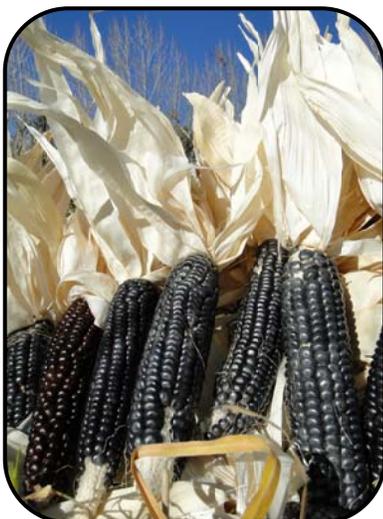


Southwest Ag Roundtable

Farmer Interview Project and Cooperative Needs Assessment Report

December 2011



Introduction

The Southwest Ag Roundtable is a new initiative originally sponsored by the Dolores Conservation District. The idea was to gather local farmers and interested community members to discuss their needs and concerns and explore ways to work together to address challenges and improve their operations. The Ag Roundtable held its first meeting in February of 2011.

A facilitator supplied from the SW Colorado Small Business Development Center with funding from the El Pomar Foundation helped the community determine needs and wants for the region's agricultural future. The group generated a list of possible action items based on the needs of those present. Several stakeholders volunteered to do research on topics and ideas that interested them and return for a second meeting to share their findings. Following considerable discussion, a focus emerged on the idea of forming a cooperative arrangement between growers to enhance their ability supply increasing local demands for fresh produce.

A smaller group was appointed as a steering committee to look further into the concept of forming a farmers' cooperative. Networking with LiveWell Montezuma and the Rocky Mountain Farmers Union, the committee began to study the feasibility of a farmer's cooperative. In conjunction with LiveWell Montezuma, and with advice from the Rocky Mountain Farmers Union's Cooperative and Economic Development Center, the steering committee investigated the capacity of local farmers to supply local schools with produce. They also conducted a survey of farmers to assess their interest in forming a cooperative, as well as to determine their needs, challenges, business practices, and plans for growth.

The Farmers' Cooperative Steering Committee Members who provided oversight for this project are Kim Welty, Rusty and Laurie Hall, Kim Lindgren, and Isaac Murphy. The committee believes the information and experience gained from this project will provide valuable information to the Ag Roundtable, agricultural producers and other stakeholders in our community.

This report provides an overview of historic trends in Montezuma County's agricultural production, including the re-emergence of demand for local food and how farmers have responded with efforts to work together and with the community. Finally the report documents detailed information gathered from one-on-one interviews conducted with twenty local producers who are in business primarily to grow vegetables for local and regional markets. The committee will present this report to the Rocky Mountain Farmers Union, LiveWell Montezuma and the Ag Roundtable in early 2012 where they will provide their insights and recommendations. Future actions will be determined by Ag Roundtable stakeholders.

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Credits:

Dolores Conservation District Manager, Judy Garrigues organized the first Ag Roundtable meetings.

Carolyn Dunmire and Nancy Schaufele from SBDC facilitated initial meetings.

Mary Vozar designed the survey and conducted producer interviews.

Cindy Dvergsten, Whole New Concepts LLC, compiled information from the interviews, researched supplemental data and wrote the report.

Mattie Ivy edited the report.

A special "Thank You" goes to the producers who graciously participated in this project.

Agriculture in Montezuma County

Montezuma County is the most southwestern county in the state of Colorado. With a total area of 2,040 square miles, Montezuma County is home to Mesa Verde National Park, McPhee Reservoir (the second largest reservoir in Colorado), San Juan National Forest, Canyons of the Ancients National Monument and many other attractions. Topographically, Montezuma County has a range in elevation of 5,800 feet to more than 13,000 feet. It is home to the Ute Mountain Ute Indian Tribe with one-third of the county consisting of tribal land.

Family-based agriculture has been a cornerstone of Montezuma County's landscape since the 1880s. While there have been considerable changes in agriculture, key aspects of agriculture in Montezuma County have remained consistent, such as the family-based business structure, small scale operations, and consistent production of beef cattle and irrigated hay.

The United States Census of Agriculture is a useful source of historical and current information about agriculture. It has perhaps the most accurate information available concerning the demographics, rural standard of living and the productivity of agriculture. Montezuma County has been included in the census since 1880. Today the census is conducted every five years by the United States Department of Agriculture* (USDA) National Agricultural Statistical Service. The next one will be in 2012.

Montezuma County's climate is as productive as any temperate climate in the United States. There are good quality soils and excellent sources of water for livestock and irrigation.



Variations in elevation and microclimates provide growing conditions for a diversity of crops and fruit, as well as livestock production opportunities.

Even the non-irrigated soils are relatively productive. Montezuma County produced enough pinto beans in 2007 to feed over 1.5 million people!

What is Agriculture?

Agriculture Multi-faceted:
Art + Science + Craft +
Culture + Industry +
Business + Way of Life



- ◆ Family farmers & ranchers manage human, natural & financial resources
- ◆ Family farmers & ranchers must have the capacity to practice stewardship
- ◆ Farmers & ranchers have unique skills, knowledge, and abilities
- ◆ Farming & ranching is a business, profession and a practice
- ◆ Wisdom in farming & ranching comes from experience with the land, animals & plants—not a textbook!
- ◆ To the non-farmer agriculture is:
Open space, romantic, simple, laid back, mysterious, old-fashioned, hard work, a source of food, wildlife habitat and many other things.....

Agriculture in Montezuma County

County Data From the 2007 Census of Agriculture

The definition of a farm used by the USDA for data collection purposes is "any operation that sells at least one thousand dollars of agricultural commodities OR that would have sold that amount of produce under normal circumstances." U.S. farms are diverse, ranging from small retirement and residential farms to enterprises with annual sales in the millions. Nevertheless, most U.S. farms—98 percent in 2004, are family-based farms. Also the majority of U.S. farms, nearly 96 percent are considered to be small farms, earning less than \$250,000 in gross sales. The majority of farm and ranch operations in Montezuma County are small and family-owned, which fits the overall national profile.

The census showed an increase of 35 percent in the number of farms from 829 in 2002 to 1123 in 2007, while the average size of the farm decreased from 988 to 677 acres. The total acres in farms and ranches decreased from 818,677 acres to 704,261 acres in the same time period. This indicates a trend of subdividing larger farms and ranches, leaving some land in agricultural production.

Only 37 percent of farm and ranch operators in Montezuma County report that farming is their primary occupation. This reflects a long term national trend indicating a growing dependence on off-farm income for family-based farms. The average age of the principle farm operator in Montezuma County is 58.

The gross market value of agriculture production in Montezuma County in 2007 was \$26,673,000. (Note that this is the value of production at the farm gate, not the retail value.) There were 460 farms reporting less than \$1,000 in farm sales, 316 reporting \$1,000 to \$10,000 in sales, 285 reporting between \$10,000 and \$100,000 in sales, and 62 reporting over \$100,000 in sales.

After production expenses are subtracted, Montezuma County farmers realized \$2,179,000 in cash income.

In Today's Economy

It is important to look at what agriculture contributes to the community in terms of values such as these:

- Income to families, especially those who are economically disadvantaged
- The multiplier effect of local production and consumption as well as the export value
- Sense of community and way of life
- Ecosystem services, open space & amenities
- Potential for entrepreneurialism both on & off the farm through adding value
- Land and community stewardship ethic

Total Number of Farms	1,123
Land In Farms	704,261 acres
Average Size	627 acres Median ~100 acres
Market Value of Production	\$26,673,000 (at the farm gate)
% Total Land in Farms	54.2%

Agriculture in Montezuma County

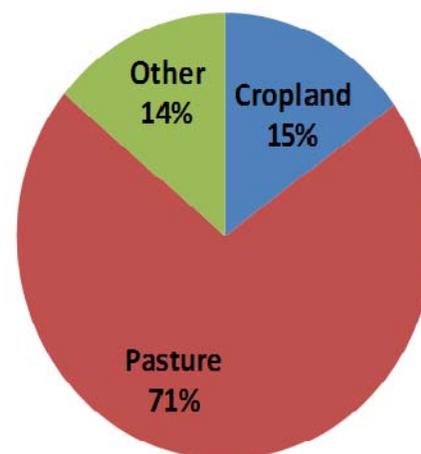
Farm Typology in Montezuma County

Type of Farm	Number	Percent of Total	Acres
Small Family Farms Less than \$250,000 Gross Income in 2007	1072	96%	
• Limited Resource	166	15%	22,688 acres
• Residential/Lifestyle (<i>Part Time Farms</i>)	501	47%	81,504 acres
• Retirement	251	22%	45,456 acres
• Farming Primary Occupation – Lower Sales < \$100,000 Gross	126	11%	Not reported ?
• Farming Primary Occupation – Higher Sales 100,000 - 250,000 Gross	28	3%	26,757 acres
Large Family Farms \$250 - \$499,000 Gross Income in 2007	9	1%	7,549 acres
Very Large Family Farms More than \$500,000 Gross Income	6	0.5%	3,612 acres
Non-Family Farms	36	3%	Not reported ?

