

1. Student's name, university, department, address, and contact information

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2. Title of the extension program to be delivered

Using Market Assessments to Inform Producers and Benchmark Performance

3. A summary of the proposed extension program. This should include target audience, delivery plans, communication methods and activities planned for distributing the information to the public such as with fact sheets, pamphlets, press releases, reports, web sites, streaming videos, spreadsheets, workshops, PowerPoint presentations and training activities to be conducted.

Summary of the Program:

Specialty crop producers often sell to multiple different channels (such as grocery stores, restaurants, and farmers' markets), each of which requires different marketing strategies. Yet, these producers may not understand all the costs they are incurring to sell to the individual markets. Further, though the U.S. Department of Agriculture has long collected information to support farm production-level decision-making, they do not collect information on expenditures associated with marketing through diversified markets. The Market Channel Assessment Tool (MCAT) was developed by Cornell University, and further customized and utilized by Colorado State University to support field-based research and outreach with producers, helping them better understand which of their market channels are performing best. In order to measure performance, the economic model underlying the MCAT looks at the amount of labor spent per market channel under the categories of harvest, process and pack, travel and delivery, and sales and bookkeeping for one week as well as the cost of travel (assuming that production expenses are constant across market channels). It also looks at the amount in sales earned by each market channel in the same week, as well as how the individual producer ranks certain characteristics such as the importance of moving volume and how each market channel fits into their lifestyle.

To use the producers' time effectively, each producer selected on "high season" week to serve as a representative week for their channels. The representative week allows for producers to understand how market channels are performing against each other, letting producers evaluate

their markets using factors such as price, volume, time commitment, risk, and lifestyle more easily. This allows farms to make more informed business decisions.

There are also broader impacts from this integrated research and outreach project. Now that 25 farms across the state of Colorado have participated, we created preliminary benchmarks for specialty crop producers by key marketing channels. We have made these benchmarks public via the foodsystems.colostate.edu website, and intend to update them again next fall after we have additional farm participants. In addition to this providing key information for lenders, technical assistance partners, and policy makers to use as they provide resources and support to this sector, individual farm's reported interest in using these to improve their marketing performance.

This program is successful because it represents a collaboration of many key partners who bring their perspectives and expertise to how it has been conducted, framed, and shared with the industry. The partners also helped to recruit producer participants. These partners include the Colorado Department of Agriculture, the U.S. Department of Agriculture, Colorado State University Extension, the Colorado Fruit and Vegetable Growers Association, Building Farmers in the West, and the Colorado Farmers Market Association.

Target Audience:

- Specialty crop producers
 - Specialty crop producers often sell their products in many different markets. This means their labor and costs are being devoted to several different areas.
 - Participating farms need to be selling to at least two different market channels in order for a comparison to be done.

Goals of the Program:

- Conduct at least 50 market channel assessments for producers across the state to help them better understand their farm's performance by market channels.
- Improve tools to support more informed business decision, allowing farms to refine their marketing strategies, and ultimately, improve profitability.
- Develop statewide benchmarks so that producers can understand how they are performing compared to the top, middle, and bottom performers in the state within specific market channels.

Delivery Plans:

- *Recruitment of producers to participate*
 - In order to recruit producers, we worked with Extension educators and other technical assistance providers who had close, trusting relationships with producers.
 - In addition to working with Extension educators and technical assistance providers to connect directly to producers, we also used these relationships to connect to owners/operators of various market channels (including restaurant owners, distributors, and grocery store owners). These business owners who work with local farms can provide connections to the farm.
 - As part of the recruitment process, each potential participating producer receives a packet of information that explains why the MCAT is a useful tool for them, what

information I will need from the producer, and a sample of what their final report will look like.

- *Working with the producers for data collection*
 - Once the producer has been recruited, I work with them to fill out a pre-data collection survey. This gathers information on the mileage required for each market, how the individual producer values attributes such as risk and lifestyle, as well as descriptive information about the farm.
 - At the start of each market channel assessment, I visit the farm and provide detailed instructions about how they will need to log their labor time for each individual market throughout the week of participation. Based on the pre-data collection survey, we pre-populate the labor logs for the producers. An example of the labor log is shown below.

