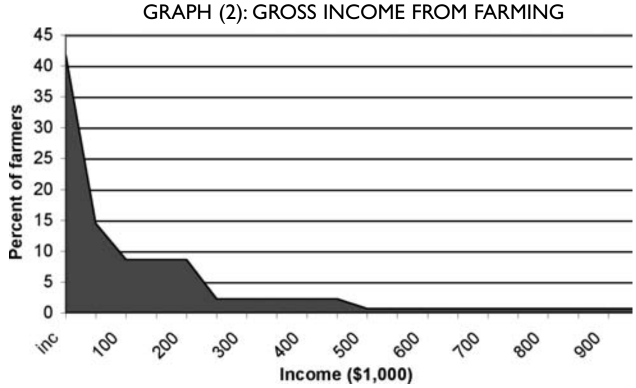
GRAPH (1): WHY CERTIFY ORGANIC?



B. FARM INCOME. Almost half of all organic producers (84 out of 201) reported earning less then $50,000 in *gross income* annually from farming (Graph (2)). Another 14 percent reported earning $50,001 - $100,000 and 26 percent earning $101,000 - $250,000 from farming.

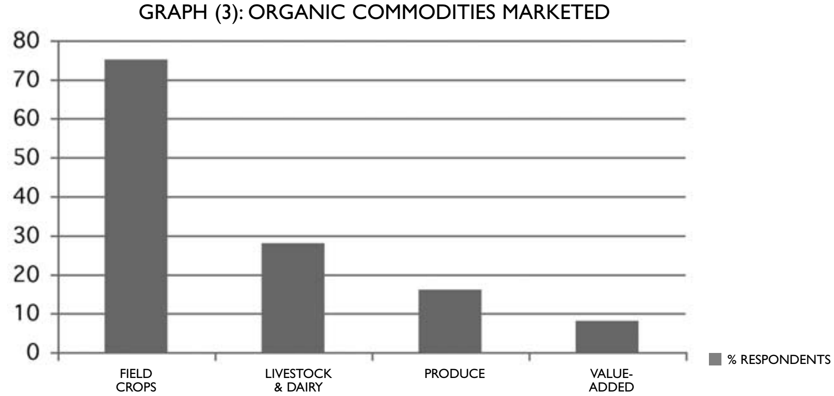
When asked how much of this income came from the sale of organic products, more than half of all respondents (109 out of 201 or 54%) said organics accounted for 90 to 100 percent of sales. There was no apparent correlation between income levels and the percent of organic sales or between income levels and the reason for organic certification.

GRAPH (2): GROSS INCOME FROM FARMING



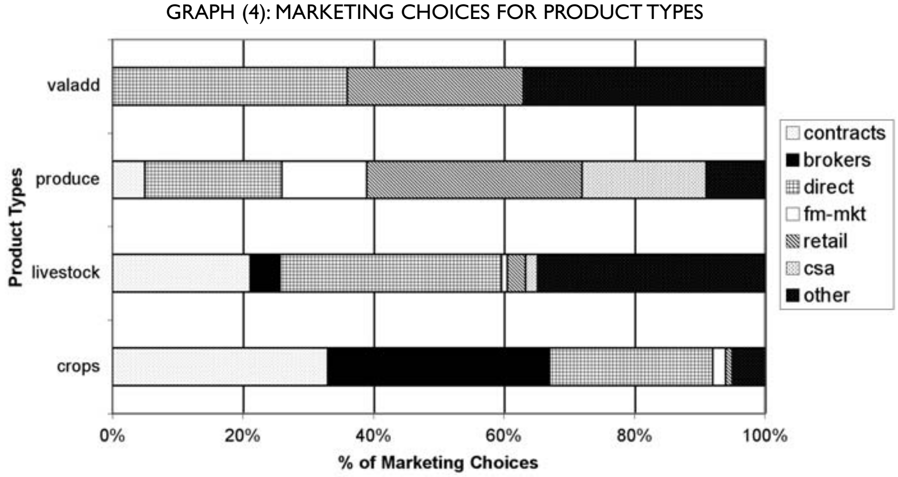
C. COMMODITY SALES. Organic farmers marketed field crops, livestock, produce, and value-added products in 2006 (Graph (3)). The majority of those responding (127 of 170 or 75 percent) sold field crops such as grains, oilseeds, and beans. This makes organic field crops the largest commodity group in the state survey. This comes as no surprise given that Minnesota ranks as the largest organic corn and soybean producer in the country (USDA Economic Research Service). Livestock (beef, hogs, dairy, poultry) and produce (vegetables and fruit) were sold by a smaller share of farmers- 28 percent and 16 percent, respectively. Value-added products were the least common organic products sold- only eight percent of question respondents (13 of 170) reported marketing value-added organic products in 2006. Note that some farmers sold more than one type of product

