

STATE PROMOTION OF RURAL AGRICULTURE: THE CASE OF THE JERSEY FRESH MARKETING PROGRAM

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ABSTRACT

The Jersey Fresh Program is one of the nation's leading examples of State-sponsored agricultural marketing. The fundamental purpose of this program is to promote locally grown fruits and vegetables with the intention of increasing the profitability of New Jersey farms and the viability of rural agriculture. The objective of this paper is to document the methods, success, and history of the Jersey Fresh Program. The achievements of Jersey Fresh also exemplify the potential benefits of State-sponsored agricultural promotion that may be implemented in other regional areas.

INTRODUCTION

Farmland and agriculture are valuable assets to the Northeastern United States in terms of both their contribution to the economy through employment, economic diversity, and the uniqueness of the rural atmosphere they generate (Adelaja et al., 1994). However, agricultural growers in the northeastern states are facing enormous pressure from urbanization, regulation, and increasingly competitive markets. Appreciating land values, high input costs, and excessive regulatory burdens have each contributed to the financial losses incurred by many local farmers (Adelaja, 1995). Policy makers in the region are searching for ways to help farmers remain economically viable through farm related activities (Govindasamy and Nayga, 1996) and help preserve rural environmental amenities for the benefit of future generations.

One unique approach has been the implementation of state-sponsored agricultural marketing programs in New Jersey, Tennessee, Michigan and Oklahoma to increase the regional economy, develop local employment opportunities, promote the sustainability of agriculture and protect rural infrastructure and open space. Ultimately, state-sponsored marketing programs aim to increase both the viability and profitability of local produce growers. Small farms, which often lack the ability to market their own products, can gain significantly from successful government marketing programs. Increased demand for agriculture products directly contributes to farm-related vendors, such as agricultural suppliers, machinery dealers and gas stations, and also helps retain a locally grown source of produce. At a time when federal government price supports are being reduced, state-level marketing programs contribute to improving the self-sustainability of independent small farms and increase economic opportunities for family farms and for rural communities.

In 1984, the New Jersey State Department of Agriculture (NJDA) funded and initiated the Jersey Fresh Program to benefit local produce growers. New Jersey agriculture, located in the middle of the

most densely populated consumer market in the U.S., is in a region where per capita income is one of the highest in the nation. Local growers have the distinct competitive advantage of being able to transport and market produce in the Northeastern states more efficiently than Western and Southern growers. Due to its close proximity to the large consumer markets of the Northeastern states, New Jersey produce can be harvested at the height of maturity and efficiently transported to markets at minimal time and costs. The Jersey Fresh Program was established to capitalize on these competitive advantages, to boost the net returns of New Jersey farmers, and to increase the share of New Jersey produce in the retail markets. Jersey Fresh is one of the most ambitious agricultural promotional programs launched by the NJDA and also is one of the nation's leading examples of State-sponsored agricultural marketing.

Strengthening local agriculture is vital to the nation's rural economy and maintains the importance of family farms. Successful state-sponsored marketing should translate into increased market power for small, rural growers, increased rural infrastructure, preservation of rural communities and increased activity for agricultural integrated industries. Jersey Fresh is considered to be a key component of improving the sustainability of marginally profitable farms and may also help in protecting rural communities from urbanization.

The program provides consumer education and promotional campaigns that focus public attention in the Northeastern metropolitan areas on the fruits and vegetables produced in the Garden State. The Jersey Fresh Program is designed to make consumers of New Jersey and the nearby Philadelphia and New York areas aware of the wide variety of fresh fruits and vegetables which are produced in New Jersey in addition to the well recognized Jersey tomatoes, sweet corn, blueberries and cranberries.

Jersey Fresh has employed a variety of avenues to foster consumer awareness of locally grown produce. The program includes professionally developed billboards, radio and television advertisement, special promotions, and the distribution of point-of-purchase materials. The NJDA also participates in promotional activities held throughout the state during the growing season. Program personnel work closely with retailers in organizing special promotional campaigns and festivities throughout the summer. Additionally, supermarkets and direct marketers are encouraged to incorporate Jersey Fresh logos and materials into their own marketing programs. Commodity organizations with matching grants are often provided assistance to facilitate the promotion of Jersey produce.

Specific point of purchase materials that are commonly provided free of cost to direct marketers and retailers include price cards, stickers, banners, and commodity recipe brochures. Participating direct marketers and retailers also receive exposure in a percentage of Jersey Fresh television commercials and billboards.

The objective of this paper is to document the methods, success, and history of the Jersey Fresh Program. The achievements of Jersey Fresh also exemplify the potential benefits of State-sponsored agricultural promotion that may be implemented in other regional areas. A brief background of the promotional and quality grading programs is outlined. Special attention is also paid to the advertisement media, program themes, and special events organized by Jersey Fresh personnel.

