

Nevada Supporting Nevada Market Initiative



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March 2006

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This publication, *Nevada Supporting Nevada Market Initiative*, was published by the University Center for Economic Development in the Department of Resource Economics at the University of Nevada, Reno. Funds for this study were provided by the USDA–AMS, the Nevada Department of Agriculture, Nevada Association of Counties, and the Nevada Agricultural Experiment Station. This publication's statements, findings, conclusions, recommendations, and/or data represent solely the findings and views of the authors and do not necessarily represent the views of the USDA or the University of Nevada, Reno, or any reference sources used or quoted by this study. Reference to research projects, programs, books, magazines, or newspaper articles does not imply an endorsement or recommendation by the authors unless otherwise stated. Correspondence regarding this document should be sent to:

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I. INTRODUCTION

During a meeting of the Marketing Committee of the Nevada Rural Development Council in September 2004, the topic of finding ways to promote Nevada agriculture was raised. It was decided that one way to stimulate demand for Nevada grown agricultural products would be to interest Nevada chefs in serving locally-produced food products in their restaurants. The potential relationship between Nevada's chefs and producers was seen to be mutually beneficial: producers would gain a new market while chefs would be given the opportunity to serve extremely fresh, locally-grown food to their patrons.

The goal of this study is to increase the use of Nevada Grown food products in Nevada high-end (gourmet) restaurants and specialty food stores by determining the needs of gourmet restaurants and specialty food stores, the production possibilities of Nevada growers, and finally, bringing chefs and producers together to initiate discussions and purchase agreements. Specialty grocery stores, high-end restaurants, and hotel/casino restaurants were surveyed to determine their product and provider attribute preferences, and their attitudes towards buying locally (Nevada) produced foods. Agricultural producers in Nevada who grow/raise ingredients/foods for human consumption were also surveyed. Additionally, producers were asked about their marketing concerns, so that future University programming may address those needs.

Gourmet restaurant chefs and producers were brought together at a conference at the end of the study to discuss potential purchasing agreements. The results of this discussion may be the establishment of a grower cooperative, which would contract with and/or sell to select stores and restaurants in Nevada, or will perhaps result in placing interested chefs in a community-supported agriculture (CSA) program.

This study involved members of the University of Nevada, Reno, University of Nevada Cooperative Extension, Nevada Rural Development Council, Nevada Department of Agriculture (NDOA), and Nevada Association of Counties (NACO). The study was funded through a USDA-Agricultural Marketing Service (AMS) Federal State Marketing Improvement Program, and included in-kind contribution matching by NDOA, NACO, and the Nevada Agricultural Experiment Station (NAES).

II. NEVADA AGRICULTURAL PRODUCTS AND PRODUCER INTEREST

Producer Survey Description

Agricultural producers (growers) in Nevada who grow/raise ingredients/foods for human consumption were surveyed by mail. Out of 1100 surveys mailed in April 2005, 191 valid responses were returned for a response rate of 17.3%. For studies involving surveys, a high response rate is desired to ensure that the sample population is representative of the actual population. Because the response to this survey was relatively low, it cannot be validly concluded that the results are representative of the entire population of agricultural producers in Nevada. Questions in the producer survey covered:

- the types of products produced
- the quantities produced
- timing of harvest/slaughter
- production/growing processes

Additionally, producers were asked about their marketing concerns so that future University programming may address those needs.

Focus Group Results

Before the producer survey was fully constructed, a rough draft was presented to a focus group of small producers in Fallon, NV in January 2005. The objective of the focus group was to ensure that all relevant issues were addressed in both the producer and chef surveys.

Nearly all of the focus group members agreed that they would like to enter the market as suppliers for high-end and gourmet restaurants, but do not have enough information to do so. Some participants questioned whether or not such a market even exists, while other participants

felt that the market was there, but that definite action needs to be taken to break into the market. The participants were interested in finding out what products chefs and restaurants are interested in, the quantities of products they would like, and the timing/method of delivery they prefer. Participants were also interested in the steps that need to be taken to modify their operations to meet the needs of this niche market.

Most focus group participants agreed that it would be beneficial for small producers to band together to lower the individual costs of production, marketing, and delivery. As many producers live in rural Nevada, away from the larger urban areas where the high-end restaurants are located, delivery costs can be extreme, especially if the quantity purchased is small. Not only does this affect the producer, it increases the price the restaurants must pay to obtain locally-produced goods, resulting in a lose-lose situation. The focus group participants suggested that if they worked together, they may be able to deliver all of their products together, either under one label or under their individual labels. In this way, the producers would also be able to get their names out to chefs and restaurants without the high individual expense of doing so. Working together could also help producers to expand their market: one participant mentioned that although he/she runs an organic farm, it has not been certified as such due to the high certification costs. If the group was able to certify individual producers under the same label, the individual cost would be greatly reduced. Chefs and restaurants interested in third-party certified products would benefit from this as well, as they would experience greater availability of value-added goods such as organics.

Another marketing suggestion posed by the focus group was that small producers create a large umbrella website featuring each individual producer's business information and a seasonal availability menu chefs and restaurants could use to place orders. Such a system would lower

transactions costs to both producers and chefs; chefs would have the ability to view many local products at once and place orders for more than one individual's products at once, while suppliers would benefit from increased exposure and would be able to share the cost of creating and managing the website.

Another common issue was the lack of support the producers felt they were getting from the local community. Producers felt dismayed that casinos and other restaurants didn't show more interest in purchasing local products. Other producers felt that they faced competition from larger local companies in urban areas. The participants felt a general lack of support from private consumers as well.

Additionally, the focus group provided feedback on the questions that would be posed to chefs in the course of the survey. Participants were especially interested in finding out what quantities of goods chefs were interested in and what prices they would be willing to pay. Because of this, a section of the chef survey was specially constructed to determine what amount chefs would be willing to pay for a local product over a standard product. However, the response to the chef survey was not large enough to make recommendations based on pricing questions, so the results will not be discussed in this report.

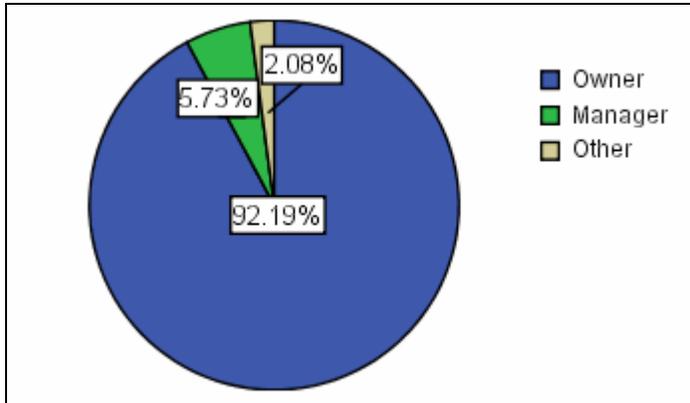
Survey Results

Ownership/Title

Respondents were asked to describe their relationship to the farm or ranch in an effort to determine the level of autonomy the respondent had within the organization, which would indicate his or her ability to make decisions regarding the organization (Figure 2.01). Ninety-two percent (177 individuals) of respondents said they were the owner of the farm or ranch,

while an additional six percent (11) operate under the title of manager, meaning ninety-eight percent (188) of respondents have a great deal of autonomy in making decisions regarding the farm or ranch. The remaining two percent (4) respondents operate under a title other than owner or manager.

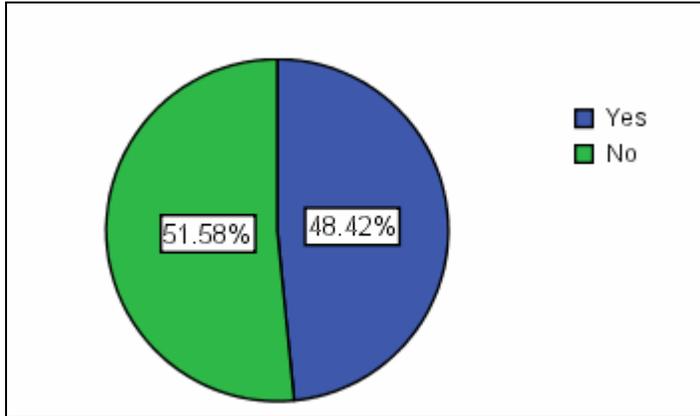
Figure 2.01: Title or Position of Respondent



Contracts

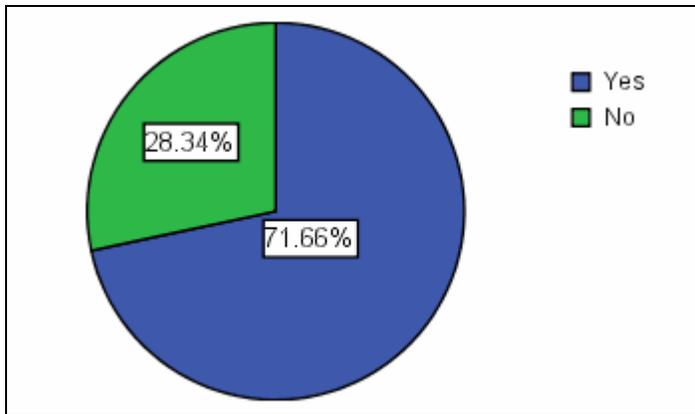
Respondents were asked to give information regarding their use of contracts with current or potential buyers, with "contract" defined as either a formal or informal contract or other binding agreement. Figure 2.02 represents the results. Nearly fifty-two percent (98) of respondents said they do engage in contracts with either current or potential buyers of their products, while the remaining forty-eight percent (92) said they do contract with current or potential buyers.

Figure 2.02: Respondent Currently Engages in Contracts/Agreements with Customers



Respondents who do not currently contract with their customers were asked if they would consider entering into a contract with a potential buyer (Figure 2.03). Though approximately half of the local producers currently engage in contracts or agreements with customers, the majority of producers who do not currently engage in contracts would consider doing so. Seventy-two percent (134) of respondents would consider engaging in a contract or agreement with a buyer, while twenty-eight percent (53) would not.

Figure 2.03: Respondent Would Consider Engaging in Contracts with Customers

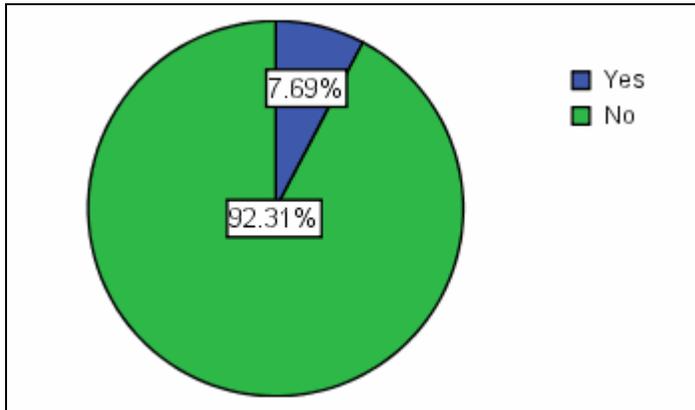


Labeling

The next section of the survey asked respondents to describe their labeling practices. When asked if they routinely used a label on their packaged products (Figure 2.04), the vast

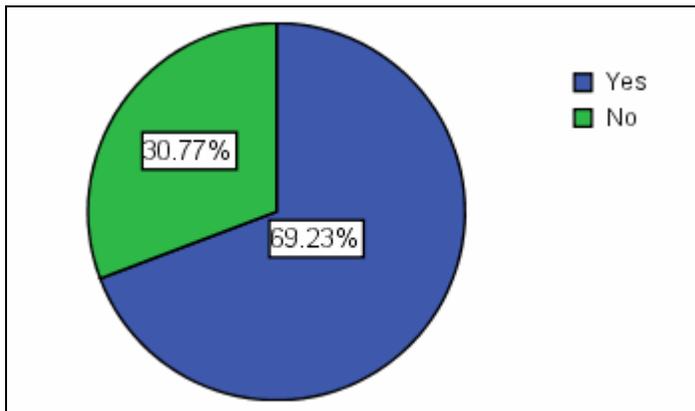
majority of respondents, ninety-two percent (156), said they do not use a label. Eight percent of respondents (13) said that their organization does routinely use a label on the packaged products they produce.

Figure 2.04: Establishment Uses a Label on Packaged Products



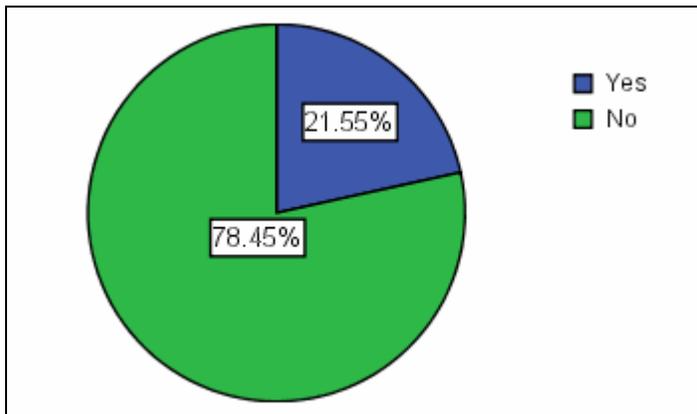
The respondents who said they use a label on their packaged products were then asked if the label specifically states that the product is from Nevada (Figure 2.05). Sixty-nine percent (9) of respondents said that their labels do not say the product is from Nevada, while the remaining thirty-one percent (4) do specifically mention Nevada on their product labels.

Figure 2.05: Establishment Features Nevada on Label



Respondents were then asked if they produce finished food products that would require a label, such as breads, jams, cheeses, etc., or food products for human consumption, such as raw vegetables or flour (Figure 2.06). Seventy-eight percent of respondents (142) do not produce finished food products that would require a label, while twenty-two percent (39) of respondents said they do produce finished food products that would require a label. The respondents who said they do not produce finished food products were mainly cattle ranchers and other livestock producers.

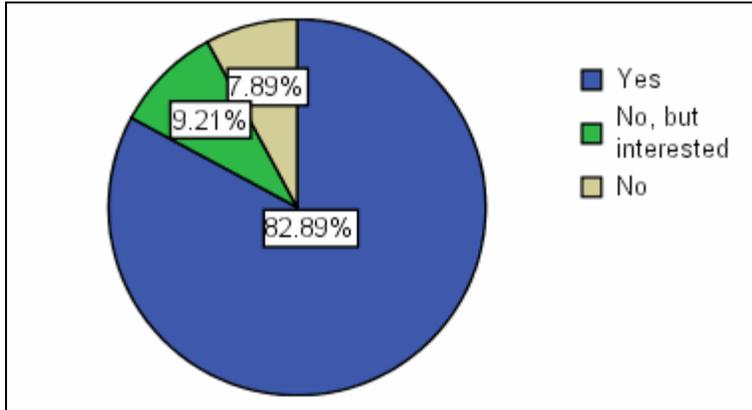
Figure 2.06: Establishment Produces Finished Food Products



Meat Producers

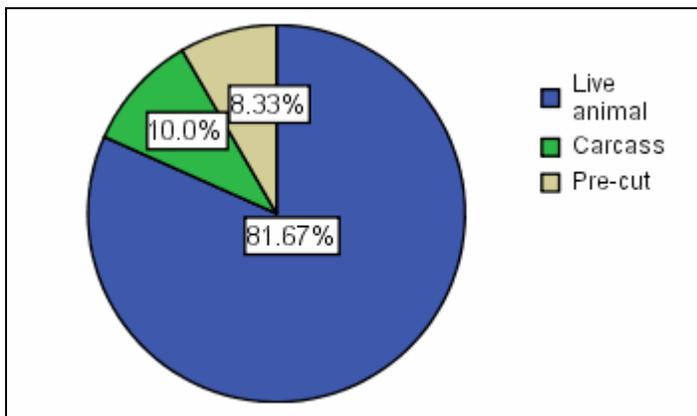
Respondents who produce meats were asked if they produced growth hormone-free meat (Figure 2.07). The majority of respondents, eighty-three percent (63), currently produce growth hormone-free meats. Nine percent (7) of respondents said they do not currently produce growth hormone-free meats, but would be interested in doing so in the future, while the remaining eight percent (6) of respondents do not produce growth hormone-free meat and are not interested in doing so.