GRAPH (3): ORGANIC COMMODITIES MARKETED



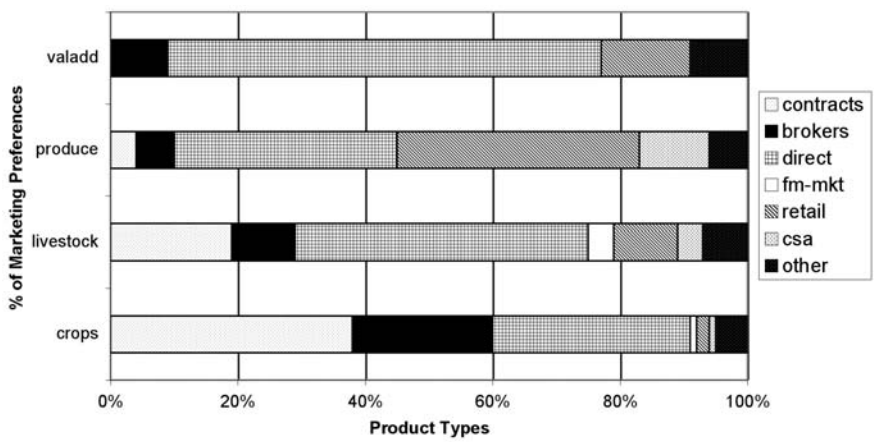
D. MARKETING CHANNELS. Organic farmers clearly are diversified in their use of marketing channels and practices as depicted in Graph (4). Grain producers, for example, utilize forward contracts, brokers and direct-from-farm sales to market their commodities. Likewise, livestock and dairy producers arranged sales using forward contracts, direct-from-farm sales and cooperatives (specified as "Other"). Produce growers were the most diverse marketers, utilizing a variety of direct sales practices such as on-farm sales, farmers' markets, retailers, and CSAs. None of the 28 produce growers who responded to the survey reported using intermediaries such as brokers or wholesalers to move their products; however, they did show a clear preference for marketing through retailers. Produce growers reported marketing through retailers on average 33 percent of the time—making retail the most favored marketing channel among this commodity group.

GRAPH (4): MARKETING CHOICES FOR PRODUCT TYPES



When asked "Which ONE marketing channel would you prefer to use in the future" the responses varied by commodity group (Graph (5)). Crop producers, again, represented the largest commodity group for this question with 114 respondents. Thirty-eight percent of the crop producers preferred to use contracts for marketing though "direct from farm" was a close second with 32 percent of respondents selecting this option (direct from farm may have been interpreted as "cash" sales in this case). Though this survey did not ask a follow up question, such as "Why would you prefer to use this one marketing channel?" it is reasonable to assume that marketing direct from the farm allows producers to retain a greater share of the market price (rather than paying a percent to intermediaries such as brokers.) When exploring the correlations between current marketing practices and preferred marketing practices, there appear to be significant positive relationships for contracts, direct-from-farm, and brokers. In other words, those farmers who currently use contracts, direct-from-farm, and brokers to market their crops would like to continue doing so in the future. There were no significant correlations between income level and preferred sales method.

GRAPH (5): MARKETING PREFERENCE BY COMMODITY GROUP



The second-largest group of respondents for this question was the livestock group. Direct-from-farm was the clearly preferred marketing channel with 46 percent (16.5 out of 36) of respondents selecting this option. There was also a strong correlation between those livestock producers who currently use "direct-from-farm" and those who prefer to use this method in the future. No other correlations were significant. As with the crops respondents, there were no significant correlations between income level and preferred sales method.

