



# Traditional Agricultural Marketing Orders: Are they Effective for Organic Producers?



**June 17, 2013**  
**Tina Cosentino**  
**Dr. Gregory Baker**



**Santa Clara**  
**University**

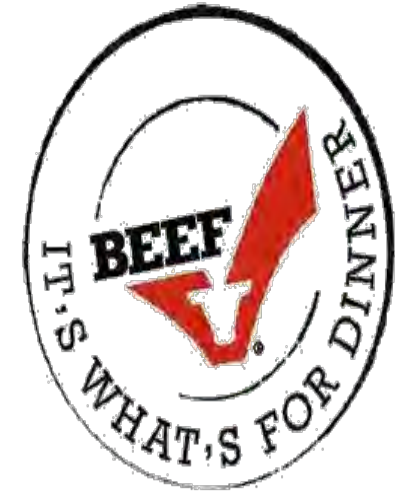
# Overview

- Agricultural Marketing Orders
- Organic Market Background
- Research Methodology
- Common Themes/Conclusions
- Recommendations



# Traditional Agriculture Marketing Orders

got milk?



pork  
The Other  
White Meat.





# California Ag Marketing Orders

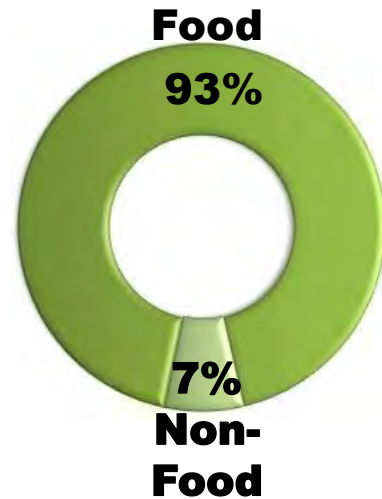
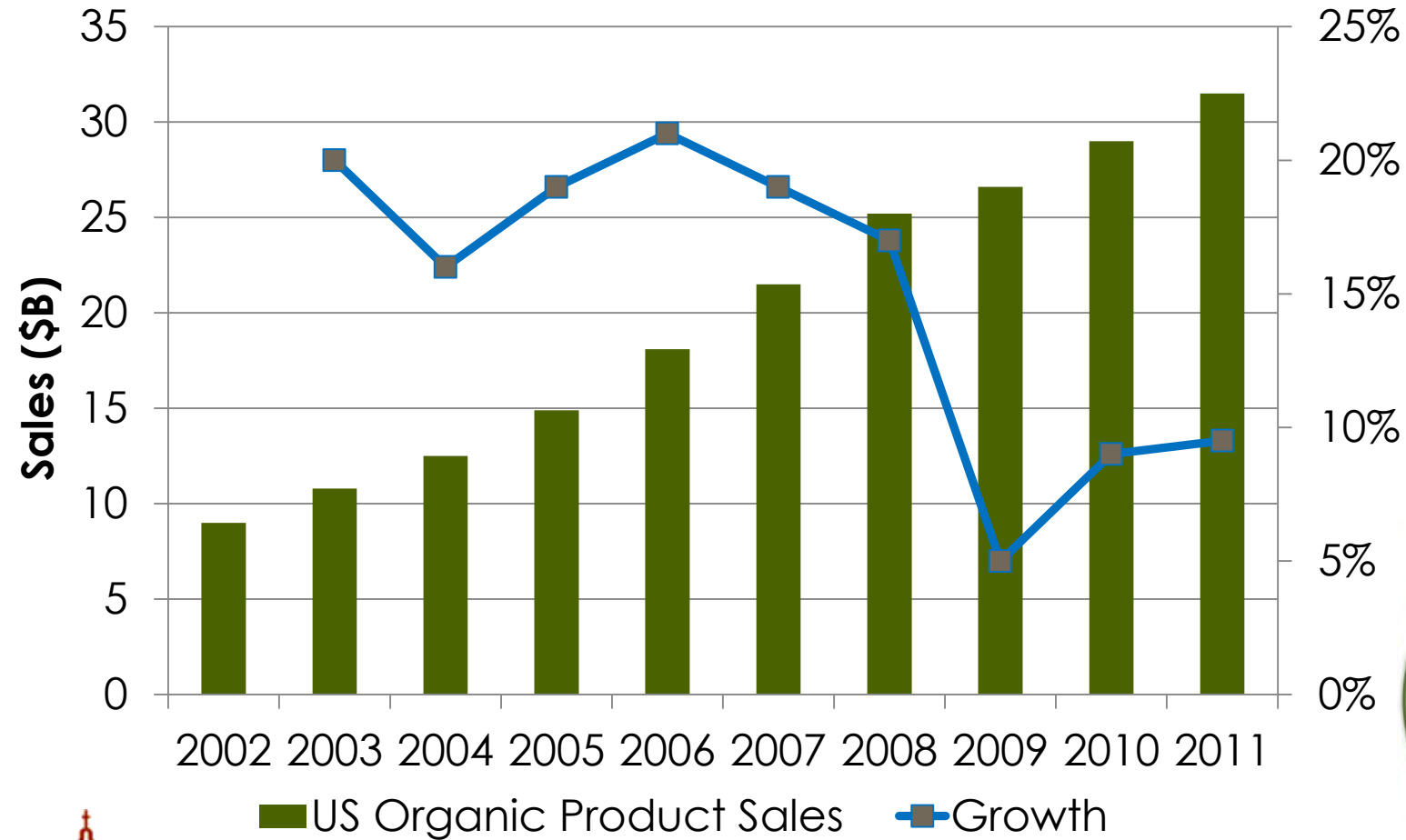