TIME SPENT (to nearest 5 min):		PRODUCT(S):	
ACTIVITY: (Each log sheet should cover one activity at a time)			
<input type="radio"/> Harvest e.g., create pick list, organize staff for harvest, harvest	<input type="radio"/> Process/Pack e.g., cull, grade, sort, wash, bunch, bag, package	<input type="radio"/> Travel/Delivery e.g., load/unload truck, travel to/from market, deliveries	<input type="radio"/> Sales/Bookkeeping e.g., bookkeeping, billing, sales calls, sales time, set up/take down
<input type="radio"/> Other (please describe):			
PRODUCT DESTINATION: (Check all that apply)			
<input type="radio"/> Channel 1	<input type="radio"/> Channel 2	<input type="radio"/> Channel 3	<input type="radio"/> Channel 4
<input type="radio"/> Channel 5	<input type="radio"/> Channel 6	<input type="radio"/> Channel 7	<input type="radio"/> Channel 8
<input type="radio"/> Channel 9	<input type="radio"/> Channel 10	<input type="radio"/> Channel 11	<input type="radio"/> Channel 12
NOTES (e.g., case split out -6 cases of cukes harvested, 2 for FM 4 for restaurants, including names of markets):			

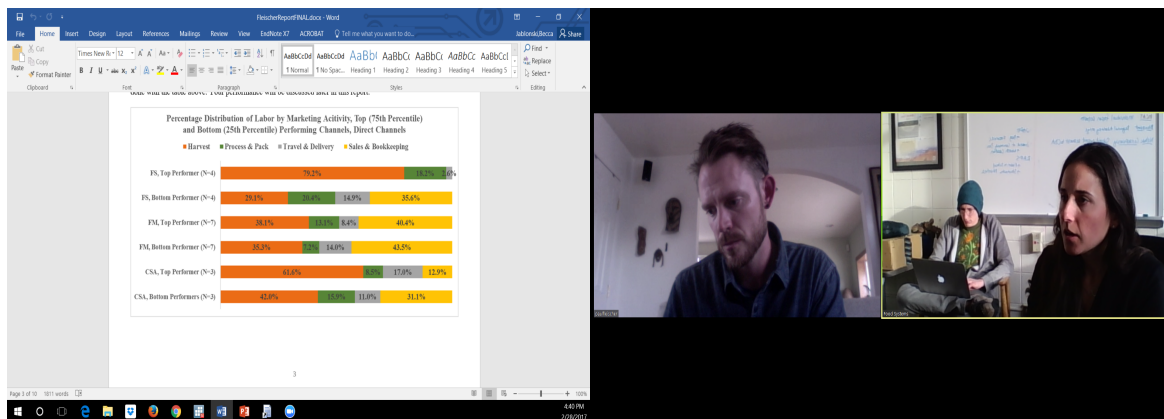
- Once the producer starts the program, they will need to log their labor time for each individual market throughout the week of participation. This will make up the labor data needed to evaluate their costs.
 - At the end of the week, I also collect sales information for each market for the entire week. This data is used to evaluate their revenue.
 - Producers receive \$100 for participating in the MCAT program to reimburse them for their time and to incentive participation, although we have found that data to improve farm performance is a more important motivator to participate.
- *Post-data collection*
 - After all the data is collected, I analyze the data and create an individual report to easily break down the labor and sales information, as well as the overall ranking of the channels for participating producers. The reports features information such as the amount of labor by channel and activity (harvest, process/pack, etc.), gross sales, channel sales as a percent of total sales, channel labor as a percent of total labor, sales per labor hour, profit per labor hour, and profit margin.
 - Using all of the aggregate data from the individual farms, benchmarks are established for the state. This allows producers to compare their distribution of labor by marketing activity, sales per labor hour, profit per labor hour, and profit margin to other producers throughout the state.

- The report is then sent to the producer with their information, as well as information on the state benchmarks. The report features personalized recommendations to each of the producers based on the results of their report.
- A consultation time is also scheduled between the producer and an Extension economist from Colorado State University. Producers receive a half hour of consultation to answer any questions about their report, as well as discuss what the best solution is for improving the performance in some of their market channels.