Source: 2007 US Census of Agriculture

US Farm and Food Policy Affect Agriculture In Montezuma County

The trends seen in the past several decades in Montezuma County are very much tied to national farm and food policy. This policy has generally promoted the industrialization, and more recently globalization of agriculture. Industrialization of agriculture promotes the concentration of processing and retail distribution into a few large corporations creating a market place where small family farms find it difficult to compete. Other trends that affect local agriculture include increased pressure from imports and increased costs of fossil fuel, equipment, land values and other inputs.



Land in Farms by Type of Use

Source: 2007 US Census of Agriculture

Agriculture in Montezuma County

US Farm and Food Policy Affect Agriculture In Montezuma County

Industrialization of agriculture promoted segregation of food production into distinctly separate industries including farm production, processing, packaging and distribution. Each segment of the food system is regulated independently of the others and depends on brokers to make connections between buyers, sellers, and distributors. A multitude of manufacturing, wholesale, retail, transportation and food processing industries, and many government and professional services are supported by agricultural production.

Segmentation of the food system with multiple players and regulations makes adding value to local food a challenge. "One size fits all" regulations and policies designed for corporate scale farming and food processing impact the ability of family farms to produce at smaller scales. Increased regulation about pasteurization is one reason why dairy farms were lost in Montezuma County.

The chart on the next page shows a stark contrast between 1930 and 2007. Most importantly it demonstrates the possibilities for agricultural production if the challenges in re-building a local food system are addressed. Local agriculture can be made more viable if family farms can find ways to be competitive and add value to their production.

There are several reasons why 1930 is chosen as a point for comparison. This was the last time in history that farmers generally received a fair price for production (parity). Since then the cost of production has steadily increased while net income to farmers has decreased. U.S. agriculture was not as dependent on fossil fuels or commercial fertilizer, therefore Montezuma County's dry land production was much more competitive. Large scale industrialized processing, retail food outlets and consolidated distribution chains were not in place as they are now. Refrigeration for the most part did not exist. People were still processing and storing much of their own food. Also there were no government subsidies in place to favor corporate farms and commodities and far fewer regulations on food production.

Family Farms are Important

Family or individually owned farms produce 86% of agricultural production in the US. One U.S. farmer feeds the equivalent of 100 people in the U.S. and an additional 43 people abroad.

David McGranahan & Patrick Sullivan Farm Programs, Natural Amenities, and Rural Development Amber Waves February 2005

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#### Farms Sales Increase

US. farms sold \$297 billion in agricultural products through all market outlets in 2007, a 48% increase from 2002! Meanwhile, operators generated \$10 billion of income from other farm-related sources, up 79% from 2002, and received \$8 billion in government payments, up by 22%.

*U.S. Department of Agriculture National Agricultural Statistics Service*

## Agriculture in Montezuma County

### Trends and Shifts in Production

Montezuma County's agriculture flourished when it fed the local community *and* was able to compete in regional, national and global markets. In 1930, there were 978 farms in Montezuma County with a market value production of \$36,263,082.

Compare this to 2007 where there were 1123 farms with a market value of production of \$26,673,000. (Note: These values are computed in 2007 dollars using the CPI to convert at the rate of 1.00 to 12.10.) It is interesting to note the diversity of production in 1930 as compared to 2007, along with the crops that continue to be produced consistently after 77 years.

| Census Item         | 1930    | 2007 |
|---------------------|---------|------|
| Pigs and Hogs       | 3661    | 65   |
| Donkeys & Mules     | 414     | 81   |
| Acres in Orchards   | 1,265   | 411  |
| Apples—bushels      | 122,816 | ?    |
| Grapes - Pounds     | 70,638  | ?    |
| Peaches - Bushels   | 5,259   | ?    |
| Plums-Bushels       | 2,253   | ?    |
| Cherries--Bushels   | 1,496   | ?    |
| Pears--Bushels      | 1,620   | ?    |
| Apricots--Bushels   | 555     | ?    |
| Raspberries - Qts   | 8026    | ?    |
| Strawberries-Qts    | 7232    | ?    |
| Ac. Mkt. Vegetables | 98      | 4    |
| Potatoes—acres      | 4,282   | 10   |
| Potatoes—bushels    | 877,069 | 0    |
| Acres of Woodland   | 11,901  |      |
| Board Ft Saw Logs   | 151     | ?    |
| Cords Firewood      | 4604    | ?    |
| Sunflower Seed      | 0       | 463  |

| Census Item       | 1930      | 2007    |
|-------------------|-----------|---------|
| All Hay—acres     | 21,895    | 39,328  |
| Tons of Hay       | 88,953    | 121,865 |
| Range/Dry Pasture | 167,924   | ?       |
| Beef Cattle       | 19,924    | 20,195  |
| Milk Cows         | 3,390     | 11      |
| Milk – Gallons    | 2,104,339 | ?       |
| Butter Fat - LBS  | 469,538   | ?       |
| Cream—Gallons     | 2912      | ?       |
| Butter—Pounds     | 88,996    | ?       |
| Horses            | 3863      | 4274    |
| Sheep & Lambs     | 86,723    | 5546    |
| Wool— pounds      | 511,164   | 0       |
| Goats             | 2083      | 464     |
| Geese & Ducks     | 587       | ?       |
| Turkey            | 14,918    | 46      |
| Bee Swarms        | 3611      | 3       |
| Honey—pounds      | 75,757    | ?       |
| Chicken Layers    | 34,179    | 1484    |
| Dozens of Eggs    | 258,965   | ?       |
| Butcher Chickens  | 15,141    | 187     |
| Fence Posts       | 17.434    | ?       |
| Poles             | 1825      | ?       |
| Acres Cropland    | 59,071    | 52,126  |
| Corn –Acres       | 4766      | 332     |
| Wheat—Acres       | 8447      | 4215    |
| Wheat—Bushels     | 138,646   | 71,957  |
| Barley—Acres      | 18,624    | 0       |
| Barley—Bushels    | 33,840    | 0       |
| Oats—Acres        | 1126      | 0       |
| Oats—Bushels      | 24,479    | 0       |
| Sugar Beets – Ac. | 1.750     | 0       |
| Sugar Beets- bu.  | 19,204    | 0       |
| Dry Beans—Acres   | 3913      | 6,618   |

This Chart was Derived from the 1930 and 2007 US Census of Agriculture-USDA /NASS by Cindy Dvergsten, Whole New Concepts LLC , P.O. Box 218 Lewis CO 81327

## The Re-Emergence of Demand for Local Food

### New Opportunities for Farmers

Several factors in recent years have led to the increased demand for healthy food, grown locally using sustainable and organic practices. Educated consumers are showing a growing desire to support local farming as a way to improve not only their diets but to contribute to the local economy and help keep agricultural lands in production.

According to the USDA the average per capita expenditure on food in the western US is \$45 weekly. Low income families and those with children tend to spend less while single adults tend to spend more. (For more information see Household Food Security in the United States in 2010 / ERR-125 Economic Research Service/USDA). If local producers gain access to the local market, they have an opportunity to capture a portion of the money spent on food in Montezuma County, where the population is 25,535.

Local farmers began to address the new demand for local produce in the 1990s by learning to grow and sell more products locally. Following the lead of early adapters, a new group of farmers have begun small scale market garden and livestock operations with the intent of selling locally.

The Cortez Farmer's Market dates back to the 1970s, while farmer's markets in most areas had faded away. In the 2000s new farmer's markets have started in Dolores, Mancos, Durango and Telluride.

Besides selling produce and other products at farmer's markets, producers are also approaching local restaurants, groceries, and natural food stores. Some are using the "community supported agriculture" model that involves selling shares of garden produce to members who may also share some of the work of producing the food. Others are focused on creating added value products such as jams, pickles, hard cider, soaps, lotions, and baked goods. Other venues for local producers are opening up with the School to Farm movement in the Mancos, Cortez and Dolores schools. Other institutions such as SW Memorial Hospital are beginning to show interest in local sources of food.

### Direct Sales Increase

While most commodities were sold via wholesale channels, some were sold directly to individuals. In 2007, there were 136,817 farms that sold agricultural products directly for human consumption, up 17.2% from 2002. However, the value of direct sales nationwide totaled \$1.21 billion, accounting for just 0.4% of total sales in the United States.

