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DEPARTMENT OF AGRICULTURE
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MARKETING

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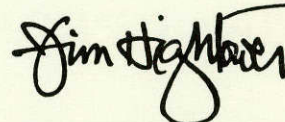
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TDA ON THE MOVE

From farmers markets and international sales of livestock to helping build new food processing plants and promoting Texas-grown products, the Texas Department of Agriculture has programs and staff to help farmers, ranchers, and those involved in the processing, handling and sales of Texas agricultural products and livestock.

More and more of the tomatoes and peaches that Texas consumers are buying were ripened on the vine and tree right here in Texas. They didn't spend weeks in cold storage in a California warehouse, and consumers taste the difference immediately. The same goes for our vine-ripe Texas watermelon and other farm-fresh produce. Texans are finding the Texas-grown crop to be sweeter, fresher and often cheaper.

Working closely with all segments of the food industry, TDA has developed programs that translate into new markets and greater sales for Texas livestock and produce. We're putting badly-needed money into the pockets of our Texas producers; all of us get to eat better quality meat and fresh produce at lower prices; and the most fundamental industry in Texas--AGRICULTURE--benefits. Keep on reading and learn some specifics about TDA at work.



Jim Hightower

INTERNATIONAL MARKETING

The language you hear in our International Marketing office is not always English. TDA international marketing specialists also speak Spanish, French, Chinese, Arabic, German, Farsi and Dutch, and several of our trade experts came to Texas from the countries they now cover. They know how to work effectively with buyers and government officials in Latin America, the Middle East, Asia and Europe. These trade specialists travel the world to seek out new business opportunities, uncover trade leads, and bring Texas suppliers into direct contact with foreign buyers. The information they bring home is generating millions of dollars in additional sales of Texas livestock and farm products abroad.

February, 1986

- TDA has signed historic trade agreements with Mexico and two of its border states, Tamaulipas and Chihuahua, helping to increase the sale of Texas livestock to our closest and best international trading partner.

- Livestock shipments through TDA's six export facilities have increased from slightly under 72,000 head in 1983 to nearly 300,000 in 1985. Sheep, goats, dairy cattle, breeding stock and beef cows valued at over \$77 million passed through TDA export facilities in 1985, compared with sales of roughly \$36 million in 1984 and \$6 million in 1983.

- Over the past two years, TDA has taken Texas products bearing the Taste of Texas logo to trade shows around the world, including London, Cologne, Paris, Singapore, Hong Kong, Saudi Arabia and the island nation of Bahrain.

- As a result of these programs: two Texas grocery suppliers report increased sales of over \$1 million each in 1984 and 1985; Tex-Mex foods from a San Antonio company are being served in Copenhagen and Hamburg; a West Texas meat packer is supplying cooked Texas beef to a Greek shipping line; heat-and-serve meals are now shipped from a San Antonio company to importers in Singapore and Hong Kong; an independent Texas bee keeper is selling \$1/4 million worth of bees, supplies and honey to Saudi Arabia; a Houston meat processor is selling beef jerky to Japan; and the list goes on . . .

- To expand the worldwide list of potential buyers for Texas agricultural products, TDA has developed a computerized international trade information and referral system. This network ties into the U.S. Department of Agriculture's computerized trade lead system that spans the globe to gather buyer inquiries daily. TDA's system allows a buyer in a U.S. embassy halfway around the world to contact a Texas supplier and make a deal.

- TDA publishes directories for Texas livestock, food and fiber, embryos and semen, and sends them free of charge to producers and foreign buyers who are interested in international trade.

MARKET PROMOTION

We Texans are proud of our native cuisine and rightly so! It is unique--spicy, substantial, down-to-earth, stick-to-your-ribs food that reflects the cooking styles of our Anglo, Black, Mexican, Cajun and other ethnic ancestors. Of course, good cooking starts with good ingredients, and we take special pride in promoting top quality livestock, fresh vegetables, fruit and other products raised on Texas farms and ranches.

- One of the ways TDA assists Texas food processors and food manufacturers is through the Taste of Texas program. The red-white-and-blue Taste of Texas flag is the TDA trademark that helps buyers across the state and nation, and even around the world, know that a product is manufactured in Texas using genuine Texas agricultural products. Over 180 Texas food companies and over 2,000 retail stores use the Taste of Texas logo in their individual marketing and advertising programs.

- In 1985, TDA provided the equivalent of three-quarters million dollars in promotional assistance to these Taste of Texas companies and reached approximately 20 million consumers.

- TDA has sponsored Taste of Texas food shows in Boston and Chicago to introduce these Texas foods to the people of New England and the Midwest.

