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**Marketing Wild Caught South Carolina Shrimp:
Lessons Learned from Agricultural
Niche Marketing Programs**

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MARKETING WILD CAUGHT SOUTH CAROLINA SHRIMP: LESSONS LEARNED FROM AGRICULTURAL NICHE MARKETING PROGRAMS

I. INTRODUCTION

The United States shrimp industry is experiencing intense competition from imported farm raised shrimp. Imports of farm raised shrimp now account for 80 to 90 percent of the U.S. shrimp market. The increased supply of shrimp has resulted in a significant decline in prices received by domestic shrimp trawlers. In South Carolina, for example, the average price per pound for landed shrimp (heads-off) declined from \$4.29 in 1997 to \$2.71 in 2002.

A potential response by the U.S. shrimp industry to falling prices is to increase the demand for wild caught American shrimp through a niche marketing effort. A niche marketing program attempts to distinguish a product from its competition (for example by taste or freshness) and increase producers' revenues through increased consumer product awareness and demand. Examples of successful niche marketing programs for agricultural commodities include Vidalia onions, certified Angus beef, and Mississippi catfish.

The purpose of this paper is to provide an overview of a sample of marketing programs for agricultural commodities. The programs discussed are grouped into three categories: generic marketing to promote the consumption of a general commodity, brand marketing to promote a specific type of an agricultural commodity, and local marketing to encourage the development of local markets for a good. Of particular interest for each marketing program are the organizational structure, sources and uses of funding, and examples of marketing and promotion activities. This overview of past programs enables South Carolina shrimpers to identify the "best practices" from earlier marketing efforts and to develop a niche marketing program that best meets their needs.

Our discussion of marketing programs is organized as follows. First, we summarize the generic marketing programs for milk, pork, and beef. A generic marketing effort for shrimp likely will provide limited benefits for South Carolina shrimpers because the domestic market is dominated by imports. The generic programs do, however, provide interesting examples of marketing activities. Next, we present six examples of niche or brand marketing programs (Certified Angus Beef, Mississippi catfish, Vidalia onions, Florida citrus, Washington apples, and Wisconsin dairy products). Third, we provide two examples of local producers focusing on local markets (Jersey Fresh and Select! Sonoma County). Discussion for each marketing program focuses on the organizational form, budget and funding sources, marketing activities, and perceived impacts on producers. Finally, we conclude with recommendations for a marketing program for South Carolina wild caught shrimp.

II. GENERIC MARKETING

A. Fluid Milk and Cheese

Marketing Organization

The Dairy Production Stabilization Act of 1983 allowed for the organized promotion of dairy products by U.S. dairy producers. In 1995, the National Dairy Board and the United Dairy Industry Association formed Dairy Management Inc. DMI helps build demand for dairy products on behalf of more than 80,000 producers across the United States. Its stated mission is “To help increase worldwide demand for U.S. dairy products.”

Budget and Funding

DMI’s annual budget is funded by a \$0.15 per hundred weight assessment on producers of milk sold commercially. The checkoff program is audited each year to ensure funds are used in accordance with USDA financial guidelines. The 2002 annual budget was \$114.7 million, and 2002 expenditures were allocated as follows: fluid milk marketing (29%); cheese marketing (28%); school marketing programs (14%). The remainder of the budget was allocated among general administration, industry relations and image issues, producer communications, product research, corporate technology, and dairy ingredient marketing.

Marketing Activities

- The “Got Milk” advertising slogan has been on television, radio and print ads since 1993, and it can be recalled by 95% of Americans.
- Partnerships exist with name brand organizations such as the National Football League, Nabisco, Oreo, and WebMD to educate consumers on the nutritional value of dairy and on the importance of eating well.
- Several fast food restaurants offer milk as an alternative to sodas and other non-nutritional beverages.
- The 3-A-Day program allows dairy producers to partner with retailers and brand manufacturers to encourage the consumption of three servings of milk, cheese, or yogurt a day.
- Food manufacturers are educated on the benefits of dairy ingredients through trade shows and annual meetings
- Awards are given each year for “America’s Greatest Recipe” during the annual Pillsbury Bake-off Contest.
- Dairy Marketing Scholarships are awarded to college students throughout the country each year.
- The Real Seal logo is used in cheese packaging and is easily recognizable.