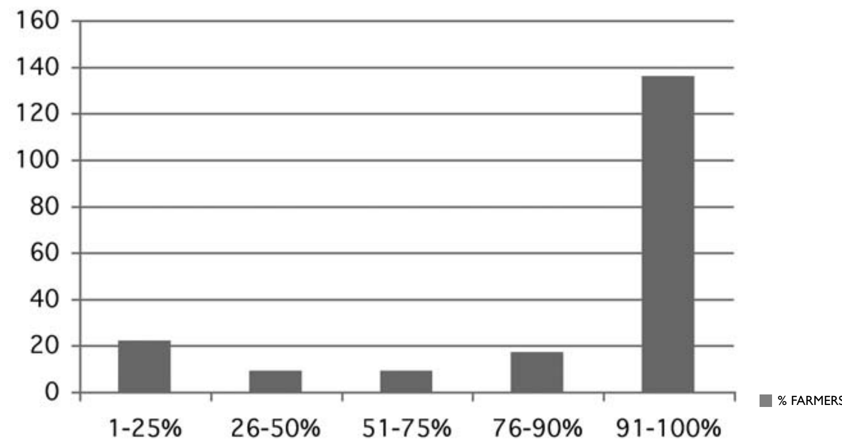
Among the 26 produce growers who answered this question, 38 percent preferred to market direct to retailers and 35 percent "direct-from-farm" (which could have been interpreted as farm stands by this group of respondents). Interestingly, farmers' markets were not chosen by any produce growers as a preferred marketing channel, even though produce growers reported using this method 13 percent of the time in 2006. Another interesting observation among this small group of respondents is the relationship between farm income and preferred marketing channel. It appears that as gross farm income increases so too does the preference for using contracts to market produce. As with the other commodity groups, produce growers did show some correlation between current marketing practices and preferred marketing practices—particularly among those who market to retailers and CSA customers. However, those growers who currently market direct-from-farm and through the use of contracts were indifferent regarding future marketing channels; there was no correlation between these current practices and preferred practices.

The last group of producers—value- added—was very small with only 11 farmers responding to both questions about current and future marketing practices. There was a preference among these producers to market direct-from-farm; however, there were insufficient data to report further.

E. CONTRACTING. In a separate question, farmers were asked about contracted sales—specifically "If you contracted product in 2006 for future delivery, approximately what percent of contracted sales did you arrange in advance of harvest?" Advance contracts are typically an indication of market outlook—volatility, price and demand expectations. The largest number of those who responded (46 percent) did not contract any sales in advance of harvest. This may be a function of producers' own marketing preferences, price volatility and/or yield uncertainty. Twenty-two percent of those who responded to this question (32 of 148) said that all of their contracted production (100 percent) was arranged in advance of harvest. Comparison of the amount of actual advance contracting to the expected amount confirmed that Minnesota's organic farmers tend to either contract nearly all of their production or else none of their production in advance of harvest. The pattern of typically either all or none advance contracting was also seen in the crops, livestock, and produce commodity groups.

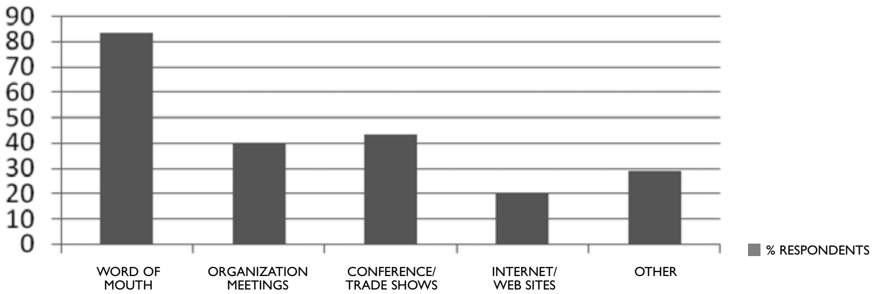
Farmers also showed a strong tendency to market all of their certified commodities as organic. Survey takers were asked about the sale of certified organic products into conventional markets and 193 farmers responded. It has been suggested that some certified organic products end up in the conventional market due to little or no price differential between organic and conventional products at the time of sale (e.g. small grains), lack of buyers for certified organic products, lack of certified processing facilities, and/or lack of transportation. When asked, 70% of the farmers who responded (136 of 193) reported marketing 91 to 100 percent of all certified organic products as "organic," and an additional 9% of farmers (17 of 193) marketed 76% to 90% of all certified organic products as "organic." This suggests that demand for certified organic products was strong in 2006. Only 11% of farmers (22 of 193 respondents) reported marketing more than 75 percent of certified organic products into conventional markets, and another 10% of farmers (18 of 193 respondents) sold between 25% and 75% of their organic product as conventional.