- Some 40 Taste of Texas companies were showcased at the 1985 State Fair of Texas in the Food and Fiber Pavilion. Millions of potential consumers for these products were reached.

- Ten Taste of Texas companies were featured at the large "trade only" International Gourmet Food and Wine Show in San Francisco.

- Taste of Texas logos identified Texas-grown watermelon, which were free from the pesticide contamination that caused the destruction of millions of California melons.

- Taste of Texas was used in our special "crisis promotion" of Texas-grown beef in conjunction with over 500 H.E.B., Kroger, Safeway, Affiliated, Piggly-Wiggly and Tom Thumb-Page grocery stores. Participating stores reported sales increases ranging from 10-35% over the previous year.

TDA's Market Promotion program also works to solve problems. Here are just a few examples:

Orange juice

When the Houston Independent School District advertised for cafeteria products in the fall of 1983, its bid specifications allowed only Florida orange juice. TDA promptly got those specifications changed so manufacturers of Texas orange juice could bid as well. All future specifications were changed to accommodate Texas companies who might want to bid.

Texas wine

TDA co-sponsored the first Lone State Wine Competition in September 1984 and the second annual competition in October 1985 along with the Texas Grape Growers Association and Southwest Airlines. Today, Texas boasts 17 commercial wineries and our 1985 production is estimated at 500,000 gallons. Experts predict the Texas wine industry will contribute \$20 million to the Texas economy in 1986. Texas wines are also receiving national and international recognition. Pheasant Ridge Winery in Lubbock received a coveted gold medal in a national show in San Francisco.

Peanuts

TDA has joined the Texas Peanut Producers Board in a nationwide promotional campaign, which included a media tour of major U.S. and Texas cities in both 1984 and 1985. The 1985 campaign involved newspaper, radio, and television coverage in 20 major cities in 13 states. The value of the commercial airtime reaped is estimated at \$100,000 with an audience of 15 million.

DIRECT MARKETING

Whether it's a farmer selling 12 ears of sweet corn to a shopper at a farmers market or a cooperative selling one-million pounds of watermelon to a supermarket chain, the goal of TDA's direct marketing is the same: to put more profit in small and medium-sized producers' pockets. Farmers become their own middlemen and reap those value-added dollars.

- Statewide, TDA assisted producers in 33 communities of all sizes in 1985 to establish and run their own farmers markets. Nearly 1000 Texas farmers sold through these TDA-assisted markets in 1985 and grossed over \$3 million in sales. For some of these individual producers, the markets resulted in a 30 percent increase in personal income. Hundreds of thousands of Texans were able to shop at farmers markets in 1985.

- Local businesses have been instrumental in the success of the farmers markets. Donated space and shelter for the markets have been provided by shopping centers in Fort Worth, San Antonio, Austin, Lufkin, El Paso. A Panhandle businessman donated a cotton warehouse for the market in Lubbock. In small communities, the markets have been part of the downtown revitalization process in cooperation with the Texas Main Street Program.

- TDA also helps producers establish wholesale cooperatives and make direct sales to retailers. In fact, 10 such cooperatives have been formed with TDA assistance in the past two years, marketing items such as watermelon, tomatoes, pinto beans, pecans and cucumbers in wholesale quantities. Major retailers in Texas such as Kroger, Safeway, H.E.B. and Brookshire's are cooperating in this program.

- A major East Coast chain store, Pathmark Supermarkets, is buying produce directly from a Hidalgo County cooperative composed of Mexican-American growers. Tractor-trailer loads of cucumbers, peppers and cabbage, among other crops, are being shipped.

- Before TDA helped 17 Black farmers form the Hempstead Small Farmers Cooperative, these farmers could sell only one-third of their watermelon crop, and were getting from one to three cents a pound at roadside stands and the central terminal markets. The remainder of the crop was fed to livestock or left to rot in the fields. In 1984 and 1985, with TDA assistance, the farmers sold all their melons--over one million pounds--to the 103 stores which comprise the Kroger Company's Houston marketing area. The Hempstead farmers received six to seven and one-half cents a pound for their melons, yet Kroger shoppers paid about a dollar less per melon than they had been spending!

- TDA has sponsored special direct marketing workshops at Dallas, Tyler, Fort Worth, Kingsville, Uvalde and El Paso to help small-scale farmers learn what products to produce and what quantities for both farmers markets and wholesale markets. Texas A&M, Prairie View A&M and Texas A&I universities, the Agricultural Extension Service and the Texas Farmers Union have assisted at one or more of these workshops.

