# 2016
# APPALACHIAN GROWN™ PRODUCER SURVEY REPORT

May 2017

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# INTRODUCTION

## About the Appalachian Grown Program

ASAP's mission is to help local farms thrive, link farmers to markets and supporters, and build healthy communities through connections to local food. In our mission to support Southern Appalachian farms and build a local food system, ASAP developed the Appalachian Grown program in 2007 with the goals of expanding local markets by area farmers and providing a way for the public to easily identify products from local farms.

Appalachian Grown is a branding program for farms, tailgate markets, retailers, and wholesalers that certifies food and agricultural products grown or raised on farms in Western North Carolina and the Southern Appalachian Mountains. This region includes 60 Appalachian counties in North Carolina, Georgia, South Carolina, Tennessee, and Virginia. Appalachian Grown means Certified Local. A trusted label helps buyers and shoppers know when they are spending their dollars to the benefit of local family farms and communities. When consumers see the Appalachian Grown logo – at stores, restaurants, tailgates, and other businesses – they know they're buying fresher foods that support family farms, strengthen the local economy, preserve rural culture, and protect the region's natural beauty.

**In 2016, 925 farms were Appalachian Grown certified.**

## The 2016 Appalachian Grown Producer Survey

Every year since the Appalachian Grown (AG) program was founded, a survey has been sent to all AG farms to help us understand the experiences of farmers, assess the impact of program services and support, and gather feedback to be used to shape the program's future direction.

In February 2017, this annual online survey was sent to the 859 AG certified producers for whom we had a valid email address. The survey opened February 9, 2017 and closed on March 1, 2017. A total of **254** out of the 859 producers completed the survey, a response rate of **30%**.

This report contains the findings from this survey.

# KEY FINDINGS

## Farmers and Farm Operations

- Approximately half of AG farmers are new or beginning farmers: 46% of farmers have been farming for 10 years or less compared to the national average of **25%.**[1]

- AG farmers produce food on a wide range of acres: the number of farm acres in production (including grazing and foraging lands) range from 1/10 of an acre to 500 acres. The average number of farm acres in production was 38.5.

## Farm Sales

- Half of AG farmers sell to wholesale markets.

- Most AG farmers (77%) feel there were the same number of market outlets or more market outlets available to them in 2016 as in 2015: only 13% feel there were fewer markets available in 2016.

- Approximately ¾ of AG farmers' sales were direct in both 2015 and 2016: in 2015, 75% of farmer sales, on average, were direct compared with 74% in 2016.

- The majority of AG farmers' total sales (81%) were sold to markets within approximately 100 miles of Asheville.

- Almost half of all products (40%) sold by AG farmers were identified with AG branding materials (with labeling, boxes, twist ties, signage, etc.).

- Farmers markets are the biggest area of increased sales, followed by restaurants: 40% of respondents reported that their sales at farmers markets increased from 2015 to 2016. 29% of respondents reported that their sales to restaurants increased.

- Almost half of AG farmers (41%) sold products to new markets (direct or wholesale) in 2016.

- AG farmers' expansion into new markets is influenced by a number of factors: the top factor identified was increased market opportunities followed by improved relationships with buyers.

- The majority of AG farmers (80%) hope to expand into new markets in 2017. Restaurants are the market that the greatest number of farmers hope to expand into followed by on farm sales.

- Over ¼ of AG farmers hope to expand into either farmers markets, restaurants, or on-farm sales in 2017: 31% indicated that they hope to expand into restaurants, 30% into on-farm sales, and 28% into farmers markets.

[1] USDA NASS, 2012 Census of Agriculture. Retrieved from: https://www.agcensus.usda.gov/Publications/2012/Online_Resources/Highlights/Beginning_Farmers/.

## Interactions with Customers

- Approximately **1/3** of AG farmers participated in agritourism in 2016: the most common types of agritourism include farm tours followed by on-farm events, u-pick, and field trips.
- Buyers/customers are asking AG farmers for AG products: 44% of respondents indicated that buyers/customers ask them for AG products.

## Challenges in Selling to Local Markets

- AG farmers face multiple challenges in selling to local markets: among the most frequently cited challenges are competition with other growers, not having enough product to meet the demand, marketing, time management, and labor challenges.

## Strategies Farmers Are Using to Address Challenges

- More than half of AG farmers (57%) offer samples of their products as a strategy for building relationships with customers.
- AG farmers use a range of strategies to build relationships with their customers: 80% indicated that they share their farm story. 73% indicated that they use social media.