Nearly all farms that engaged in direct sales were small farms—those with sales less than \$250,000. These farms generated 56.7% of the total value of agricultural products sold directly to consumers. Census results show that direct sales marketing was most common among family or individual farms. In particular, small family farms (which include limited resource, retirement, and residential/lifestyle) accounted for 93.3% of all farms engaged in direct sales.

More US Agricultural Census data can be found at: [www.agcensus.usda.gov](http://www.agcensus.usda.gov)

## The Re-Emergence of Demand for Local Food

### Coloradoans Support Agriculture

In the spring of 2006, a study was conducted by the Colorado Department of Agriculture and the Human Dimensions in Natural Resources Unit of the Warner College of Natural Resources at Colorado State University. The purpose of the 2006 study was to understand how Coloradans currently perceived agriculture and whether those perceptions had changed in the past 10 years.

The executive summary from this study concluded that:

“There continues to be significant support for agriculture in Colorado. This is supported by perceptions that agriculture is important to the quality of life in Colorado; Colorado food is provided at a reasonable price; and that if available, Coloradans would buy more Colorado produced products.

These positive perceptions have been fairly constant over the past 10 years. Coloradans view agriculture as a particularly important economic sector and support initiatives such as maintaining land and water in agricultural production, purchasing development rights to prevent the loss of agricultural land, and using a portion of funds from open space programs to minimize farm and ranch losses.

Most Coloradans also believe that agricultural techniques are conducted effectively. Most believe that Colorado agriculture is done in a pro-environmental way; that Colorado food is safe; that farm and ranch animals and land are treated appropriately; and that agricultural practices effectively conserve water and soil. The use of chemicals, while still seen as sometimes necessary by most Coloradans, has seen declining support in the past 10 years. A new question in 2006 found that producing corn-based ethanol and crop-based bio-diesel as an alternative to petroleum based fuels was strongly supported by Coloradans.”

### Public Attitudes about Agriculture in Colorado

- Two-thirds of respondents (67%) indicated that, if available, they would definitely buy more Colorado grown and produced products while one-fourth (25%) indicated they would probably do so.
- One of three respondents (34%) ranked agriculture as the most important economic sector, followed by tourism & recreation (27%), high-tech industries (22%), & mining/petroleum (13%)
- A majority of respondents (83%) felt it was very important to maintain land and water in agricultural production.
- More than half of the respondents (57%) agreed that agriculture in Colorado is protective of the environment.
- More than 70% believed Colorado agriculture is an important source of food and fiber.

Source: Colorado State Department of Agriculture

## Farmers Working Together and With Community

### Cortez Farmer's Market Buy Local Campaign

In recent years, the Cortez Farmer's Market has become more organized and has been busy educating consumers about the benefits of local food. You may find more on their website:

<http://cortezfarmmarket.com>

**Know what you're eating.** Buying food today is complicated. What pesticides were used? Was that chicken free-range, or did it grow up in a box? People who eat locally find it easier to get answers. Many build relationships with farmers whom they trust. And when in doubt, they can drive out to the farms and see for themselves.

**Meet your neighbors.** Local eating is social. Studies show that people shopping at farmer's markets have 10 times more conversations than their counterparts at the supermarket.

**Get in touch with the seasons.** When you eat locally, you eat what's in season. Locally grown food is picked at the perfect stage of ripeness.

**Discover new flavors.** Ever tried sunchokes? Likewise, even familiar foods such as heritage varieties are more interesting.

**Explore your home.** Visiting local farms is a way to be a tourist on your own home turf, with plenty of stops for snacks. Once you're addicted to local eating, you'll want to explore it wherever you go.

**Save the world.** A study in Iowa found that a regional diet consumed 17 times less oil and gas than a typical diet based on food shipped across the country. The ingredients for a typical meal, sourced locally, traveled 66 times fewer "food miles."

**Give back to the local economy.** A British study tracked how much money spent at a local food business stayed in the local economy, and how many times it was reinvested. The total value was almost twice the contribution of a dollar spent at a supermarket chain.

**Be healthy.** Eating from farmer's markets and cooking from scratch encourages you to eat more vegetables and fewer processed products, to sample a wider variety of foods, and eat more fresh food.

### Farmers Markets Grow

"Farmer's markets are an integral part of the urban/farm linkage and have continued to rise in popularity, mostly due to the growing consumer interest in obtaining fresh products directly from the farm. Direct marketing of farm products through farmer's markets continues to be an important sales outlet for agricultural producers nationwide. As of mid-2011, there were 7,175 farmers market's operating throughout the U.S. This is a 17% increase from 2010."

From the USDA Agricultural Marketing Service

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Community awareness of the role of agriculture and the significance of local food is growing thanks to the efforts of the Cortez Farmer's Market vendors over the last 30+ years.



Farmers Working Together and With Community

Producers Experiment with Pooling Resources

A group of “Certified Naturally Grown” farmers began to pool their products to supply restaurant accounts. One of the members, Laurie Hall, runs a bistro in Cortez, called The Farm, with her husband Rusty. Much of the produce they serve comes from Seven Meadows Farm, which they own and operate. With her restaurant and farming experience, Laurie was in the perfect position to bridge the gap between restaurants and local producers.

She was marketing salad greens from Seven Meadows Farm to other restaurants and began organizing a handful of other growers to pool their products to supply the restaurants as well. Each week during the growing season, the farmers emailed their crop availability and price list to Laurie, who then consolidated the list for the restaurant buyers. Once the orders had been placed, Laurie coordinated the pick-ups and deliveries. She charged the farms a fee for the gas and her time.

The arrangement simplified the process enormously for restaurants that want local food, but not the headache of dealing in small quantities from multiple vendors. It makes it easier for the farmers too; they can be part of a group offering a greater volume and variety, and they don't have to worry about communication or deliveries.

The Southwest Ag Roundtable Forms

A new initiative, the Ag Roundtable, sponsored by The Dolores Conservation District, started in the winter of 2011. The Dolores Conservation District gathered stakeholders and supplied a facilitator to help the community brainstorm what they needed to be successful and wanted to see happen for the region's agricultural future.

Some of the ideas put forward included sharing equipment, increasing mobile poultry processing capacity, and starting a farmers' cooperative. After initial focus meetings, the stakeholders chose to focus on exploring the farmers' cooperative idea. A cooperative could have the most benefit by offering greater variety and volume for restaurants, grocery stores and institutions.

Value-Added Products

Value-added products such as beef jerky, fruit jams and floral arrangements were sold on 78,418 farms nationwide in 2007. Ten percent of these operations were located in Texas.

Educating Consumers Takes Time

At the Cortez Farmer's Market in 1998, a gentleman boldly asked vendor Ester Wilson, “what on earth would I do with so many cucumbers” as he gazed at the heaping full bushel basket. She replied, “Well sir, you would make pickles with these.” He stood silent for a moment then responded, “Oh I didn't know that is where pickles came from!”

“When I first approached a local grocer about growing specifically for his store he thought I was crazy. That was in 1998. Now the same grocer buys as much as he possibly can from local producers. The learning curve has been steep but worth the effort.”

*Cindy Dvergsten,
Arriola Sunshine Farm*

Farmers Working Together and With Community

A cooperative could provide centralized drop-off and pick-up for distribution, and possibly serve as a retail outlet. Sharing facilities such as cold storage space would also allow individual producers to focus on production, hopefully keep costs down, and help small growers reap the benefits of economies of scale. The group discussed possibilities of a year-round retail storefront, a multi-producer CSA and coordinating wholesale accounts, especially with institutions.

The Ag Roundtable discussed potential challenges as well. This included financing and start-up costs; learning how to plan, staff and operate a cooperative; how to ensure consistent quality in products; and how to size the cooperative so as to be inclusive yet viable.

In the spring of 2011, a steering committee was appointed by the Ag Roundtable to investigate the feasibility of developing a cooperative to serve the local food market. As a first step, the group decided to conduct a farmer's cooperative feasibility study with funds provided by matching grants from LiveWell Montezuma (LWM) and the Rocky Mountain Farmers Union (RMFU).

Steering Committee Meets with RMFU Representative

The RMFU Cooperative and Economic Development Center provides technical assistance and funding to rural groups to create marketing, processing, or service cooperatives such as local food or energy programs.

RMFU representative Dan Hobbs met with the Ag Roundtable to discuss how cooperatives operate, his personal experience with cooperatives and what RMFU could do to help determine the feasibility of a farmer's cooperative for Montezuma County. Hobbs secured funds for the Ag Roundtable to conduct surveys of farmers, experiment with connecting farmers to consumers through cooperative processes and report on the findings.