AGRICULTURAL DEVELOPMENT

Farmers have seen their share of the consumer food dollar plummet from 37 cents a decade ago to 27 cents in 1985. Through its Agricultural Development program, TDA helps qualified producers pocket some of the "value-added" profits that come with the processing and marketing of their own commodities. Through assistance from our Ag Development staff, farmers can potentially earn more money, jobs can be expanded in the local rural areas and the tax base of local governments can be strengthened.

- In 1984-85, TDA provided technical assistance valued at nearly \$800,000 to approximately 470 farmers and ranchers in 90 counties and was able to help arrange local financing of more than \$7.5 million for agricultural development projects.

- Under a unique agricultural development bond program created by the Legislature in 1983, 18 rice producers at Eagle Lake in Colorado County were authorized by TDA for an agricultural bond loan for \$2 million to finance a rice drying and storage facility.

- Ground breaking has already occurred for a historic farmer-owned flour mill in Dawn near Amarillo. Nine area farmers are financing construction of the mill, which will have a capacity of 300,000 pounds of finished flour a day, and will employ 14 people. TDA helped determine both the cost and economic feasibility of the project, evaluate different sources of financing and find markets for the flour.

- Since the program's inception over 35 major projects valued at nearly \$60 million have been or are being assisted. These projects include: a vegetable packaging shed to be owned by vegetable growers in South Texas and the Panhandle; a beef and hog packaging facility owned by Central Texas producers; a grape processing and fermentation and bottling operation; a pecan shelling facility; a grain milling operation; a vegetable canning operation; an onion processing facility; a poultry processing operation; a mohair milling and spinning operation; and a feedlot.

- Under another program, the Family Farm and Ranch Security Act implemented by TDA in March 1984, farmers and ranchers have an opportunity to purchase land they may already be leasing. The first loan guarantee was for purchase of a 537-acre ranch for a cattle operation at Marlin in Falls County. Another loan guarantee permitted purchase of 200 acres for a stocker operation in Archer City.

- A "special" TDA initiative is the development of a Texas native plant industry. Thirty-five percent of municipal water usage goes for the maintenance of yards and commercial landscapes. Through promotion of Texas native trees, vines, shrubs, flowers, and grasses TDA is helping the \$2 billion Texas nursery expand and is also assisting business and home-owners and local and state government units to reduce the cost and amount of water. TDA has published both a Native Tree Directory and a Native Plant Directory in cooperation with Texas A&M University and the Texas Nursery Association.

- TDA negotiations with the State Purchasing and General Services Commission could potentially result in all state office buildings being landscaped with Texas native plants.

- TDA is also working with crawfish producers in the economically-depressed Golden Triangle area of the state. Because of TDA's technical and financial assistance, funding from private sources is being negotiated for the state's first crawfish processing facility. TDA marketing studies show that commercial crawfish farming has an immediate sales potential of \$2-5 million a year for Southeast Texas producers. Long-term growth of this new agricultural industry could easily increase the economic potential of crawfish farming by ten-fold.

- Blueberries have been identified as a new crop with an economic potential of \$25-30 million a year for producers in East Texas. Working with North Texas State University, TDA has identified new marketing opportunities for East Texas blueberry producers. First, the commercial acreage must be increased from the current 300 acres to roughly 4500 acres. According to TDA's report, "Texas Blueberries: A Market Opportunity Assessment," blueberry production could eventually have an overall economic impact in East Texas of \$75-150 million a year.

- A new cooperative trade relationship between Texas and Israel has been pioneered by TDA. The Texas/Israel Exchange Program, announced in December 1984, is at work on cooperative efforts in the areas of agricultural energy, research, water use and conservation and food production. Forty Texas business, governmental, academic and agricultural leaders serve as members of TIE. The 24-member Israeli delegation is chaired by Israel's Deputy Minister of Agriculture, Abraham Katz Oz.

FOR MORE INFORMATION

- We hope these few pages have given you a glimpse of the multi-faceted marketing and ag development programs, which are now in place, and proving successful, at the Texas Department of Agriculture. If you would like more information about any of these initiatives, please write: Marketing, Texas Department of Agriculture, P.O. Box 12847, Capitol Station, Austin, Texas 78711, or call our Marketing Division at (512) 463-7624.

- Still, marketing is but one aspect of the overall TDA "picture," which we will be profiling in future publications. TDA now has in place numerous farmer-rancher assistance programs, consumer services, and outreach projects, and has taken an increasingly visible role in helping shape national agricultural issues. Be looking for future issues of "TDA at Work."