Figure 2.07: Respondent Produces Growth Hormone-Free Meat



Meat producers were then asked to explain how they sell their meat to customers (Figure 2.08). Eighty-two percent (49) of meat producers sell their meat as live animals on the hoof, while ten percent (6) of respondents sell their meat as carcasses. Only eight percent (5) of respondents sell their meat pre-cut, which may create a problem for potential customers, especially private consumers, who may prefer this method of supply.

Figure 2.08: How Respondent Sells Meat Products to Customers

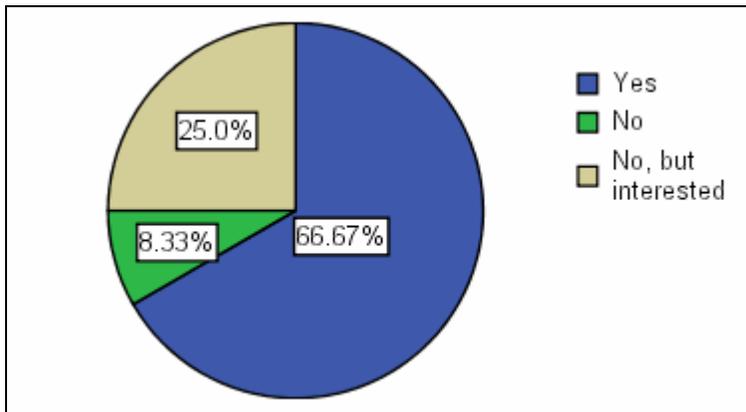


Produce and Dairy Producers

The next section asked respondents questions about their crop production method. When asked if they produce organic crops (Figure 2.09), sixty-seven percent (8) of respondents said they currently produce certified-organic crops, while twenty-five percent (3) said that although

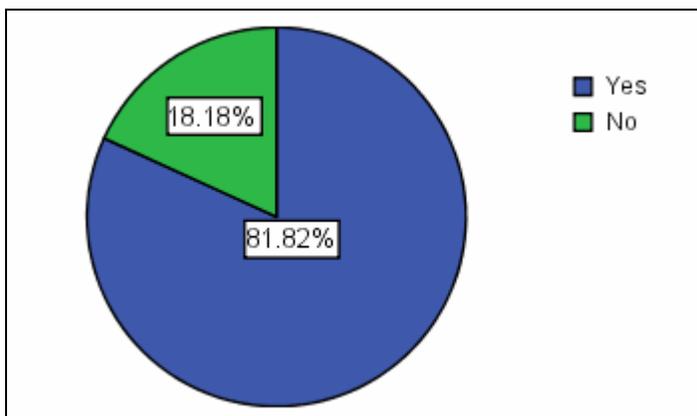
they do not currently produce organic crops, they would be interested in doing so at some point in the future. The remaining eight percent (1) said they do not produce organic crops and would not be interested in doing so.

Figure 2.09: Respondent Produces Organic Crops



Respondents were then asked if they produce chemical-free crops (Figure 2.10). Eighty-two percent (9) said they currently produce chemical-free crops, while the remaining eighteen percent (2) said they do not currently produce chemical-free crops and are not interested in doing so.

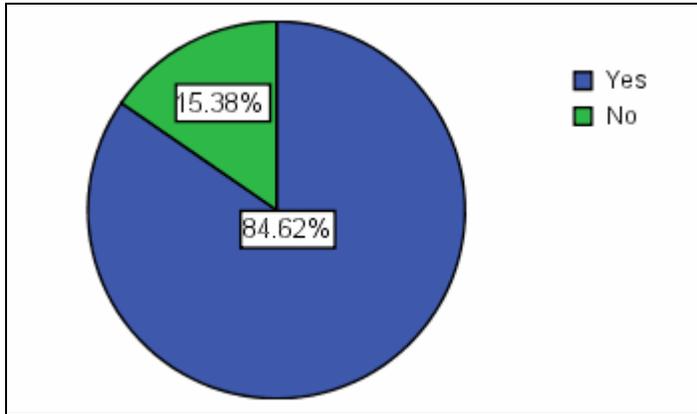
Figure 2.10: Respondent Produces Chemical-Free Crops



Respondents were asked if they produce pesticide-free crops (Figure 2.11). Eighty-five percent (11) of respondents said they currently produce pesticide-free crops, while the remaining

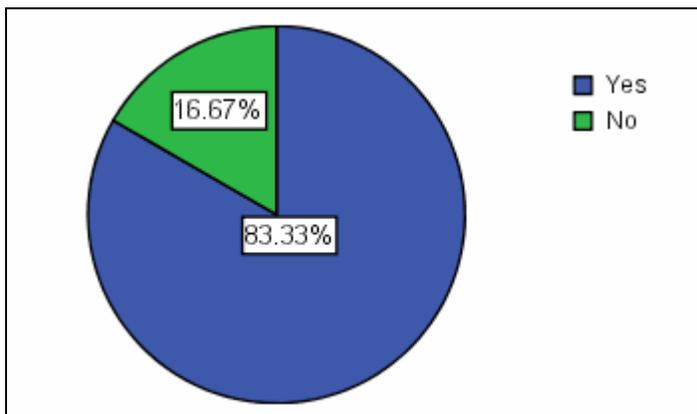
fifteen percent (2) do not currently produce pesticide-free crops and are not interested in doing so.

Figure 2.11: Respondent Produces Pesticide-Free Crops



Respondents were also asked if they currently produce herbicide-free crops, or if they would be interested in doing so in the future (Figure 2.12). Eighty-three percent (10) of respondents said they currently produce herbicide-free crops, while the remaining seventeen percent (2) do not currently produce herbicide-free crops, nor do they have any interest in doing so.

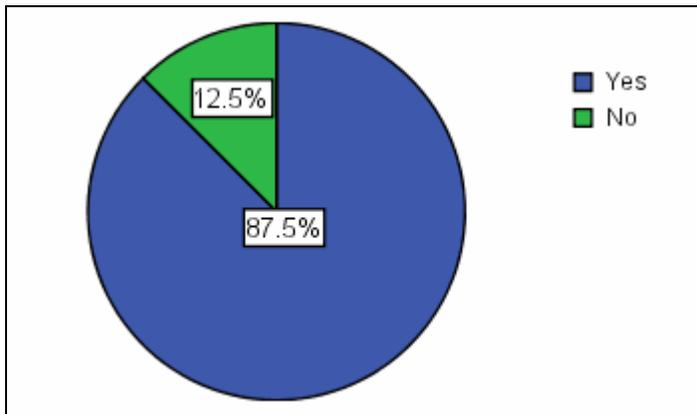
Figure 2.12: Respondent Produces Herbicide-Free Crops



Finally, dairy-producing respondents were asked if they currently produce growth hormone-free dairy products (Figure 2.13). Eighty-eight percent (7) of respondents do currently

use growth hormone-free dairy production methods, while the remaining twelve percent (1) of respondents do not produce growth hormone-free dairy products and are not interested in doing so in the future.

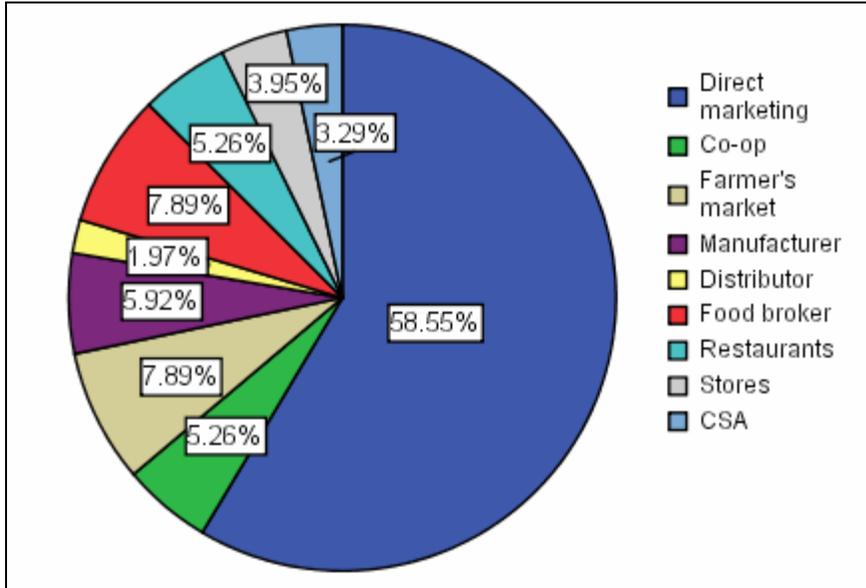
Figure 2.13: Respondent Produces Growth Hormone-Free Dairy Products



Marketing and Advertising

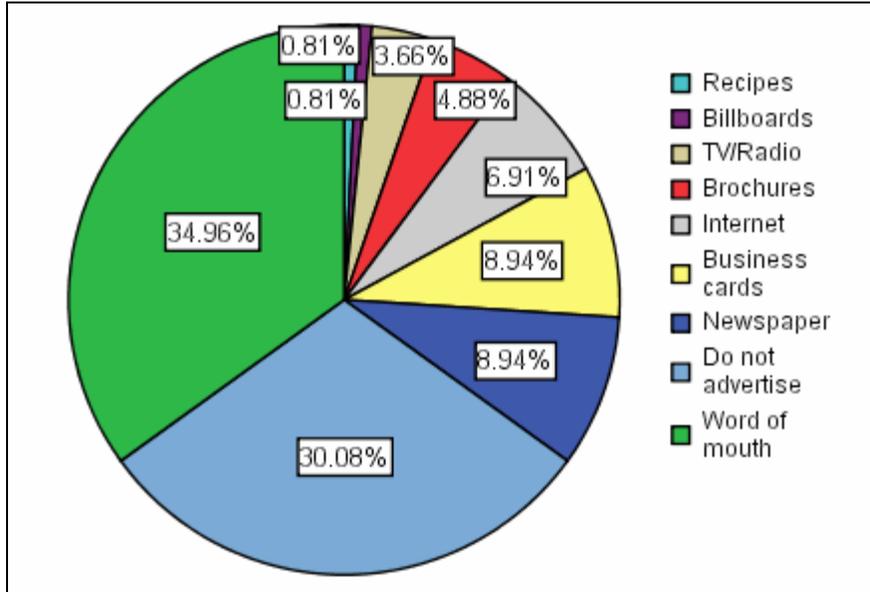
Respondents were asked to describe their current method of selling or marketing their products (Figure 2.14). Fifty-six percent (89) of respondents currently direct market their products, meaning they sell the products directly to their customers without going through a middleperson. Eight percent (12) of respondents market their products through a farmer's market, while an additional eight percent (12) market their products through a food broker. Six percent (9) market their products through a local manufacturer, five percent (8) market through a farmer's or rancher's cooperative, and an additional five percent (8) market their products directly to restaurants. Four percent (6) of respondents market their products directly to stores, three percent (5) market through community supported agriculture (CSA) programs, and the remaining two percent (3) of respondents market their products through a local food distributor.

Figure 2.14: Current Marketing Outlets



Respondents were asked to describe the current methods they use to advertise their products (Figure 2.15). Thirty-five percent (86) of respondents use word-of-mouth to pass information about their company and/or products to the public. Nine percent (22) of respondents use business cards as their method of advertisement, while another nine percent (22) use either newspaper ads or circulars inside newspapers. Seven percent (17) of respondents use the Internet in one form or another to advertise, four percent (9) place television or radio ads, and a little less than one percent each (2) advertise using billboards and distributed recipes. The remaining thirty percent (74) of respondents do not advertise at all.

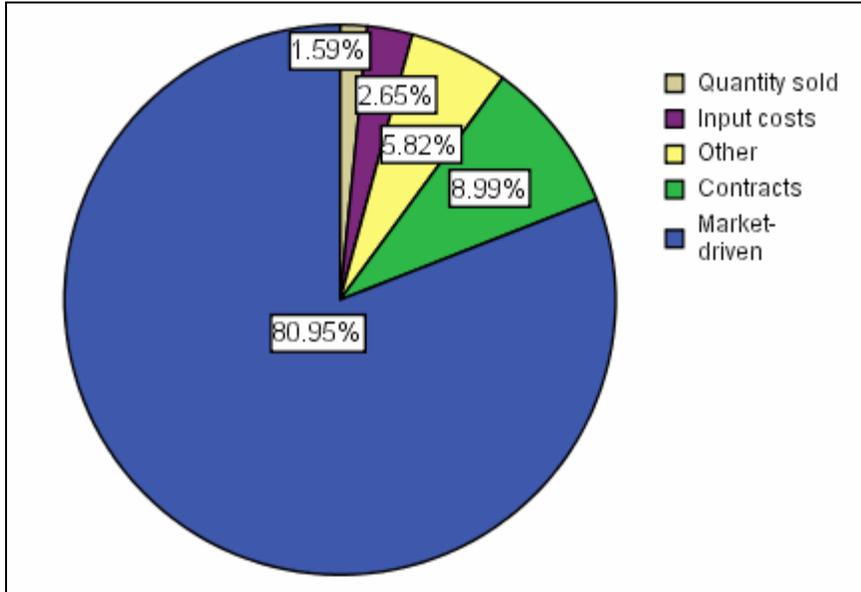
Figure 2.15: Current Advertising Methods



Pricing

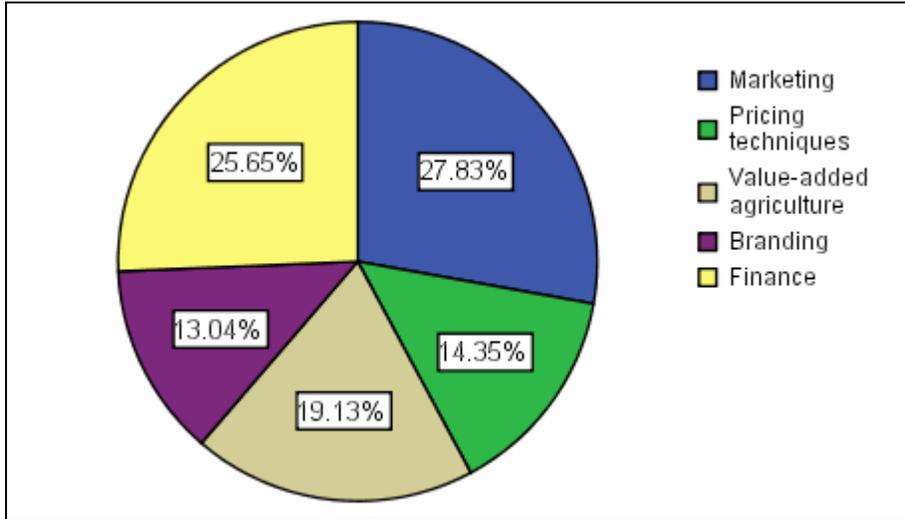
Respondents were asked to explain how they set prices for their products (Figure 2.16). Eighty-one percent (153) said their prices are market-driven, meaning they set their prices based upon the "going rate," or the price other producers and companies are selling the product for. Nine percent (17) of respondents set the price of their products using previously agreed-upon contracts, while three percent (5) base the price of their products on input costs, meaning the price is determined according to how much it cost the producer to produce it (depending on the product, this may include feed costs, fertilizer costs, labor, etc.). Two percent (3) set product prices based on the quantity sold to the customer, for example, the more pounds of beef a distributor purchases, the lower the per-pound price becomes. The remaining six percent (11) of respondents use other methods to designate prices. While not all of these respondents said what the "other" method is, several respondents said they use competitive bidding (auctions), while three respondents said that they let the customer set the price.

Figure 2.16: How Respondent Designates Product Prices



As a final question, respondents were asked what topics they would be interested in learning about through University-sponsored educational programs. Twenty-eight percent (64) of respondents would be interested in learning about marketing techniques, twenty-six percent (59) would be interested in learning about farm/ranch finance, nineteen percent (44) would like to learn about value-added agriculture, fourteen percent (33) would be interested in learning about pricing techniques, and the remaining thirteen percent (30) would be interested in learning about branding and certification processes.