About the RMFU

Rocky Mountain Farmers Union supports initiatives to put local consumers and food producers together for mutual benefit through co-ops like High Plains Food Cooperative. RMFU partners with state programs to promote local foods in Wyoming, Colorado, and New Mexico.

The RMFU Co-operative and Economic Development Center exists to advance the cooperative model for fostering sustainable human and economic development in the Rocky Mountain West.

The Co-op Center focuses resources on cooperative development activities in three key areas:

- Organization and development of cooperatives to assist agricultural producers and other rural residents.
- Technical assistance and training to startup and existing cooperatives to expand value-added rural businesses.
- Education and outreach to rural residents and communities to foster cooperative principles, techniques, and structure.

Farmers Working Together and With Community

LiveWell Montezuma Promotes Local Food

LiveWell Montezuma (LWM) works in collaboration with community stakeholders such as the Ag Roundtable to improve the health of Montezuma County residents and visitors by increasing access to healthy, nutritious foods and opportunities for a more active lifestyle. LiveWell Montezuma has been working to connect farmers to consumers as a way towards achieving its mission.



LWM had a monthly booth at the Cortez Farmer's Market in 2011 to demonstrate cooking techniques for fresh food purchased from market vendors. Recipes and samples were provided to market attendees. LWM also sponsored a cooking booth at Verde Fest (a sustainability fair) in August where local chefs demonstrated their recipes using local fresh foods.



Ag Roundtable members and nonmembers participated in a six week LWM project to explore supplying schools with local produce. The project was not in place until after the planting season, so only growers with extra produce were able to participate. Each school district in Montezuma County purchased local produce and served it one day a week for six weeks.



An order form was sent out Thursday and returned Friday to the broker, Kim Lindgren of LWM. Growers were notified Friday if they had an order. (This schedule was useful to growers who sold at the Cortez Farmers Market on Saturday, as they knew to pull their school order from their market supply in advance.) Produce was delivered to the Cortez District warehouse on Monday afternoons.



Invoices were prepared for the school districts by each grower. The broker was paid by LWM, no fees were charged to participating growers. Although the schools could not pay the prices charged by some growers, no grower was pressed to take less than the prices they asked. Schools received excellent quality produce and though there were a few glitches, such as growers not being able to deposit checks due to not having DBA accounts, all parties seemed adequately pleased with the results of the project.

Cortez Farmer's
Market in 2003

Farmers Working Together and With Community

Pilot Project Connects Schools to Farms

The Cortez, Dolores and Mancos school districts are in discussion to create contracts with local growers for the next school year. They express a continuing commitment to buy available local produce.

Ideally, the Ag Roundtable will step forward to continue brokering with the schools as well as other institutions and entities. LWM will continue to support building the capacity of growers to access local markets. Currently, they are in discussion with SW Memorial Hospital to open a market for local produce in the hospital cafeterias.

Kim Lindgren will be available to help an Ag Roundtable broker develop relationships and a system of ordering that will suit the needs of all parties. Next steps would include the development of a centralized billing system, along with the establishment of a broker fee structure. Additionally, the development of food safety plans and farmers growing practice statements will inspire the confidence of institutions to continue to increase their purchases of local foods. Find out more about LiveWell Montezuma on the internet at: <http://about.livewellcolorado.org/livewell-montezuma>



Seasonal High Tunnels are cost shared through the USDA via the Natural Resource Conservation Service Environmental Quality Incentives Program. Several producers interviewed have or will be installing these.

Organic Sales

The sale of organic agricultural products generated \$1.7 billion in income for farms nationwide in 2007. Most producers sold their organic products locally. More than 44% reported selling within 100 miles of the farm, while 30% reported selling regionally (more than 100 miles but less than 500 miles from the farm). Another 24% reported selling nationally (500 or more miles from the farm), while only 2% reported selling internationally.

More US Agricultural Census data can be found at: www.agcensus.usda.gov

Ag Roundtable Surveys Producers

Assessment Survey 2011

The Southwest Ag Roundtable steering committee initiated a survey to assess the degree of interest local vegetable producers have in working together and more specifically their interest in a formal cooperative. The survey investigated the production capacity of local growers, their marketing strategies and access to markets, their business models and desire to grow, the challenges and barriers they face, the benefits of participating in a cooperative, and their vision for the future. This information will be used by the steering committee and Ag Roundtable to determine next steps.

The survey consisted of 20 one-on-one interviews with Montezuma County producers. Participants were selected based on their experience as vegetable producers for local consumers. Several producers also sell beyond Montezuma County. Most interviews lasted over an hour and provided farmers with an opportunity to express their needs, concerns, and ideas. The interviewer recorded many of the interviews with permission, and kept a written record. Please see the appendix on page 31 for questions asked in the interview.

Land Ownership and Production

The size of farms ranged from 1 to 2,000 acres. The median farm size in this group is 20.5 acres. Land cropped in vegetables ranged from .10 to 6 acres per farm with a total of 30.85 acres being used for vegetable production with an additional 10 acres used for orchard or vineyard production. Two people did not own their land, one of whom was not currently farming but hopes to become a producer soon.

- ⇒ 18 Producers reported growing a mix of vegetables.
- ⇒ One producer focuses primarily on leafy greens.
- ⇒ One producer focuses only on sprouts, leafy greens and tomatoes in the off season.
- ⇒ Two producers grow cut flowers in addition to vegetables.
- ⇒ Two producers grow mixed fruits and apples in addition to vegetables.

What is a CSA?

Community supported agriculture (CSA) is a direct-to-consumer marketing arrangement that permits household consumers to purchase advance shares of a farm's production in return for regular (usually weekly) deliveries during the growing season. CSA operations have experienced a dramatic rise in popularity in the United States during the past several years, expanding from an estimated 60 operations in 1990 to approximately 3,600 operations as of mid-2010.

USDA Agricultural
Marketing Service

Ag Roundtable Surveys Producers

Land Ownership and Production

In addition to vegetable crops, several of the producers interviewed also produce hay, pasture, poultry and livestock.

- ⇒ Two producers harvested 3,000 and 6,000 bales of hay in 2011.
- ⇒ Five producers raise beef cattle for a total of 103 breeding cows, with one producer raising steers as stockers.
- ⇒ Five producers raise sheep for lamb and wool for a combined total of over 50 ewes, while another rents pasture for sheep.
- ⇒ One producer has four goats and another has 15 horses.
- ⇒ Six producers raise chickens for eggs. They have a combined total of over 350 laying hens planned for 2012 production. One producer also raises replacement pullets.
- ⇒ One producer has a garden center and several green houses.

Income from Farming

Producers were asked about their gross farm income in 2011. They were not asked to differentiate what this income was from.

Income Range	No. Producers
< \$1000	2
\$1001-5000	4
\$5001-10000	6
\$10,001 -15,000	3
\$15,001-20,000	0
\$20,001-100,000	2
\$>100,000	2

Years Experience in Commercial Farming

Six producers have been involved commercially in farming for less than 3 years, eight producers for 5-10 years, four producers for 10-24 years, and two producers for 25 or more years.

The median time in commercial farming was 5 years. One producer is just starting up and rents land, while another does not yet own land and is not sure if he will be able to produce in 2012.

Small Farms Increase

The 2007 Census of Agriculture shows an increase in the number of small farms in the United States. The U.S. Department of Agriculture defines small farms as farms with \$250,000 or less in sales of agricultural commodities. In 2007, there were 18,467 more small farms counted than in 2002. It is important to understand the attributes and characteristics of these farms and the role they play in the changing structure of U.S. agriculture.

Growth Trends

The number of small farms counted in the 2007 Census of Agriculture was 1,995,133, or 91% of all farms. Overall small farms increased 1% from 2002 to 2007, but the increase was not seen in all sales classes. Farms with sales less than \$10,000 increased while farms with sales of more than \$10,000 decreased. U.S. farms with sales between \$100,000 and \$249,999 decreased by 7%.

More US Agricultural Census data can be found at:
www.agcensus.usda.gov

Ag Roundtable Surveys Producers

Business Planning

When asked if they had a business plan, five producers responded affirmatively. Several said they had a general plan in their heads. Some did not feel a plan was necessary, while others felt they could use one but did not know how, or have the time, to write a plan. Some indicated that they have production plans but not a business plan.

Employment and Labor

Three of the producers have full time employees year round; seven producers utilize part time or seasonal employees; eight producers utilize interns, volunteers or WWOOF'ers; one producer utilizes family members and one trades food for labor. Cumulatively, these producers utilized the following in 2011:

Full Time Employees: 7

Seasonal or Part Time Employees: 27

Volunteers, interns, WWOOF'ers: 18

Current Markets and Approaches

Producers were asked, "Do you currently have markets in place for what you produce? Are you able to sell everything you produce? Do you run out of items?"

