

June 5, 1998

SARE

Jim Gardiner, Regional Program Manager
Hills Building
University of Vermont
Burlington, VT 05405-0082

RE: Final Project Report
Aroostook Organic Farmers Co-op
P.O. Box 1907
Presque Isle, ME 04769
Project # FNE97-171

Dear Jim:

This report covers the period April 1, 1997 to March 31, 1998.

In this, our first year of operation, potatoes made up the bulk of our organic produce marketing, with some onions, winter squash and carrots sold locally.

Packaging was completed just in time for the first potato shipments in February and was well received by distributors. (Samples of potato packaging, price cards, and produce labeling are enclosed.) Primary wholesalers were Norristown Wholesalers of Norristown, PA, and RLB Distributors of West Caldwell, NJ. Norristown services about 400 stores in the mid-Atlantic states, and our product went to about 50 stores in New Jersey and Pennsylvania. Sales were strong in February and March, but slowed dramatically in the spring when new potatoes came in. Tony Mirack, the organic produce buyer for Norristown seemed to think our packaging was "perfect as it is", and encouraged us to make similar efforts with other produce.

We worked hard to connect with Hannaford Bros. in Portland, ME (about 150 stores), but they had had lukewarm sales of organic potatoes from other suppliers and weren't interested. We were finally able to ship four small orders at the end of the season--a little too late to really test the market--but buyer Peter Wild, thought it was, "a good item", and would do well in the fall.

We're looking forward to October and a full season with these accounts. We believe we can exceed the 44,000 pounds of organic potatoes sold in this first effort (value: \$30,000 delivered).

We made some inroads with other distributors in New England, but none were a factor this past year.

In conclusion, our feelings are mixed: we would have liked to have gotten an earlier start and created more of a sales "history" but at the same time we reached some goals and met some priorities.

In general, we've maintained the integrity of our co-op and our growers were given the best price available. We were able to hold the price for our co-op growers in spite of tough competition in the spring (.45 cents a pound net to our growers) and were encouraged by market acceptance of our initial packaging efforts. We believe we can do the same for carrots, onions, broccoli, winter squash and a full spectrum of produce in the future.

We began the year with three members and now have seven with five growers working with us but not committed. Our mailing list is up to twenty, and there are usually a few "guests" at meetings. Farmers are waiting to see if we can deliver.

Our product was very high priced and our market small compared to other potatoes (3 pounds of our Aroostook Garden potatoes retail at an average of \$3.50), but we believe our sales will grow as consumers become aware of, and accustomed to the extra value we provide.

A thousand acres of organic production by 2003 seems possible, even though the work to be done is daunting.

Note: We've had a bonus in that we've been able to get contracts for dry beans and bread wheat for some of our growers for 1998-99.