Internet Information

DMI offers a listing of several dairy related websites from its homepage www.dairycheckoff.com. The following websites offer information on programs funded by checkoff dollars:

www.ilovecheese.com- Provides cheese recipes and trends.

www.3aday.org- Contains 3-A-Day campaign information on recipes and nutrition.

www.doitwithdairy.com- Provides information on dairy ingredient marketing.

www.extraordinarydairy.com- Updates users about the latest dairy research and technology efforts.

www.nationaldairycouncil.org- Contains information provided by the nutrition and health experts of the national dairy council.

www.nutritionexplorations.org- Offers nutrition related information for parents and educators.

www.whymilk.com- Provides information on the “Got Milk?” campaign and recipes.

www.gotmilk.com- Offers campaign merchandise.

www.realseal.com- Provides information for food processors regarding the Real Seal on product packaging.

www.butterisbest.com- Introduces consumers and chefs to methods to cook and bake with butter.

www.usdec.org- Contains information on the dairy export council.

Perceived Impacts

The Dairy and Tobacco Adjustment Act of 1983 initiated the generic advertising programs for fluid milk and cheese. Researchers estimated that dairy farmers experienced an increase of \$3.44 in gross revenue per dollar spent on generic advertising during the period 1984 to 1997. Farm prices averaged 2.3 percent higher than they would have without the programs during this period.

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B. Pork “The Other White Meat”

History of Pork Promotion

The National Swine Growers Council (NSGC) was organized in the mid-1950s. In 1964, the NSGC changed its name to the National Pork Producers Council as it began to create the meat-type pig that provided the pork products consumers desired. Lobbyists for pork producers sought permission from Congress to enact a checkoff to fund pork promotions. Their success led to an amendment of the Packers and Stockyards Act to allow for the establishment of a voluntary checkoff program. By 1968, 16 state programs were organized. In December, 1985 the Pork Promotion and Research Act was established and allowed for pork producers and importers to contribute a portion of their sales to fund a promotional program. The National Pork Board (NPB) was created by the Act and the NPB is currently responsible for collecting the checkoff and allocating the funds.

Marketing Organization

The National Pork Board serves to “strengthen the position of the pork industry in the marketplace and maintain, develop, and expand markets for pork and pork products” (NPB Annual Report, 2003). This mission is carried out through the operation of the Pork Checkoff™ Program. This program was authorized under the “Pork Promotion, Research, and Consumer Information Act” contained in the 1985 Farm Bill. The NPB started collecting funds in 1986 and it initiated marketing and promotion activities in 1987. The Board is made up of 15 members nominated by producers and appointed by the US Secretary of Agriculture.

Budget and Funding

Pork producers participate in a voluntary Pork Checkoff™ program that consists of a \$0.40 assessment for every \$100 of annual sales. In 2003, the board received gross revenues of \$49.1 million from the checkoff, and total expenditures for the year were \$47.5 million with a surplus of \$1.6 million. The Pork Act states that a percentage of funds collected must be returned to state pork producer associations. The percentage of funds returned to each state is determined by the Pork Act Delegate Body, and 20% of all funds raised were returned to state promotion boards in 2003. State funds were allocated as follows: 36% to consumer information, 32% to promotion, and 32% to research and education. The remaining 80% of the funds raised were allocated to national efforts. Fifty-one percent of the funds were designated for national promotion programs, 41% were allocated for national research and education programs, and 8% of the funds went towards national consumer information programs.

Marketing Activities

- “Pork, the Other White Meat” is one of the most famous tag lines in advertising history, and it has been used in television and print advertisements since 1987.

- Package labels for display cases are provided to grocery stores and other retailers by NPB.
- Information for catalogs of home delivery services are provided to retailers.
- Efforts are being made to increase the number of pork items on menus in chain restaurants such as McDonalds, Applebees, and Country Kitchen.
- Established an annual contest at the retail level to award Consumer's Choice Pork Awards to pork products that appeal to consumers' lifestyles.
- Award-winning marketing campaigns targeted at Hispanics helped increase awareness of pork attributes in Hispanic communities across the U.S.
- Sponsorships were awarded in the ARCA automobile racing circuit with one car and several designated races bearing the logo "Pork, The Other White Meat".

Internet Information

A website (www.porkboard.org) was made available to inform consumers, as well as producers, of news in the pork industry. In 2003, a section was added to the website that provided resources to pork producers to help them to learn more about niche marketing and unique production practices. The website also assists consumers in finding specialty pork products. A separate website, www.otherwhitemeat.com, provides pork recipes and listings of events and contests for consumers and producers. This site also contains a section with "fun stuff" for kids and information on racing sponsorships.