The Background of Jersey Fresh

New Jersey farmers currently grow over 80 varieties of fruits, vegetables, and other types of produce each year. Any person, firm, partnership, corporation or association wishing to employ the Jersey Fresh logo to be used in marketing certain New Jersey produced agricultural commodities is required to make an application with \$30 fee to the New Jersey Department of Agriculture for a license and registration number. Economically, agriculture is an important industry to the state, contributing to revenues and employment. Approximately 20,000 workers are directly employed by the industry and 16,000 others in agriculture related fields. New Jersey fruits and vegetables constitute about 35% of the cash receipts from all agricultural production of the state (NJDA, 1994) clearly illustrating the potential of the state agricultural market and agri-promotional programs. Recognizing the vital role agriculture plays in the state economy and the importance of sustaining and increasing local agriculture in the surrounding

markets, \$325,000 was allocated by the state legislature in 1984 for the initial year of the Jersey Fresh Program.

Since its inception, the Jersey Fresh Program has been considered successful. The program effectively generated interest among the various agricultural organizations and the retail sector, including supermarkets, which adopted the program's promotional campaign and incorporated Jersey Fresh Logos and themes into their own marketing programs. Comparative awareness polls conducted before and after the initial year of the program illustrated that consumer awareness of Jersey produce doubled from 7% to 14%. Furthermore, the share of New Jersey products in the market also rose from 12% to 20% (Gallup, 1986).

The initial success of Jersey Fresh prompted the state legislature to renew and effectively double its financial support of the program, to \$625,000 for the second year of operation. In the early years of the program, direct contact was sought with produce retailers and wholesalers through the mail. Small farmers and roadside stand operators were solicited for participation by means of large outdoor banners. Surveys conducted at the end of the second year of the program showed that New Jersey produce purchases by chain store buyers had increased from 12% (1980-83) to 20.5% (1984-85) (NJDA Annual Report, 1986).

The success of the program continued into the late 1980's. Additional food chain stores became participants in the campaign. Some firms not only increased the use of point-of-purchase materials but also participated at county fairs. Samples of commodities were also distributed to promote consumer awareness. A consumer survey after the 1988-growing season showed that public awareness of Jersey Fresh agricultural products had increased from 23% to 28% since the previous year (Gallup, 1989). By 1989, over 19 supermarket chains and numerous direct marketers were using Jersey Fresh logos to aid the sales of their Jersey grown commodities (Moore, 1989). Severe budget cuts caused the Jersey Fresh Program to suffer a brief setback in 1990. During 1990, Jersey Fresh relied heavily on the "good will" of the industry to carry the financial burden of the program. However, the advertising campaign was reinstated with gubernatorial support in 1991. In contrast to 1990's funding impediments, increased State funding allowed the Jersey Fresh Program to expand its media campaign by 50% during the 1993 growing season.

The Jersey Fresh program has also funded as many as 65 specific agricultural organizations with approximately \$200,000 in matching funds. This money was used by the individual groups to incorporate Jersey Fresh materials into their own product promotion programs helping to increase public awareness of both Jersey Fresh and the individual organizations.

Media to Reach Diverse Audiences

The NJDA has adopted a large variety of innovative procedures to advertise and popularize Jersey Fresh products. Television commercials were a primary channel for reaching consumers during the 1986-1987 fiscal year of Jersey Fresh funding. Retailers who carried New Jersey products were also featured in television commercials and roadside billboards. Television spots, which targeted New York, Philadelphia, and Boston consumers, were aired during the growing season from June until September peaking in intensity in the months of July and August. Television advertisements were expanded in 1987 to also include seven additional New England markets. With the increase in television advertisements during the 1986-1987 season, the program reduced its outdoor advertising and radio advertising. The Jersey Fresh advertising campaign reached millions of consumers through nearly 285 commercials aired on four cable channels during the 1992 growing season. Throughout 1993, the campaign continued to advertise on network and cable channels in the Northeastern metropolitan area. The television commercials have also occasionally promoted farm products other than fruits and vegetables such as dairy products, horses, grains, forage crops, and Christmas trees to increase the awareness of diverse New Jersey agriculture among consumers. To reach an even wider target audience, radio commercials have even been aired in Spanish.

Billboards have been used extensively during the growing season displaying various early, mid, and late season crops. Highway billboards caught public attention and helped increase in-season consumer purchases of Jersey Fresh commodities, especially direct marketers such as roadside stands. In-store consumer promotions have included lapel patches and buttons worn by store clerks. Recipe cards have also been offered which provide suggestions in the preparation of entrees utilizing seven important Jersey commodities. During 1993 alone, point of purchase materials were distributed to over 500 supermarkets and 100 farm markets.

