

Department of Agriculture, Trade and Consumer Protection
Division of Marketing
Agricultural Development & Diversification Program (ADD)

Grant Project Final Report

Contract Number: 15033

Grant Project Title: Adding Value Through Environmental Marketing – Opportunities for Wisconsin Potato Growers

Project Beginning Date: July 1, 2000 Project End Date: June 30, 2001

Amount of Funding Awarded: \$24,850

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Introduction

This document is a summary of our lessons learned as we developed the “Healthy Grown” eco-label for potatoes, which is a project that was funded in part by DATCP through the ADD program.

Enclosed you will find three documents that clearly explain the work that has been completed by the Wisconsin Potato & Vegetable Growers Association. Through the ADD grant funding, we have been able to accomplish two very large goals 1) develop the eco-label standards, and 2) develop a market strategy on how to sell the eco-label potatoes. The three documents that show where the project currently stands are:

1. The Eco-label standards
2. The explanation of those standards
3. A marketing strategy report

Original Intent of the project

The original intent remains the same today, as it was when we applied: To sell an eco-labeled potato at a premium price, with the value added being realized by the growers. While the objective remain constant throughout the first year of this project, it was necessary to adjust targeted areas of the project for funding. This was due in large part to trying to line up several funding sources with areas that the funders were comfortable in participating in.

Work Conducted

As mentioned in the introduction there were two main objective for the project to accomplish over the past year, and we are happy to report that we accomplished both. The first was to develop the eco-label standards that are beyond reproach. As you can see by the enclosed materials, that task has been accomplished. The second major objective was to complete a marketing strategy to carry out the mission of getting the potatoes on the shelves, and getting people to buy them. That too has been accomplished (see attachments)

Through the ADD grant funds, we were able to hire professions with expertise in both the standards as well as the marketing areas to assist us in developing both the standards and the marketing plan. By being able to work with professionals, we now have excellent standards and a professional marketing plan, a name, and a bag design.

The challenges in producing these documents were many. The marketing plan specifically identified the different philosophies that many growers have on marketing potatoes. Areas like bag design, product name, and certification provided for many hours of discussion and debate. I am pleased to report that the industry debated these issues in a civil manner and now working cooperatively to insure the success of the product.

The results

It is premature to talk about the results of the project, as we are only now to the point where potatoes will actually be sold. What is encouraging is that the market research that we commissioned showed that there is a market for eco-labeled produce, and this market is willing to pay a premium for that produce. We are more confident now than ever before that there is an opportunity for potato growers to make a profit by selling this product. As we move into phase two, it will become more clear what the results of the project will be.

Lessons learned for Wisconsin Agricultural Industry

Again, it may be too early to tell. I think it is important to note that through surveys, it does appear there is an opportunity, and that consumers are willing to pay for a premium product. Hopefully next year we will be able to report that through real life experience we can confirm the market exists.

Summary

The ADD grant program was instrumental in putting the WPVGA in a position to be able to start marketing “Healthy Grown” potatoes this fall. By helping us identify markets and developing standards, we can now go to the marketplace with the confidence that we have researched the attitudes of the consumers, and that we have developed standards that will stand-up to potential critics. We look forward to moving into phase II of the program, which will be putting the eco-label potatoes in the stores, selling them and receiving a premium that finds its way back to the growers.