

Maryland Establishes Ag Marketing Center

COLLEGE PARK, Md. — Before 1973, U.S. farmers didn't have to worry much about marketing their products. Increased production was the watchword. But emergence of a global economy and phasing out of federal government price supports have changed all that.

James R. Russell, commodity marketing specialist for the Cooperative Extension Service, Maryland Institute for Agriculture and Natural Resources, predicts that farmers not utilizing sophisticated marketing techniques within the next 10 or 15 years will be out of business.

Like a knight from King Arthur's Roundtable, Russell came out of the West (Oklahoma) in 1988 to join the University of Maryland System faculty as an agricultural economist.

During the past four years, he has carried the message of marketing to countless farm meetings throughout Maryland and the Mid-Atlantic area.

Two years ago, he established grain marketing clubs for farmers. At last count, there were 15 clubs with 300 farmers from 19 of Maryland's 23 counties. Many clubs hold bimonthly 7 a.m. breakfast meetings. All have ac-

cess to Data Transmission Network satellite dishes that receive the latest market news and price quotes throughout each business day.

The 300 marketing club members account for more than 400,000 acres of grain, with sales totaling \$120 million to \$160 million during 1991. This accounts for 75 percent of Maryland's cash grain crop.

But Russell is not resting on the laurels of sophisticated grain marketing. He sees the need for better marketing techniques in a wide range of agricultural enterprises.

Toward that end, he has spearheaded establishment of an Agricultural Marketing Center, headquartered at the Wye Research and Education Center, an Eastern Shore showcase near Queenstown for the University of Maryland System and its Maryland Institute for Agriculture and Natural Resources. The Wye REC is operated by MIANR's Maryland Agricultural Experiment Station.

Malcolm J. Commer Jr., also an agricultural economist, works with Russell as an agricultural marketing specialist at the center. Commer joined the University of Maryland System in 1989. He has extensive experience as a planta-

tion manager and livestock man in Mississippi.

Commer is Maryland's state representative on the marketing committee of the National Cattlemen's Association. He also has been asked to chair a committee studying breeder incentive programs on a national basis for the horse industry.

Commer spent three weeks this summer serving as an advisor to the Mongolian government on livestock economic issues as part of an overseas project sponsored by the Center for Institutional Reform & the Informal Sector (IRIS). Headquartered in College Park, Md., IRIS is funded by the U.S. Agency for International Development.

Russell and Commer share a vision that Maryland's Agricultural Marketing Center will receive national recognition within five years and international recognition in 7 to 10 years. They see it operating on a partnership basis, involving Maryland's Cooperative Extension Service and Agricultural Experiment Station, along with several state and federal agencies, private groups, and industry.

Their major objective is to provide assistance to agricultural pro-



James R. Russell, left, coordinator of the newly established Agricultural Marketing Center in Maryland, points to a crystal ball that he keeps on his desk at the Wye Research and Education Center. But the computer terminal and Data Transmission Network satellite receiver in background are the modern marketing tools that he uses to help provide hourly information and analysis for grain producers who are members of local marketing clubs coordinated by agents of the cooperative extension service in 19 Maryland counties. Looking on is Malcolm J. Commer Jr., extension horse and livestock marketing specialist at the center.

ducers and agribusinesses in marketing products and services on the domestic and international scenes.

Tools for reaching the objective will include:

- Providing education through marketing clubs, workshops, seminars, conferences, and presentations at various commodity meetings. Information also will be disseminated through the news media and a monthly newsletter set to begin publication in September 1992.

- Providing a centralized database of local, regional, national, and international marketing information to support decision-making by producers, agribusinesses, economists, Agricultural Marketing Center professionals, and other interested persons.

- Performing applied research in the realm of marketing alterna-

tives and strategies, price and basis forecasting, market development, and market potential for important or potentially important agricultural products and services.

In its first year of operation, the center is giving major emphasis to marketing of horses, livestock, and grain. Attention to marketing of fruits and vegetables is in the long-range plan.

Russell also represents the center on a statewide dairy task force that is studying ways to improve competitiveness of the Maryland dairy industry.

Jim Russell and Malcolm Commer believe that the Maryland Agricultural Marketing Center represents the first organized effort in the United States to give farmers the research and educational tools they need to market their products effectively.

Backdoor Effort

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until Wednesday night, representatives on all sides of the issue were ready with comments lauding the measure as one of the best pieces of legislation to come out.

A spokesman for Gov. Robert Casey, Wednesday said that Casey supported the nutrient management proposal and was expected to sign it into law.

Gene Schenck, press secretary of the state Department of Agriculture, said that the department supported the concepts of the proposal, although they were still analyzing it late Tuesday, after it passed the House.

Although support of the proposal was almost entirely unanimous by the few who are familiar with it, many strongly decried the backdoor tactics used by the House members and staff to push the measure through.

Mike Brubaker, a Lancaster agronomist who has been involved with helping to develop nutrient management legislation for more than five years, said he was disappointed that almost the entire rank and file of the agricultural industry was excluded from knowledge of the proposal and it passed the House and was hours away from passing the Senate.

Coy and Rep. John Barley, R-Conestoga, had originally co-sponsored House Bill 496, which was a nutrient management bill.