Perceived Impacts

The rate-of-return on the Pork Checkoff Program was estimated to be positive and significant (Davis, et al. 2000). Expenditures directed at increasing consumer demand for pork products resulted in revenue returns to the producer of \$4.79 per checkoff dollar invested. Net price returns to producers in 2000 from the program were estimated at \$1.17 per hog. Returns from the marketing programs were found to be the greatest in the most recent years.

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C. Beef

Marketing Organization

As a part of the 1985 Farm Bill, the Beef Promotion and Research Act of 1985 authorized the Beef Promotion and Research Order. The program's mission was to strengthen the position of beef in the marketplace. The program became effective July 18, 1986 and assessments began October 1, 1986. The Cattlemen's Beef Promotion and Research Board is responsible for the administration of the program. The board is made up of 108 members representing 35 states. Members are appointed by the Secretary of Agriculture from nominated cattle producers and importers. The operating committee is made up of 10 selected Beef Board members and 10 selected producers. This committee reviews and approves national check-off programs, and it contracts with national industry-governed organizations to implement programs.

Budget and Funding

The Beef Board is funded by a mandatory \$1 per head of cattle or calves sold by producers. Half of the funds collected by state beef councils are controlled by producers in the state. All programs are evaluated by the Beef Board. The budget for fiscal year 2005 was \$52.5 million with \$26.8 million designated for promotion, \$6.4 million allocated for consumer information, and \$2.1 million provided for producer communications. The remaining budget will be divided among industry information, research, foreign marketing, evaluation, program development, USDA oversight, and administration.

Marketing Activities

- The Beef Board partners with restaurants and supermarkets throughout the country to stimulate demand for beef and veal in the marketplace.
- In 2003, 325 new beef products were introduced to the marketplace.
- Larger companies provide consumers with a line of moderately priced steaks and roasts through a program called Beef Value Cuts.
- The advertising slogan "Beef. It's What's for Dinner" has reached over 84 million people through print and television ads since its inception in 1995.
- In a review of the Fiscal Year 2003, researchers announced that advertising reached 93% of the target market (adults 25-54) 12 times, costing less than \$0.01 each time. They also reported that awareness rose from 84% in 2002 to 87% in 2003 (Worley and Otley, 2003).
- A summer campaign promoting grilling was used to deliver beef enjoyment messages to consumers through radio advertising and public relations efforts. This campaign was credited with increasing beef dollar volume sales by 3.4% in 2003.

Internet Information

The Cattlemen's Beef Board offers a website (www.beefboard.org) to the public and producers that contains information on checkoff programs, financial statistics, press releases, the Beef Act and Order, FAQs, and an evaluation of the checkoff. A second website, www.beefitswhatsfordinner.com, is designed to inform consumers about the attributes of beef products. This site contains beef facts, nutrition information, beef recipes, and expert advice.

Perceived Impacts

In an analysis performed by Dr. Ronald Ward (2001) of the University of Florida, cattle producers experienced a \$6.46 billion (2%) increase in revenue between 1987 and 2000 as a result of promotional programs funded by the checkoff. The estimated return for the checkoff program was an additional \$5.67 in revenues for each dollar spent.

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III. BRAND AND NICHE MARKETING

A. Certified Angus Beef

Market Niche

The Certified Angus Beef program serves to increase the demand for registered Angus cattle by identifying and promoting consistently high-quality beef with superior taste.

Marketing Organization

The Certified Angus Beef Program was formed in 1978 as a venture to strengthen relationships between the American Angus Association and beef producers, packers, and distributors. The goal was to provide assurances of beef quality and flavor for consumers, who during the 1970s were largely dissatisfied with the products available. Certified Angus Beef LLC (CAB) functions as a not-for-profit division of the American Angus Association. It is made up of more than 35,000 Angus breeders who are dedicated to producing high-quality beef that is superior in taste and tenderness. The CAB brand is the industry's oldest and most successful brand. Less than 8 percent of beef can earn the CAB brand name. Precise standards for flavor, juiciness, and tenderness ensure CAB cuts grade USDA* Prime or the top 35 percent of USDA Choice. Integrity is built in. The CAB brand is the only brand that tracks every pound of beef from initial identification until it is sold to consumers, ensuring consumers that they receive genuine CAB products. To carry the CAB® label, beef must: (1) have a modest (Middle Choice) or higher marbling degree (only about 30% of choice carcasses contain this high degree of marbling); (2) be from the "A" maturity range (the youngest maturity classification for beef); and (3) be Yield Grade 3.9 or less. These requirements assure the juiciness and flavor expected from high quality, gourmet beef.