Everyone has found or established a market for their produce. Fifteen of the producers say they sell everything they grow and occasionally run out of items, while five do not sell everything or are not yet in business to sell. Three producers have served as a broker for other producers.

Montezuma County producers sell at Cortez, Dolores, Durango and Telluride Farmer's Markets. Some sell at more than one market. None reported selling in Farmington's market.

Most farms emphasize that they have worked very hard to develop their image and relationships with customers. This includes considerable effort put into consumer education about the value of local food and the particular products they offer.

What is a WWOOF'er?

World Wide Opportunities on Organic Farms is a network of organizations.

They link volunteers with organic farmers, and help people share more sustainable ways of living.

WWOOF is an exchange - In return for volunteer help, WWOOF hosts offer food, accommodation and opportunities to learn about organic lifestyles. WWOOF organizations link people who want to volunteer on organic farms or smallholdings with people who are looking for volunteer help. Visit them on the web at <http://wwwoof.org>

No. of	Type of Market Accessed
14	Direct Sales
13	Farmers Markets
11	Groceries
11	Restaurants
8	Sell to Schools
3	Serve as a Broker
2	Internet Sales
3	CSA
2	Farm Stand
1	Use in Own Restaurant
1	Use at Guest Ranch

Ag Roundtable Surveys Producers

Facilities, Infrastructure and Equipment

Producers were asked to list some of the special equipment, infrastructure and facilities they currently have in place relating to production, cooling, harvesting and transportation.

Producers Responding	Type of Facility/Equipment they Have in Place
	Production
5	Green house (s)
15	Seasonal High Tunnel (s)
13	Cold Frame or Low Tunnel
	Cooling
11	Refrigerators/Freezers
3	Commercial Refrigerator or Walk-In Cooling
5	Root Cellars
10	Cool Rooms/Sheds
	Harvesting
20	Sinks, Spinners & Misc. Washing Equipment
20	Hand Harvesting & Hand Packing
3	Mechanical Harvester (hay, tractors, potato digger)
2	Harvesting Shed
	Transportation
1	Refrigerated Truck (One Ton)
18	Coolers in Non-Refrigerated Truck/Trailer
1	Hired Transportation
	Processing
1	Certified Kitchen

Post Harvest is Important

Postharvest handling must address virtually every physical, chemical, or temperature change that occurs in agricultural products--from harvest to final consumption. Effective postharvest handling operations, such as cleaning, sorting, processing, grading, packaging, and refrigeration make the agricultural product salable. The marketplace demands continually upgraded quality, appearance, shelf life, and safety of food products. Improper or insufficient postharvest handling by small farmers is a major barrier to entering the marketplace.

Financial Characteristics of Vegetable and Melon Farms / VGS-342-01 Economic Research Service/USDA

Several producers have plans to upgrade harvesting and post harvesting facilities and equipment. Equipment for smaller scale production is often nonexistent or if available, highly priced. Some equipment is available at wholesale prices through restaurant supply dealers, but most equipment for farming is sold at retail prices. Farmers must be innovative to make the best use of available resources. Some design and build their own equipment, while others adapt equipment to meet their special needs.



Lettuce spinner and stainless Steel Sinks

Ag Roundtable Surveys Producers

Business Growth

Producers were asked about their intention to grow their business. Four producers do not plan to expand. Fifteen responded that they indeed plan to grow their business. Most will do this incrementally as is feasible. Nine say they have definite plans to expand in 2012. Some will be adding or experimenting with new crops. Several will be focusing on refining production. Ten producers plan to extend their growing season or start to grow year-round. Nine are considering value added products. Four would like to expand with more land. All 20 producers are interested in increasing their market share with the most interest expressed in selling to restaurants and institutions.

No. of Producers	Where they want to increase their market share:
2	Distant markets
6	Farmer's Market
5	CSA
15	Restaurants
9	Groceries
14	Institutions (schools, hospitals, etc.)

Barriers to Growth and Expansion

The most mentioned barrier to business growth and expansion was the cost of and availability of labor. Lack of capital for start-up or growth, time management, and marketing ability were high on the list. Other barriers include lack of family involvement, difficulty understanding or complying with regulations, lack of cold storage, lack of access to affordable land, lack of potable water, fencing and other infrastructure needs, and lack of transportation.



Bell peppers ready for the market.

Producers Take Advantage of USDA-NRCS cost share for Seasonal High Tunnels

Nine of the producers in this survey have installed or will be installing Seasonal High Tunnels with the intent of extending growing season or providing better growing conditions for crops and starts. Cost sharing through the EQIP program began in 2011. The NRCS reports a total of 15 tunnels were approved in 2011 in Montezuma County.

Agriculture Needs Community Support

With an aging farm population facing difficulties financing retirement, Montezuma County is at risk of losing generations of wisdom about stewardship of our rural landscapes and lifestyle. There is a need for community support for young farmers and ranchers.

The cost of complying with regulations and other restraints is prohibitive for many family farms. Feeling forced to sell property when the landowner does not want to is heartbreaking and affects the overall sense of well-being within the community.

Ag Roundtable Surveys Producers

Food Safety Concerns

Microbial contamination of produce can occur at any point from farm to fork. Media attention to foodborne illnesses has heightened consumer awareness. Mass production and processing makes trace back difficult and when a problem occurs it may affect many people.

Even though small farms are seldom the source of problems, scrutiny of food safety practices is an increasing concern for small scale vegetable production. Unfortunately a “one size fits all” approach to policy and regulation that favors large scale industrial agriculture makes compliance, even when voluntary, a financial and managerial burden for small scale producers.

One of the keys to reducing microbial risks on the farm is the commitment of the farm owner and all farm workers. Federal and State government as well as industry leaders encourage all producers to practice Good Agricultural Practices (GAP). This includes testing irrigation water; safe handling of animal manures; separate washing, packing and storage facilities; proper hygiene and hand washing facilities for workers and farm visitors; planting and harvesting practices; keeping pets and wild animals out of crops; using chlorinated water for washing; sanitizing wash and pack areas; use of proper cooling methods; using refrigerated transportation; and other considerations. It is recommended that farms develop a food safety plan to mitigate hazards and keep records to document safety precautions taken. Another complicating aspect of food safety is that multiple agencies at State, Federal and local levels are involved in enforcement, licensing and oversight.

Producers interviewed in this survey were asked if they had heard about GAP. Sixteen responded affirmatively. Some were not sure about what GAP meant for them. All were doing their best to be safe and sanitary. They were also asked if they had a food safety plan. Six had a plan and a few were just starting to work on their plans. Some expressed a desire to work with other farmers to determine what GAP measures are necessary for Montezuma County agricultural producers.

Consumer Concerns Grow

Media attention has heightened consumer awareness of produce-associated illnesses. The concern about foodborne illnesses also is reflected in numerous surveys. In the 1998 Fresh Trends Survey, conducted by The Packer magazine, bacterial contamination of produce was a concern of consumers for the first time since the survey originated in 1983. About 9% of the 1,000 U.S. consumers surveyed by telephone expressed concern about bacteria in their food, while another 10% were concerned that bacteria in produce might make them sick or cause a disease. Survey results indicated that about 60% of consumers are more concerned today than they were a year ago about bacteria on fresh produce. Produce-associated foodborne illnesses reduce consumer confidence in the safety of all produce items, undermine fruit and vegetable promotion campaigns, and can cause financial losses from which a business may never recover.

From “Food Safety Begins on the Farm, A Growers Guide”—*USDA, USFDA, CRES*

Ag Roundtable Surveys Producers

Current Challenges

Producers were asked to identify the most challenging aspects of their business at the time of the survey. Their responses are tabulated below:

No. of Producers	Current Challenges
12	Labor (cost and availability)
9	Marketing (time for, how to price, position, web)
8	Equipment (especially appropriate scale)
7	Processing (especially for poultry)
6	Storage (cold)
5	Risk Management (insurance, safety, weather)
5	Business & Management
4	Distribution (especially to distant markets)
3	Production
3	Time Management
1	Record Keeping
1	How to Grow or Scale Business
1	Creating a Profit Margin / Pricing



Vegetable production is labor intensive, especially at small scales where mechanized planting, harvesting, and processing equipment is not available. However, the quality and freshness with small scale production is often superb!

Complexity

Vegetable and melon production is a diverse, complex, management intensive, and little-subsidized business in the United States. It is also among the more financially successful components of U.S. agriculture. Today, the industry faces an array of challenges:

- Chronic farm labor shortages
- Strong competition in export markets
- Pressure in domestic markets from low-cost imports
- Food safety concerns
- Competition for land and water from both urban encroachment and alternative crops
- Rising input prices

How the vegetable and melon production industry stands up to these challenges depends in large part on the financial well-being of the backbone of this agricultural sector—the growers.