GRAPH (6): PERCENT OF FARMERS WHO SOLD COMMODITIES AS CERTIFIED ORGANIC



F. BUYER IDENTIFICATION. Buyer identification is a common source of conversation in organic farming circles—especially among beginning producers or transitioning farmers. In this relatively new, quickly evolving marketplace, it can be difficult to identify or locate reliable buyers. With this in mind, a survey question was included to ask: "How do you identify/locate organic buyers currently?" Respondents were given the following choices and asked to select "all that apply." Eighty-three percent (159 of 192) of those who answered this question use word-of-mouth to identify buyers for their products as shown in Graph (7). Word-of-mouth is clearly an important source of buyer information for Minnesota's organic farmers. Forty-three percent of farm respondents also rely on trade shows and 36 percent on organizational/membership meetings to locate buyers. On the opposite end of the scale is the Internet. The Internet or websites were utilized by only 20 percent of respondents and were found, statistically, to be of relatively low importance among farmers when searching for organic buyers.

GRAPH (7): BUYER IDENTIFICATION

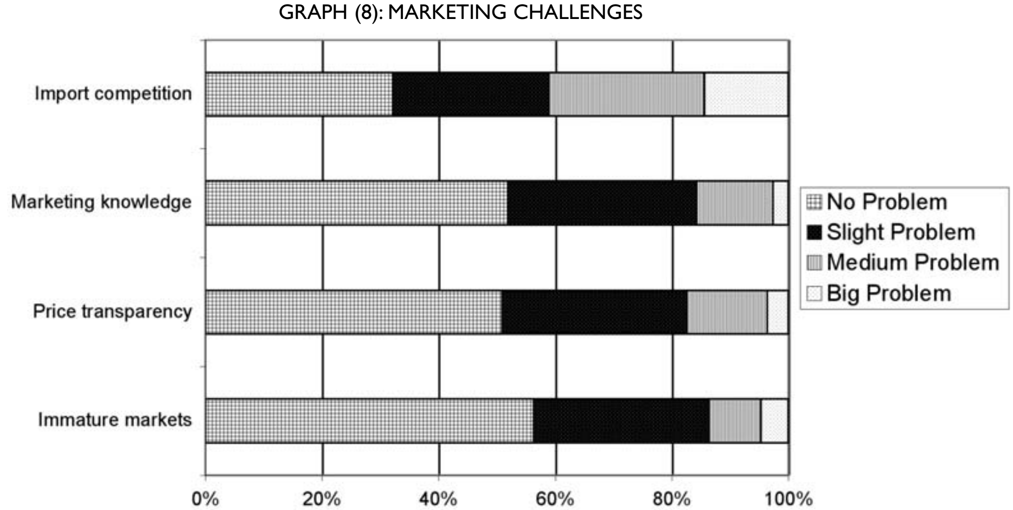


Twenty-nine percent of respondents identified "other" sources of buyer information and specified the following (# of responses): Cold calls to retailers (10), Referrals/buyers found me (9), Marketing agency (8), Advertisements/Magazines/Newsletters (8), Cooperatives (4), MDA Producer Directory, Published list of buyers (4), Mail (3), Organic resource directory/MOSES (3), Drop site displays (2), Farm manager, Past experience, ATTRA, Demonstrations.

G. RESEARCH AND RESOURCE NEEDS. Farmers were asked about research and resource needs several times in the survey. The first question asked respondents to identify *four* organic research priorities from a list that included specific production, economic and marketing topics. Marketing, though important, was not identified as a top research priority when compared with production issues. Only 19 percent of survey respondents selected "marketing" as a "most important" subject for future research.

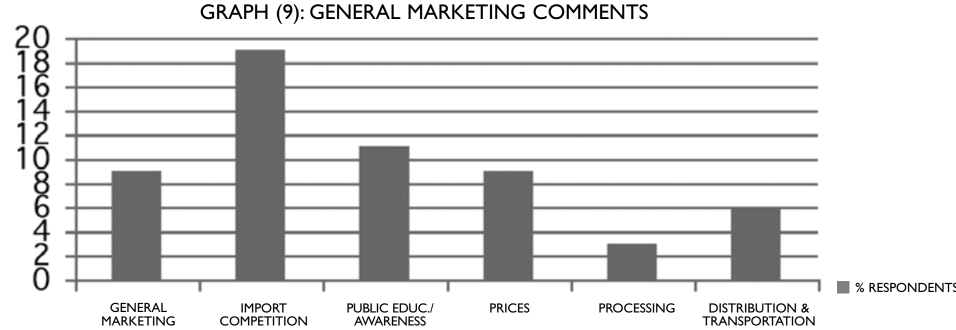
A second question asked farmers to indicate their level of concern about specific production and marketing challenges. Again, production issues were of greatest concern with weed management far exceeding all other topics in importance. Marketing issues such as market maturity (ability to find buyers; market product), price transparency and marketing knowledge were ranked by more than 50 percent of all farmers who responded to this question as a "slight problem" or "no problem" (Graph (8)). Only "import competition" registered some concern with approximately 41 percent of all respondents ranking this a "big problem" or "moderate problem."