## Participation in the AG Program

- AG farmers consider AG promotional to be very important in helping to increase sales: 73% of respondents who have used the AG logo indicated that it is very important or somewhat important.
- AG farmers report that the Local Food Guide (print) is important for increasing farm sales: 72% of respondents who have used the Local Food Guide indicated that it is very important or somewhat important.
- AG farmers feel that the support they receive from ASAP with marketing/promoting their farm and farm products is valuable: of the 91% who received this type of support, 82% ranked it as "very valuable" or "valuable".
- AG farmers feel that the support they receive from ASAP with understanding the requirements for selling to new markets, including wholesale and direct markets, is valuable: of the 75 respondents who received this type of support, 76% ranked it as "very valuable" or "valuable".
- AG farmers feel that the support they receive from ASAP with connecting to buyers is valuable: of the 73 respondents who received this type of support, 70% ranked it as "very valuable" or "valuable".
- AG farmers considered ASAP's 2016 Business of Farming Conference to be valuable to their farm business: of the 34 respondents who attended the conference, 68% ranked it as "very valuable" or "valuable."

# SUMMARY OF KEY FINDINGS OVER THE LAST 4 YEARS

| | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|
| **Farmers and Farm Operations** | | | | |
| % of respondents who have been farming for 10 years or less | Not available | **52%** n=230 | **53.5%** n=209 | **46%** n=252 |
| % of respondents who fit the USDA's definition of a limited resource farm | **61%** n=203 | **40%** n=230 | **38%** n=210 | **34%** n=252 |
| % of respondents currently growing or have grown tobacco | **17%** n=225 | **14%** n=249 | **15%** n=187 | **15%** n=253 |
| % of respondents who are former tobacco quota holders | **17%** n=225 | **16%** n=249 | **18%** n=187 | **31%** n=252 |
| % of respondents growing on former tobacco land | **29%** n=223 | **22%** n=249 | **30%** n=186 | **17%** n=253 |
| Average # of farm acres in production (including grazing and foraging lands) | **27.9** n=201 | **30.5** n=222 | **37.88** n=188 | **38.5** n=245 |
| **Farm Sales** | | | | |
| % of respondents who indicated that there are fewer market outlets available in the current year than in the previous year | **5%** n=218 | **5%** n=234 | **4%** n=212 | **13%** n=231 |
| Average % of respondents' sales that were sold to local markets (within approximately 100 miles of Asheville) | **77%** n=166 | **81%** n=191 | **77%** n=186 | **81%** n=191 |
| Average % of respondents' total products that were identified as AG | **N/A** | **N/A** | **47%** n=190 | **40%** n=223 |
| **Interactions With Customers** | | | | |
| % of respondents who reported that their customers specifically asked for AG certified products | **28%** n=227 | **20%** n=255 | **68%** n=218 | **44%** n=226 |

# OVERVIEW OF SURVEY RESPONDENTS

- The majority of respondents (64%) have been AG certified and/or listed in ASAP's Local Food Guide for at least 3 years. 27% have been AG certified and/or listed in ASAP's Local Food Guide for 1 to less than 3 years and 9% for less than 1 year.

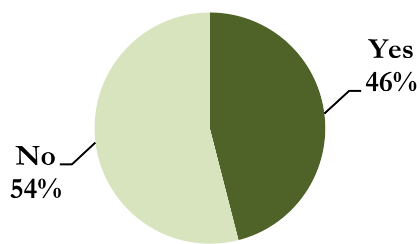
- Over ¾ of respondents farm in North Carolina.

- The largest number of respondents farm in Buncombe County (40 farms).

# FINDINGS

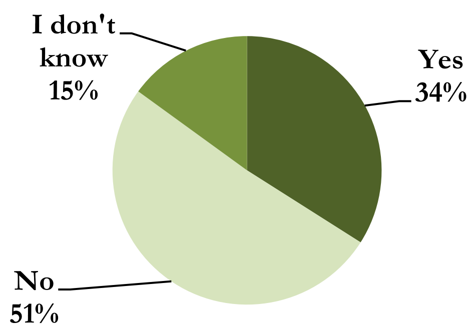
## Farms and Farm Operations

**46%** **farmers have been farming for 10 years or less** (n=252)

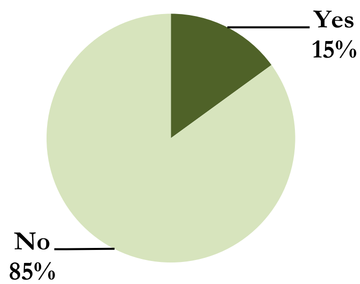



**34%** **of farmers fit the definition of a Limited Resource Farm** (n=252)

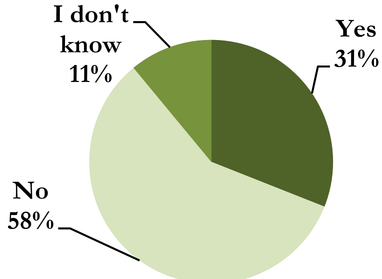
A Limited Resource Farmer, Rancher, or Forest Owner is a person with direct or indirect gross farm sales not more than $173,600 (for FY 2016) in each of the previous two years AND a person with a total household income at or below the national poverty level for a family of four ($24,300) or less than 50% of county median household income in each of the previous two years.