From "Financial Characteristics of Vegetable and Melon Farms / VGS-342-01" Economic Research Service/USDA

Ag Roundtable Surveys Producers

Producers Perspective on the Cooperative Concept

The producers were asked “Are you familiar with the coop model? Have you participated in a coop? Would you be interested in participating in one?” (Note: The interviewer provided background information on what a cooperative is and how they function when necessary.)

The majority—thirteen—expressed familiarity with the coop model or have participated in a cooperative previously. One person grew up in a family-based coop. Several cited Empire Electric as a cooperative with which they are familiar. As to whether they would be interested in participating in a farmer’s cooperative, half were fairly certain they would participate, seven responded “maybe” and three did not feel it would serve their business model.

Producers	Participate In a
10	Yes
7	Maybe
3	No

Perceived Benefits of Participating in a Farmers Cooperative

Fifteen producers believed that participation in a cooperative could help them reduce or keep costs of production down, two were not sure and three thought a cooperative would not help them in this way. Likewise, fifteen believe that a cooperative would help them improve or gain access to services, equipment and supplies.

Several commented that working as a cooperative could provide an opportunity for producers to specialize in one or a few crops through brokering services to larger markets. Others would like to see benefits come from washing, storage, processing and packing services so they as growers could focus on raising raw produce only. These types of services would help producers be more efficient, reduce labor costs, reduce costs of compliance with regulations, and grow their business by participating in larger markets.

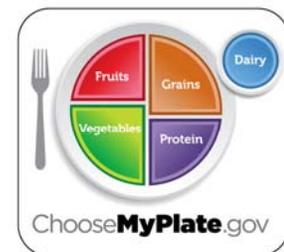
Anonymous Quotes from Participants :

“I’d like to see an **“employment coop”** where we have a labor force to work on all of our farms as needed.”

“I’d like to make a million dollars growing veggies!”

Health Drives Market

Along with fruits and nuts, vegetables and melons have long been recognized as vital components in the nutritional health and well-being of the nation. Spurred largely by health and diet concerns of an aging and more ethnically diverse U.S. population, increases in vegetable consumption are expected over the next decade. The new healthy MyPlate icon developed by the USDA supports this concept:



“Fill half your plate with colorful fruits and vegetables at every meal!”

Ag Roundtable Surveys Producers

Interviews Allowed for Free Flow of Ideas

In addition to providing specific services, producers also see a farmers' cooperative as a way to serve their community with a consistent supply of high quality food. A cooperative could help growers comply with industry standards and government regulations. Several indicated the importance of including the community in some way.

Another concept that emerged from discussion was the possibility of a cooperative that focused on one product that many growers could produce with relatively low inputs. By producing in volume the growers could gain access to larger markets such as the City Market chain or target metropolitan areas.

Producers	Potential Function of a Cooperative
6	Distribution / Transportation
3	Buy Supplies in Quantity
3	Share Labor / Trade Skills*
3	Improve Marketing
3	Retail Store Front
3	Share Equipment / Facilities
2	Buyers Coop for Consumers
2	Packing / Processing
1	Brokering Service
1	Serve as Credit Union

Concerns About Participating in a Coop

The primary concerns the producers voiced about organizing as a coop have to do with the ability of the potential members to work together, be inclusive, organize, lead, make decisions, and follow through. The next set of concerns were about how to finance start-up costs, hire paid staff, and manage accountability. A few were concerned that there are not enough serious producers, or enough producers with the scale to supply demand. A few producers have had bad experiences working with others, while some have positive feedback from working with their peers.

Loss of Identity or Competitive Edge a Concern

Several producers expressed concerns about losing the identity they have worked so hard to establish. Others do not want to lose "control" over what happens to the produce they work so hard to raise. One producer is skeptical about the idea of a cooperative for this very reason—loss of control. Similarly, there is a concern about the loss of quality and the possibility of negative images emerging about local food and producers. Some are concerned that they will be forced to take a lower price for their products or that profit margins will be lower.

Anonymous Quotes from Participants

"My concerns about participating in a cooperative are how do we come up with rules to set it up? What would the requirements be? Where will accountability be? How do we address liability?"

"My concerns are about how to get folks to commit and organize."

"Group dynamics are challenging. We may succumb to too much idealism, not enough practical business sense."

"How do we get independent farmers to work together?"

Ag Roundtable Surveys Producers

How to Address Concerns

Some producers offered ideas about how to address concerns. Most insisted that whatever the outcome, it is necessary to have a facilitative process, good communication, enough people willing to make a commitment and solid research to determine the best way forward. To be successful the model must be realistic, sustainable, and economically viable. There must be a strong vision, practical business approach and well managed group dynamics.

A Need for Commitment

Producers were asked if they would be willing to make a financial commitment to organizing a cooperative. Seven responded they would be willing to help in some way with a financial commitment, nine responded that they might be willing to make a commitment if they know more about how the cooperative would work for them and their business model. Four responded that they would not be willing to make any type of financial commitment.

A second question queried the producers about other ways in which they would support or participate in a farmers coop, or other form of collaboration. Most producers are willing to participate in further discussion and exploration of a formal cooperative or alternative collaborations.

As the list to the right suggests, the group of producers surveyed will bring a wide array of skills and abilities to a community-minded agricultural collaboration in Montezuma County. Some expressed time constraints as an issue limiting their participation. Nevertheless, all but three of the producers interviewed are willing to do what they can to help out.

Skills and Abilities Producers Bring to the Table

- ⇒Radio broadcasting experience
- ⇒Education / teaching background
- ⇒Professional facilitation /consensus building
- ⇒Legal clerk background
- ⇒Business training and whole farm planning
- ⇒Secretarial and office management skills
- ⇒Research skills
- ⇒Construction, building maintenance
- ⇒Business management, accounting
- ⇒Organizational skills
- ⇒Marketing, advertising, sales skills
- ⇒Writing, graphic design and photography skills
- ⇒Science background
- ⇒Lifelong entrepreneurial experience
- ⇒Government and/or military experience
- ⇒World travel experience
- ⇒Non-profit experience
- ⇒Enthusiasm!
- ⇒Think tank, dreamer, team player
- ⇒Contract negotiation
- ⇒Farming knowledge and expertise
- ⇒Natural resource and USDA experience
- ⇒Networking, team building, communications

Ag Roundtable Surveys Producers

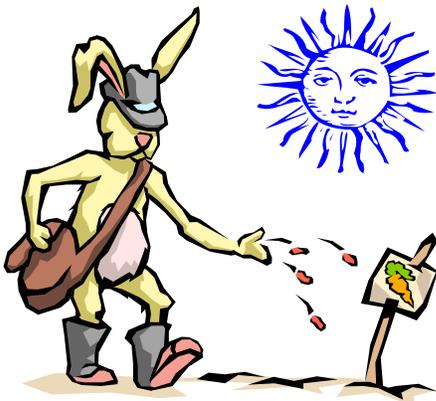
A Call for Action

Producers were asked if they are interested in participating in planned planting this winter. Eight are interested in working together this winter to plan crops. Six responded with either “maybe” or “possibly” depending on what was required of them. Six were not interested.

Additionally, they were asked if they were interested in contracting with schools or institutions. Once again, eight are interested in contracting. Six responded with either “maybe” or “possibly” depending on what was required of them. The remaining six producers were not interested in contracting to institutions.

Some expressed concerns about contracting to schools and institutions. This included concern about:

- The ability of schools to pay a fair price to the farmer.
- Being forced to grow a particular crop, and an ensuing loss of independence.
- Whether the schools can accommodate more accounts.
- Ability of farmers to comply with food safety requirements.
- Inability to commit to production because they do not own land.
- Ability of farmers to cover all of their risks, get insurance, etc.
- Knowing what to plant in advance of the growing season.
- The preference of several is to plant only one crop or variety for the contract.



Cooperative Principles

The modern cooperative dates back to 1844, when the Rochdale Equitable Pioneers Society was established in Great Britain. According to the National Rural Electric Collective Association, the Rochdale Principles are still followed by cooperative businesses.

Cooperatives are based on the cooperative values of "self-help, self-responsibility, democracy and equality, equity and solidarity" and the seven cooperative principles known as the Rochdale Principles:

1. Voluntary and Open Membership
 2. Democratic Member Control
 3. Member Economic Participation
 4. Autonomy and Independence
 5. Education, Training and Information
 6. Cooperation among Cooperatives
 7. Concern for Community
- According to the National Association of Business Cooperatives, roughly 100 million Americans belong to one of the 47,000 existing cooperatives.