Budget and Funding

Funding for the CAB program is provided by packers and value-added processors. The majority of the funding comes from packers who pay a premium on beef packaged ranging from \$.01 to \$.07 per pound depending on the cut. Value-added processors, such as deli meat processors, also pay a premium per pound of beef processed. These premiums make up the CAB budget, and all dollars are allocated to the marketing and promotion of Certified Angus Beef.

Marketing Activities

- License restaurants, foodservice distributors, and retailers to distribute the product.
- Provide incentives to packers for qualifying cattle.
- Distribute cookbooks to chefs and to the public, for example, "The Art of Cooking with Certified Angus Beef®".
- Present annual awards to producers.
- Run consumer ad campaigns through television and print.

- Provide easily identifiable logo for grocery stores, restaurant signs, and menus.
- Sponsor sporting events; for example, the 2002 Olympic Winter Games.
- Offer prime deli meats in grocery stores.
- Provide a website with licensing benefits, success stories, and a listing of distributors.

Internet Information

CAB sponsors a website, www.certifiedangusbeef.com, that contains information about where consumers can purchase angus beef, educational facts regarding angus beef and how it is different from other types of beef, recent press releases, recipes, and job opportunities within the company. There also is a link that assists interested retailers in getting the angus product into their stores and restaurants. A separate link leads beef producers to www.cabfeedlots.com. This site provides networking tools for current angus beef producers as well as information on the advantages of angus beef cattle. This site is targeted at potential producers interested in participating in the CAB program.

Perceived Impacts

Cattle-Fax ®, the industry-leading market research company, conducted studies in 1993 and in 2002 to determine how well the brand was living up to its mission. The 1993 study estimated that CAB ® added \$291-\$355/head to the value of Angus bulls. In the 2002 study, the estimated value of the program was \$468-\$538/head.

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B. Mississippi Catfish

Market Niche

Mississippi promotes an increased public awareness of farm-raised catfish products to improve consumer attitudes toward catfish and increase catfish consumption.

Marketing Organization

Catfish farming was started in the Mississippi Delta in the 1960s. The Catfish Institute (TCI) was founded in 1986 by farmers and feed manufacturers to raise awareness of the positive qualities of catfish. TCI recently launched the “US farm-raised catfish” program as an effort to promote a uniform, high-quality product that differentiates itself from competing imports. TCI claims imports are not as fresh and, with their “never trust a catfish with a foreign accent” campaign, that imports often are not even catfish. The program created a US Farm-raised Catfish seal that indicated the farmer and processor passed strict inspections and the product attained the highest quality. The Institute’s “Raised in the USA” campaign won a top marketing award in 2002.

Budget and Funding

The Catfish Institute’s budget in 2002 was \$3.6 million. Funding for the budget is provided by feed mills that collect \$5 for every ton of catfish feed sold. Approximately 60% of the TCI budget is allocated for advertising; with the remaining budget divided among public relations, food service programs, and administrative costs.

Marketing Activities

- Place advertisements in magazines whose categories include women’s service, epicurean, general interest, and trade and regional publications.
- Make recipe booklets available for a fee.
- Provide a “US farm-raised catfish” that has an established recognition for quality.
- Stress the availability and affordability of catfish in fine restaurants.
- Sponsor the annual World Catfish Festival in Belzoni, Mississippi, home of TCI’s headquarters and known as the catfish capital of the world.
- Team with TV chefs and personalities on food related programs to promote the use of farm-raised catfish in recipes.
- Target culinary schools, business and industry contractors, and catering groups in an effort to educate foodservice operators in all aspects of catfish preparation, presentation, and marketing.

Internet Information

TCI provides a website, www.catfishinstitute.com, that provides educational information on catfish, recipes, press releases, and links to special promotions and events. There also is an online store that offers merchandise, such as t-shirts and stickers, promoting farm-raised catfish. A link to the industry website is accessible only to members of the industry.

Perceived Impacts

U.S. Farm-Raised Catfish is the No. 1 farm-raised finfish in America. More catfish is produced in the United States on a yearly basis than all other farmed fish combined. In 1970, 5.7 million pounds were produced, and by 2002 the amount had increased to 631 million pounds. Americans doubled their per capita consumption of U.S. Farm-Raised Catfish since 1986. In 2000, Americans ate more than a pound of catfish per person, making it the fourth most popular fish in the United States.

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C. Washington Apples

Market Niche

Washington promotes its apples as a premiere national commodity.