GRAPH (8): MARKETING CHALLENGES



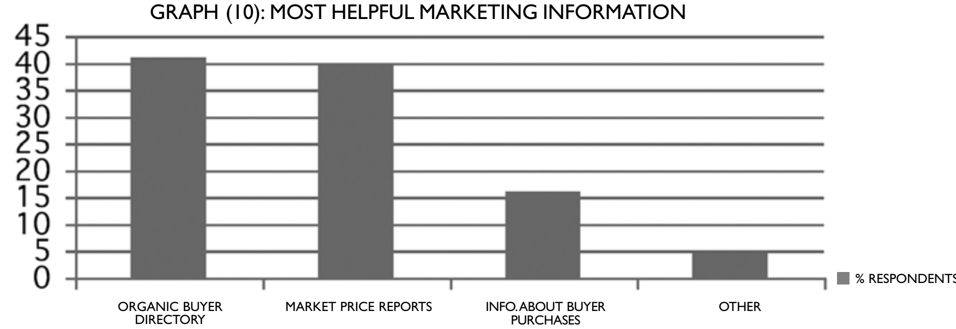
That said, marketing-related issues are clearly on farmers' minds. The MDA survey questionnaire included an open-ended question: "What challenges are Minnesota organic farmers currently facing?" In response came revealing comments from 134 farmers. More than 40 percent (57 of 134) of these farmers were concerned about marketing topics such as public education, prices, processing, distribution, and, again, import competition. Graph (9) shows the distribution of comments by marketing topic—farmers' individual comments are listed in the Appendix (A).

GRAPH (9): GENERAL MARKETING COMMENTS



In an effort to identify farmers' specific marketing research/resource needs and provide more helpful assistance, a third marketing research question was asked: "What type of marketing information would be most helpful to you?" One-hundred-seventy four survey respondents answered this question and most treated it as a "select one answer," so the responses were analyzed accordingly. Of those who answered, 41 percent identified the need for an organic buyer directory and another 38 percent identified the need for commodity price reports (Graph (10)). These two tools were favored over a general marketing analysis of buyer preferences and all "other" marketing resources.

GRAPH (10): MOST HELPFUL MARKETING INFORMATION



III. Conclusions and Recommendations for Future Research

The *2007 Organic Farmer Survey* results provide a small window into the marketing world of Minnesota's organic farmers. Results suggest that producers are interested in marketing direct and generally feel confident making marketing decisions. Producers have provided clear feedback on perceived challenges and registered concrete support for a number of proposed marketing resources.

In future surveys, it would be revealing to learn more about where farmers' marketing confidence comes from; what have they learned and how did the learn it? It is very possible that in a period of high demand (high prices), marketing is not foremost on farmers' minds. It would also be prudent to ask questions about not only which marketing alternative farmers prefer but to follow-up and ask why they prefer particular marketing channel(s). Furthermore, additional attention should be given to cooperatives and other intermediary marketing alternatives to learn about producers' use of and preference for these marketing alternatives.

Lastly, it would be informative to ask questions about and to analyze survey responses by level of experience; to learn about the resource needs of beginning and transitioning farmers (only certified organic producers were surveyed). One would expect that beginning farmers have more difficult financing their operations and breaking into new markets. For these reasons, beginning farmers may face greater marketing challenges and have very different resource needs from those of established farmers. Toward this end, it is recommended that the Minnesota Department of Agriculture survey farmers who are in the process of transitioning to organic production (in addition to those who are already certified) and to include a question in the survey that address farmers' varying levels of experience.

With these few changes, future organic farming surveys will enable researchers, NGO's and government representatives to provide more effective, timely marketing information and resources to all members of the growing organic community; to continue monitoring and supporting this important sector of Minnesota's agricultural economy.