Figure 2.17: Potential Educational Programs



Locally (Nevada) Produced Products

Table 2.01: Meat Products Available in Nevada

<p>Beef: Calves & Young Cattle</p>	<ul style="list-style-type: none"> - Weaned calves: available Oct-Dec, 40,000lbs - Grass fed, about 12,000 lbs, available Apr-May - 100 head, 500 lb, available October - Natural, grass-fed, 5 locker (?) beef at 1175 lbs (could hold more if there was a market) - Natural feed - Calves: currently sell them in Nov to Harris, 50,000 lbs+; <ul style="list-style-type: none"> - 95-100 grass fed, 5-7 months old, weight 500-580 lbs, available Oct 1, no antibiotics no growth hormones, no implants - Beef calf crop sold in fall - Halves and whole beef fat calves and hamburger, Jul-Sept. - High mountain grown Pvc: conditioned on long-stem hay ~ high mountain grown - 4000 lbs grass fed - Animals sold on the hoof - Year ending 2004, I sold approximately 22,500 lb live weight - Full-blooded Mexican (Corriente) young cattle. After a couple years, they are put on feed for a short time and sold for beef. This is an extremely low fat, flavorful, all natural product with no growth hormones added and cardiac healthy form of beef. - Long yearling steers & heifers: midsummer, grass fed until they go to feedlot, excellent condition and quality
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Beef	<ul style="list-style-type: none"> - Market 3/4 of crop through Country Natural Beef co-op - Cull cows and bulls ~ cull cows from dairy-grain-fed - Lean beef ~ ultra lean beef: 8,000 lbs annually ~ lean beef: 20,000 lbs, available Nov-Dec ~ lean beef, miniature Hereford, locker meat, smaller cuts, all natural, healthier portions, available Sept-Oct ~ - All natural, grass fed beef ~ grass fed beef: provide this to people we know on request by whole animal delivered to the butcher ~ natural beef, 200,000 lbs ~ natural feed ~ natural beef ~ natural beef on the hoof ~ grass fat beef: available year round ~ grass-fed beef ~ natural, lean, humanely raised beef ~ - Ranch raised cows: 500 lbs, available Nov. - Organic beef, 5-12 head per year - Our lease holder has contract cattle from a feedlot as well as Corrientes for rodeo - Grain-fed, 400,000 lbs, available Nov.-Feb., Nevada-raised - Santa Gertrudis cattle - Produce feeder beef - Grass & grain-fed beef: provide this to people we know on request by whole animal delivered to butcher - Grain-fed beef, available year round - Buying and selling beef from July-May
Lamb	<ul style="list-style-type: none"> - Market lambs available May-Oct, 20-40 head - Live lamb - Free-range, 20 lambs available Nov-Jan - 9 month old, 30 per year, available July & Dec, hair sheep breeds lower in fat and cholesterol, milder lamb flavor - Fresh lamb, 30 a year, butchered at 9 months after being grain fed for 30 days (I have more customers than lambs) they are hair sheep smaller than traditional wool sheep, with better flavor, lower fat and cholesterol - Whole lambs, available Aug-Oct - Grass-fat lambs, available spring and summer
Turkey	<ul style="list-style-type: none"> - Turkey: 600 lbs available November
Ostrich	<ul style="list-style-type: none"> - Low fat meat, low cholesterol, steaks, ground, kebob, liver, natural, hay and grain fed, no hormones, no growth additives, no antibiotics, ostrich salami, pepper sticks, jerky
Goat	<ul style="list-style-type: none"> - Live, available May-July

Table 2.02: Produce Available in Nevada

General	<ul style="list-style-type: none"> - Mixed vegetable boxes: ½ bushel, June-Oct. ~ variety of vegetables: June-Aug. - We grow over 35 different vegetable crops with close to 200 different varieties, including strawberries, raspberries, rhubarb and melons, and could send you a list if needed - All fruits and vegetables available by the pound, self-packaged. We are sustainable farmers (biodiverse). We do not support organic, chemical-,pesticide, or herbicide free method of growing
Onions	<ul style="list-style-type: none"> - Onions: 50 lb, 25 lb bags/ consumer packaging 5lb, 3 lb, 10 lb, 2lb bags/ 40 lb boxes and RPCs/onions are graded into three categories, we pack a premium #1 product, pesticide and residue free
Hay	<ul style="list-style-type: none"> - Hay: 500 tons - Alfalfa hay or haylage: 5000 tons annually - Oat hay: 120 tons annually
Corn	<ul style="list-style-type: none"> - Corn silage or grain: 1000 tons annually - Sweet corn: 15 acres annually ~ Pesticide/herbicide free sweet corn - I'm interested in growing sweet corn and tamale corn as can develop markets
Honey	<ul style="list-style-type: none"> - Honey

Flowers	- Buckaroo bouquets: cut flower bouquets, field grown flowers, June-Oct - We grow close to 40 different flower crops used in the mixed bouquets
Potatoes	- Potatoes: 50 lb boxes, pesticide and residue free
Tea	- Organic teas: many packages, available year-round
Grapes	- We are in the process of building a winery on the ranch and planting grapes that may be made into wine and sold on the Tahoe Ridge label - Tables grapes: Aug-Nov 1
Apples	- Certified organic by NV Dept of Ag, u-pick main market, 4 varieties - Late Aug-Oct
Cherries	- Sweet cherries: 1 lb boxes, late June
Tomatoes	- Hydroponic tomatoes, 25 lb box, 15 lb box, Oct-May
Pecans	- Organic pecans - Papershell pecans

Table 2.03: Dairy Products Available in Nevada

Eggs	- Dozen, 1/2 dozen, free range, Feb-Oct - 1 doz. and 1/2 doz. cartons - Organic cage free, specialty breed, 6 eggs per share as available - Organic eggs, 1/2 dozen packages sold only to my CSA customers as part of their share
Cheese	- Several varieties of specialty gourmet cheeses - Chevre (soft cheese made from goat's milk) in a multitude of flavors: plain, garlic, dill, Mediterranean, horseradish, tbq (tomato, basil, garlic), strawberry, lemon, cinnamon, pepper ranch, chocolate mint, pineapple, single malt scotch, jalapeno, queso diablo, picon punch, Cajun, tequila habanero (4th place Wisconsin cheese makers contest, semi-soft category) - Hard cheeses: feta and mild feta (both raw and pasteurized) - Ricotta - Colby, cheddar, manchego
Milk	- Sold at farm gate, bulk 2000 gal/day, available year-round - Raw milk: shipped to Model Dairy processing plant

Implications

Although many small producers in Nevada are interested in supplying high-end restaurants and casinos with local products and have the autonomy to make such marketing decisions, most of these producers do not know who to contact or how to go about becoming such a supplier. The majority of survey respondents either currently engage in contracts with their customers or would not be opposed to doing so, a factor that may facilitate future working arrangements with chefs and/or establishments.

Many respondents already produce differentiated products, such as organic, natural, and growth hormone-free, all of which are factors that may induce local purchases by chefs.

Producers who do not already produce such differentiated products for the most part expressed interest in learning how to do so. This flexibility will be important if producers and chefs wish to enter into supply agreements with one another.

Another important issue revealed by this study is the way meat producers currently sell their meat to their customers. Currently, the majority of meat producers sell their livestock as yearlings on the hoof. While live animal sales are appropriate for livestock auctions, pre-cut or small cuts are preferable for consumers such as individuals and/or chefs and establishments, who do not want to have to go through the trouble of butchering the meat themselves, or incur the extra costs of having the meat professionally butchered.

The majority of the producers surveyed direct market their products to their consumers, indicating a desire to eliminate third-party distributors in favor of working directly with the consumer. This may be important to chefs who would like to purchase products directly from the source, particularly if the chef is interested in the community aspect of purchasing locally. This survey also revealed that most producers either do not advertise, or rely on word-of-mouth to circulate information about their products and/or company. This may be why very few of the chefs surveyed knew of local producers, and indicates that local producers may benefit from diversifying their advertising methods.

Producers expressed some difficulty in setting prices for their products, admitting that often they let the customer set the price or simply use the prices other producers are using. This shows that there is room for improvement in the way producers are running their business

operations, which may be helped through increased use of contracts and/or uniting under one well-run business entity to supply local chefs.

III. GOURMET CHEF AND SPECIALTY STORE MARKET POTENTIAL

Market Survey Description

Specialty grocery stores and gourmet restaurants were surveyed in April 2005 to determine product and supplier attribute preferences, and attitudes towards buying locally (Nevada) produced foods. Nineteen valid surveys out of 289 mailed were completed and returned via mail, for a response rate of 7%. Again, because of the low response rate, it cannot be ensured that the results presented here are representative of the entire population of chefs, restaurants, and specialty stores in Nevada. Questions focused on:

- the types of food chefs use
- the quantities required
- when products are needed (daily, monthly, seasonally, etc.)
- delivery preferences
- the types of packaging and labeling required

Importantly, questions also covered ingredient attributes, such as taste, color, fat content, etc., which may or may not match up with the Nevada grower feeding and breeding processes. A directory of establishment owners and chefs was created based on current contacts and Nevada State/City Chamber of Commerce directories.

Focus Group Results

A focus group of chefs was assembled in December 2004 in Las Vegas, Nevada to discuss current issues in an effort to create the most valid chef survey possible. During the focus group, the chefs emphasized that they are looking for high-value foods in small quantities that

they can use to prepare gourmet meals. Specifically, the chefs said they are seeking meats, fruits, and vegetables that are natural, organic, and locally grown.

One complaint chefs had about their current suppliers was that they are forced to purchase items in high quantities that they don't need, resulting in food waste. Not only is this inefficient, it also creates a higher per-item price for chefs, when chefs believe they are already paying extreme prices without the waste. They also felt that the quality of items available to them was generally poor. Some chefs, mainly those who work in casino restaurants, mentioned that they have to buy their products through a casino-approved supplier, limiting the amount of autonomy the chefs have to make their own purchasing decisions.

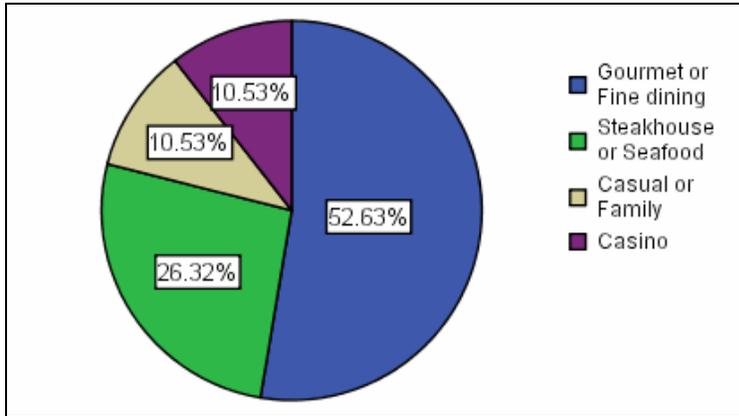
Two major conclusions were reached during the course of the focus group. The first conclusion was that chefs were willing to pay a high price per item to get the quantity they need and the quality they would like. The second conclusion was that chefs need to have producers let them know what products are available and when, so that chefs can plan seasonal menus in advance. A study similar to this study was completed by the University of Nebraska, Lincoln's Food Processing Center and The North Central Initiative for Small Farm Profitability in 2003. The survey created for that study was used as a reference for this study, combined with Nevada-specific information gained from the focus group.

Survey Results

Respondents were first asked to describe the type of restaurant in which they work (Figure 3.01). Fifty-three percent (10) of respondents described their restaurant as either gourmet or fine dining, twenty-six percent (5) identified their restaurant as either a steakhouse or

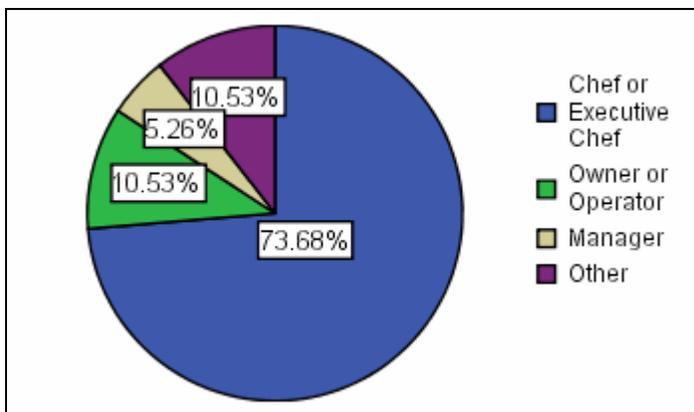
seafood restaurant, eleven percent (2) referred to their restaurant as either casual or family dining, and the remaining eleven percent (2) said their establishment is a casino restaurant.

Figure 3.01: Respondent Foodservice Segment Association



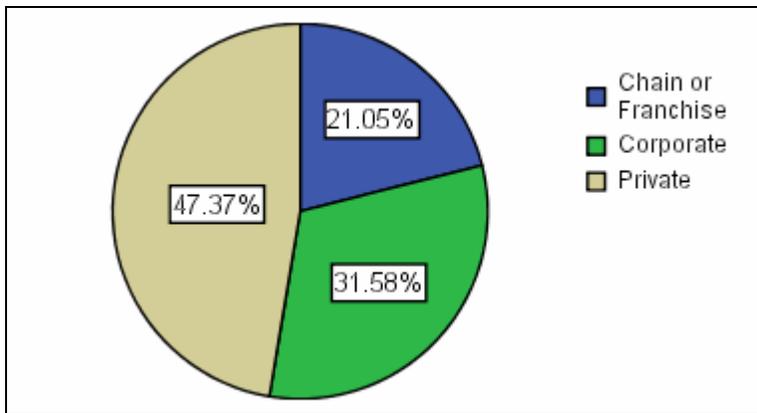
Respondents were then asked to describe their title or position with the restaurant (Figure 3.02). The vast majority, seventy-four percent (14) of respondents said they were the head or executive chef, eleven percent (2) said they were the owner or operator, five percent (1) of respondents held the title of manager, while the remaining eleven percent (2) found none of the given titles to be appropriate. These respondents gave the title of bookkeeper and food services coordinator.

Figure 3.02: Title or Position of Respondent



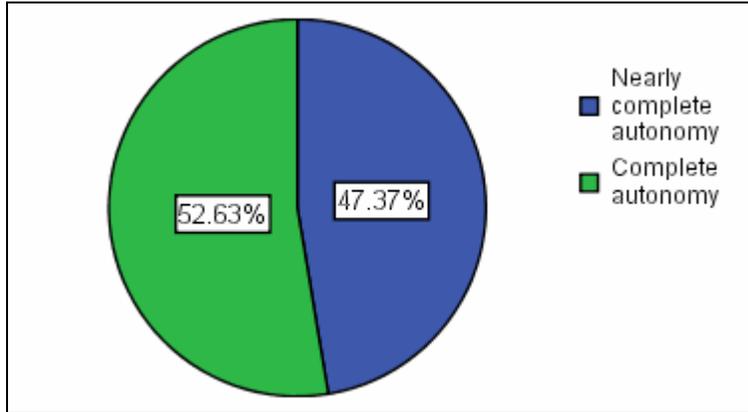
Respondents were asked to describe the ownership status of the establishment in which they work (Figure 3.03). Nearly half of the respondents, forty-seven percent (9), said their establishment is privately or independently owned, thirty-two percent (6) said their establishment falls under corporate ownership, and the remaining twenty-one percent (4) said their establishment is either a chain or a franchise. This question was asked to give an idea of how ownership relates to the preferences of the establishment.

Figure 3.03: Ownership of Establishment



Respondents were also asked to describe their level of autonomy in the context of selecting suppliers (Figure 3.04). This was done to ensure that the people responding to the questions were the people in charge of making supply decisions. Fifty-three percent (10) of respondents said they have complete autonomy in supply decisions, while the remaining forty-seven percent (9) said they have nearly complete autonomy. This means the survey was filled out by the target group.

Figure 3.04: Respondent's Level of Autonomy When Choosing Suppliers



Respondents were then given a table of product attributes and were asked to rank them in level of importance, from not important at all to extremely important (Table 3.01).

Table 3.01: Potential Product Attributes and Their Importance, as Ranked by Chefs

Attribute	Not Important	Somewhat Important	Very Important	Extremely Important
Product's quality	0	0	0	100
Product's taste	0	0	0	100
Product's marketability	16	47	0	38
Product is nutritious and healthy	26	42	0	32
Product's cost	21	47	0	32
Unique or special	16	37	0	47
Signature product for my establishment	22	33	0	44
Product has a variety of menu applications	27	37	0	37
Product is locally (Nevada) grown	74	16	0	11
Ease of preparation	63	32	0	5
Product's brand	63	32	0	5
Personally know grower/processor	53	37	0	11
Product is certified organic or natural	53	32	0	16
Producer is environmentally conscious and/or conducts humane animal treatment	37	37	0	26
Personally aware of growing process	47	32	0	21

When asked to rank the product's quality, one hundred percent (19) of respondents ranked it as extremely important. This same result was found for product taste: again, all respondents (19) said taste is extremely important.