Marketing Organization

The Washington Apple Commission (WAC) was created in 1937 by the state's governor to help Washington's apple growers collectively market their crop. The WAC was established by the state legislation as a commission rather than a marketing order, and it operated at arm's length from the state government without state review of its activities. Apple growers weren't big enough to handle their own marketing, so they originally hired the WAC to do their advertising by paying a fee of one cent for each box of "fresh" apples sold. This assessment was raised over time until it peaked in the 1990s at 25 cents per box. On April 10, 2003, the commission ceased collecting assessments due to a March 31, 2002 U.S. district court decision ruling that mandatory assessments for its advertising and promotion of apples was unconstitutional. The commission decided to continue full funding until August 31, 2003 and 25% funding until July 1, 2004.

Budget and Funding

Before the court ruling on the constitutionality of the Apple commission, the mandatory fee of 25 cents per 42-pound box of apples resulted in a budget of \$21.5 million in 2002-03. Assessments typically represented more than 90% of the commission's budget. This state promotion assessment was the highest among all agricultural producers in the nation.

Marketing Activities

- Served as the primary advertising and promotion service for the Washington apple industry.
- Created and protected the world-famous Washington Apple logo.
- Provided displays at retail stores.
- Funded radio and billboard advertising around the world
- Organized special promotions.
- Funded a food safety and biochemical food processing specialist for the Northwestern Horticulture Council.
- Provided key budgetary support (about half) for the US Apple Association.
- Organized and helped fund the Northwest Fruit Exporter Group.

Internet Information

| The apple commission no longer exists due to a court ruling; however, their website (www.bestapples.com) was available in 2004. No updates have been made since the commission's demise, but links were active to sites that provide health, educational, and nutritional facts; recipes; activities for children; and producer information.

Perceived Impacts

In 2002, Washington apple growers had a record sale of \$1.02 billion while farmers' receipts for apples throughout the rest of the nation declined by more than 3%. The WAC served as a benchmark in the nation's apple industry and provided a valuable model for other commodities that hope to compete in brand advertising and promotion campaigns. The demise of the commission due to its unconstitutional actions towards producers is also noteworthy.

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D. Vidalia Onions

Market Niche

Vidalia Onions are sweet onions that have been protected as a trademarked product since 1986. The Vidalia onion is grown in only 20 Georgia counties and it is a managed commodity that demands a premium price.

History of Vidalia Onions

In 1931, a farmer in Toombs County, GA discovered that the onions he planted were not hot as he expected, but sweet. He sold his onions for the unusually high price of \$3.50 per 50-pound bag during the Great Depression. Other farmers in the area followed thinking that he had discovered a unique source of income. In the 1940s, the onions were sold primarily through a farmer's market in South Georgia.

Marketing Organization

In 1986, Georgia passed legislation giving Vidalia onions legal status and defining its production area to 20 counties. The Vidalia onion was named the official state vegetable in 1990. In 1989, Vidalia onion growers united to form Federal Marketing Order No. 955. This USDA program established the Vidalia Onion Committee (www.vidaliaonions.org), extended the definition of the Vidalia onion to the federal level, and provided a way for growers to jointly fund research and promotion programs. The committee began a pilot project in 1999 that involved participation in the Vidalia Onion and Vegetable Research and Education Center in Lyons, GA. The Center is a cooperative effort between the Georgia Department of Corrections, the University of Georgia, the Georgia Forestry Commission, and the Vidalia Onion Committee.

Budget and Funding

The onion is grown on more than 14,000 acres by 130 growers. Growers produce an average of 300 50-pound bags per acre. Growers of Vidalia onions are assessed \$.12 per 50-pound bag shipped. In 2003, \$110,066 was budgeted by the committee for marketing and \$20,000 for research.

Marketing Activities

- Provide a mix of consumer and retail advertising.
- Honor one individual annually with induction into the Vidalia Onion Hall of Fame. The inductees must be a leader in one or more of the following areas: protecting and promoting the name of the Vidalia onion, protecting and promoting the quality of the onion, advertising and promoting the onion, and conducting research on the Vidalia onion.
- Hold the Vidalia Onion Festival in Vidalia, Georgia in May of each year.
- Partner with culinary experts from around the country who serve their Vidalia recipes during the Festival.
- Manage the Vidalia Onion Museum in Vidalia, GA.

Internet Information

The committee launched a website, www.vidaliasfinest.com, in June of 2003. The website provides educational information on the production, selling, and serving of the Vidalia onions. It also contains a virtual tour of the newly opened Vidalia Onion Museum. The website provides links to related sites including several with Vidalia recipes available to the public.