Acknowledgements. Marketing survey questions and analysis were conducted as part of Gigi DiGiacomo's tenure in the Endowed Chair in Agricultural Systems at the University of Minnesota. Ms. DiGiacomo would like to acknowledge the following who assisted with survey design, review and analysis: Brad Carlson (Houston Co. Extension), Kate Collins (University of Minnesota Graduate student, Department of Applied Statistics), Doug Hartwig (National Agricultural Statistics Service - St. Paul), Tana Haugen-Brown (Stearns Co. Extension), Oren Holle (Organic Farmers Agency for Relationship Marketing), Meg Moynihan (Minnesota Department of Agriculture), Beth Nelson (Minnesota Institute for Sustainable Agriculture), Jim Riddle (University of Minnesota's South West Research and Outreach Center), and Jerry Tesmer (Filmore County Extension). Ms. DiGiacomo especially would like to thank Jane Jewett (Minnesota Institute for Sustainable Agriculture) for her help with the statistical analysis and Brian Cornell (Cornell Creative) for his assistance with publication layout and design.

APPENDIX A: OPEN SURVEY COMMENTS

GENERAL

"Marketing avenues."

"I also fear that we are losing our independence as producers if we just become contract growers/producers."

"I think the Justice Dept. should go against Wal-Mart with an anti-trust action. Wal-Mart is handling over 25% of the food now. This is not good for the American Farmers."

"Our biggest challenge is finding local organic buyers."

"For grain… reliable marketing of product…"

"Market saturation. As long as end users are available, we can accommodate all the new producers."

"Markets for grain. Marketing variables for corn in light of ethanol impact on new organic corn."

"I have found too many disappointments when it came time to sell my product. Buyers were few, prices were not what I was led they would be and it was difficult producing a quality product… We have lost money farming for six years. We are considering quitting."

"Finding markets.

COMPETITION/IMPORTS

"Competition from superstores."

"Imports are undermining prices."

"Imports of organic products that we can't be certain are grown or processed and handled according to US organic standards, i.e. NOP."

"Imports from China."

"International imports that may not adhere to same standards."

"Cheaper imports which may not be held to the same standards!"

"Organic food coming from other countries."

"Imports are lowering our price especially on beans."

"Competition from imports."

"China and South America are raising a lot of organic crops and sending them to the US."

"Soybeans from China driving down prices received to American farmers."

"Undercutting from foreign markets."

"We need to enact country of origin labeling on organic products in this country. Many organic grains are being imported by brokers for food and feed use and undercutting our markets in this country. If consumers knew which products contain only US organic products and/or foreign products, we would have the ability as consumers to purchase what we want and from whom."

"Certified organic coming from other countries are they organic?"

"I think Wal-Mart and the Chinese are going to be setting the price and probably putting a lot of us out of the picture. Wal-Mart will go to the country that produces the commodity the cheapest."

"MN farmers along with all organic farmers face the threat of lower prices from imports."

"Imports are putting a cap on prices, low cost production and shipping from Asia equals a cap on prices."

"Markets (China is taking over domestic organic? No one is looking after US growers)."

"Biggest threat would be Wal-Mart like corporations importing organics undermining MN farmers."

PUBLIC EDUCATION

"We have to educate the public about the health benefits of consuming organic products!!"

"Informing the public what organic is."

"Lack of 'organic knowledge' on behalf of consumers or public."

"Lack of public knowledge between organic and 100% organic."

"Public awareness of it [organic]."

"How to educate consumers on importance of LOCAL & ORGANIC."

"Promotion of locally grown to attract buyers."

"I would like to see more education at the farm level, like bringing town people to farmers markets and actually visiting their farms."

"Consumers are just not informed on the difference between organic, IPM and conventional. They are told locally grown is just as good as organic."

"Educating the public."

"Consumer education is vital."

APPENDIX A: OPEN SURVEY COMMENTS (CONT.)

PRICES

"Price squeeze—middlemen taking large share."

"Price cuts due to over sea imports."

"Conventional prices on forward contracts for 2007."

"This year too much contradiction from other farmers about high conv. prices, can't compete."

"Prices for some commodities."

"Buyers saying there is no market for your produce and then buying them on contract at a lower price."

"The Wal-Mart effect, large buyers appear to be gearing up to eliminate organic premiums by a combination of market concentration, watering down regulations and taking excessive profit."

"We need to make sure prices remain or expand cuz to do this sustainable I must set aside one third to one fourth of my land every year for green manure plowdown."