# Marketing Activities

- Mass Advertising
- Print Media
- Retail Support- point of sale advertising
- Website- farmer directory, recipes, industry data
- Social media
- Nutrition Research



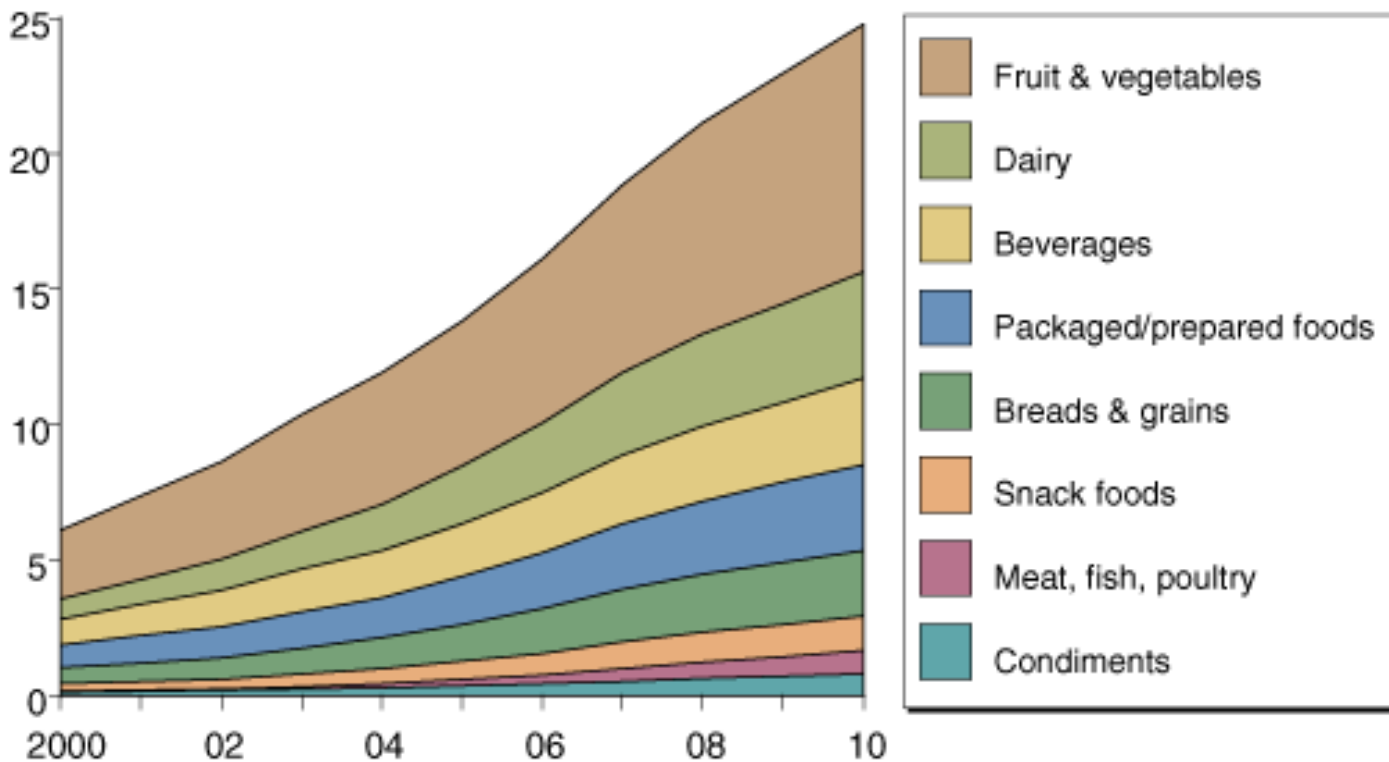
# Organic Market Growth



# Organic Food Sales

**U.S. organic food sales estimated to reach nearly \$25 billion in 2010**

Billion dollars

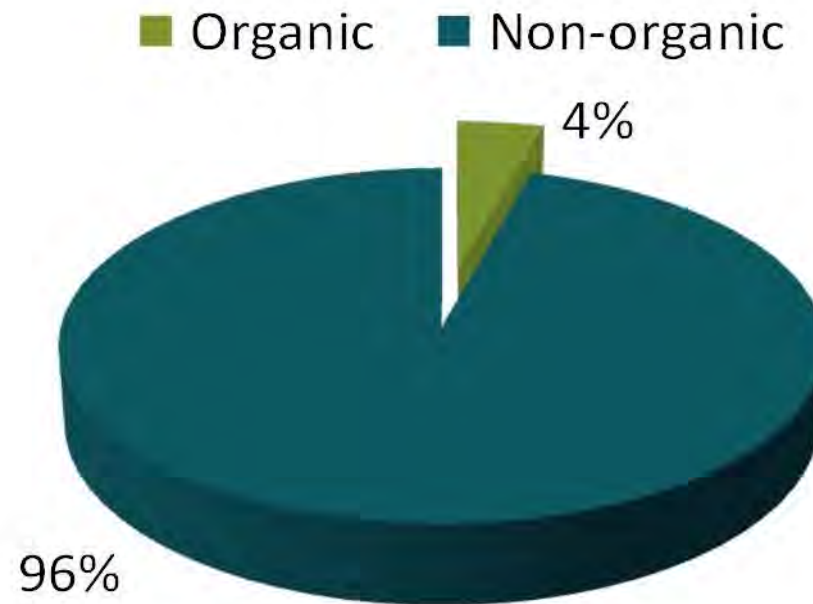


Source: USDA, Economic Research Service using data from the *Nutrition Business Journal*.



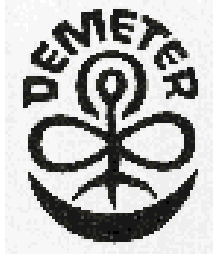
# Organic % of U.S. Food Sales

## Organic as % of total food sales in 2011





# Confusion in the Marketplace



Natural



**CAGE FREE**



**Hormone Free**



\*Meets the Humane Farm Animal Care Program standards, which include nutritious diet without antibiotics, or hormones, animals raised with shelter, resting areas, sufficient space and the ability to engage in natural behaviors.



# Research Goals

- Identify organic producer perspectives
- Evaluate impact of MOs on organic sales
- Identify marketing activities to increase organic sales
- Determine recommendations for MOs



# Methodology

- 20 Interviews
- 3 Focus Groups
- Online Survey



# Organic Farmer Perceptions

"The rising tide floats all boats"

Marketing orders provide little or no benefit

What is a Marketing Order?