Perceived Impacts

The legal status and 20-county production limit of the Vidalia Onion allowed the vegetable to remain a high value commodity without significant competition from other sweet onions. The Vidalia onion is the most recognized sweet onion in the world and it often commands twice the price of other onions in retail stores. Growers negotiate their own prices with brokers and chain stores, and the growers typically receive about \$35 per 50-pound bag.

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E. Florida Citrus

Market Niche

Florida has a rich history in citrus production that dates back to the early explorers of the 16th century. The geographic location and climate provide an ideal environment in which to grow the fruit in mass quantities, and the marketing of this industry has evolved over time with innovations in technology and production.

Marketing Organization

In 1935, with the legislative passing of the Florida Citrus Code, the Florida Citrus Commission and the Florida Department of Citrus were established by the state government to provide marketing, research and regulatory support to the entire industry. The Commission serves as the board of directors for the Department of Citrus. The Commission's members represent all aspects of the Citrus industry, including growers, processors, shippers, and packers. The Department of Citrus carries out Commission policy and acts as the Commission's staff. The Department was the first organization of its type formed in support of a single commodity, and it has served as a model for other commodity boards throughout the world.

Budget and Funding

Marketing activities are the primary responsibility of the Department. About 90 percent of the annual operating budget is allocated to the development and execution of innovative, focused marketing and public relations activities that drive consumer demand for Florida citrus in the US, Canada, Europe, and Asia. The remainder of the budget is used to fund scientific research, market and economic research, and regulatory support. Florida's citrus industry funds the Department with an excise tax placed on each box of citrus that moves through commercial channels. The Commission sets the annual tax rate, (usually between \$0.165 and \$0.30 per box), and the Department's budget was approximately \$65.5 million in 2001.

Marketing Activities

- "Enhance the welfare of Florida's Citrus growers and the groves they operate."
- Operate all aspects of marketing and promotion for the Florida citrus industry.
- Provide advertising campaigns, and build national and international sales organizations.
- Sponsor pest control programs.
- Resolve transportation problems and form the Growers and Shippers League.

Internet Information

The commission provides a website, www.floridajuice.com, available to the public that includes educational information on citrus nutrition, news, recipes, publications, announcements, and related promotional tools.

Perceived Impacts

The value of Florida citrus has risen steadily since the early 1990s. In 2000, the value added of the Florida citrus industry was over 4 billion dollars.

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F. Wisconsin Dairy Products

Market Niche

Wisconsin is a worldwide leader in dairy production, and the state takes an active role in promoting their dairy products and product quality. Most promotional efforts are focused on cheese and cheese byproducts.

Marketing Organization

Wisconsin makes a significant portion of the country's cheese, and it has earned a reputation for the high quality of its product. The dairy industry provides 154,000 jobs and \$18.5 billion a year in sales to the state's economy. In 1983, Wisconsin's dairy farmers voted to organize a mandatory state milk marketing order, and thus began the Wisconsin Milk and Marketing Board (WMMB). The Board was established to maintain and expand the domestic sales of milk and dairy products, develop new products and markets, inform and educate consumers, and improve methods and practices related to the marketing and processing of milk and dairy products.

Budget and Funding

The WMMB's budget is comprised of assessments charged to producers and revenues from the sale of promotional materials. In 2003, assessments totaled \$21,882,258.

Marketing Activities

- Increase the demand for Wisconsin-produced milk and dairy products through promotions such as "authentic Wisconsin cheese is made with down-to-earth passion."
- Raise awareness through packaging with a new "Pride" logo placed on product labels, advertising on television, and placing feature articles in newspapers and consumer magazines.
- Cooperate with national dairy programs as well as statewide promotions and sponsorships.

Internet Information

WMMB's website, www.wisdairy.com, provides consumers with access to dairy-related recipes and information. Educational information and resources are available to school teachers for use in the classroom, and there also is a "kidzone" that provides a number of activities for children. Recent press releases concerning WMMB and the Wisconsin Dairy industry are easily accessible. Finally, producers are provided with links to other websites that present information on dairy management, marketing, and other related resources.

Perceived Impacts

Research by Cornell University estimated that fluid milk consumption would be 2.6% lower without the WMMB program. Cheese consumption would be 1.2% lower, and total dairy production would be 1.4% lower.

Further Reading

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IV. LOCAL MARKETING PROGRAMS

A. Jersey Fresh

Market Niche: Jersey Fresh Produce

New Jersey farmers participating in the Jersey Fresh program have an advantage in local markets over produce coming from other states by offering a superior quality and fresher product under the Jersey Fresh label. Produce harvested in New Jersey includes blueberries, cranberries, peaches, bell peppers, lettuce, spinach, squash, and tomatoes.