Respondents were asked to rank the importance of a product's marketability, which can be thought of as the product's "attractiveness" to the restaurant's patrons. A product's marketability is a distinction of how well it will sell as a menu item. Thirty-eight percent (7) of respondents said marketability is extremely important, forty-seven percent (9) of respondents said marketability is somewhat important, and the remaining sixteen percent (3) ranked marketability as not at all important. These responses indicate that marketability is a factor to consider when marketing to chefs and/or restaurants.

Respondents were asked to rank the importance of nutrition and/or health when considering purchasing products to serve in their establishments. Thirty-two percent (6) of respondents said nutrition is extremely important, forty-two percent (8) said it was somewhat important, and the remaining twenty-six percent (5) said nutrition is not at all important. The dispersed distribution indicates that some chefs will place a high level of importance on nutrition while others will not. This will depend on the chef and probably the type of establishment.

Respondents were asked to rank the importance of a product's cost when they consider purchasing a given product. In this sense, cost is defined as the amount the restaurant's customers will have to pay to have the product as part of a dish. Thirty-two percent (6) of respondents ranked cost as extremely important, forty-seven percent (9) ranked cost as somewhat important, and the remaining twenty-one percent (4) ranked cost as not at all important. As with nutrition, the importance of the cost of a product will depend on the chef and the establishment.

Respondents were then asked to rank the importance of a product having a unique or special quality. Forty-seven percent (9) of respondents ranked a unique aspect as extremely important, thirty-seven percent (7) ranked uniqueness as somewhat important, and the remaining sixteen percent (3) said a unique/special aspect is not at all important. The importance of a

unique/special aspect will probably depend on the chef's preferences and on the type of menu the chef serves.

Respondents were then asked to rank the importance of a product serving as a signature product for the establishment. Forty-four percent (8) of respondents ranked a signature menu item as extremely important, thirty-three percent (6) ranked it as somewhat important, and twenty-two percent (4) said this attribute was not important at all. The importance of this factor will depend on the chef and the type of establishment.

Respondents were asked to rank the importance of purchasing a product that has a variety of menu applications. Thirty-seven percent (7) of respondents ranked menu applications as extremely important, while another thirty-seven percent (7) said having a variety of menu applications is only somewhat important. Twenty-seven percent (5) of respondents said menu applications were not at all important.

Respondents were asked to rank the importance of purchasing a product that was grown or produced in Nevada. Eleven percent (2) of respondents said that the ability to purchase locally grown and/or produced goods was extremely important, sixteen percent (3) of respondents said the local aspect was somewhat important, but the majority, seventy-four percent (14) of respondents said the local attribute is not at all important. This may be driven by the fact that slightly over half of the respondents work for an establishment that is either corporately owned or is part of a chain or franchise. Such establishments would be less inclined to serve local products and/or support the local agricultural community. This is another attribute whose importance will depend on the chef and the establishment.

Respondents were asked to rank the importance of the ease of preparation when purchasing products. Five percent (1) of respondents said ease of preparation is extremely

important, thirty-two percent (6) said ease of preparation is somewhat important, and the remaining sixty-three percent (12) did not think ease of preparation was important at all. This indicates that as long as a chef wants a product to create a certain dish, he or she will not care if the item is difficult to prepare.

Respondents were then asked to rank the importance of a product's brand when they are considering purchasing the product. Only five percent (1) of respondents felt that a product's brand is an extremely important attribute, while thirty-two percent (6) said it is somewhat important, and the remaining sixty-three percent (12) said a product's brand is not at all important. This is good news for small producers who do not have a developed or recognized brand, and indicates that chefs are more concerned with the quality of the products they purchase than the company that created the products.

Respondents were asked to rank the importance of personally knowing the grower and/or processor of products they are considering purchasing. Eleven percent (2) of respondents said that this is an extremely important attribute, while thirty-seven percent (7) of respondents said it is only somewhat important. Fifty-three percent (10) of respondents said that it is not important to them that they know the person or people responsible for growing and/or processing the products they consider purchasing. This is a factor that will have more bearing on small, privately- or locally-owned establishments, but will vary between chefs and restaurants.

Respondents were asked to rank the importance of third-party certified product attributes such as certified organic and certified natural. Sixteen percent (3) of respondents said that buying a product that is certified organic and/or natural is extremely important, thirty-two percent (6) ranked it as a somewhat important attribute, and fifty-three percent (10) said it is not important at all. However, it is important to keep in mind that organic or natural foods serve as

the cornerstone of some restaurants. This is another attribute that will be important to some chefs and establishments and trivial to others.

Respondents were then asked a similar question that relates more to livestock: respondents were asked to rank the importance of knowing that the producer follows environmentally conscious practices and/or treat his/her livestock humanely. This was more important to chefs than the organic/natural aspect, with twenty-six percent (5) of respondents ranking this as an extremely important attribute, and thirty-seven percent (7) each said it was somewhat or not at all important. The increased importance over organic/natural indicates that while certification as such may not be important to chefs, they are concerned with the methods used to grow or process the products they serve in their establishments.

This theory is further supported by the rank chefs gave to the attribute of being personally aware of the growing process. It was slightly less important than the previous attribute, with only twenty-one percent (4) of respondents ranking personal knowledge of the growing process as extremely important, thirty-two percent (6) said it has some importance, and forty-seven percent (9) said it as not at all important. Although being personally aware of the growing process was given less importance than the humane treatment of animals, it was given greater importance over organic/natural. This may be an indication that although chefs are concerned with the methods used to grow or process the products they serve in their establishments, they don't necessarily need third-party certification as proof.

There are also many supplier-specific attributes that an establishment must consider when deciding to purchase locally grown products from a local supplier. Respondents were asked to rank the most important supplier-related attributes, the results of which are summarized in Table 3.02.

Table 3.02: Potential Supplier Attributes and Their Importance, as Ranked by Chefs

Attribute	Not Important	Somewhat Important	Very Important	Extremely Important
Guaranteed consistent supply	0	0	16	84
Guaranteed consistent quality	0	0	16	84
Year-round availability	5	32	32	32
Price	0	37	48	16
When product is delivered	0	11	53	37
How product is delivered	0	21	32	47
Product freshness	0	0	16	84
Suggestions for menu applications	21	47	21	11
Provides seasonal availability information	0	21	58	21
Satisfaction guarantee	5	5	16	74
Ability to deliver the quantity needed	0	0	16	84
Food safety	0	5	11	84
Ability to process and package product according to our needs	5	16	47	32
Provides kitchen staff training	21	58	21	0
Product knowledge	0	16	37	47

Chefs were first asked to rank the importance of a guaranteed consistent supply when considering a potential supplier. The opinion of this attribute was well-defined: eighty-four percent (16) of respondents ranked a guaranteed consistent supply as extremely important, while the remaining sixteen percent (3) said it was very important. This result is not entirely surprising, as it would be inconvenient for chefs to have to complement a previously contracted supply or find a new supplier mid-season.

The opinion of guaranteed consistent quality was identical: eighty-four percent (16) of respondents said guaranteed consistent quality was extremely important, while the other sixteen percent (3) said it was very important. This also makes sense, because chefs probably do not want to have to pick through a supplier's products to find the highest quality, and most likely will not want to be stuck with low-quality products that are not servable or that may give them a reputation for serving low-quality food.

Respondents were asked to rank the importance of a supplier being able to offer year-round availability of products. These results were more mixed, with thirty-two percent (6) of

respondents ranking year-round availability as extremely important, thirty-two percent (6) as very important, and thirty-two percent (6) as somewhat important. The remaining five percent (1) of respondents said year-round availability is not important. This dispersion is especially important for small producers, who may not be able to provide year-round availability. Small producers may consider supplying a chef or establishment with a seasonal variety of products, for example, a grower may supply an establishment with squash in the spring, berries in the summer, and apples in the fall.

Respondents were asked to rank the importance of price when considering a potential supplier. In this context, price refers to the amount the chef would have to pay for the product. Sixteen percent (3) of respondents ranked price as extremely important, forty-eight percent (9) ranked price as very important, and the remaining thirty-seven percent (7) said price is somewhat important. This indicates that price is a factor for chefs, and is an important consideration for producers, especially small producers, whose prices may be higher than large suppliers.

Respondents were asked to rank the importance of the timing of delivery when considering a potential supplier. Thirty-seven percent (7) of respondents said that when a product can be delivered is extremely important, fifty-three percent (10) of respondents ranked timing of delivery as very important, and the remaining eleven percent (2) ranked timing of delivery as somewhat important. The fact that no respondents ranked timing of delivery as unimportant shows how important the timing of delivery is to chefs and how important it is for suppliers to consider delivery timing when approaching chefs and/or restaurants.

Respondents were next asked to rank the importance of the method of delivery. Forty-seven percent (9) of respondents ranked delivery method as extremely important, thirty-two percent (6) ranked delivery method as very important, and twenty-one percent (4) ranked it as

somewhat important. Taken with the response regarding delivery timing, this illustrates how important it is to chefs and establishments that they be provided with consistent and reliable delivery.

Respondents were asked to rank the importance of product freshness when considering a potential supplier. Eighty-four percent (16) of respondents ranked product freshness as extremely important, while the remaining sixteen percent (3) ranked freshness as very important. Product freshness is the type of attribute that will likely be important to all chefs and establishments, because they will probably not want to serve food that is not fresh, and will probably not want a reputation for serving food that is not fresh.

Respondents were asked to rank the importance of having a supplier provide them with menu suggestions to accompany their products. Eleven percent (2) of respondents ranked suggestions for menu applications as extremely important, twenty-one percent (4) ranked menu suggestions as very important, forty-seven percent (9) said menu suggestions are somewhat important, and the remaining twenty-one percent (4) ranked menu suggestions as not at all important. The importance of suggesting menu applications will vary from chef to chef, but it serves as a simple way for producers to differentiate themselves and may be a welcome accompaniment to a new or unique product.

Respondents were asked to rank the importance of a potential supplier providing seasonal availability information. Twenty-one percent (4) of respondents said seasonal availability information is extremely important, fifty-eight percent (11) said it is very important, and the remaining twenty-one percent (4) said seasonal availability information is somewhat important. This information goes hand-in-hand with what chefs said about consistent supply: chefs need to know that the menu they have planned is feasible and won't have to be changed without notice.

The more information a supplier can provide about his/her products before engaging in a contract or supply agreement with a chef, the better.

Respondents were asked to rank the importance of receiving a satisfaction guarantee when considering a potential supplier. Seventy-four percent (14) of respondents said a satisfaction guarantee is extremely important, sixteen percent (3) said it is very important, five percent (1) said it is somewhat important, and the final five percent (1) said receiving a satisfaction guarantee is not important. This is a very important concept for producers to consider when they attempt to supply chefs or restaurants, who will probably not want to be stuck with poor-quality goods or service.

Respondents were asked to rank the importance of a potential supplier's ability to deliver the quantity of product the chef needs. Eighty-four percent (16) of respondents ranked this attribute as extremely important, while the remaining sixteen percent (3) said that delivering the quantity needed is very important. This attribute is of particular concern for small producers, who may be able to guarantee only a small quantity of each product. However, given the chef's preferences for quality and freshness, a small producer may still be able to enter a supply agreement with a chef for a small quantity if the chef finds the available products desirable.

Respondents were asked to describe the importance of food safety when considering a potential supplier. Not surprisingly, the majority of respondents, eighty-four percent (16), ranked food safety as extremely important, eleven percent (2) ranked food safety as very important, and the remaining five percent (1) said food safety is somewhat important. This is not surprising because a chef's reputation is based upon the food he or she serves, and it is unlikely that chefs want a reputation for serving unsafe food.

Respondents were asked to rank the importance of a potential supplier's ability to process and/or package his/her products according to the chef's needs. Thirty-two percent (6) of respondents ranked this ability as extremely important, forty-seven percent (9) ranked it as very important, sixteen percent (3) ranked it as somewhat important, and a mere five percent (1) ranked this ability as not important. Although not all chefs will expect or require specific processing and/or packaging, the chefs who do will be impressed by suppliers who can provide such service. This is a factor that will probably vary based on the product, as well as the chef or establishment.

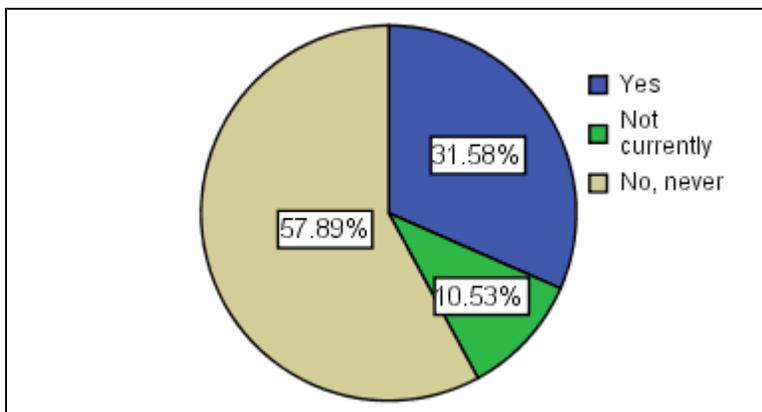
Respondents were asked to rank the importance of the ability of a potential supplier to provide the chef's kitchen staff with training, in terms of the products supplied. Twenty-one percent (4) of respondents ranked kitchen staff training as very important, fifty-eight percent (11) ranked it as somewhat important, and the remaining twenty-one percent (4) ranked it as not important. Again, kitchen staff training is an attribute that may vary depending on the product as well as the chef; for example, unique food items such as ostrich meat may require preparation techniques not widely known. When supplying a new or unique product, it may be a good idea to offer the chef special instructions.

Respondents were asked to rank the importance of a potential supplier's knowledge of his/her own products. Forty-seven percent (9) of respondents ranked product knowledge as extremely important, thirty-seven percent (7) ranked it as very important, and the remaining sixteen percent (3) ranked product knowledge as somewhat important. This is to be expected, as chefs, like any consumer, feel more comfortable purchasing products from someone who knows the product.

The next section of the survey addressed the reasons why respondents do or do not purchase local products: why they began purchasing locally, why they continue to, what may increase their purchases and why they may have discontinued doing so. This information is given in Figures 3.03-3.10.

To give an idea of what the survey respondents' current preferences are, they were asked whether they currently make local purchases (Figure 3.05). Fifty-eight percent (11) of respondents do not currently make local purchases and have not done so in the past. Thirty-two percent (6) of respondents currently make local purchases, and the remaining 11 percent (2) have purchased locally in the past, but do not currently do so.

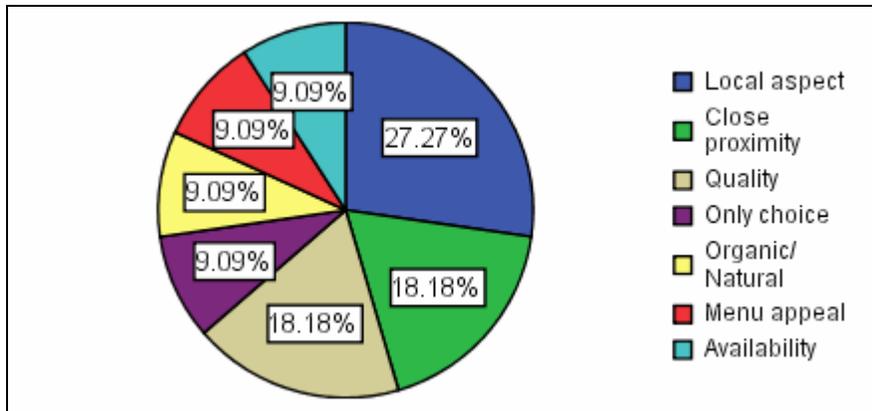
Figure 3.05: Do Respondents Currently Purchase Locally?