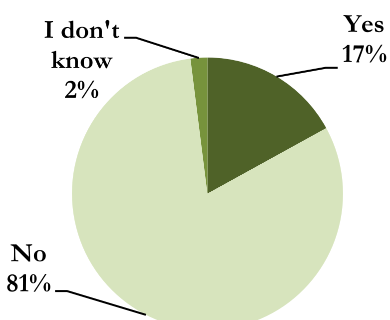
## 15% of farmers are growing or have ever grown tobacco (n=253)




## 31% of farmers are growing on former tobacco land (n=252)

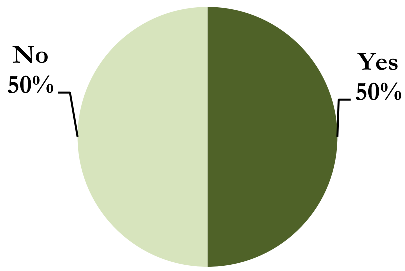



## 17% of farmers are former tobacco quota holders (n=253)



## Farm Sales

**50%** **of farmers currently sell to wholesale markets** (n=234)




**37%** **of farmers' sales were wholesale in 2015** (n=220)

**38%** **of farmers' sales were wholesale in 2016** (n=220)

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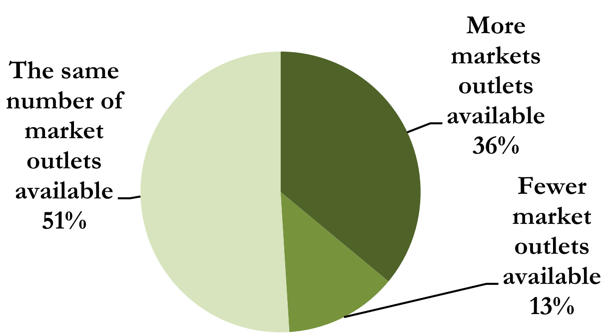
**36%** **of farmers believe there are <u>more</u> market outlets to sell their products in 2015 than in 2014** (n=231)