Marketing Organization

The Jersey Fresh campaign is one of the oldest and most successful attempts to bolster the local sales of growers. The Jersey Fresh program was initiated and funded by the New Jersey Department of Agriculture in 1983 in an effort to capitalize on the state's competitive advantages in the fresh produce market and to increase the share of New Jersey's produce in the area retail markets. New Jersey's competitive advantage in the local fresh produce market is based on its ability to transport and market produce in the Northeast more efficiently than Southern and Western farmers. The ultimate goal of the campaign is to increase profits received by New Jersey farmers.

Budget and Funding

The Jersey Fresh program budget is determined by the New Jersey Department of Agriculture. In recent years, the budget has remained approximately \$1 to \$1.2 million annually. In the 2004 fiscal year, however, a suggested reduction of \$200,000 will likely reduce the marketing activities of the program.

Marketing Activities

- Provide a Jersey Fresh logo that captures the attention of consumers.
- Enhance consumer awareness through billboards, television, and radio advertising.
- Distribute point-of-purchase materials.
- Host special promotions.
- Participate in events such as trade shows, cooking competitions, farmers' market fairs, and in-store demos.
- Provide retailers with stickers, banners, paper bags, and aprons with logos.

Internet Information

Information on Jersey Fresh produce can be found at the program's website, www.jerseyfresh.nj.gov. The website provides consumers with access to recipes with Jersey Fresh produce and with locations of roadside and community farmers markets as well as pick-your-own farms. The site also provides links to pages containing information on two more recent promotional programs, Jersey Seafood and Jersey Grown landscaping products.

Perceived Impacts

Adelaja, Nayga, and Schilling (1994) estimated that every \$1 spent on the Jersey Fresh program generated \$15.20 in net farm income for local growers. The study also reported that consumer awareness of the program was found in several surrounding states.

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B. Select! Sonoma County Products

Product: A variety of fresh agricultural products and value-added products that are grown or made in Sonoma County, California.

Market Niche

Sonoma County farmers and processors used the Select! Sonoma County trademark labels and marketing activities to increase demand for their product locally and in the San Francisco Bay area.

Marketing Organization

Sonoma County was historically an agricultural county that in recent years became one of the fastest growing counties in California. As a result, the cost of land rose dramatically and smaller fruit and vegetable producers lost their land to larger vineyards that could afford the higher land prices. In an effort to preserve county farm land, local leaders investigated niche market opportunities for the smaller local farmers. In 1989, a committee consisting of the Agricultural Commissioner, a cooperative extension agent, and several local producers formed the “Sonoma County Agricultural Marketing Program”, later to be known as Select! Sonoma County. The organization was the first regional agricultural marketing organization in America, and the stated mission was to “improve the economic well-being of Sonoma County agriculture and to motivate consumers to purchase Sonoma Grown and Sonoma Made products” (Lawless, 2002). The nonprofit organization was a partnership between agricultural producers, retailers, dedicated consumers, and other individuals and entities committed to its mission. The benefits of the Select! Sonoma program included labels, promotions, and programs for members that included workshops on marketing, tasting events, cooking contests, and retail promotions. As the reputation of Sonoma County’s products grew, successful members began to drop out to manage their individual promotions. By 2002, membership had dropped to 30 from a high of about 350 in the fall of 2002 with a debt of almost \$45,000.

Budget and Funding

Select! Sonoma County was partially funded by a hotel tax approved by the Sonoma County Board of Supervisors, with the remainder of its budget coming from private donations, fundraisers, and membership fees of \$100 to \$300 per year. About one-third of this budget came from 80 farm members and the remainder from restaurants, food processors, and grants from foundations and other public sources. There also were several volunteers who contributed time to keep the program functioning. Its annual budget was approximately \$150,000, an amount just sufficient to fund the operations of the growing organization.

Marketing Activities

- Provided the Select! Sonoma label for participating Select! Sonoma grown and Select! Sonoma made products.
- Offered marketing workshops for members.
- Hosted food and wine tasting events for consumers and restaurants throughout the area, and held local cooking competitions.
- Provided “retail liaison” services.
- Distributed a newsletter containing information on events, recipes, and articles submitted by members.

Internet Information

Select! Sonoma County hosted a website, www.sonomagrown.com, that provided links to Web pages of growers and food businesses associated with the products. The site also provided announcements of events and product information to keep local consumers and participants informed about the campaign.