When asked to explain why they initially decided to make local purchases (Figure 3.06), twenty-seven percent (3) of respondents cited the local aspect, or support of the local community, as their primary reason for purchasing locally. Eighteen percent (2) of respondents said that the close proximity of local producers was the reason they began to purchase locally, because of the increased freshness and the ability to make fast deliveries. An additional eighteen percent (2) said that they chose to purchase locally because of the quality of local products. Nine percent (1) of respondents said they chose to purchase locally because of the availability of

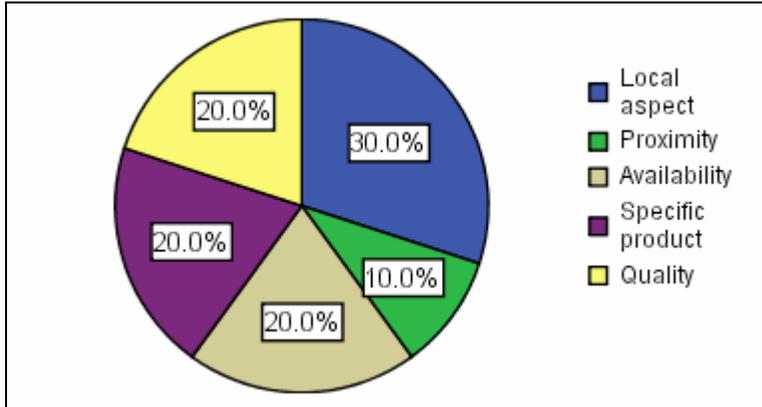
products, another nine percent (1) said their local purchases were driven by the menu appeal of serving local products, and an addition nine percent (1) said they chose to purchase locally because they could purchase organic and natural products. The remaining nine percent (1) said they chose to purchase locally because it was their only choice.

Figure 3.06: Why Establishments Initially Chose to Purchase Locally



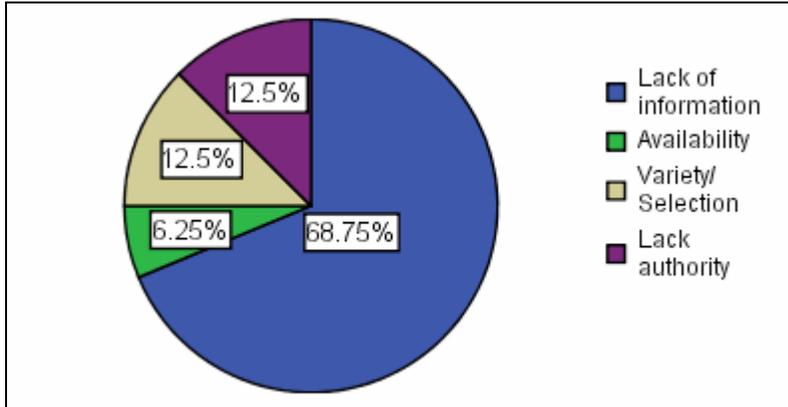
Respondents were then asked to explain why they continue to purchase locally (Figure 3.07). Thirty percent (3) of respondents said they continue to make local purchase simply because the products are local. Again, this may be driven by a desire to support the local community. Twenty percent (2) of respondents said they have continued to make local purchases because of the (high) quality of products that are available locally, twenty percent (2) said they purchase locally because it enables them to purchase a specific product, and an additional twenty percent (2) said they continue to purchase locally because of the availability of local products. The remaining ten percent (1) said they continue to purchase locally because of the close proximity, which respondents said results in fresh products and quick delivery.

Figure 3.07: Why Establishments Continue to Purchase Locally



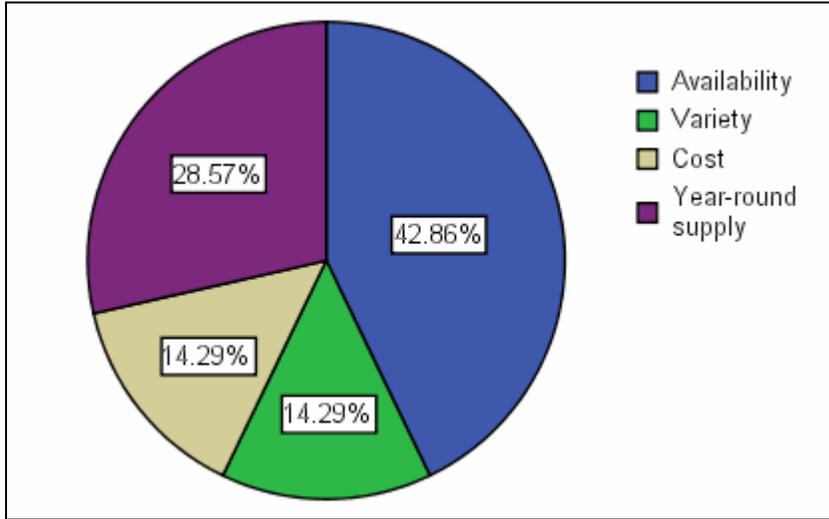
Respondents who have discontinued making local purchases were asked to describe why they no longer use local suppliers (Figure 3.08). Sixty-nine percent (11) of respondents cited a general lack of information. Specifically, some respondents said they were interested in purchasing locally but didn't know who to contact, while others said that they weren't even aware of a local market. Thirteen percent (2) of respondents said they simply lack the authority required to make such purchasing decisions, while another thirteen percent (2) said there wasn't enough variety and/or selection of products to justify purchasing locally. The remaining six percent (1) said availability was the reason they no longer purchase locally. While producers have no control over the chefs' authority, they do have the power to make themselves known as a local supplier to chefs and establishments, and may even be able to show them that local producers have enough variety and availability of products to compete with larger suppliers.

Figure 3.08: Why Establishments Have Discontinued Local Purchases



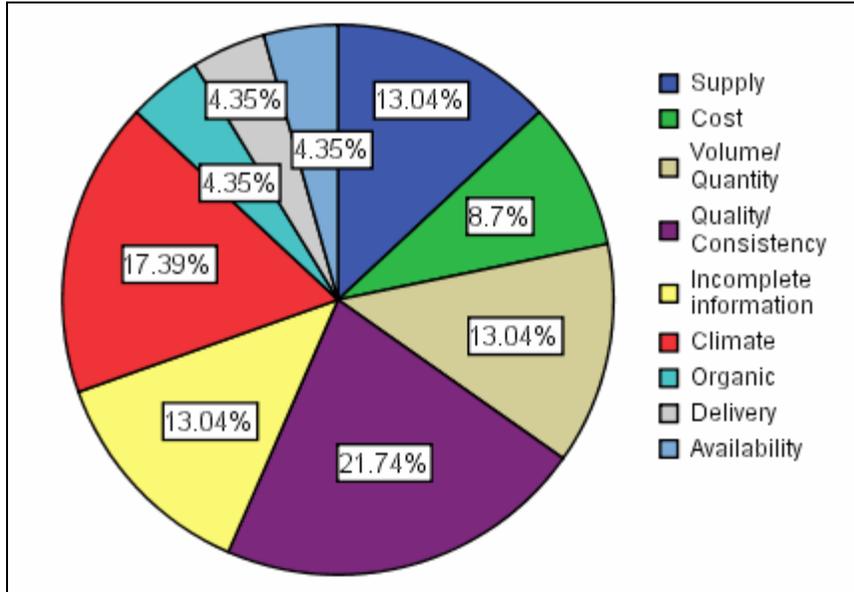
Respondents who do currently make local purchases were then asked to describe factors that may increase the local purchases they make (Figure 3.09). Nearly half of the respondents, forty-three percent (3), said an increase in the availability of local products may cause them to increase their local purchases. Twenty-nine percent (2) said that if local producers could provide a year-round supply of products, they or their establishment would consider making more local purchases. Fourteen percent (1) of respondents said they might purchase more local products if the variety of available products could be expanded, while the remaining fourteen percent (1) said they might increase their local purchases if local suppliers could lower the cost. These are all factors that could be reasonably addressed by local suppliers or which could be negotiated on between the supplier and chef on an individual basis.

Figure 3.09: What Factors May Cause Establishments to Increase Local Purchases



All respondents were asked what they or their establishment view as obstacles to purchasing locally (Figure 3.10). This was asked to further assess the chefs' knowledge and impressions of the local market. Twenty-two percent (5) said they view the quality and consistency of local products as the main obstacle keeping them from purchasing locally, while seventeen percent (4) said that Nevada's climate is responsible for keeping them from purchasing locally, meaning they believe the climate restricts the type and quality of products available. Thirteen percent (3) of respondents said that supply issues keep them from purchasing locally, thirteen percent (3) cited low volume and/or quantity of supply issues, and another thirteen percent (3) said they just didn't know enough about the local market to make local purchases. Nine percent (2) of respondents said that the higher cost of local products is an obstacle to purchasing locally. Four percent each (1 each) cited availability, delivery methods, and too few organics as obstacles to local purchases.

Figure 3.10: What Chefs/Establishments View as Obstacles to Purchasing Locally



Chef Product Needs

Table 3.03: Meat Products Needed in Nevada

Beef	- I would use local beef ~ Beef, all types ~ Beef-tenderloin, strip loin, ribeye ~ grain beef, from Nevada ~ 10 oz filet, strip steaks ~ T-bone ~ kobe beef ~ hanger steak ~ Beef: tenders, ny strips, ground chuck, all natural or organic
Lamb	- I buy UNR lamb already ~ Top round leg of lamb ~ lamb racks ~ lamb, all types ~ Lamb chops or racks: all natural or organic
Poultry	- Chicken: whole or bone-in, all natural or organic ~ free range chicken ~ Chicken products ~ organic, free range chicken - Turkey/ducks: all natural or organic ~ Duck, all types - Poultry-random breasts, no bone - Quail
Pork	- Pork-tenderloin ~ Pork: roasts, racks, bacon, sausage, all natural or organic ~ Pork, all types - kubabuto pork
Fish	- Freshwater and saltwater
Misc.	- Any product which is quality, priced properly and available to meet demand ~ Tenderloin ~ any meat: organic, naturally grown, humanely raised, slaughtered, processed, locally grown ~ all types ~ Strip ~ osso buco - Lamb, poultry and pork--not beef - What's available? - I currently purchase only Niman Ranch meats-to my knowledge there is no local producer except Smith Valley, which is grass-fed and organic - Buffalo - Export prime - Veal, all types ~ veal loin and chops

Table 3.04: Produce Needed in Nevada

Herbs	- Herbs: rosemary, sage, basil, thyme ~ Herbs-any
Fruits & Vegetables	- all produce-20lb cases and down ~ all that are available: onions, carrots, celery, lettuce ~ Organic, heirloom varieties, micro/petite sizes, locally grown ~ heirloom potatoes ~ microgreens - Fruits-any melons, berries, grapes, etc ~ romaine tomatoes ~ tomatoes ~ fruits: peaches, plumbs, nectarines, berries ~ figs ~ peaches
Misc.	- Any product which is quality, priced properly and available to meet demand ~ All of the above are vital to our restaurant. The important thing that a chef needs from purveyors is a monthly newsletter informing us of what is available ~ all and any ~ all types ~ What's available? - All: by standard market packing sizes, all natural or organic ~ I am interested in organic, local, seasonal produce year-round. Anything I can get!! I will buy it all!! - Melons - Grain, any rice

Table 3.05: Dairy Products Needed in Nevada

Eggs	- Eggs ~ eggs, not cheese ~ Organic eggs ~ eggs: grade A large ~ Eggs-whole or liquid ~ fresh eggs would be a big plus
Cheese	- Cheeses: bleu, goat, feta, parmesan ~ Variety of cheese products ~ local cheeses ~ Cheese-any ~ local cheese: artisan, organic ~ we use all types of cheeses ~
Milk	- Heavy cream ~ milk ~ cream ~ Half and Half
Misc.	- Any product which is quality, priced properly and available to meet demand - I already buy from Model Dairy - organic, naturally grown, locally produced - What's available? - I welcome it all! ~ Eggs, cream, milk--we want the fastest and most tastiest at comparable prices ~ all dairy products, standard packing, all organic - Butter

Implications

Chefs, particularly those in high-end or gourmet restaurants, are seeking high-value foods in small quantities that they can use to create unique, tasty, high-quality gourmet dishes for their patrons. It is clear that chefs and dining establishments are interested in making purchases from local suppliers, but this study indicates that many potential buyers are not even aware that there are small producers in Nevada or what products are currently available.

The survey indicated that chefs are looking for all types of beef, lamb, and pork, and are interested in differentiated meats, such as organic, natural, grass-fed, free-range, etc. They are also interested in all types of herbs, such as rosemary, sage, and basil. Chefs want all types of

vegetables, with an emphasis on heirloom varieties and micro/petite varieties, which are often sold for a premium regardless of production methods. Additionally, chefs are interested in purchasing local melons, berries, grapes, and peaches. Dairy products chefs are looking for include fresh and/or organic eggs, heavy cream and milk, as well as artisan, Feta, and bleu cheeses.

Although budget constraints are always an issue, chefs agreed that the two most important factors in selecting products are quality and taste, which was reflected throughout the survey results. In addition, chefs are very concerned with delivery; specifically, the method of delivery and the timing of delivery. Consistency and reliability were also issues, in terms of both delivery and the quality of products. Chefs did not place as much emphasis on factors such as personally knowing the producer or purchasing local products, but they did give these issues at least some level of importance.

IV. CONFERENCE OVERVIEW

A conference, "Nevada Grown Connections: From Farm to Market," was held at the Sands Hotel in Reno, NV on March 7-8, 2006 to discuss the findings of this study, to provide educational programming on a variety of topics, including those indicated by producer survey respondents as high priority, and to facilitate a meeting of producers and chefs. Workshops were held on such topics as agritourism, adding value to agricultural products, agricultural marketing techniques, farm finance, alternative crops production, cooperatives and marketing alliances, and coordination and contracting benefits for producers. Approximately ninety agricultural producers were in attendance at the two-day conference, as well as forty university and state agency representatives.

The second afternoon of the conference discussed the preliminary results of this study, including the survey results and the conclusions that can be drawn from the survey. Conference participants, including both agricultural producers and chefs from around Nevada and bordering areas of California and Oregon, were given the opportunity to express their opinions, frustrations, and suggestions on the topic of trying to work together to promote local (Nevada grown) agriculture. Approximately forty producers and five chefs attended this session. Although it was mentioned to producers that they might be more successful as a single organized unit working together rather than as a handful of individual producers, many producers were not in support of this idea. These producers feel that coming together as a cooperative or even under a market alliance may limit their autonomy or strip them of the freedom they experience as individual small businesses. During the course of a mediated forum, several producers and growers agreed that they would like to further explore the idea of working together under one business entity. These participants agreed to send their ideas of potential entity functions, as

well as ideas for a mission statement to Tina Smith, co-owner of Home Grown Nevada.

Interested participants will be contacted for future meetings on the topic of working together.

There was also some discussion of Nevada Grown, a program currently run by Rick Lattin, owner of Lattin Farms in Fallon, Nevada. The Nevada Grown website feature information about agriculture in Nevada and provides contact information for producers associated with the program. Mr. Lattin also serves as Webmaster for the site and told conference participants that he would like to update and expand the website in the future, to provide additional contact information for producers and chefs.

V. SUMMARY AND RECOMMENDATIONS

It is strongly recommended that agricultural producers organize themselves as one entity to contract with gourmet restaurants and specialty stores in Nevada. Combining products would allow the producer group to increase the quantities of products available to restaurants, chefs, and stores. The producer group would be able to extend the season of each product in the same way, as the additional quantity could potentially allow producers to sell seasonal items for a longer period of time than they would be capable of as individual producers. However, if such an entity was created, it would be essential for the participants to establish quality expectations to ensure that each producer's contribution meets a certain agreed-upon level of quality. In addition to creating a reputation for high-quality products, such quality restrictions would help to promote consistency of products, a factor of importance to chefs.

With a producer entity in place, it would be possible to create purchasing agreements or contracts between the entity and the owners, chefs, or accounting departments of establishments. As this study shows, individual producers are often not comfortable with the idea of engaging in contracts with their customers because of the risk involved. Although a producer entity would not completely dissolve such risk, it would minimize the risk impacts to each individual producer while providing a level of accountability to customers.

It is also recommended that the producer entity provide seasonal information to customers, including a complete list of available products and the weeks, months, or time of year each product is expected to be available. In addition to providing valuable supply information to customers, such a schedule of availability would again provide accountability to customers by showing them the organization and commitment of the entity. The entity could also provide chefs/owners with samples of products as a method of marketing the available products.