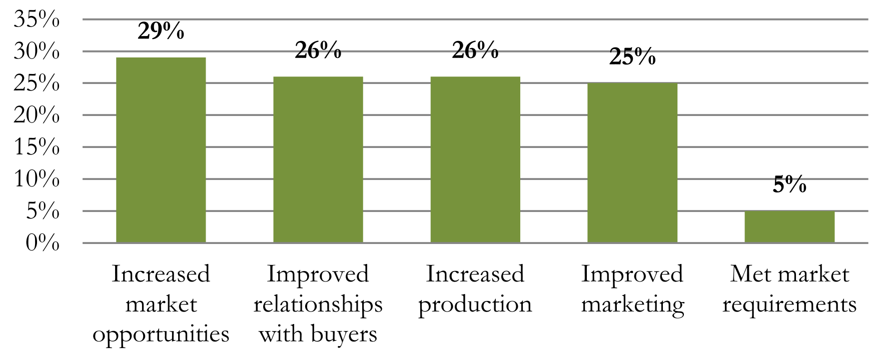



**41%** **of farmers expanded into new markets (direct or wholesale) in 2016** (n=224)

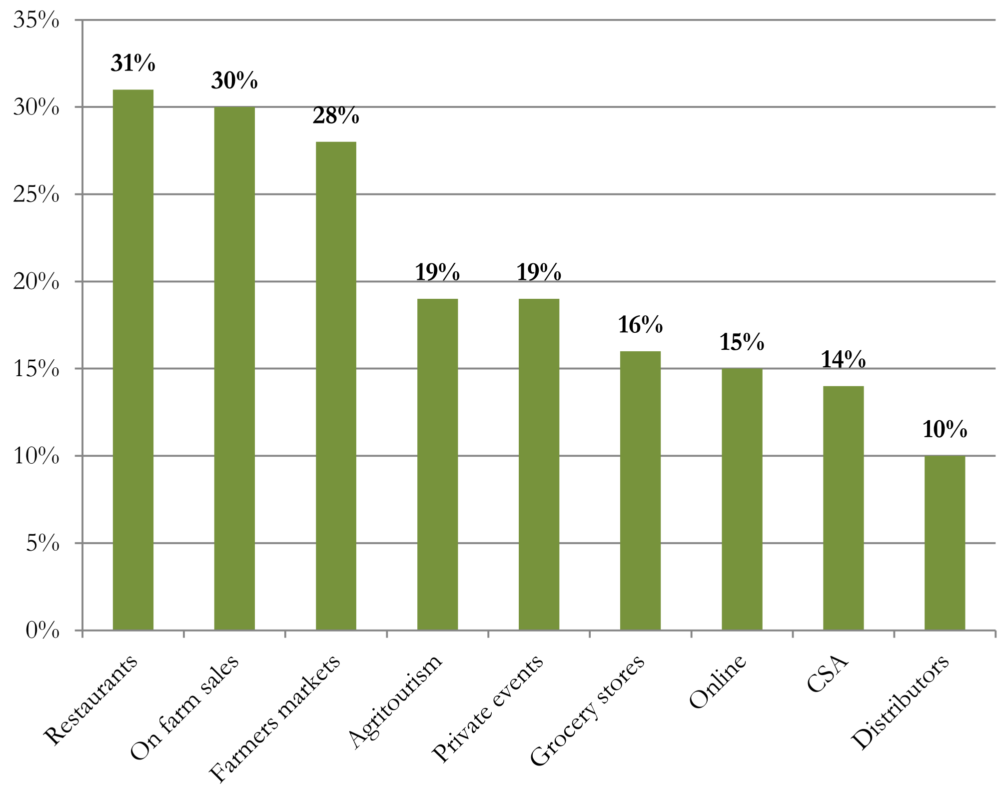
**81%** **of farmers' total products were sold to markets within approximately 100 miles of Asheville** (n=213)

**40%** **of farmers' total products were identified as AG** (n=223)

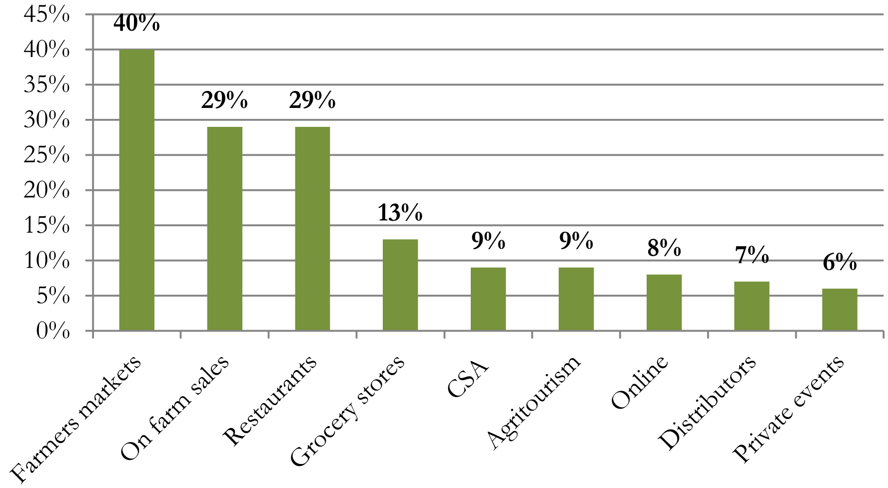
**Factors that influenced farmers' expansion into new markets in 2016** (n=186)




**Markets that farmers hope to expand into in 2017** (n=220)



**Markets that farmers experienced an increase in sales from 2015 to 2016** (n=230)

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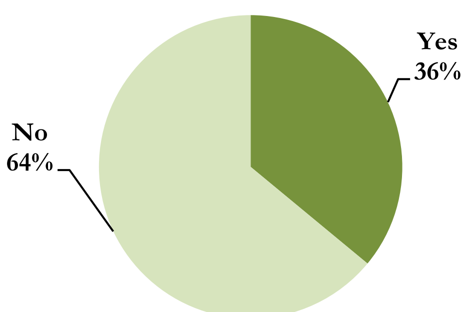
## Customer Interactions