Perceived Impacts

No studies are available as to the return on investment to participating members; however, the Select! Sonoma County program was declared a great success by the majority of its past members and participants. It was believed by many participants to be the victim of its own success. As participants’ businesses grew due to the activities and promotions of the organization, the businesses became too busy to participate in the program’s activities events and they found that the Select! Label was no longer necessary in promoting their products. Other reasons cited for the failure of the organization included leadership problems within the organization, a sharp decline in the number of small producers, and the lack of a central distribution and packaging/processing system.

Further Reading

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V. LESSONS FOR THE SOUTH CAROLINA SHRIMP INDUSTRY

The objectives of a wild-caught shrimp marketing program, as with any niche marketing programs, are to convince consumers that the product has special characteristics and that those characteristics warrant a higher price. The previous case studies of niche marketing programs indicate that the successful niche programs shared characteristics with respect to maintaining product quality, intra-industry cooperation, and providing a sustained marketing effort. A summary of our findings follow.

Mark of Quality

A niche marketing program requires that consumers consider the product unique (and desirable) in terms of taste, freshness, texture, or health benefits. A short-term increase in product sales may result from a marketing blitz; however, a sustained increase in demand requires that the product continuously provides the quality characteristics that the marketing programs promote. In other words, if wild caught American shrimp is marketed as superior in taste and texture, then a system must be in place to ensure that only the products that meet specific taste/texture standards are sold under the niche marketing program. Thus, like the Certified Angus Beef program, a certified wild-caught American shrimp program will require (1) the establishment of a set of product characteristics that must be attained for certification, (2) the development of an inspection system that provides consumers with confidence that the product meets consumer expectations, and (3) a product label or brand that consumers readily identify with product characteristics, the inspection system, and resulting superior product quality.

Industry Cooperation

The successful establishment and promotion of a wild-caught brand of shrimp will require the cooperation of shrimp trawlers, dock owners, processors, and retail outlets (restaurants, seafood markets, and grocery stores). Members from all aspects of the industry will need to collaborate to set product quality standards and select marketing strategies. More importantly, this organization will be responsible for collecting and allocating funds for all marketing activities with the mission to enhance the industry's position in the local market. Universal participation in the organization is critical for the success of niche marketing efforts. As indicated by the experience of Select! Sonoma County Products, the benefits of a marketing program will be short lived if the organization represents only a small number of producers.

Program Funding

Niche marketing programs require a budget and a sustainable source of funding. For most programs, an assessment fee is collected from producers based on the firms' level of output (for example, \$.12 per 50 pound bag of Vidalia onions or \$.25 per box of Washington apples). In other programs, a fee is collected from the processing facility or value-added processor (for example, \$.07 per pound of processed Angus beef) or an input supplier (for example, \$5.00 per ton of catfish feed sold). Alternatively, as with the

Jersey Fresh program, marketing programs could be funded through the State Department of Agriculture. The use of public funding generally requires that the niche marketing program make the case that it provides widespread benefits to citizens of the state.

Local Processing Facilities

The availability of shrimp processing/packaging facilities in South Carolina would facilitate the establishment of a local brand and resulting market program. Local processing facilities are beneficial because they can provide a separate packaging of South Carolina wild caught shrimp, a consistent inspection system for the “Mark of Quality,” and reduced delivery time to South Carolina retail outlets and restaurants. In other words, local processing facilities would facilitate the tracking of shrimp from trawler to consumer. Such a tracking system would increase consumer confidence in product quality.

Product Marketing

A key step in a niche marketing program is the development of a product “name” and logo that can be used in packaging, print and television advertising, retail promotions, and restaurant windows and menus. The product logo is a standard for all of the programs studied, and it has played a vital role to the programs that have endured and have been successful. Restaurants and retailers will be able to identify themselves as providers of the product and consumers will know where to purchase it. Next, to build product demand, consumers must be informed of its existence and convinced of its superior quality. Mediums to reach consumers include TV, radio, magazines, newspapers, and festivals. Market research during the early years of the program should be conducted to determine which types of marketing programs and mediums provide the greatest return per dollar spent. In addition, the marketing effort should provide a website that contains educational information about the product, locations where the product can be purchased, information concerning upcoming events, and recipes using South Carolina wild caught shrimp. The site will be useful for informing consumers about product quality and availability and producers about the benefits of the marketing program and how to get involved.

In conclusion, a niche marketing program offers much promise for increasing the demand for and value of wild caught South Carolina shrimp. To provide the greatest benefits to the state’s trawlers and dock owners, the program should promote product quality through a sustained marketing campaign financed and administered by the industry.