Once formed, the producer entity should provide a knowledgeable contact person and/or a purchasing interface such as a website. A website could perform a variety of useful functions, for example, it would be an excellent way for the entity to distribute its seasonal schedule as well as contact information, producer information, and the mission statement of the entity, should the members choose to have one. The website could also function as a place for chefs and owners to place orders for the entity's products, possibly eliminating the need for additional administrative staff by decreasing the number of orders placed in person or over the telephone. Such a system may also help the entity to regulate demand for products by encouraging chefs and owners to place orders in advance rather than waiting for the next delivery to request additional products.

As the results of the chef/owner survey showed, reliable delivery is a very important factor in the supplier selection process. Because of this, it would be crucial that the entity find a reliable shipping and/or delivery mechanism. Many agriculture producers live in remote rural areas, so one delivery method for the entity might be Federal Express (FedEx). It may not be feasible for individual producers to send products from place to place using a company such as FedEx, but with a producer entity, the costs of such delivery would be minimized to each producer.

In the same vein, the entity should offer a variety of packaging sizes in order to accommodate all chefs and owners. One of the chef's/owner's main complaints with their current suppliers is that the high quantities they are forced to purchase leads to waste and high per-item costs. Allowing customers to pick from a variety of packaging sizes would limit the amount of waste on both sides; chefs would be able to order just the amount they need and producers would be able to distribute the additional supply to other customers.

Studies have shown that consumers are willing to pay a premium for products with characteristics identified through labeling, promotion, and third-party certification (see Loureiro and Umberger, 2003; Loureiro, 2003; Loureiro et al., 2002). Because of this, the producer entity should use a "Nevada Grown" label of some sort to promote the local aspect of the entity and its products. The entity should also consider third-party certification for such product attributes as natural, organic, reduced chemical inputs, growth hormone-free, and humane animal treatment. These are all attributes that studies have shown consumers are willing to pay a premium for, but which are completely undetectable through inspection or consumption of the product (known as credence attributes). Product labels should also be used to communicate nutrition-related factors, such as high antioxidant and low-fat, which differentiate the product from competitor's products. Finally, labeling of any sort provides consumers with a feeling of safety due to the fact that labels provide traceability. In an era of E. Coli and Bovine Spongiform Encephalopathy (BSE, or mad cow disease), food safety and traceability are especially important to consumers. The following section provides further information about labeling and certification programs in Nevada.

Nevada Certification/Labeling Programs

Nevada Grown

To date, the "Nevada Grown" program demonstrates one of the only large-scale uses of Nevada-produced labeling techniques. The Nevada Grown program is a government sponsored third-party certification program. For a producer of agriculture or food products to be considered for Nevada Grown certification, he or she must either reside or own property in the state of Nevada. For a raw agricultural product, such as produce, to be certified as Nevada Grown, it must be grown in the state of Nevada. Processed agricultural products, such as feed, must have

at least 60% of their composition grown in Nevada. The use of the Nevada Grown logo is restricted to members in good standing. Certification is a cost-free process and membership is reconsidered on an annual basis.

Made in Nevada

The Nevada Commission on Economic Development has established the “Made in Nevada” program, designed to increase support for products grown or produced within the state of Nevada. The goal of the Made in Nevada program is to increase the volume of member business through education programs for consumers both within Nevada and outside the state. The Commission also provides business expansion expertise and assistance by partnering with the Management Assistance Program and the Small Business Development Center. Made in Nevada tags are provided at no cost to members and additional marketing opportunities exist through the Made in Nevada program. There is a strict selection process to ensure high quality products and to maintain the reputation of Made in Nevada. The membership fee is \$30 per year.

VI. REFERENCES

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VII. APPENDIX

- A. Fact Sheet: *Cooperatives: A Vehicle for Cost Sharing and Expansion*
- B. Draft Fact Sheet: *Working with Gourmet Chefs: Strategies for Small Agricultural Producers*
- C. Agricultural Producer Survey
- D. Gourmet Chef Survey
- E. Specialty Store Survey



COOPERATIVE EXTENSION

Bringing the University to You

Fact Sheet FS-05-31

Cooperatives: A Vehicle for Cost Sharing and Expansion

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What is a Cooperative?

Increased globalization, corporate agriculture, and competition have forced the agricultural community to reassess its distribution of resources and profit potential in current markets. Capital acquisition, human resources, and risk management tools are in limited supply for small farmers and producers. By combining these resources with other organizations in similar industries, producers are better able to compete in an unpredictable business climate.

A cooperative is a business entity that is owned and controlled by the membership that utilizes its services. Through joint investment and marketing ventures, combined resources, and reduced production costs, member producers can increase market exposure and improve sales. Cooperatives derive from small business owners, manufacturers, growers, or citizens who lack resources, training, or open markets for their products. Three characteristics make a cooperative different from other business organizations: (Rapp and Ely, 1996)

- User owned
- User controlled
- User benefited

Each characteristic requires participating partners to invest financially in start-up and operating costs, participate in governing over company decisions through a democratic process, and share the benefits and profits with others in the organization.

What Are the Benefits of Forming a Cooperative?

The key advantages to forming a cooperative are the enhancement of value-added products, including providing unique marketing strategies and product differentiation. Pooling limited resources through cooperative development provides farmers with increased access to consumer dollars and niche

History of Cooperatives in the U.S.

1752: The first successful cooperative was organized in the United States when Benjamin Franklin formed the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. It is the oldest continuing cooperative in the US.

1844: The Rochdale Equitable Pioneers Society was established in Rochdale, England. These pioneers wrote down a set of principles to operate their food cooperative which contributed to their success and spread to other cooperatives around the world. The successful establishment of the cooperative in Rochdale marks the beginning of the modern cooperative era.

1865: Michigan passes what is believed to be the first law recognizing the cooperative method of buying and selling.

1895: The International Cooperative Alliance (ICA) was established. Today over 200 national cooperative organizations representing 92 nations belong to ICA, the apex organization of all national cooperative movements.

1916: The first national cooperative association was formed, which is now known as the National Cooperative Business Association.

1922: Congress passed the Capper-Volstead Act allowing farmers to act together to market their products without being in violation of antitrust laws.

1920s & '30s: Congress established governmental agencies, such as the Farm Credit Administration (1929), the National Credit Union Administration (1934), and the Rural Electrification Administration (1936) to provide loans and assistance to cooperatives.

1978: Congress passed the National Consumer Cooperative Bank Act, establishing the National Cooperative Bank.

markets. Individual farmers lack resources to process their products, often selling raw commodities instead. Cooperatives aid in vertical integration, giving individual farmers more control in an ever-increasingly competitive industry. Individual producers often lack the resources to react to changing economies. By combining assets, farmers can better adjust to market fluctuations.

Cooperatives provide an opportunity to purchase bulk supplies, thus reducing costs and improving selection. Through cooperatives producers may diversify the products they offer, increasing economies of scale and often alleviating the increasing need for equipment and manpower. Sharing supplies, human resources, and financing reduces the cost of multiple products for one farmer.

Due to the ever-increasing rate of technological change, it is challenging to stay in touch with current events and environmental influences. Ongoing training requires an extensive investment of time and money. Since, many producers within the same industry require access to the same types of information, cooperatives offer members opportunities to stay informed through clubs, seminars, and networking. With value-added products, consistency between all members increases individual accomplishments and reduces local competition. Information sharing becomes essential to success.

What Are the Disadvantages of Forming a Cooperative?

Cooperatives bring producers of similar products together in order to increase profits. Hence, producers become integrated with their neighbors, relying on uniform compliance for success. Management practices at differing farms and ranches can have increasing influence over cooperative members negating uniformity among members. While economic downturns and environmental conditions tend to affect regional farms similarly, independent producers are rarely concerned with technical practices of regional growers. Quality standards and reputations become uniform when output is pooled under one brand name.

While most cooperatives allow individuals to determine their comfort level of investment, marketing agreements may force producers to provide certain types of crops, decreasing farmer flexibility. Personal hardships and land

management practices must conform to obligations set forth in a cooperative agreement.

As with all businesses, there is a risk of failure. Having a feasibility study to determine the needs of producers and market conditions greatly reduces the risk. A solid business or marketing plan should be completed before the start of operations to ensure a strategic plan is in place.

Are All Cooperatives the Same?

While there are many forms of cooperatives, two distinct types include: traditional cooperatives (TCs) and new generation cooperatives (NGCs). The four key differences between these two entities include: 1) customer marketing contracts, 2) profit distribution, 3) owner investment responsibility, and 4) member voter control (Coltrain et al., 2001). Additionally, these four differences can be subdivided into distinctive practices and owner requirements.



Cooperatives consist of members who do business with or utilize the services of the organization, share profits and are involved in the decision-making process. In TCs, referred to as "open" cooperatives, members may participate in all or some of the cooperative roles. In NGCs, called "closed" cooperatives, members are required to participate in all activities of the organization.

Delivery rights refer to the amount of product members must deliver to the cooperative for processing. In TCs, both members and non-members may deliver product, which is then marketed to potential customers. Alternatively, in NGCs, delivery rights are contracted, based on the amount of stock each member owns, and outside producers cannot participate or deliver product. Market agreements also control delivery obligations as stated in their delivery rights. Any product

outside a farm's delivery obligation can be sold on the open market, providing all obligations are first met. Members often only contract a portion of their planned production in NGCs. Delivery obligations are usually not included in TC's marketing agreements and members are free to sell their goods in the open market or through the cooperative.

TCs are usually required to find a market for products at all quality levels, so quality levels can span a broad range. NGCs, on the other hand, specialize in identity preserved branding and require a predetermined level of quality. Identity preserved products ensure a standard level of quality to all customers and a consistent level of output for the organization. TCs are beginning to break into identity preserved products, and both types of cooperatives can trade lower quality product for increased quality to provide more opportunities for members.

TCs reimburse incoming products at market prices since these do not rely on the pooling of resources. NGCs, through their marketing contracts, establish a contract price for inputs. Sometimes these prices are higher or lower than market levels.

While there is no minimum number of investors needed to begin a cooperative, financial start-up requirements and meeting supply goals should be considered during membership recruitment.



What are the Initial Investment Requirements?

There are significant differences between TCs and NGCs when comparing investment obligations. These include 1) initial investments, 2) usage proportions, 3) exchangeability, 4) exchange values, 5) redemption policies, and 6) business reinvestment.

The most noticeable difference between cooperative types is the amount of initial investment required to become a member. TCs generally have a relatively low start-up cost, sometimes less than \$100. There are rarely limits on the number of shares a member can purchase. NGCs require a larger initial investment because marketing rights are also being sold with membership rights. NGCs can require over

\$10,000 per share and limit the number of shares each member can purchase.

Proportionality refers to the amount of use granted to a member based on their current investment. Since TCs do not require members to provide a certain level of use, there is a varied range in each participant's allocation from year to year. NGCs require a contractual delivery obligation along with the purchase of marketing rights. Ownership proportionality remains relatively constant over the life of the cooperative, unless members sell their shares or an extensive retained earnings policy is established.

The extent that ownership can be transferred between members is called exchangeability. Cooperative memberships are not traded in public markets; so cooperative members must establish a policy for the sale and acquisition of ownership between members. The TC's board of directors usually acquires or releases retained earnings to allow members to change their ownership status. A direct sale between participants is rare. NGC members usually purchase or sell stock options to other members or incoming parties. Stock sales are negotiated through the governing board at a negotiated price. NGC members have more flexible options than TC participants.

The exchange value of ownership is fixed at a par value at the time of purchase. In TCs, par values are determined by the rate equity is redeemed or released by the cooperative itself. New members are able to join at any time and their equity investment is valued at par. In NGCs, par value is directly correlated to the expected profitability of the enterprise. Based on the going market value for delivery rights and marketing rights, a member's value may be higher or lower than their initial investment and retained earnings.

The expectation that a cooperative will redeem ownership is referred to as redemption obligations. While policies are derived by the board of directors, the ability to redeem ownership is dependant on the cash reserves of the organization. For TCs equity can be redeemed if cash funds are available. For NGCs, the ability to buy and sell membership to other producers means that there is no responsibility for the cooperative to provide redemption obligations.

The adding of assets to replace obsolete equipment or expand production can be financed with additional equity. In TCs, expansion is usually financed through increased retained earnings or the utilization of previously retained earnings. In an

NGC, additional marketing rights are sold to new or existing members who plan to use this increased volume.

How Are Profits Distributed?

There are many important differences between TCs and NGCs in terms of income and profit distributions. Because of the differing goals of each cooperative type, organizational finance is handled in distinct ways.

Profits can be disbursed in two ways. Cash payments directly to members and investors are based on the total quantity or value of business each member provides less retained earnings needed to maintain operations. In TCs, initial investment is relatively low. This requires the cooperative to retain a higher amount of profits to reinvest back into the organization. Cash disbursements range from 20-35% and the remainder is kept as equity in the organization. Members may redeem these profits later as member usage changes based on the organization's redemption policy. NGCs, however, require a larger initial investment by members, allowing a cash patron rate between 65 and 85% (Coltrain et al., 2001). Due to the nature of NGC marketing agreements, members who wish to decrease participation sell their stock to other members who want to increase their participation.

Pooling is another feature of NGCs. Using marketing agreements and utilizing a delayed pricing and distribution policy allows the cooperative to assess its financial needs and retain a net margin that is reinvested into the organization. An initial payment is made at the time of receipt of goods, and one or more progress payments are made after the needs of the cooperative are assessed.

Many states regulate profit distribution. State statutes dictate the amount of profit that can be disbursed back to cooperative members and the amount that can be reinvested into the organization. This does not apply to the state of Nevada.

Who is in Control?

A key fundamental principle of cooperatives is the participation of all members in the decision-making process. Voting privileges accompany all ownership types, although eligibility requirements and voting power differs between cooperative types.

TCs do not usually restrict membership participation, although agricultural cooperatives may require members to be producers or

associations of producers. In NGCs, marketing agreements are required, so membership is limited to those who produce cooperative inputs.

In TCs, each member is entitled to one vote, regardless of the quantity of ownership each member holds. Many state laws restrict NGCs to a one member, one vote policy, but deviations based on delivery obligations and ownership investments are increasing.

Where Can I Find Additional Information?

University of Nevada Cooperative Extension web site at <http://www.unce.unr.edu/>.

University of Wisconsin Center for Cooperatives web site at <http://www.wisc.edu/uwcc>. Information on cooperative start-up, including forms and sample documents.

Rural Cooperative Center, Davis, CA. See <http://www.cooperatives.ucdavis.edu/>.

Center for the Study of Cooperatives, Saskatchewan, Canada. See <http://coop-studies.usask.ca/>.

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COOPERATIVE EXTENSION

Bringing the University to You

Draft Fact Sheet

Working With Gourmet Chefs: Strategies for Small Agricultural Producers

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It is no secret that Nevada's economy relies heavily upon the entertainment industry; specifically gaming, accommodations, and dining. What may come as a surprise is that very few dining establishments in Nevada purchase their products from local (Nevada) suppliers. This is not due to a lack of interest on the part of dining establishments, nor is it due to a lack of supply by local producers; rather it is a lack of information that keeps many establishments from making local purchases. A recent market study found that nearly two-thirds of surveyed gourmet foodservice establishments in Nevada had never purchased local products. The chefs of these establishments did indicate, however, that they would be willing to either begin making local purchases or increase the purchases they currently make if producers are able to meet certain requirements.

This fact sheet details the study mentioned above (Curtis et al., 2006), which sought to determine which product and supply attributes are most important to gourmet chefs, what their local purchasing patterns are, where they would like to purchase local products, and what they view as obstacles to making local purchases. Additionally, steps and strategies are provided for producers who would like to service gourmet chefs in Nevada.



Gourmet Chefs in Nevada

When approaching a chef or dining establishment in hopes of reaching a supply agreement, it is important to know the ownership of the establishment, the size of the establishment, the food service segment the establishment is associated with, and the level of autonomy the chef has in terms of making purchases.

The ownership of the establishment is more important than it may seem. A corporate restaurant, such as those in casinos, may be more concerned with avoiding waste and maximizing profit than with promoting local products. A smaller, private or locally-owned establishment, on the other hand, may find promotion of local products to be beneficial to its own status as a local business.