Program Themes

A number of promotional themes have been adopted to focus the program throughout the years. For instance, the 1987 growing season featured the theme: *Demand the Freshest*, and its accompanying logo promoted the freshness of locally harvested produce. The \$675,000 in funding allocated for 1987 was partially used toward the development of point of purchase materials and outdoor banners at roadside stands with the new *Demand the Freshest* theme. Market studies conducted at the end of the 1987 campaign season showed a rise in sales of 24% in local retail stores and an increase in consumer awareness to 23% (Gallup, 1987). Refinements were occasionally incorporated into the logos to enhance legibility, aesthetic appeal, and to increase consumer recognition.

Increased public response encouraged the adoption of a new slogan: *Farm Fresh to You Each Morning* as the main campaign theme in 1987-1988. This theme was used in television and radio commercials for several years afterward which were telecast in New Jersey, as well as Philadelphia, New York City, and New England during the growing season.

A national campaign called *5-A-Day For Better Health* was adopted by the Jersey Fresh Program to increase consumer consumption of fresh produce from the national average of 2.5 servings to 5 servings per day. A study aimed at increasing the effectiveness of the Jersey Fresh campaign found the Jersey Fresh and 5-A-Day collaboration to be well received by retailers (Zeldis, 1993).

Quality Graded Produce

In addition to the ongoing efforts to increase support for Jersey grown produce, a quality grading program for New Jersey produce was introduced during the 1986-1987, increasing product differentiation in Jersey Fresh labeled produce. Under this program, produce was graded under a set of standards directed toward upholding the superior quality and freshness of Jersey Fresh produce. The licensing procedure is similar to Jersey Fresh Program except that the Quality of the produce should meet or exceed U.S. No. 1 grade. A licensed packer using 'logos' containers for products other than those covered by the state rules is subject to a penalty. After the second violation, during the same calendar year, the license to pack under the Jersey Fresh Quality Grading Program will be revoked for the remainder of the license year.

The "Premium" Jersey Fresh quality grading component was added in 1988 to give farmers and wholesalers the ability to market higher quality produce. This program, offered by the Division of Regulatory Services, not only ensured the high quality of fruits, vegetables, eggs, poultry products, and fishery products, but also assured that animal feed, fertilizers, and liming materials were of high quality and properly labeled.

Farmers improved their sales by packing commodities that met the standards of this program with the quality grading logo. Since these commodities were associated with high quality, uniform sizing and efficient packaging, they are in high demand with retail-chain store produce buyers. The addition of the premium quality grading logo afforded an extra marketing advantage to the growers and packers whose produce exceeded standard U.S. grades. By 1989, the number of growers participating in the grading program had increased to 137. The program included more than 40 agricultural commodities eligible for grading. Several products bearing the premium logo, such as green and red leaf lettuce, shallots, collard and mustard greens, strawberries and watermelons, were also available.

The quality grading program initially operated its regulatory service to voluntarily participating growers. However, by 1991, regulations were passed which required farmers who wished to use the Jersey Fresh Logo to be licensed under the quality grading program, effective 1992. Several additional commodities including cantaloupe, cauliflower, peas, plum tomatoes, and shell eggs had been added to the program by 1992, resulting in a total of 65 commodities eligible for quality grading.

Special Events to Promote Jersey Fresh

Specially orchestrated events have increasingly played a major role in the Jersey Fresh Program. For instance, during the 1990-1991 fiscal year, a consumer-oriented campaign was achieved through county fairs, supermarket festival weeks, and through commodity organization promotional programs, such as the Camden County Peach Festival and Vineland's Jersey Fresh Festival. Exhibits were also displayed at the Canadian Produce Marketing Association's annual meeting and Trade Show in 1991.

A food editor's tour was arranged in July 1992 to increase Jersey Fresh visibility as part of the program's public education effort. The tour allowed food writers to learn in detail about milk production, vegetable farming, and marketing in New Jersey.

Other special events have included recipe contests and in April 1994, the New Jersey Wine and Food Festival was conducted for the first time in New Brunswick. A cooking show was also sponsored in 1994 and a broad campaign of announcements that outlined the diversity and importance of the agricultural industry in New Jersey. During one year, a restaurant at a major Atlantic City casino promoted Jersey Fresh produce.

Recent Developments

The NJDA Division of Markets launched a broad Jersey Fresh promotional campaign during the 1995 growing season. The department utilized the 1.2 million dollars appropriated and a new advertising agency to initiate an advertising campaign that focused on television and radio commercials supported by newly designed and attractive looking billboards and point of purchase materials.

