

Market Maker for Iowa

Abstract: Use of a web-based program can help lowa producers pick and choose the best national markets for their products.

Question & Answer

Q: Where can producers market their products?

A: Market Maker, a web-based search engine with contact information for buyers in several states, provides data on potential markets and their locations.

Background

Locating businesses and market opportunities for agricultural products can be a challenge for producers. The University of Illinois Extension created an interactive web site that allowed food producers, distributors, buyers and sellers to make connections and sales easier to achieve. When Iowa State University's Value Added Agriculture (VAA) Program staff became aware of the web tool in 2004, they immediately recognized how helpful the site could be to Iowa producers and buyers. VAA approached the Illinois group with an offer to develop and purchase a similar tool for Iowa. The ISU VAA group also offered to share their experience in building national programs, which the Illinois group needed in order to help the program succeed on a broader level.

Objectives for the project were to:

• Provide a tool for lowa producers to determine strategically where to market their products, and

• Assist producers in determining appropriate and "best fit" markets for their products through demographic and psychographic targeting.

Approach and methods

Design of the Market Maker for Iowa program was led by the experienced University of Illinois team, which is expanding the Market Maker program to a national audience. Off-the-shelf technology was linked with public and private database information to provide a new way for buyers and sellers to meet. The unique, innovative web-based program integrates the power of U.S. Census data, North American Industry Classification System (NAICS) codes, and Global Satellite Imagery (GSI). (NAICS is used by business and government to classify and measure economic activity in Canada, Mexico and the United States.) By overlaying these data and technology options, buyers and sellers have the ability to carefully target their sales and purchases.

Items that are part of the Market Maker mapping and information process:

• Business number and type (includes many farmers markets)

• Meat harvesting plants (USDA-inspected processing and fabricating facilities)

- Farm product types including:
 - § Dairy
 - § Fruit and nuts
 - § Grain
 - § Herbs

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- § Meat
 - Specialty products
 - Vegetables

Principal Investigator: Craig Tordsen Co-investigator: Ray Hansen Extension Value Added Agriculture Program Iowa State University Budget: \$25,000 for year one All states participating in the Market Maker program will have access to all buyers and sellers enrolled. Potentially this will allow Iowa producers to interact with buyers in distant places such as white tablecloth restaurants in New York City. The Iowa Market Maker site is located at www.MarketMakerIowa.com

Results and discussion

Market Maker has evolved into a more widespread resource than was planned originally. One of the goals of the project was to register 100 producers on the web site. Now there are 192 registered producers working with the Iowa program. Interest in the program has spread to 20 states representing a marketplace consisting of more than 50 percent of the U.S. population.

However, producers must be able to tell their product story by calling the buyers, asking for the business, and making the sale. Additional training is needed to teach producers the necessary skills to close the deal.

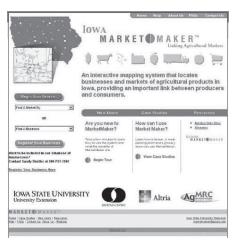
Conclusions

The Iowa Market Maker contains a wide variety of demographic and business data that the user can query. Details can be summarized on a map to show concentrations of consumer markets and strategic business partners. Providing this kind of information in a map-based format makes much more sense than business lists and statistical tables. For example, a user can request lists of federally inspected packing plants along with a map that identifies their locations. A grocery store manager looking for the closest producer of organic vegetables can look on the web site to find producer names and contact information. Census data embedded in the site allows producers who want to sell products to a specific demographic or ethnic group to request a map showing the greatest concentrations of these groups.

Impact of results

Iowa's involvement in Market Maker is just the tip of the

For more information contact Craig Tordsen, Value Added Agriculture Program, Iowa State University, Ames, Iowa 50011; (515) 294-3890 or (515) 294-1938, e-mail ctordsen@iastate.edu



national iceberg. In early 2007, producers could search for markets in Iowa, Nebraska, Illinois, and Kentucky. New York, Mississippi, and Georgia expected to have web sites available soon. Other states planning to become part of the Market Maker partnership to help agricultural producers and buyers come together include Michigan, Indiana, New Hampshire, Massachusetts, Delaware, Maryland, Tennessee, and Washington, D.C.

Education and outreach

ISU VAA personnel have made presentations about Market Maker at more than 20 workshops and conferences resulting in program exposure to more than 500 people. Publications promoting Market Maker for Iowa include a one-page, three-color handout and a tri-fold business card size handout piece.

A presentation on the project can be viewed at http:// www.leopold.iastate.edu/research/marketing_files/ workshop06/index.htm

Leveraged funds

The project leveraged \$20,000 from Altria, and in-kind services valued at \$10,000 from the Agricultural Marketing Resource Center and the Value Added Agriculture Program at ISU.