

792649



ACTIVITY PROPOSAL:
AGRICULTURAL
MARKETING SERVICES

EXECUTIVE SUMMARY

April, 1979

PRESENT ACTIVITY

PROPOSED ACTIVITY

PRODUCER ASSISTANCE

Market aid

Aids Minnesota farmers in marketing their products.

"Pick-your-own" produce

Cooperates in "pick-your-own" produce activity for raspberry and strawberry producers.

Expand activity to include more types of produce and a directory of road-side stands and pick-your-own farms. Benefits include new and expanded markets for the producer, and more outlets for fresh, reasonably priced produce for the consumer.

Other producers have requested expansion of activities based upon its popularity.

Direct marketing

none

Collect, develop and distribute materials to aid producers in establishing direct marketing associations, managing farmers' markets, and setting up cooperatives.

Assist in establishing a bulk commodities exchange to link growers with large volume buyers.

Pursue USDA funds to establish a pilot activity for direct marketing aimed specifically at senior citizens and low income persons.

PRESENT ACTIVITY

PROPOSED ACTIVITY

Direct marketing (cont.)

Benefits to be derived from direct marketing include more market options for both the family farmer and the consumer, and direct interaction between farmers and consumers.

Evaluate plan in 1980 and project in 1981 to determine whether activities should be continued and/or revised.

-2-

Market quotations

none

Provide access to the state's toll free number for supplying helpful marketing information to farmers, thus giving producers a better marketing position.

USDA Grain Market News and Livestock Market News recorded phone messages are not toll free at this time, thereby excluding farmers from easy access.

Evaluate usage annually, to determine continuation of this cooperative effort.

International livestock marketing

none

Develop a livestock export activity to include:

- production of a foreign

PRESENT ACTIVITY

International livestock marketing (cont.)

PROPOSED ACTIVITY

language live-
stock buyers guide,

-participation in
national and inter-
national livestock
shows, and,

-hosting foreign livestock
buyers.

Establish an ad hoc Livestock Pro-
ducers International Trade Advisory
Committee to assist and advise the
department in exploring the feasi-
bility of creating an international
air shipment center in Minnesota.

***Minnesota livestock
producers have been un-
able to capture their share
of their international live-
stock market due to the
complexity of the international
aspects.***

Benefits will be derived by livestock
producers and breeders by opening new
markets abroad, thus increasing sales
potential.

Evaluate all aspects of the activity
biennially for effectiveness and
efficiency.

PRESENT ACTIVITY

PROPOSED ACTIVITY

Minnesota Food Expos

Annually provides Minnesota food companies with exposure to out-of-state buyers at Minnesota Food Expos in five different cities across the U.S. Small local firms are assisted in entering national markets.

Expand Food Expo activity to seven shows per year. Benefits include broader exposure and opportunity for more firms to participate.

National trade shows

none

Participate in national trade shows, e.g., World Dairy Congress. Benefits include expanded market exposure at low cost of participation.

Perform needs assessment study to develop most appropriate marketing package for Minnesota producers.

International marketing

Coordinates participation by Minnesota firms in USDA Foreign Agricultural Service (FAS) food exhibits in Europe and the Far East--two exhibits per year.

Increase participation in FAS Food Shows to three or four annually.

Expand evaluation of foreign market potential.

Small Minnesota food companies see growing opportunities for international trade and seek assistance in entering the market.

PRESENT ACTIVITY

PROPOSED ACTIVITY

International marketing (cont.)

Survey all past Minnesota participants in FAS exhibits to determine levels of satisfaction and ways to improve department's involvement.

Foreign office

none

Conduct feasibility study regarding the establishment of a foreign trade office. A recommendation will be made to the 1981 legislature.

EXPANSION OF PRODUCT MARKETS

Small business assistance

Evaluates, analyses, and counsels problems of small business.

Conducts intensive promotional activities to improve marketing practices and develop expanded outlets for Minnesota food products.

Serves as a central information source for Minnesota food products.

PRESENT ACTIVITY

PROPOSED ACTIVITY

State and local food exhibits

Facilitates and coordinates promotion of Minnesota food products at local, national and international food exhibits.

Examples of state and local exhibits include:

U.P.S. (Restaurant Convention)
Minnesota Home Economics Convention
Minnesota School Food Service Convention
Minnesota Food Retailers Convention
Red River Valley Winter Shows
Harvest Bowl

HOSTING FOREIGN BUYERS TEAMS

Hosts foreign visitors upon request on an ad hoc basis.

Develop systematic procedures to ensure that foreign buyers' and dignitaries' visits to Minnesota are carefully and cordially executed. Design itineraries to meet their particular interests. Act as host and establish an ad hoc International Trade Committee to assist.

Benefits include instilling a good image for the state with visiting buyers, ensuring that smaller firms get exposure to foreign trade, and developing contacts for the department which

PRESENT ACTIVITY

HOSTING FOREIGN BUYERS TEAMS (cont.)

BUYERS' SERVICES

Publishes Minnesota Buyers Guide which lists and indexes food producers, processors, and manufacturers every two to three years. Distributed at the Minnesota Food Expos.

PROPOSED ACTIVITY

would be helpful on foreign trade shows.

Update and republish annually. Expand distribution by advertising in national trade journals.

Publish an Export Buyers Guide in several languages to aid firms desiring to do business internationally.

Produce a handbook of information and aids on transacting business internationally.

Benefits include more current information on Minnesota firms to buyers, expands exposure to foreign buyers and buyers who do not attend Food Expos.

Survey recipients of the Guide to determine the types of buyers who best utilize the book so that efforts can be directed at reaching those buyers.