"We need to reward 'local' producers with a premium depending on the distance traveled by product from origin to consumption."

PROCESSING

"Volume needed for large processors who do not want to deal directly with growers."

"Processing on the farm (cleaning-bagging, sharpfreeze-packaging, dehydrating-packaging). Creating year-round employment for family—jams-jellies-preserves."

"Little processors being pressured by larger companies. Haines, etc …"

DISTRIBUTION/TRANSPORTATION

"One of my challenges is the high cost of transporting organic crops to the processor or cleaning facility."

"Distribution. Distribution. Distribution."

"Transportation of crops to buyers."

"In our are, isolation due to rarity of organic farmers, long hauls to markets and conferences, education, etc …"

"Better cooperative transportation to markets."

"Have a coop type buying system in the area. Several growers may have strawberries to sell but market is some distance away. The strawberries could go to collection site and be transported to metro area. Transportation may require a refrigerated truck."

APPENDIX B: DATA TABLES

QUESTION 5: *If you are certified organic, why? (mark all that apply)*
N = 209 respondents to this question

Reason for being certified organic	Number of respondents
Price Premiums	179
Health/safety reasons	166
Environmental/conservation reasons	167
Personal satisfactions—I enjoy farming this way	170
Philosophical/ethical reasons	122
Other	16

QUESTION 10: *In 2006, what was your total gross annual income from farming?*
N = 201 respondents to this question

Gross Annual Income from Farming	Number of respondents
Less than $50,000	84
$50,001 to $100,000	29
$100,001 to $250,000	52
$250,001 to $500,000	23
$500,001 to $1,000,000	12
Over $1,000,000 †	1
† The over $1,000,000 category was combined with the $500,001 to $1,000,000 category for analysis purposes.	

QUESTION 11: *In 2006, what percent of this gross annual farm income came from the sale of organic products? ____ %*
N = 201 respondents

Percentage of gross annual farm income from sale of organic products†	Number of respondents
0 to 9	12
10 to 19	13
20 to 29	8
30 to 39	10
40 to 49	2
50 to 59	17
60 to 69	7
70 to 79	10
80 to 89	13
90 to 100	109
Median = 90% of gross farm income from organic sales. Mean = 72% of gross farm income from organic sales. Standard deviation = 34	
† Respondents were allowed to write in any percentage they chose. Responses were grouped in ten-percentile ranges for ease of display.	

APPENDIX B: DATA TABLES (CONT.)

QUESTION 15: *In 2006, how big a challenge to your organic operation were the following? (Possible answers: no problem; slight problem; moderate problem; big problem)*

15-Q. Immature markets (difficult to find buyers)
15-R. Lack of price transparency
15-S. Lack of marketing knowledge/confidence
15-T. Competition from organic imports

	Q. Immature markets	R. Price transparency	S. Knowledge/ confidence	T. Import competition
	--------------------- Number of respondents			------------------------
No problem	107	85	98	60
Slight problem	57	53	61	50
Moderate problem	17	23	25	50
Big problem	9	6	5	27
Number of surveys	190	167	189	187
	------------------------------- Score †			-----------------------------
Mean	1.6	1.7	1.7	2.2
Standard deviation	0.8	0.8	0.8	1.1
† Survey answers were assigned a score from 1 to 4, with "no problem" = 1 and "big problem" = 4.				

QUESTION 16: *In your opinion, which FOUR research areas are most important to organic agriculture in Minnesota? (please mark only four)*
N = 207 surveys

Research option	**# of votes**
Weed management	119
Insect pests	62
Storage	3
Irrigation	4
Plant diseases	18
Soil fertility	94
Soil health/biology	89
Yields	48
Composting	9
Crop breeding/variety selections	46
Organic variety trials	41
Nutritional studies on organic foods	69
Food quality/safety studies on organic foods	56
Economics of organic farming	49
Milk quality	11
Livestock health management	39
Marketing	43
Other	27
Mean = 46; Standard deviation = 32	

APPENDIX B: DATA TABLES (CONT.)