The size of the establishment, measured in meal units served per day, week, or month is also important. A large establishment may have quantity as its primary supply goal, while a small establishment may place more emphasis on unique products or services.

The food service segment the establishment is associated with determines the type of food the establishment serves. For example, a specialty restaurant may be interested in purchasing only lean meat for healthier dishes, while a traditional steakhouse may be interested in all cuts of beef, including marbled cuts with a higher fat content.

The level of autonomy the chef has in making purchases determines whether or not the chef can purchase the products he/she desires from whomever he/she wishes. Some chefs may have to go through the owner or manager or use a pre-designated supplier.



Product & Supplier Attributes

"Product attributes" refers to factors chefs may consider when inspecting individual products.

"Supplier attributes" refers to factors chefs may take into consideration when approached by a new supplier. Chefs were asked to rank these attributes on a four-point scale, from *not important* to *extremely important*.

Taste, Quality & Freshness

All of the chefs in this study said that taste and quality are extremely important factors to consider when purchasing products for use in their restaurants. Regardless of the nutritional or business goals of the chef, his/her main goal is to provide high-quality, good-tasting dishes.

While there was not a consensus about the importance of a product's freshness, the majority of chefs said that freshness is extremely important. This is the type of attribute that is going to be important to many chefs, regardless of menu and preferences, as chefs do not want to serve food that is not fresh, nor do they want a reputation for serving food that is not fresh.

Marketability

A product's marketability designates how well the product will sell as a menu item. The chefs in this study were divided on the importance level of this attribute, but most agreed that it was a factor for producers to consider when selling to chefs.

Nutrition, Organics & Humane Treatment

About one-third of chefs said that nutrition, organic certification and the humane treatment of livestock are extremely important, while the remaining two-thirds thought these attributes were less important. The importance of nutrition will vary from chef to chef and will probably depend on the type of food the chef's establishment serves. For example, a health-food restaurant may be more interested in lean beef or free-range organic eggs than a steakhouse or casino restaurant.

Price & Customer Cost

Price refers to the amount the chef will have to pay to obtain the product. The majority of chefs said price is not an important attribute when considering purchasing a product; if the chef wants a product badly enough, price will not be an issue.

Cost refers to the amount the chef's patrons will pay for the product as a finished meal in the chef's establishment. Chefs considered this to be less important than price. However, with both price and

cost it is important to remember that their importance will depend on both the chef and the establishment. Chefs working at small restaurants may not have as large a budget as chefs at larger establishments. Similarly, if a chef works for an establishment that emphasizes affordable meals, he/she might place more emphasis on product costs.

Unique Items & Signature Dishes

The majority of chefs said that the presence of a unique or special quality is extremely important to them. Producers who feel they have a unique or special product should make sure that potential customers are aware of these qualities.

Many chefs and establishments serve items that are considered to be signature dishes or special to that chef/establishment. The majority of chefs agreed that being able to use a product as a part of a signature dish is extremely important to them. This is another case where knowing the chef's preferences is important; if a producer knows he/she has an ingredient of a chef's signature dish, he/she may be in a better position to work with the chef and may be able to negotiate a better price for the product.

Suggestions for Producers

- Work with other producers to increase quantity, variety, & extend seasonal availability
- Provide product availability information to chefs through newsletters, Internet sites, & samples
- Provide a knowledgeable contact person for chefs to discuss products & place orders
- Offer a variety of packaging sizes to accommodate chefs
- Choose a consistent & reliable delivery method
- Label all products with farm name & origin

Menu Applications

One-third of the chefs said that they consider a product's ability to be used in a variety of menu applications is extremely important. This will probably vary between chefs as well as the product. For example, a chef may be able to use micro greens in salads, as a garnish, and as a part of a sandwich or wrap. On the other hand, flavored goat cheese may only work for one dish. Producers may have to market

specialty items to many chefs, while general items may be easier to sell in large quantities to one or two chefs.

Locally Grown & Personal Awareness

The majority of the chefs thought that it was not at all important to purchase products that are locally grown and/or produced. Producers should not find this troublesome, as this is likely to vary in importance depending on the chef and the establishment. A locally-owned establishment may be more likely to promote local products than a corporate-owned chain, franchise, or casino restaurant. Again, it is important to know the preferences of the person or establishment.

Chefs were also asked to rank the importance of personally knowing the grower/rancher/producer when purchasing items, and being personally aware of the growing process. The majority of chefs said knowing the producer is not important, and the majority also felt that being aware of the growing process is not important. However, a small portion of chefs felt both attributes are extremely important. As with the importance of locally grown products, this will depend on the chef and the establishment.

Consistency: Supply & Quality

Chefs were asked to rank the importance of a guaranteed consistent supply when considering a potential supplier. The opinion of this attribute was well-defined: the vast majority of respondents ranked a guaranteed consistent supply as extremely important. This result is not entirely surprising, as chefs don't want to have to complement a previously contracted supply or find a new supplier mid-season. The opinion of guaranteed consistent quality was identical, with nearly all of the chefs saying that consistent quality was extremely important.

Delivery: Year-Round, Timing & Method

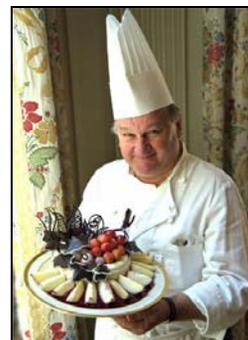
Chefs were asked to rank the importance of a supplier being able to offer year-round availability of products. The chefs had mixed feelings about year-round availability, but the majority felt that this was a less important attribute. This is especially important for small producers, who may not be able to provide year-round availability. Small producers may consider supplying a chef or establishment with a seasonal variety of products. For example, a grower may supply an establishment with squash in the spring, berries in the summer, and apples in the fall.

The majority of chefs felt that the timing of delivery is a very important supplier attribute. This shows how important the timing of delivery is to chefs and how important it is for suppliers to consider

delivery timing when approaching chefs and/or restaurants. Delivery method is also extremely important. This illustrates how important it is to chefs and establishments that consistent and reliable delivery methods be used.

Tips For Working With Chefs

The following tips for working with chefs are provided by the Portland Chapter of the Chefs Collaborative (www.farmerchefconnection.org).



- Commitment:** Restaurants need to be somewhat consistent in their purchasing patterns. When a chef commits to buying a certain amount, the chef anticipates it to be delivered as ordered.
- Delivery schedule:** Chefs depend on the arriving product. Work with your chef so the restaurant can have a steady stream of fresh products during the week. Try to establish a delivery system that works for both the kitchen and your schedule. Know your restaurant's busy times and plan your calls and visits around these times, not during them.
- Sell what you can deliver:** Make sure you have the appropriate permits to sell to restaurants and retailers. The chef is expecting a certain quantity of a specific item. If the product or quantity is different than what you offered, call in advance to make sure the chef still wants it.
- Sell your product:** Free samples are often a good idea. Offer your product when you first stop by the restaurant (be sure to call in advance) and encourage the chef to taste the difference with your product. Offering samples at farmer's markets is also a good marketing tool.
- Know your customers and their customers:** Eat in the restaurants where you deliver. This is the equivalent of a chef coming out to see your operation, and also gives you the opportunity to see how your product is used.
- Be professional:** Remember to be consistent in your work and with your product. Assist the person

receiving the delivery by collecting your boxes, be on time, courteous, and prepare invoices ahead. Call if you will be late.

- **Billing:** Like any other businessperson, you have a right to be paid on time. First time deliveries may be paid in cash, but it is far more efficient for everyone to establish an account with the restaurant.
- **Specialize and diversify:** Diversify the product that you offer and make yourself unique. Research the market so you know what others are growing and where the holes are. Talk to your chef about what they would like to see on their menus in the future. Be creative!



Where Can I Find More Information?

The Chefs Collaborative is a national network of more than 1,000 members of the food community who promote sustainable cuisine by celebrating the joys of local, seasonal, and artisanal cooking.

(www.chefscollaborative.org)

The Portland Chapter of the Chefs Collaborative and Ecotrust, a Portland, OR-based non-profit organization sponsor annual events for local farmers, ranchers, fisherman, and buyers in an effort to create and sustain relationships between both sides of the supply chain. Information about these events, as well as other relevant information, can be found at

www.farmerchefconnection.org and www.ecotrust.org.

The Chef's Garden, Inc. is the leading grower of artisanal products in the United States and supplies chefs worldwide. Proponents of sustainable agriculture, The Chef's Garden strives to engage in a close working relationship with both producers and chefs.

(www.chefs-garden.com)

Home Grown Wisconsin is a cooperative of organic farmers who raise vegetables, fruit and herbs for gourmet restaurants in Wisconsin and Illinois.

Home Grown Wisconsin has been in operation since 1996 and serves as an example of what producers can accomplish when working together.

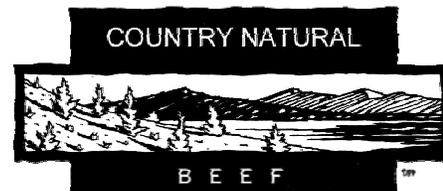
(www.homegrownwisconsin.com)

Nevada Grown is a marketing program designed to assist Nevada agricultural producers and their customers, to bring communities and people together, and to support local growing and the consumption of Nevada products. Producer membership information can be found at www.nevadagrown.com.



Country Natural Beef is a cooperative of cattle ranchers in Oregon and several other Western states that produce high-quality, humanely-raised beef cuts for retail distribution. Country Natural Beef strives to maintain the independence of its member ranches while profitably marketing quality beef products.

(www.oregoncountrybeef.com)



References

Food Processing Center, "Approaching Foodservice Establishments With Locally Grown Products," Institute of Agriculture and Natural Resources, University of Nebraska, Lincoln, June 2003.

Center for Integrated Agricultural Systems, "Home Grown Wisconsin: Marketing Fresh Produce Cooperatively," College of Agricultural and Life Sciences, University of Wisconsin, Madison Research Brief #69, February 2004.

Curtis, K., M. Cowee, M. Haverkamp, and R. Morris, "Nevada Supporting Nevada Initiative," UCED Publication 2005/06-24.

Agricultural Producer Survey

1. What is your title or position within this farm/ranch?

1. Owner/operator
2. Manager
3. Other: _____

2. How is this farm/ranch owned?

- | | |
|------------------------|------------------------------------|
| 1. Sole proprietorship | 4. C Corporation |
| 2. Partnership | 5. Limited liability company (LLC) |
| 3. S Corporation | 6. Other: _____ |

3. Where is the farm/ranch located? _____ (county)

4. On how many active acres do you farm/ranch? _____ acres

5. Do you presently engage in purchasing agreements with your customers (this includes formal or informal contracts or other binding agreements)?

1. Yes _____
2. No _____

6. Would you consider entering into a contract or binding agreement with a buyer (customer) of your products?

1. Yes _____
2. No _____

7. Are you presently a member of a producer association or organization?

1. Yes _____
2. No _____

8. Would you be interested in joining a producer association or organization if one was available?

1. Yes _____
2. No _____

9. If you package your products, do you use a label?

1. Yes _____ (continue on)
2. No _____ (go to question 11)

10. Do your labels specify that your product is grown or produced in the state of Nevada?

1. Yes _____
2. No _____

11. Does your organization produce either finished food products (such as breads, jams) or products that may be used for human consumption (such as raw vegetables, flour)?

1. Yes _____ (continue on)
2. No _____ (go to question 21)

12. If you produce meats, please give a brief description of your meat products (including cut, if applicable) with information relating to packaging, quantity, seasonal availability and any qualities your products have that make them different or special. This may include features such as organic, natural, grain-fed, lean, free-range, or humanely raised. If you do not produce meat products, please skip to question 16.

Example: Lean beef, 50,000 lbs, available December-February

1. _____
2. _____
3. _____
4. _____
5. _____

13. How do you sell your meat products to customers?

1. Live animal _____
2. Carcass _____
3. Pre-cut _____

14. Do you have the ability and/or interest to produce growth hormone-free meats?

1. Yes, I currently produce growth hormone-free meat _____
2. Yes, I would be interested in producing growth hormone-free meat _____
3. No _____

15. Does your livestock follow a special dietary regimen, such as organic, natural, or grass-fed?

1. Yes (please list): _____
2. No _____

16. If you produce fruits, vegetables, grain, seeds, and/or herbs, please give a brief description of the products with information relating to packaging, quantity, seasonal availability and any qualities your products may have that make them different or special. This may include features such as organic, chemical-free, pesticide-free, herbicide-free, or fresh-picked. If you do not produce any of these items, please skip to question 18.

Example: Hydroponic tomatoes, 2 lb bags, available in August

1. _____
2. _____
3. _____
4. _____
5. _____

17. Do you have the ability and/or interest to produce organic, chemical-free, pesticide-free, or herbicide-free crops?

1. Yes, I currently produce (circle all that apply): organic, chemical, pesticide, or herbicide-free crops.
2. Yes, I would be interested in producing (circle all that apply): organic, chemical, pesticide, or herbicide-free crops.
3. No _____

18. If you produce eggs, dairy products, and/or cheeses, please give a brief description of the products with information relating to packaging, quantity, seasonal availability and any qualities your products may have that make them different or special. This may include features such as organic, low-fat, cage-free, or features relating to flavors or varieties. If you do not produce any of these items, please skip to question 21.

Example: Goat cheese, organically produced, 8 oz packages, available year-round

1. _____
2. _____
3. _____
4. _____
5. _____

19. Do you have the ability and/or interest to raise your dairy- and egg-producing livestock free from supplemental hormones?

1. Yes, my dairy- and egg- producing livestock is growth hormone-free _____
2. Yes, I would be interested in raising hormone-free livestock _____
3. No _____

20. Do your dairy- and egg-producing livestock follow a special dietary regimen, such as organic, natural or grass-fed?

1. Yes (please list): _____
2. No _____

21. How does your farm/ranch typically market its products? (Circle all that apply)

- | | |
|---|---|
| 1. Directly to the consumer | 7. Directly to restaurants |
| 2. At a farmer's co-op | 8. Directly to stores |
| 3. At a farmer's market | 9. Community-supported agriculture (food baskets, etc.) |
| 4. To a local manufacturer or processor | 10. Other (please list): _____ |
| 5. To a foodservice distributor | _____ |
| 6. To a food broker | _____ |

22. How do you advertise your products? (Circle all that apply)

- | | |
|---------------------------------|-------------------------------|
| 1. Newspaper ads/circulars | 6. Brochures |
| 2. Word of mouth | 7. Recipes |
| 3. Television/radio commercials | 8. Internet |
| 4. Billboards | 9. Other (please list): _____ |
| 5. Business cards | 10. I don't advertise |

23. How do you designate prices for your products?

1. Market-driven (prices based on competitors prices or known values)
2. Contracts
3. Quantity purchased
4. Input costs
5. Other (please list): _____

24. Which of the following educational programs would you be most helpful to you?

1. Marketing techniques	5. Branding/labeling programs
2. Pricing techniques	6. Farm/Ranch finance/management
3. Value-added agriculture	7. Other (please list): _____
4. Cooperatives	_____

Gourmet Chef Survey

1. What foodservice segment would your establishment most identify with? (please select one)
 1. Gourmet/Fine Dining
 2. Steakhouse/Seafood
 3. Casual/Family
 4. Banquet Service
 5. Other _____

2. What is the ownership status of your establishment? (please select one)
 1. Chain/Franchise
 2. Corporate
 3. Independent
 4. Other _____

3. Approximately how many meal units does your establishment serve daily? _____ Units

4. What is your title/position? _____ Restaurant location? _____(city)

5. How much autonomy or freedom do you have to select suppliers? Please rate autonomy on a scale of 1 to 10 with 1 as *No Autonomy* and 10 as *Complete Autonomy*.

No Autonomy											Complete Autonomy
1	2	3	4	5	6	7	8	9	10		

6. How long have you had this level of autonomy? _____ (Years/Months)

7. How important are the following in *selecting* the food products that your establishment purchases? Rate on a scale of 1 to 10 with 1 being *Not at all Important* and 10 as *Extremely Important*.