Marketing orders are in opposition to organic



# Survey Results

63%

Organic certification provides solid evidence for their price difference and justifies the surge of organic products and other eco-labels





# Conclusions

- MOs don't promote organic products
- Lack of awareness of MOs
- Farmers leery of government as marketer
- Need for consumer education
- Need for organic industry voice



# Recommendations for Marketing Orders

- ◉ **Reach out to organic growers**
- ◉ **Establish organic marketing program to:**
  - ◉ Provide retail support to produce buyers
  - ◉ Educate consumers to understand “certified organic” and increase demand



# Recommendations for Marketing Orders (cont.)

1. Modify existing MOs to allocate a proportional share of marketing budget to promote organic products
2. Keep marketing dollars in farmers' pockets
3. Establish non-governmental organic producer association



# Recommendations for Marketing Organic Products

- Relationship with Buyer
- Communicate Value Proposition
  - Environmental stewardship
  - Values based supply chain
  - Family and future generations
- Consistency, Quality, Integrity
- Monitor Market Trends



# Questions?





# Thank You!

Tina Cosentino

[tcosentino@scu.edu](mailto:tcosentino@scu.edu)

408-464-4623

Dr. Gregory Baker

[gbaker@scu.edu](mailto:gbaker@scu.edu)

408 554-5172

