

# 2013 Specialty Crop Competitive Grant, Letter of Intent

## Interior Alaska Marketing Analysis

Tier I Sample LOI

Submitted by:

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## **Interior Alaska Market Analysis**

### **Proposal Summary**

During this past year, over 20 Fairbanks vegetable farms have been working towards the creation of a marketing cooperative. Farmers involved hope this business will aggregate, market, and distribute produce for their farms. Most local vegetable farms sell their produce through direct-to-consumer markets, such as CSAs, farm stands, and farmer's markets; however many farmers are interested in reaching other markets, but have found it difficult, if not impossible, to sell to larger retail and wholesale markets. Some of the barriers include: the inability of producers to afford insurance required by larger buyers, inconsistency of supply from producers, time required of large purchasers dealing with numerous producers, and producer time involved in meeting requirements and systems of institutional and wholesale markets. Fairbanks farmers seeking the creation of a marketing cooperative believe that through establishing such an entity and attempting to work together they will be able to overcome many of these barriers.

Within the last year farmers have met 8 times collectively, and many other times in smaller subcommittees. These meetings have largely focused on determining the economic need the cooperative would address, gathering more information on cooperative businesses, assessing interest in a business cooperative among the larger farming community, estimating anticipated business volume, and developing mission and vision statements.

The purpose of conducting a market analysis is to develop an understanding of the size and scope of the current and potential market for locally grown food, and to provide information with which interior growers can determine what type of joint marketing effort would best increase net farm income. Specific areas to be incorporated into the market analysis include: assessment of the regional wholesale market, consumer preferences, analysis of current suppliers at retail and wholesale level, and exploration of demand volume for locally grown produce at harvest. This will guide the development of the cooperative to be created in such a way as to have the greatest chance of success in reaching the most feasible local markets.

It is estimated that this project will be completed within 6 months of receipt of funding. This project has not been previously funded.

**Project Budget (estimated)**

CATEGORY	SCBGP Request	Match (include Source)	TOTAL
Personnel	\$2,000	\$2,000 (FEDC)	\$4,000
Fringe Benefits			
Travel			
Equipment			
Supplies			
Contractual	\$8,000		\$8,000
Other			
TOTAL	\$10,000	\$2,000	\$12,000

**Partner Organizations**

Farms/Farmers involved in the development of this prospective marketing cooperative include: Wild Rose Farm, Basically Basil, Calypso Farm & Ecology Center, Feedback Farm, Rosie Creek Farm, Borman's Farm, Jenny M Farm, Risse Greenhouse, Johnson Family Farm, Spinach Creek Farm, Hay Way CSA, Arctic Roots Farm, Dart AM Farms, Pioneer Produce, Rangeview Farm, Christine and Brad St. Pierre, Irene Wood, Little Alaska Garden, Little Plum Garden, Dragonfly Farm, Badger Bend Farm, and Bender Mountain Farm.

HDC, with assistance from the Alaska Cooperative Development Program, has been providing technical assistance and support with the overall facilitation of the development of the cooperative since April 2012. The University of Alaska Anchorage Center for Economic Development, the University of Alaska Fairbanks Cooperative Extension Service, and the Co-op Market, Grocery & Deli have all provided assistance and support with the development of this prospective cooperative.