Barley, who wanted to see the measure help farmers avoid a legal patchwork of local nutrient management ordinances (He farms a several thousand acre operation in two counties), among other things, withdrew his support of the measure after some changes were made which did provide the full protection he sought.

Nevertheless, the measure passed the House and was apparently going to die in the Senate agriculture committee, because of a number of unresolved conflicts between lobbyists for environmental groups and representatives of groups presented as vanguards of agricultural interests.

Rep.-elect Sheila Miller, who

had been the executive director of the Senate agriculture committee, had said last Tuesday that H.B. 496 appeared to be dead, but that much work had been done and that a final compromise was near.

She said that even though she didn't expect any action on the measure (Sen. Edward Helfrick, chairman of the Senate Ag Committee was out of town), she said she expected to meet one last time in December with representatives from both sides to finalize a draft of a new nutrient management proposal.

However, on their own, representatives of the Chesapeake Bay Commission and House representatives decided to not to wait for a final draft and through Rep. Coy introduced the compromise work as a rider onto S.B. 1444, according to statements made by several people who attended a closed breakfast meeting early morning Nov. 18 at the Grantville Holiday Inn.

Although there were a few others present, the meeting was attended by Crawford; Thomas Beauduy, lobbyist for the Chesapeake Bay Foundation; Miller; Keith Eckel, president of Pennsylvania Farmers' Association; Al Myers, PFA lobbyist; John Bell, PFA attorney; George Wolff, lobbyist; Rep. Arthur Hershey, R-Cochranville; Brenda Shambaugh and Gordon Hiller from the Grange, Sheryl Cook from the Pennsylvania Farmers' Union; and John Hoffman with the Pennsylvania Poultry Federation.

At that meeting, it was announced by Beauduy and Crawford what was going to happen — that Rep. Coy was going to sponsor an amendment to S.B. 1444 with nutrient management language that all had helped write.

By Tuesday this week, although none of its regular membership nor delegate bodies were informed, letters of support were issued to Crawford and Coy by the PFA and PFU and statements of support were made by the Grange.

According to PDA spokesman Gene Schenck, the agriculture

Fails

department was not invited to the breakfast meeting.

"We were not part of the breakfast meeting where a lot of (the final negotiating) transpired, but we knew it was happening," Schenck said.

"Our concerns are the same," he said. "We want agriculture to be treated right and we want agriculture to be a part of (nutrient management planning). We want the department of agriculture to have some control."

The agriculture department would have had responsibility for education and certifying people to make nutrient management plans.

Crawford defended the backdoor and secrecy involved in pushing through the legislation.

"We have done everything to accommodate (the different groups), and what is left is a small, but vocal, group who have no interest in this program.

"It was introduced in 1991 and has sat in the Senate for a year and a half. What kind of timetable do we need?" he said.

Crawford accused the Senate of dragging their feet on purpose. "Now, at the end of the legislative session, we have feigned interest. It was clear to others, that there was not enough time to do what wanted to be done with SB496."

He also said that the method of introducing legislation that has not been reviewed by any rank and file agriculturalist, and received no public review, was not an attempt to grab glory for the Democratic party.

"Not at all," Crawford said, "it was an attempt to finally get a responsible nutrient management program that has the support of the farm community, in this legislative session.

"It would be one thing if (the Senate Republicans) did start working, but they didn't do a thing until two months ago."

However, Crawford couldn't explain how, if no one in the Senate was working on the legislation, Rep. Coy was able to get a copy of a proposed revision of the House Bill 496 and sponsor it.

ADA/DC Program Increases Sales

SYRACUSE, N.Y. — The American Dairy Association and Dairy Council's (ADADC) space management program increases dairy sales, according to Insalaco's, an 11-store retail chain in Pennsylvania and the first retail chain to implement the space management concept.

Records showed an overall increase of 5.7 percent in dairy department sales in a test of the space management program.

The Insalaco project involved two stores of comparable size and volume — one test store and one control store.

The test store's dairy case was reset according to ADADC's space management standards with the "control" store experiencing no changes. After 13 weeks, sales of both stores were compared.

The result was a 3.4 percent increase in overall dairy sales for the test store, and a decrease of 2.3 percent in the control store.

According to the measuring standards of the research firm, Deloitte & Touche, the 2.3 percent decrease was avoided in the test store resulting in an overall increase of 5.7 percent in dairy case sales.

ADADC's space management

program is designed to help retailers increase the profitability of the dairy case and indications are extremely positive for the dairy industry. The space or category management program uses sales data from the retailer to determine the true profit of each item in the dairy case.

Once the information is processed, a layout or plan-o-gram is constructed. The plan-o-gram is designed to increase shelf space for dairy products and generate higher sales and profits for the retailer. Dairy farmers also benefit through higher dairy sales as well.

As an outgrowth of Insalaco's success, Dan's Supreme with 26 stores, Twin County supermarkets, a group of independent stores, and Shop Rite are to utilize the space management program in test stores.

Retail grocery stores in ADADC's region have estimated annual sales of about 24 billion dollars. Approximately 10 percent of a store's total sales result from dairy product sales. That's worth over 2.4 billion dollars in ADADC's marketing area.