Communication Methods:

The project is innovative partly because of the creative portfolio of ways that results are shared. Further, other than Cornell University who developed the MCAT, no other state of which we are aware has benchmarks customized by market channel for specialty crop producers.

- *Individualized Reports*
 - Each participating producer receives their results in an easy to use report. This report is mailed to their house as well as sent by email. It is considered to be a 'draft' until all numbers are reviewed as a part of the consulting session, after which time all requested changes are incorporated into the 'final' report.
- *Consultations*
 - Zoom, a computer software program utilized to share the computer screen and videoconference, is used to clearly communicate with the producers during the consultation. This allows for interaction (at the convenience of the producer's schedule), while reducing the travel time associated with driving to each region of the state again (since initial data collection efforts require significant travel).
 - The screenshot below shows the videoconferencing with an individual producer, as well as the screen sharing capability offered by Zoom.



- *Statewide Presentations*
 - The MCAT program and initial results have been presented across the state at a variety of different events. This has allowed information about the value of this program to reach a wide audience, including producers, Extension staff, technical assistance providers, and industry leaders.

- Website
 - A website has been developed to house all the information for the MCAT project: <http://foodsystems.colostate.edu/research/market-channel-assessments/market-channel-assessment-tool/>
 - This website consists several different pages, including
 - An introductory page to describe what the MCAT is as well as who is eligible to participate,
 - Information on why the MCAT is a useful tool,
 - Material on why state benchmarks are important, as well as a built-in PDF slide reader for website visitors to see information presented in the statewide presentations,
 - And lastly, information on how to get involved in the study. This page also features a sample report, a map of recruitment locations, and other recruitment information.
 - This website is useful for potential participants, people within the industry interested in the information provided, and past participants.

Evaluating the Effectiveness of the Program:

- Throughout the consultations with producers, many of them commented on the usefulness of the MCAT report. The following quotes are from producers during their individual consultations.
 - “This report gives me a concrete information on the hours I’m spending and will be really helpful for developing my business plan.”
 - “It is good to see that benchmark to help us set a goal to be above that 50th percentile.”
 - “This report really got me thinking about why I am selling in certain areas.”
 - “The information you’ve given me is helpful to try and sort out differently. It gives me an idea of where I can put more effort and tweak things.”
 - “It is pretty enlightening and very interesting. It wasn’t what I expected, and we learned something here.”
 - “The work you’re doing really validates what we are doing as farmers.”
- During the 2017 season, we will follow up with producers who participated in the 2016 season to see how they are implementing any changes due to the MCAT results. Preliminary feedback from the consulting sessions suggests producers intend to make changes to their production.

4. A profile of the student applicant’s background as well as the related thesis title and brief description of the research.

I earned my Bachelors of Business Administration in Economics from the University of South Dakota in Vermillion, SD in May 2016. The following fall, I joined the Agricultural and Resource Economics program at Colorado State University to work toward my Master of Science in Agricultural and Resource Economics with a prospective graduation date of May 2018. After starting graduate school, I applied to work as a research assistant with Dr. Dawn Thilmany and Dr. Becca Jablonski on the Market Channel Assessment Tool program. This

process has taught me about how to gather primary data, how to work with producers across the state, how to utilize a model and design an easy-to-use report, and how to communicate the end result back to the producer. This program was interesting to me because of my experience growing up on a specialty crop farm, as well as my desire to combine my interest in economics with my interest in working with producers.

My thesis work will focus on a slightly different topic than the MCAT. I will be looking at how consumer's awareness of the state branding program Colorado Proud affects their purchasing decisions. I will also be looking at how trust and information about agriculture affects consumer decisions.

5. The mentor's name, address, and description of the mentor's role in assisting the student with this project.

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Becca Jablonski and Dawn Thilmany are the leads on securing grant resources (including a USDA Federal State Marketing Improvement Program grant in conjunction with the CO Department of Agriculture) and formulating the Market Channel Assessment Tool project. They mostly assist with questions and lead consultations. Their roles as mentors have been to guide me as I lead recruitment, data collection, report creation, communication, and website development throughout this process. They have provided guidance, but also great flexibility in allowing me to contribute to choices of how to operationalize this process in Colorado.