Ag Roundtable Surveys Producers

A Vision for Today and the Future

Producers were asked to share their vision for our local food culture, scene, and economy. The following is a collective statement that captures what they shared in one narrative:

“We would like to make a living from farming and maybe be able to pay some help and take a vacation! Sustainability would be excellent—especially if we expand into more fruit. I would like to see local restaurants buy more local produce. It might be seasonal, but why wouldn’t they want what can be locally produced? Young people are encouraged to grow their own veggies. There will be as many family gardens as is possible. We will have a year round farmer’s market / store front for local produce. Organic quality food is produced where people can see and understand where their food comes from. We keep our food pure and healthy. Agricultural lands stay in agriculture. Ideally farmers would be able to feed all the local folks. We ideally would have USDA meat packing here. We come together as farmers and become a strong wholesale entity, locally. I want to make a living, and learn how to make it profitable. I want to improve the food culture—more green and more organic. Healthy food for everyone and support for the smaller farmer. Cortez needs to grow in different ways—why not have a town culture around local and organic food? Everybody needs to work—go local! The more local farmers there are, the better. Local food should be available to more folks. It’s all about awareness, education and getting the local food into the grocery stores. We put the food in front of people and let them taste it—and then they become willing to pay for it!! Especially as the cost of industrial agriculture goes up and subsidies stop. We figure out how to make healthy food sexy to young people. We local farmers tap into the larger grocery stores. Families grow to enjoy food together—cooking and eating. We form community around food. Eating local becomes the norm. Healthy, fresh food is available across all social and economic classes. I like the idea of our community feeding itself. Each farmer has his or her specialty crop and we pool together to offer a variety of products. I want to see Native Americans participating. Self sustainability is possible! We get local food into all of our institutions. Feeding our community healthy food will maybe let our farmers make a living. There are many opportunities for farmers to provide food to local, regional and distant markets. I see opportunities for oilseed, grains and beans to diversify and use sustainable and organic practices as the norm. Our rangelands, forests and pastures are healthy, vibrant and teeming with grazing livestock and wildlife. Every family will have two hens in the backyard! I envision a food system that could support full-time farmers and allow them to own land.”

Summary

The results of this project definitely opens the door to more in-depth conversation, dialog and exploration. Montezuma County has a rich agricultural heritage and is capable of producing a wide range of vegetables, fruits and livestock. The vegetable growers interviewed are interested in working together. The community is interested in supporting local farmers and ranchers. A number of stakeholders are emerging in the movement to create a strong local food system and enhance the health and well-being of residents in Montezuma County.

Considerations arising from the Southwest Ag Roundtable Farmer Interview Project / Cooperative Needs Assessment include:

- ⇒ Local producers are very aware of the opportunities in the market place and have made great strides to satisfy local demand. Most producers plant only what they believe they can sell. Several fall short of satisfying demand. There is very little “extra produce” available.
- ⇒ Three fourths of the producers interviewed would like to expand their farm operations and grow their business. They are most interested in increasing their market share by selling to restaurants and institutions. Most plan to expand their farm production incrementally as is feasible for them.
- ⇒ The majority of local producers cite labor costs, availability of qualified laborers, labor management and related issues as a barrier to expanding their businesses to satisfy local demand. Many producers are engaged as the primary source of labor on their farms, and unless they find ways to cover the costs and management of hired labor, they do not see how they can grow their businesses or make their business more efficient and profitable. A few producers suggested that a farmer’s cooperative could form to address labor issues and needs. A farmer’s cooperative with this kind of focus could significantly reduce the burden of hired labor, provide well trained labor, and help producers manage risks involved with growing their businesses.

Anonymous Quotes from Participants:

“I hope that the coop would be a place for local producers to get a good price/sustainable price for their product.”

“I would like to see a labor cooperative, pooling resources to employ a person for several farms.”

“Celebrate local food. I would like us to have a Bean Queen again. Have an annual community celebration around food, maybe with a parade.”

“Our labor consists of just two old folks! We need a tractor and some help so we can do more.”

“We want to see the Montelores area become well known for producing food-veggies, eggs, meat, milk, fruit, and value added.”

“I would like to learn how to do experiments growing new crops.”

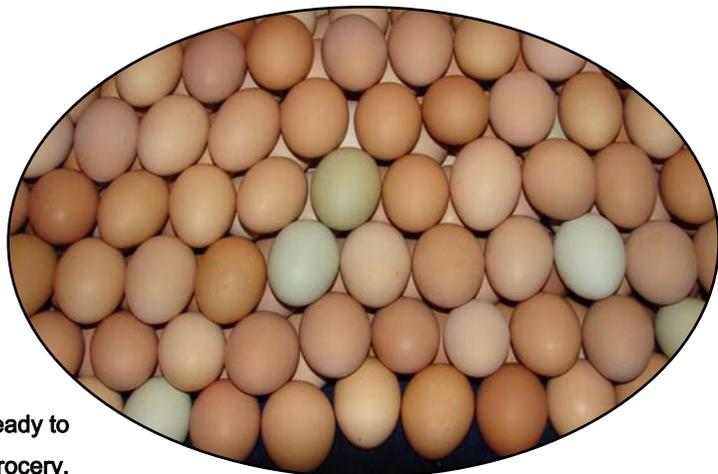
“I want to create a future for the next generation of farmers in my family”

Summary

- ⇒ To further serve the schools and other institutions, the development of a centralized billing system, broker fee structure, and food safety plans will be necessary. A farmer's cooperative could provide these types of services.
- ⇒ Producers are aware of the need to use Good Agricultural Practices and are willing to work towards satisfying the concerns of local institutions about food safety. Several expressed interest in working collaboratively to address food safety measures and risk management issues such as ability to afford insurance.
- ⇒ Producers have worked hard to establish identities for their farms and develop relationships with customers. Most want to retain their image as an independent farmer if they become involved in any cooperative relationship.
- ⇒ Some producers are interested in focusing on identifying one or more crops that could be grown by many local producers to service a larger regional or even national market using a cooperative model.
- ⇒ Producers are concerned about the ability of institutions to pay a fair price for high quality local produce. Additionally they are concerned about potential difficulties maintaining quality when many producers are involved.
- ⇒ The availability and affordability of specialized harvesting, processing, storage and transportation equipment is another barrier or challenge cited by producers.

A cooperative model could help address these needs through collective buying and centralized processing and distribution.

Local eggs, washed, candled, graded and ready to be packed for a local grocery.



The Farmer—A New Food Celebrity

Shoppers have become increasingly interested in knowing where their food comes from, which is why 2012 will bring an added emphasis to a different kind of food celebrity – the farmer. We've seen "buy local" become one of the most important supermarket offerings; now we get to meet the people who are the producers, farmers and ranchers.

*2012 Food Trends to Watch
By Phil Lempert*

Summary

- ⇒ At least some producers are in need of business planning, management, record keeping, budgeting, and related skills or services. When producers need to perform the labor necessary to run their farm, they often do not allot enough time to work on business finances, marketing, record keeping and planning necessary to keeping a business efficient and growing. Once again, addressing the labor needs of producers would likely improve overall business performance and profitability.
- ⇒ Producers are definitely interested in exploring ways to work together including the possibility of forming a cooperative to satisfy collective needs. They are rightfully concerned about where the financing and leadership will come from for a formal cooperative. Likewise, they understand the need to manage group dynamics so as to achieve consensus, harness enthusiasm, be inclusive and focused on practical outcomes. If a farmer's cooperative would serve their needs they would contribute financially or with in-kind services.
- ⇒ Most of the participants in this survey insisted that whatever the outcome, there needs to be a good facilitative process, good communication, enough people willing to make a commitment and plenty of solid research to determine the best way forward. To be successful the model must be realistic, sustainable, and economically viable. There must be a strong vision, practical business approach and well managed group dynamics.
- ⇒ Finally everyone, including those who did not feel inclined to participate now in forming a cooperative, expressed their desire to be informed of any future progress made by the Southwest Ag Roundtable.

Anonymous Quotes from Participants:

"We need to learn how to feed ourselves. Need to figure out our local food system first."

"The roundtable meetings have been encouraging—especially looking at ways to keep our food local. The more we talk about it, the more it spreads."

"I am glad I participated in this interview!"



A bountiful harvest from a local market garden

Appendix

Interviewers Introduction and Questions

SW Ag Roundtable Farmer

Cooperative Needs Assessment- Interview Project

The Ag Roundtable Farmer Interview Project is designed to gather information and make contacts toward establishing working relationships with the farmers of southwest Colorado. Through the interviews, we hope to gain an understanding of farmers' interest and capacity for participation in a cooperative, as well as identify present and future needs. The Project provides an opportunity for creating personal contact between the farmers and the movement toward local food and community.