<u>Attribute</u>	<u>Not</u>		<u>Somewhat</u>			<u>Very</u>			<u>Extremely</u>	
	<u>Important</u>		<u>Important</u>			<u>Important</u>			<u>Important</u>	
Product's quality	1	2	3	4	5	6	7	8	9	10
Product's taste	1	2	3	4	5	6	7	8	9	10
Product's marketability	1	2	3	4	5	6	7	8	9	10
Product is nutritious & healthy	1	2	3	4	5	6	7	8	9	10
Product's cost	1	2	3	4	5	6	7	8	9	10
Unique or special	1	2	3	4	5	6	7	8	9	10
Signature product for my establishment	1	2	3	4	5	6	7	8	9	10
Product has a variety of menu applications	1	2	3	4	5	6	7	8	9	10
Product is locally (Nevada) grown	1	2	3	4	5	6	7	8	9	10
Ease of preparation	1	2	3	4	5	6	7	8	9	10
Product's brand	1	2	3	4	5	6	7	8	9	10
Personally know grower/processor	1	2	3	4	5	6	7	8	9	10
Product is certified organic or natural	1	2	3	4	5	6	7	8	9	10
Producer is environmentally conscious and/or conducts humane animal treatment	1	2	3	4	5	6	7	8	9	10
Personally aware of growing process	1	2	3	4	5	6	7	8	9	10

8. If a farmer or a small manufacturer approached your establishment, how important are the following in making a decision to purchase their product(s)? Please rank on a scale of 1 to 10 with 1 as *Not at all Important* and 10 as *Extremely Important*.

<u>Attribute</u>	<u>Not Important</u>		<u>Somewhat Important</u>			<u>Very Important</u>			<u>Extremely Important</u>	
	1	2	3	4	5	6	7	8	9	10
Guaranteed consistent supply	1	2	3	4	5	6	7	8	9	10
Guaranteed consistent quality	1	2	3	4	5	6	7	8	9	10
Year-round availability	1	2	3	4	5	6	7	8	9	10
Price	1	2	3	4	5	6	7	8	9	10
When product is delivered	1	2	3	4	5	6	7	8	9	10
How product is delivered	1	2	3	4	5	6	7	8	9	10
Product freshness	1	2	3	4	5	6	7	8	9	10
Suggestions for menu applications	1	2	3	4	5	6	7	8	9	10
Provides seasonal availability information	1	2	3	4	5	6	7	8	9	10
Satisfaction guarantee	1	2	3	4	5	6	7	8	9	10
Ability to deliver the quantity needed	1	2	3	4	5	6	7	8	9	10
Food safety	1	2	3	4	5	6	7	8	9	10
Ability to process and package product according to our needs	1	2	3	4	5	6	7	8	9	10
Provides kitchen staff training	1	2	3	4	5	6	7	8	9	10
Product knowledge	1	2	3	4	5	6	7	8	9	10

9. Does your establishment currently purchase locally grown (in Nevada) food?

1. Yes, currently (Continue on)
2. Yes, in the past but not currently (Skip to Question 20)
3. No (Skip to Question 20)

10. How long has your establishment been purchasing locally grown food?

_____ (Years/Months)

11. What percent of your establishment's monthly food purchases are locally grown food products?

_____ % (Please provide your best estimate)

12. Where has your establishment purchased **locally grown** food (select as many as apply)?

- | | |
|--|-----------------------------------|
| 1. Direct from a farmer (not from a farmers' market) | 5. From a foodservice distributor |
| 2. Direct from a farmer's co-op (not from a farmers' market) | 6. From a food broker |
| 3. From a farmers' market | 7. Other (please list) _____ |
| 4. From a local manufacturer or processor | _____ |

13. Why did your establishment *first* decide to purchase locally grown food?

1) _____

2) _____

14. Why does your establishment continue to purchase locally grown food?
- 1) _____
 - 2) _____
15. Has your establishment ever promoted the use of locally grown food on your menu or in your promotional material?
1. Yes
 2. No (Skip to Question 17)
16. How would you rate the effectiveness of this promotion?
1. Very effective
 2. Somewhat effective
 3. Somewhat ineffective
 4. Very ineffective
17. What forms of advertisement do you feel are **most effective** in promoting locally grown food? (select all that apply)
1. Menu
 2. Wait staff
 3. Word of mouth
 4. TV/Radio advertising
 5. Website
 6. Other _____
18. Purchasing locally grown food has had a positive impact on my establishment's bottom line profits.
1. Strongly agree
 2. Somewhat agree
 3. Somewhat disagree
 4. Strongly disagree
19. What would influence your establishment to **increase** the variety of locally grown food it purchases? (Skip to Question 23)
- 1) _____
 - 2) _____
20. Why haven't you purchased or why have you discontinued purchasing locally grown food?
- 1) _____
 - 2) _____
21. If these issues were adequately addressed by a potential vendor, would you purchase locally grown food?
1. Yes
 2. No, why not? _____
22. In your opinion, what challenges or obstacles are the *most difficult* to overcome in purchasing locally grown food?
- 1) _____
 - 2) _____

23. If given a choice, what is your establishment's **preferred** source for locally grown food (select only one)?
- Direct from a farmer (not from a farmers' market)
 - Direct from a farmer's co-op (not from a farmers' market)
 - From a farmers' market
 - From a local manufacturer or processor
 - From a foodservice distributor
 - From a food broker
 - Other (please list)_____

24. What would be your establishment's level of interest in having the ability to promote locally grown food on your menu or promotional material? (Please indicate your interest on a scale of 1 to 10 with 1 as *Not At All Interested* and 10 as *Extremely Interested*)

<i>Not Interested</i>		<i>Somewhat Interested</i>			<i>Very Interested</i>			<i>Extremely Interested</i>	
1	2	3	4	5	6	7	8	9	10

25. What type of labeling or certification would you require to ensure that your purchases are truly locally grown?
- Independent (producer) "Product of Nevada" label
 - Third party certification, such as "Nevada Grown" or "Made in Nevada" program
 - Not necessary
 - Other _____

26. In the following table you will be given ten dollar amounts representing an increased price for a 1-pound lamb roast that was produced (raised, slaughtered) in Nevada, compared to a standard price of \$8.00 for the same lamb roast not produced in Nevada. For each bid amount specify if you would *definitely not be willing* (1), *probably not be willing* (2), *not sure* (3), *probably be willing* (4), or *definitely be willing* (5) to pay the increased price for a locally grown (Nevada) lamb roast by circling the appropriate number (1-5).

Bid Amount	Definitely No	Probably No	Not sure	Probably Yes	Definitely Yes
1. \$10.80	1	2	3	4	5
2. \$8.80	1	2	3	4	5
3. \$10.40	1	2	3	4	5
4. \$9.44	1	2	3	4	5
5. \$9.20	1	2	3	4	5
6. \$8.32	1	2	3	4	5
7. \$9.60	1	2	3	4	5
8. \$8.56	1	2	3	4	5
9. \$10.00	1	2	3	4	5
10. \$9.04	1	2	3	4	5

27. If you chose *probably no*, *not sure*, or *probably yes* in the above table for one of more bids (prices) please specify the reason why you could not make a *definitely yes*, or *definitely no* decision. Please write your response next to the bid(s) in question.

Bid Amount	Reason
1. \$10.80	
2. \$8.80	
3. \$10.40	
4. \$9.44	
5. \$9.20	
6. \$8.32	
7. \$9.60	
8. \$8.56	
9. \$10.00	
10. \$9.04	

28. Looking to the future, what types of unique or specialty food products have the **greatest** potential in your restaurant? Please list variety, size, packaging, and seasonal need, as well as any special features, such as organic or naturally grown. (Please attach an additional sheet if you need more space)

Meats, such as beef, lamb, pork and poultry.

1. _____
2. _____
3. _____
4. _____
5. _____

Fruits, vegetables, grain, seeds, and/or herbs.

1. _____
2. _____
3. _____
4. _____
5. _____

Dairy products, such as cheese and eggs.

1. _____
2. _____
3. _____
4. _____
5. _____

Specialty Store Survey

1. What foodservice segment would your establishment most identify with? (please select one)

1. Gourmet
2. Specialty/Health Food
3. Standard/Family
4. Other _____

2. What is the ownership status of your establishment? (please select one)

1. Chain/Franchise
2. Corporate
3. Independent
4. Other _____

3. What is your title/position? _____ Store location? _____(city)

4. How much autonomy or freedom do you have to select suppliers? Please rate autonomy on a scale of 1 to 10 with 1 as *No Autonomy* and 10 as *Complete Autonomy*.

No Autonomy
Complete Autonomy

1 2 3 4 5 6 7 8 9 10

5. How long have you had this level of autonomy? _____ (Years/Months)

6. How important are the following in *selecting* the food products that your establishment purchases? Rate on a scale of 1 to 10 with 1 being *Not at all Important* and 10 as *Extremely Important*.

<u>Attribute</u>	<u>Not</u>		<u>Somewhat</u>			<u>Very</u>			<u>Extremely</u>	
	<u>Important</u>		<u>Important</u>			<u>Important</u>			<u>Important</u>	
Product's quality	1	2	3	4	5	6	7	8	9	10
Product's taste	1	2	3	4	5	6	7	8	9	10
Product's marketability	1	2	3	4	5	6	7	8	9	10
Product is nutritious & healthy	1	2	3	4	5	6	7	8	9	10
Product's cost	1	2	3	4	5	6	7	8	9	10
Unique or special	1	2	3	4	5	6	7	8	9	10
Signature product for my establishment	1	2	3	4	5	6	7	8	9	10
Product has a variety of menu applications	1	2	3	4	5	6	7	8	9	10
Product is locally (Nevada) grown	1	2	3	4	5	6	7	8	9	10
Ease of preparation	1	2	3	4	5	6	7	8	9	10
Product's brand	1	2	3	4	5	6	7	8	9	10
Personally know grower/processor	1	2	3	4	5	6	7	8	9	10
Product is certified organic or natural	1	2	3	4	5	6	7	8	9	10
Producer is environmentally conscious and/or conducts humane animal treatment	1	2	3	4	5	6	7	8	9	10
Personally aware of growing process	1	2	3	4	5	6	7	8	9	10

7. If a farmer or a small manufacturer approached your establishment, how important are the following in making a decision to purchase their product(s)? Please rank on a scale of 1 to 10 with 1 as *Not at all Important* and 10 as *Extremely Important*.

<u>Attribute</u>	<u>Not Important</u>		<u>Somewhat Important</u>			<u>Very Important</u>			<u>Extremely Important</u>	
Guaranteed consistent supply	1	2	3	4	5	6	7	8	9	10
Guaranteed consistent quality	1	2	3	4	5	6	7	8	9	10
Year-round availability	1	2	3	4	5	6	7	8	9	10
Price	1	2	3	4	5	6	7	8	9	10
When product is delivered	1	2	3	4	5	6	7	8	9	10
How product is delivered	1	2	3	4	5	6	7	8	9	10
Product freshness	1	2	3	4	5	6	7	8	9	10
Provides seasonal availability information	1	2	3	4	5	6	7	8	9	10
Satisfaction guarantee	1	2	3	4	5	6	7	8	9	10
Ability to deliver the quantity needed	1	2	3	4	5	6	7	8	9	10
Food safety	1	2	3	4	5	6	7	8	9	10
Ability to process and package product according to our needs	1	2	3	4	5	6	7	8	9	10
Educates staff about product	1	2	3	4	5	6	7	8	9	10
Product knowledge	1	2	3	4	5	6	7	8	9	10

8. Does your establishment currently purchase locally grown (in Nevada) food?

- 4. Yes, currently (Continue on)
- 5. Yes, in the past but not currently (Skip to Question 19)
- 6. No (Skip to Question 19)

9. How long has your establishment been purchasing locally grown food?
 _____ (Years/Months)

10. What percent of your establishment's monthly food purchases are locally grown food products?
 _____% (Please provide your best estimate)

11. Where has your establishment purchased **locally grown** food (select as many as apply)?

- 1. Direct from a farmer (not from a farmers' market)
- 2. Direct from a farmer's co-op (not from a farmers' market)
- 3. From a farmers' market
- 4. From a local manufacturer or processor
- 5. From a foodservice distributor
- 6. From a food broker
- 7. Other (please list) _____

12. Why did your establishment *first* decide to purchase locally grown food?

- 1) _____
- 2) _____

13. Why does your establishment continue to purchase locally grown food?

- 1) _____
- 2) _____

14. Has your establishment ever promoted the use of locally grown food in your store or in your promotional material?
 1. Yes
 2. No (Skip to Question 16)

15. How would you rate the effectiveness of this promotion?
 1. Very effective
 2. Somewhat effective
 3. Somewhat ineffective
 4. Very ineffective

16. What forms of advertisement do you feel are **most effective** in promoting locally grown food? (select all that apply)
 1. Circulars/Newspaper Ads
 2. Staff Recommendations
 3. Word of mouth
 4. TV/Radio advertising
 5. Website
 6. Other _____

17. Purchasing locally grown food has had a positive impact on my establishment's bottom line profits.
 1. Strongly agree
 2. Somewhat agree
 3. Somewhat disagree
 4. Strongly disagree

18. What would influence your establishment to **increase** the variety of locally grown food it purchases? (Skip to Question 22)
 - 1) _____
 - 2) _____

19. Why haven't you purchased or why have you discontinued purchasing locally grown food?
 - 1) _____
 - 2) _____

20. If these issues were adequately addressed by a potential vendor, would you purchase locally grown food?
 1. Yes
 2. No, why not? _____

21. In your opinion, what challenges or obstacles are the *most difficult* to overcome in purchasing locally grown food?
 - 1) _____
 - 2) _____

22. If given a choice, what is your establishment's **preferred** source for locally grown food (select only one)?
- Direct from a farmer (not from a farmers' market)
 - Direct from a farmer's co-op (not from a farmers' market)
 - From a farmers' market
 - From a local manufacturer or processor
 - From a foodservice distributor
 - From a food broker
 - Other (please list)_____

23. What would be your establishment's level of interest in having the ability to promote locally grown food in your store or promotional material? (Please indicate your interest on a scale of 1 to 10 with 1 as *Not At All Interested* and 10 as *Extremely Interested*)

<i>Not Interested</i>		<i>Somewhat Interested</i>			<i>Very Interested</i>			<i>Extremely Interested</i>	
1	2	3	4	5	6	7	8	9	10

24. What type of labeling or certification would you require to ensure that your purchases are truly locally grown?
- Independent (producer) "Product of Nevada" label
 - Third party certification, such as "Nevada Grown" or "Made in Nevada" program
 - Not necessary
 - Other _____

25. In the following table you will be given ten dollar amounts representing an increased price for a 1-pound lamb roast that was produced (raised, slaughtered) in Nevada, compared to a standard price of \$8.00 for the same lamb roast not produced in Nevada. For each bid amount specify if you would *definitely not be willing* (1), *probably not be willing* (2), *not sure* (3), *probably be willing* (4), or *definitely be willing* (5) to pay the increased price for a locally grown (Nevada) lamb roast by circling the appropriate number (1-5).

Bid Amount	Definitely No	Probably No	Not sure	Probably Yes	Definitely Yes
1. \$8.32	1	2	3	4	5
2. \$9.04	1	2	3	4	5
3. \$9.44	1	2	3	4	5
4. \$10.80	1	2	3	4	5
5. \$8.80	1	2	3	4	5
6. \$8.56	1	2	3	4	5
7. \$10.00	1	2	3	4	5
8. \$9.20	1	2	3	4	5
9. \$9.60	1	2	3	4	5
10. \$10.40	1	2	3	4	5

26. If you chose *probably no*, *not sure*, or *probably yes* in the above table for one of more bids (prices) please specify the reason why you could not make a *definitely yes*, or *definitely no* decision. Please write your response next to the bid(s) in question.

Bid Amount	Reason
1. \$8.32	
2. \$9.04	
3. \$9.44	
4. \$10.80	
5. \$8.80	
6. \$8.56	
7. \$10.00	
8. \$9.20	
9. \$9.60	
10. \$10.40	

27. Looking to the future, what types of unique or specialty food products have the **greatest** potential in your store? Please list variety, size, packaging, and seasonal need, as well as any special features, such as organic or naturally grown. (Please attach an additional sheet if you need more space)

Meats, such as beef, lamb, pork and poultry.

1. _____
2. _____
3. _____
4. _____
5. _____

Fruits, vegetables, grain, seeds, and/or herbs.

1. _____
2. _____
3. _____
4. _____
5. _____

Dairy products, such as cheese and eggs.

1. _____
2. _____
3. _____
4. _____
5. _____