MINNESOTA LOGO

PRESENT ACTIVITY

Develop a Minnesota logo and establish standards for use of logo.

PROPOSED ACTIVITY

Actively solicit participation of qualifying Minnesota firms. Explore the possibility of advertising the Minnesota Logo to develop consumer identification.

The Logo will set Minnesota apart from its competition in other states and will assure consumers of quality products. Added participants and advertising should fortify the activity and aid all participants.

Evaluate the feasibility of multi-media advertising to sell the virtues of products bearing the Minnesota Logo.

PROMOTING AGRICULTURE

Farm vacations

Coordinates project whereby urbanites experience rural life through vacationing on a farm.

Expand project of providing city children and their families with firsthand farm life experience by working with 4H and FFA to increase the numbers of participating farm families.

Benefits include better rural/urban rapport developed through activities which foster understanding of agriculture by urban residents.

PRESENT ACTIVITY

PROPOSED ACTIVITY

Farm vacations (cont.)

Evaluate program in 1981 to determine future structure of activity.

Direct contacts

Addresses civic organizations upon request.

Increase efforts to contact consumer groups, service clubs, schools, etc., to raise level of public consciousness of agriculture's important role in Minnesota's economic and social life.

-6-

DEVELOPMENT

Commodity marketing evaluation

none

Analyze current marketing procedures of Minnesota agricultural products on a commodity-by-commodity basis including: commodity marketing, market statistics, new agricultural processing opportunities, and transportation of commodities from farm to consumer.

To succeed in the changing market place, food producers and companies need current information on today's market with an eye to the future.

PRESENT ACTIVITY

PROPOSED ACTIVITY

Commodity marketing evaluation
(cont.)

Benefits include opening new markets, techniques and information to Minnesota firms which can generate additional sales.

Agricultural commodities marketing
and development none

Analyze production and marketing potential for new or exotic uses of Minnesota grown commodities. Potential benefits include increased producer income, utilization of excess agricultural production and conversion of crop and animal wastes into useful and marketable resources.

Benefits for producers include additional options for production, increased farm diversity and sales.

Evaluate any proposals resulting from the efforts before and after implementation.

MINNESOTA DEPARTMENT OF AGRICULTURE

MARKET DEVELOPMENT, PROMOTION AND INFORMATION ACTIVITY

PROPOSED BUDGET INCREASE -- S.F. 344, H.F. 256, APRIL 1979

<u>Explanation</u>	<u>Proposed Expenditures</u>	
	<u>F.Y. 1980</u>	<u>F.Y. 1981</u>
PERSONNEL -- Marketing Specialist & Secretarial Positions	\$ 88,200	\$106,000
RENTS AND LEASES	4,500	5,200
Rental of office space for additional staff		
REPAIR SERVICES	200	600
Maintenance agreement for equipment and necessary repairs.		
PRINTING AND BINDING	30,000	35,000
A. Additional Buyers Guides printed in foreign languages.		
B. Informational brochure on Minnesota agriculture printed to include foreign languages.		
C. Informational brochure on international trade to include printing in foreign languages.		
D. Printing of new Food Expo signs.		
E. Printing of new Food Expo brochure.		
(Printing will be in English, Japanese, Spanish and Chinese. Translation costs included in printing.)		
PROFESSIONAL/TECHNICAL SERVICES	4,500	4,500
Interpreter Services (\$500 yearly)		
Translation of brochures into three languages (\$1,000 yearly)		
Design and development of brochures to include graphics (\$3,000 yearly)		
PURCHASED SERVICES	500	1,500
Conference services to hire a set-up person and other miscellaneous costs.		
COMMUNICATIONS	2,200	2,600
For postage to mail out promotional items, telephones for new employees, etc.		
IN-STATE TRAVEL	3,500	4,500
Increase in travel for new Marketing Specialist positions based upon current staff needs.		
OUT-STATE TRAVEL	76,000	101,000
A. Additional staff to attend Food Expos		
B. Workshops on National Agricultural Marketing		
C. Mid-America International Trade Seminar		
D. National Food Shows -- Restaurant, Retail and Frozen Food		
E. Alternative Energy Symposium		
F. Symposium on Livestock Marketing		

<u>Explanation</u>	<u>Proposed Expenditures</u>	
	<u>F.Y. 1980</u>	<u>F.Y. 1981</u>
INTERNATIONAL TRAVEL		(Included with Out-State Travel)
A. Additional International Food Shows		
B. International Livestock Shows		
C. International Alternative Energy Symposium		
D. Evaluation of Solo Food Shows		
E. Exploratory marketing surveys		
UTILITY SERVICE	400	600
Purchase of electricity to operate slide projectors in booths at Expos		
FREIGHT AND EXPRESS	700	1,000
Shipment of items to Food Expos and Shows		
OTHER CONTRACTUAL SERVICES	3,600	4,200
Increased cost of departmental (non-individual) membership to MIATCO and possible increase and purchase of MIATCO materials		
SUPPLIES AND MATERIALS	5,000	6,000
Necessary supplies for new positions and to fund the increase in portfolios and materials used in all Food Expo programs used in conjunction with foreign buyers.		
EQUIPMENT	3,500	4,500
Purchase of additional desks, files, chairs, credenzas and other equipment for the new positions as well as recorders and photographic equipment to be used in this area.		
TOTAL BY FISCAL YEAR	<u>\$222,800</u>	<u>\$277,200</u>
TOTAL FOR THE BIENNIUM		<u>\$500,000</u>

PREPARED BY: MINNESOTA DEPARTMENT OF AGRICULTURE ACCOUNTING DIVISION