QUESTION 21: *In 2006, about what percent of your total organic sales did you receive from each of the following?*

	------------------------ Product Categories ------------------------			
Sales strategy	**Crops**	**Livestock**	**Produce**	**Value-added**
	----------------------- Average percentages †-----------------------			
Forward contracts	33	23	5	0
Brokers (cash/spot)	34	5	0	0
Direct sales at farm	25	37	21	36
Farmers' market	2	1	13	0
Direct to retail stores	1	3	33	27
CSA	0	2	19	0
Other	5	38	9	37
Mean	14	14	14	14
Standard deviation	16	15	11	18
	---------------------- Number of Respondents ‡-----------------------			
Forward contracts	59	11	2	0
Brokers (cash/spot)	65	4	0	0
Direct sales at farm	52	23	16	6
Farmers' market	2	2	11	0
Direct to retail stores	3	3	16	4
CSA	0	1	8	0
Other	7	13	4	5
Number of surveys	124	46	28	13

† Percentages reported by survey-takers were adjusted so that each individual's total of all sales strategies was 100% within each product category in which they showed sales. Average percentages within product category were calculated using only those surveys that showed sales within that product cateogory. Some surveys showed sales in more than one product category. These percentage data say nothing about total volume or dollar value of the products that were marketed – they show the choices that farmers made for marketing whatever quantity of product they happened to have.

‡ The "number of respondents" is a simple tally. When a survey showed any percentage of sale in a category, that was converted to a 1; no percentage for a category was set equal to zero. Then the total number of 1's were added up for each category.. By these numbers, a person who marketed 100% of their crops via forward contracts counts exactly the same as a person who marketed 5% of their crops via forward contracts. They each count as "1" for forward contracts.

APPENDIX B: DATA TABLES (CONT.)

QUESTION 22. *If you contracted product in 2006 for future delivery, approximately what percent of contracted sales did you arrange in advance of harvest?*

% of advance contracting	All surveys †	Crops	Livestock	Produce	Value-added
	---------------------- Number of respondents ----------------------				
Zero	69	34	15	10	4
1 to 25%	10	10	2	2	2
26 to 50%	17	16	2	1	2
51 to 99%	20	18	5	0	1
100%	32	27	8	2	1
Mean number of respondents	30	21	6	3	2
Standard deviation	23	9	5	4	1
Number of surveys ‡	148	105	32	15	10

† Surveys that answered question 21 were selected and checked to see if they also answered question 22. Surveys that had answers for both questions 21 and 22 were used in analysis of question 22.

‡ Overall number of surveys does not equal the sum of numbers of surveys across product categories. This is because some farmers reported sales in more than one product category, so their surveys are counted in more than one product column on this table.

QUESTION 23. *How much certified organic product did you sell as "organic" versus "conventional"" in 2006?*
N = 193 respondents to this question

% of organic product sold as organic	Number of respondents
1 to 25%	22
26 to 50%	9
51 to 75%	9
76 to 90%	17
91 to 100%	136
Mean number of respondents = 39; SD = 55	

QUESTION 24. *How do you identify/locate organic buyers currently? (mark all that apply)*
N = 192 respondents to this question

Buyer location methods	Number of respondents
Word of mouth	159
Organizational meetings	69
Conference trade shows	83
Internet/web sites	38
Other	55
Mean number of respondents = 81; SD = 47	

APPENDIX B: DATA TABLES (CONT.)

QUESTION 25. *Which ONE Marketing channel would you prefer to use in the future?*

	------------------------ Product Categories ------------------------			
Sales strategy	**Crops**	**Livestock**	**Produce**	**Value-added**
	----------------------- Number of respondents †---------------------			
Forward contracts	43	7	1	0
Brokers for cash/spot sales	25	3.5	1.5	1
Direct sales at farm	36	16.5	9	7.5
Farmers' market	1	1.5	0	0
Direct contract with retail stores	2	3.5	10	1.5
CSA	1	1.5	3	0
Other	6	2.5	1.5	1
Mean number of respondents	16	5	4	2
Standard deviation	18	5	4	3
Number of surveys ‡	114	36	26	11

† Weighting of responses was done to correct for survey respondents who made more than one choice for this question, which is why some "Number of respondents" are half-numbers rather than whole numbers.

‡ Surveys that answered question 21 were selected and checked to see if they also answered question 25. Surveys that had answers for both questions 21 and 25 were used in analysis of question 25.

QUESTION 26. *What type of marketing information would be most helpful to you?*
N = 174 Respondents to this question. Some treated it as a one-answer question and some marked several answers. Answers were weighted to produce numbers consistent with a one-answer question.

Type of Information	Number of Respondents
Information about buyer purchasing patterns/preferences	27
Directory that lists organic buyers	72
Market price reports	66
Other	9
	Mean = 44; Standard Deviation = 30