**36%** **of farms participated in agritourism in 2016** (n=225)



## Challenges Farmers Are Facing

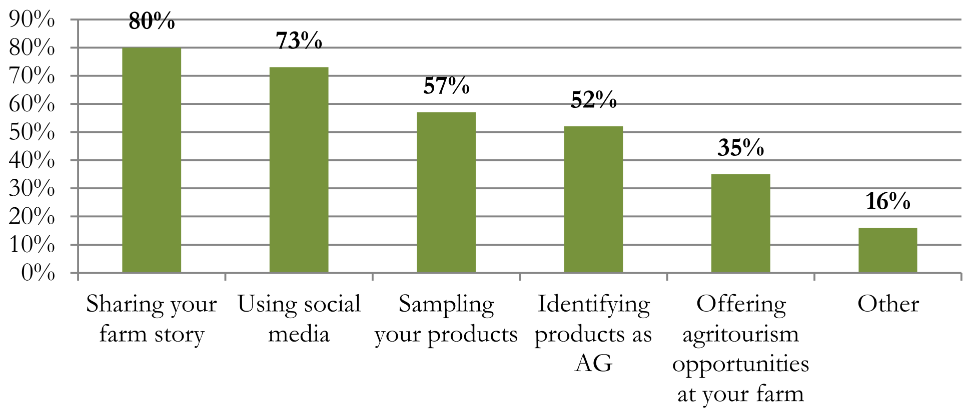
| Emergent Theme | Illustrative Quotes |
|---|---|
| **Competition with other growers** (n=20) | "Increasing and improving competition." |
| **Not having enough product/unable to meet demand** (n=15) | "Not enough product." |
| | "We don't have enough of some things to meet the demand." |
| **Marketing** (n=14) | "Time for marketing." |
| | "Getting my name out there and being recognized." |
| | "Lack of exposure, but improving." |
| **Time management** (n=12) | "Time to develop relationships and delivering." |
| | "Making time to get our product known." |
| **Labor challenges** (n=9) | "Labor shortage." |
| | "We have one full-time farmer who is doing all the labor/making all the deliveries." |
| **Determining a fair price for products** (n=8) | "Getting a fair price." |
| | "Determining a wholesale price." |
| **Building customer relationships** (n=8) | "Customers knowing I exist." |
| | "Maintaining a stable customer base." |
| **Selling at market** (n=6) | "Just getting access to tailgate markets." |
| | "Access restrictions to tailgate markets." |
| **Need to educate the public on farming** (n=6) | "Teaching the public about local grown value added production." |
| | "Think there is still a lot of growth potential in building the culture around local food, especially with younger and minority communities." |
| **Transportation of product/distribution** (n=6) | "Ability to move products when they are ready to pick." |
| | "Temperature controlled distribution." |
| **Customers unwilling to pay the true cost** (n=5) | "People saying that my product is overpriced." |

"Cheap prices for like products at grocery stores."

**Weather** (n=5)
**High cost of farming** (n=4)
**Growing/production challenges** (n=4)
**Fluctuations in demand** (n=4)
**False claims of local** (n=2)

## Strategies Farmers Are Using to Address Challenges

**80%** **of farms are sharing their farm story as a way to build relationships with customers (n=220)**




**Other**

| | n= |
|---|---|
| Strong customer relations | 8 |
| Offering high quality products | 6 |
| Outreach | 4 |
| Educational opportunities | 4 |
| Online presence | 3 |
| Marketing | 3 |
| Sharing information with customers | 2 |
| Certifications | 2 |

## Participation in the Appalachian Grown Program

| | % of farmers who ranked the promotional material as "very important" or important" | n= |
|---|---|---|
| ASAP's Local Food Guide (print) | 72% | 186 |
| AG Logo on Custom Farm Marketing | 73% | 169 |
| AG Branded Packaging Materials | 71% | 168 |
| ASAP's Local Food Guide (online) | 70% | 205 |
| AG Farmer Profiles | 67% | 174 |
| AG Product Stickers | 62% | 157 |
| Wholesale Local Food Guide | 56% | 157 |

## The Appalachian Grown program has had an impact on farms

### Testimonials (selected)

"I have enjoyed the partnership with ASAP. Having an organization that supports and sponsors farm and food based events and marketing is a huge asset. The organization is filled with wonderful people who work hard and are sincere in their efforts to promote local agriculture."

"The Appalachian Grown program has inspired countless individuals and families to come to our farm."

"The AG program helps market our produce by providing customers a label that they can trust is backed by value, Appalachian heritage, and most importantly a local farm."

"We are proud to be among the great farms in WNC that are Appalachian Grown certified and are honored to be marketing our produce using the logo. At a glance, customers can look at our boxes of produce and know that in purchasing our food, they will be eating high quality and local food."

"The conference and people with ASAP have made a huge impact on my farm business by helping me with everything from networking, resources and education."

"This region is lucky to have ASAP as an active advocate for local farms. I wish all cities had this type of supportive organization."

"I like the concept of Appalachian Grown and you have help on getting my marketing materials printed including signage for the market and farm tours. Your training was a huge benefit when I was first starting out."