We appreciate your participation. All individual information will be kept confidential. The answers will be compiled into a report which will contribute to an assessment that will identify grower interest and potential feasibility for a grower's coop. This report will be distributed to the members of the Ag Roundtable, Rocky Mountain Farmer's Union and LiveWell Montezuma. In early 2012 we hope to have a member meeting to discuss next steps.

What is a Cooperative?

Cooperatives are businesses owned and controlled by the people who use them. Cooperatives differ from other businesses because they are member owned and operate for the mutual benefit of members. Like other businesses, most cooperatives are incorporated under State law.

There are estimated to be over 40,000 cooperatives in the United States whose member owners include over 100 million Americans - nearly 1 out of 3. These include agriculture, child care, credit, health care, housing, insurance, telephone, and electric cooperatives to name a few.

Why Are Cooperatives Organized?

- Strengthen bargaining power
- Maintain access to competitive markets
- Capitalize on new market opportunities
- Obtain needed products and services on a competitive basis
- Improve income opportunities
- Reduce costs
- Manage risk

Continued on next page

Appendix

Interviewers Introduction and Questions *continued*

What Are Farmer Cooperatives?

In agriculture, there are nearly 3,000 farmer cooperatives whose members include a majority of our nation's 2 million farmers and ranchers. These include:

Marketing cooperatives - which handle, process and market virtually every commodity grown and produced in the United States.

Bargaining cooperatives - which bargain to help their farmer members obtain reasonable prices for the commodities they produce.

Farm supply cooperatives - those engaged in the manufacture, sale and/or distribution of farm supplies and inputs, as well as energy-related products, including ethanol and biodiesel.

Credit cooperatives - include the banks and associations of the cooperative Farm Credit System that provide farmers and their cooperatives with a competitive source of credit and other financial services, including export financing.

Farmer cooperatives exist for the mutual benefit of their farmer members with earnings returned on a patronage basis. For example, a farmer member who accounts for 10 percent of the volume of corn delivered to the cooperative would receive 10 percent of the net earnings derived from the handling, processing, marketing and sale of that corn or related products. Such patronage dividends help boost the income of farmers directly or by reducing the effective cost of the goods and services provided.

Farmer cooperatives also help contribute in another way to the economic well being of local communities, particularly in rural areas where they are an important source of jobs and payrolls - accounting for as many as 300,000 jobs and a total payroll of over \$8 billion.

Being farmer-owned and controlled, farmer cooperatives are governed by a board of directors elected by their farmer members - generally based on one member one vote rather than on the basis of shares or percent ownership as in other types of businesses. This provides for a unique accountability. Also each cooperative is as unique as the needs and desires of its members. Farmer cooperatives are farmers.

Assessment Survey 2011

Farm/Business Name: _____

Producers Name: _____

Address: _____

Phone: _____ E-mail and/or web site: _____ What is produced?

Continued on next page

Appendix

Interviewers Introduction and Questions *continued*

1. What is the size of your operation? (How many acres? How big is your herd/flock? How many employees/interns? How much do you produce?)
2. How long have you been growing commercially? Do you grow in a high tunnel/greenhouse?
3. Which category best reflects your farms gross income for a year?
 Under \$1,000 Between \$1,000 & \$5,000 Between \$5,000 & \$10,000 Between \$10,000 & \$15,000 Between \$15,000 & \$20,000 Over \$20,000 Undisclosed
4. Do you have a business plan for your farm operation?
5. Give type and capacity for any of the following facilities and equipment you own.
 - Cooling facilities-
 - Packing equipment-
 - Refrigerated truck-
 - Non – refrigerated truck-
 - Mechanical harvester-
6. Do you have a food safety plan for your farm? Have you heard of GAP?
7. Do you currently have markets in place for what you produce? What are they? Are you able to sell everything you produce? Do you run out of items?
8. Are you interested in expanding your operation? What might this look like? Time frame?
 - Willing to increase planting for 2012 season?
 - Producing year round?
 - Developing value added products?
 - Acquiring more land?
9. What do you see as barriers to any of the above expansions?
10. What aspects of your business are most challenging at this point in time?
 - Processing Storage Distribution Marketing Production Labor
 - Equipment Business Management Risk Management Other _____

Continued on next page

Interviewers Introduction and Questions *continued*

11. What types of markets would you consider as a way to increase your market share?

Farmers Market CSA Restaurants Wholesale to Grocers Institutions (schools, hospitals) Other? _____

12. Are you familiar with the Coop model? Have you participated in a coop or would you be interested?

13. What the benefits of participating in a cooperative for your farm? Is it a way for your farm to grow, or have access to better services and/or more supplies?

14. Do you have any concerns about participating in a coop? If so, what are they?

15. Would you be willing to financially invest in the start-up of a coop or other organizational structure (i.e. food hub)? How much and in what form would be explored in the feasibility study.

16. Are you interested in participating in planned planting this winter? Contracting with schools or institutions?

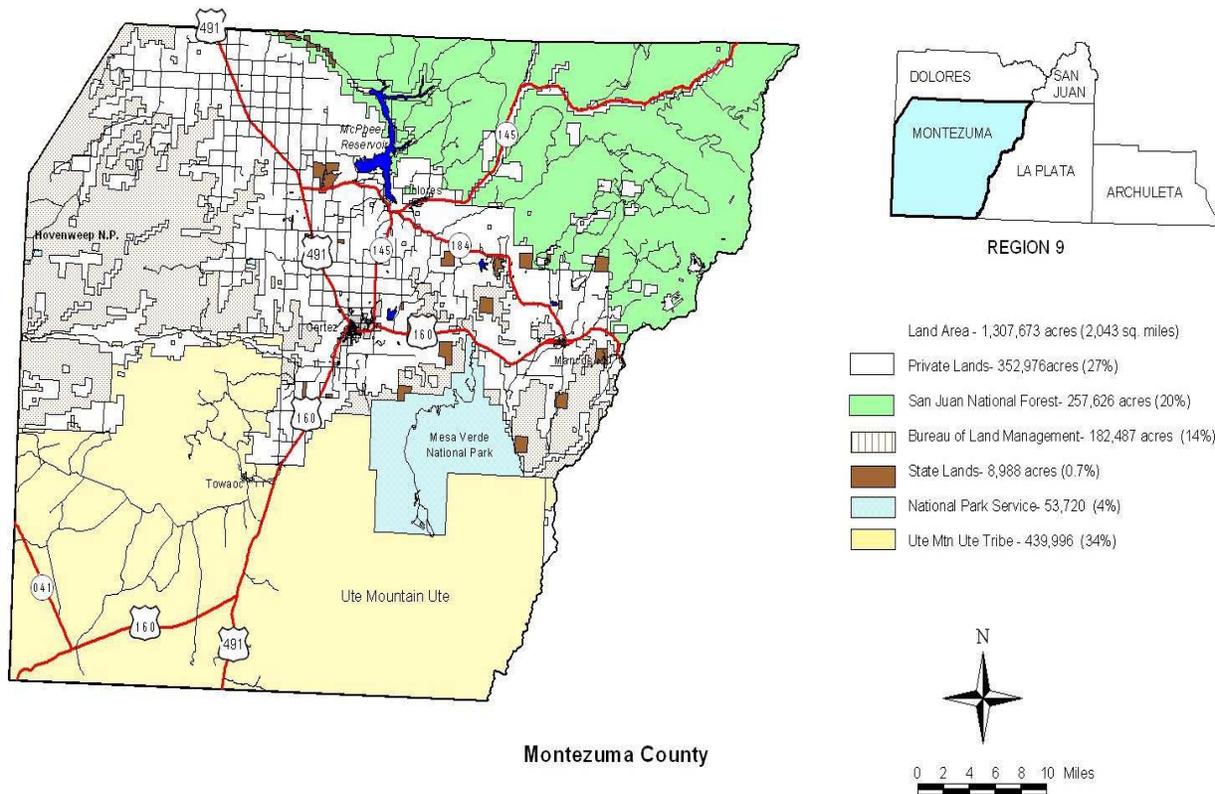
17. Are there other ways in which you would support and/or participate in a Farmers Coop or collaboration? If so, how?

18. What is your vision for our local food culture/scene/economy?

19. Other comments/insights you'd like to share?

Appendix

Map of Montezuma County



Information Services
 File c:\gis\data\region 9\ceds
 acreage estimates from <http://www.nrel.colostate.edu/projects/comap/index.html>

Living Wage Calculation for Montezuma County, Colorado

The living wage shown is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income. We have converted it to an hourly wage for the sake of comparison.

Hourly Wages	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child	Two Adults, Two Children
Living Wage	\$7.24	\$13.87	\$11.28	\$17.89	\$23.37
Poverty Wage	\$5.04	\$6.68	\$6.49	\$7.81	\$9.83
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

From Poverty in America: <http://www.livingwage.geog.psu.edu/counties/08083>