The NJDA also sponsored a special chefs competition called "A Celebration of Jersey Fresh." Fifteen chefs representing some of the finest restaurants in the area demonstrated uses for New Jersey grown fruits and vegetables at this event.

Jersey Fresh continued its cable television exposure with thirteen 30 second commercials called "Ag Updates." These commercials highlighted the agricultural industry in the state giving viewers a variety of information on apples, blueberries, Christmas trees, sweet corn, cranberries, dairy products, etc.

Recent economic analysis of the effects of the promotion expenditures on agricultural cash receipts in New Jersey suggest that the Jersey Fresh Program expanded the markets for New Jersey products by 5.5% (Adelaja, Nayga, and Schilling, 1994). Each dollar spent on the program returned \$46.90 to the local agricultural economy, illustrating the program's success. The authors estimated that for every \$1 spent on the program, the farmer received \$15.2 in net farm income. This report presented the profitability of the New Jersey Fresh Program in terms of its returns to both farmers and the government in the form of taxes. It should be noted that, although farmers net farm income went up, all the dollars came from consumers which is not a net gain for the local community. The findings seem to justify the State government's budget allotment for Jersey Fresh, which helped continue the campaigning efforts of the program since 1991.

The Jersey Fresh Program is currently active with support from the State government. The NJDA is interested in implementing improvements in the program that would assist farmers and retailers. To this effect, there is currently interest in evaluating the effectiveness of the retailer oriented "Premium" logo. The NJDA, in conjunction with the Rutgers University Department of Agricultural Economics and Marketing, is currently involved in evaluating the quality logo and determining preferences of consumers using the "Promotional" logo. The study, which began in 1996, has found that 77.5% of randomly surveyed New Jersey consumers recognized the Jersey Fresh Logo. This dramatic increase in consumer

awareness was confirmed by Maples and Ross Inc., which documented that 78 percent of North Jersey shoppers and 77 percent of South Jersey shoppers were aware that Jersey Fresh produce was offered in their local supermarket. Significant consumer awareness of Jersey Fresh produce was also found in New York consumers (50 percent) and Pennsylvania consumers (30 percent) (Maples and Ross, Inc., 1996). Of those who are aware of the program, 81% indicated that they bought Jersey Fresh produce during the season.

Overall, produce displays and television advertisements were found to be the venues where consumers most frequently encountered Jersey Fresh promotions (Table 1). Of those who were aware of the Jersey Fresh Program, 24 percent indicated that they always looked for the Jersey Fresh Logo on the produce they purchased. Over 84 percent looked for the Jersey Fresh Logo at least occasionally (Table 2). Furthermore, Maples and Ross Inc. found that one quarter of the shoppers surveyed indicated that they would be likely to ask for Jersey Fresh produce if it was not clearly displayed.

Regarding the freshness of produce marketed with Jersey Fresh Logos, 73 percent indicated that they found Jersey Fresh produce to be fresher than non-labeled produce. Additionally, 15.6 percent said that they found the freshness of labeled and non-labeled produce to be comparable and 5.7 percent responded that they were unsure. None of the participants indicated that they found New Jersey produce to be inferior to non-labeled produce.

Table 3 shows the premium above the current market price which consumers would be willing to pay to obtain Jersey Fresh produce. Over 46 percent of the respondents indicated that they would pay up to a 5% premium while only 25.5 percent indicated that they would not pay a premium to purchase Jersey Fresh produce.

CONCLUSION

The Jersey Fresh Program is a successful example of State-sponsored agricultural promotion. Throughout its 13 years of operation, the program has increased awareness of locally grown produce and enhanced the net income of many New Jersey farms. The program has especially benefited small retailers, farm markets and roadside stands. As revealed by recent surveys, the majority of New Jersey consumers would even be willing to pay a premium to obtain locally grown produce. The Jersey Fresh methods and approaches have the potential to produce similar results if adopted in other regions of the country. A major challenge for the Jersey Fresh program is the lack of consistent agricultural production throughout the year. A State-sponsored promotional program established in Southern and Western states, which produce agricultural commodities on a year-round basis, may have an even greater potential for increasing the profits of local agriculture.

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Table 1
Jersey Fresh Advertisements Most Frequently Observed by Consumers*

<i>(N=209)</i>	<i>Frequency</i>	<i>Percent</i>
Produce Displays	107	65.2
Television Advertisements	101	62
Retailers Advertisements	70	42.7
Roadside Market Stands	48	29.3
Price Cards on Produce	41	25
Billboards	37	22.6
Posters and Stickers	37	22.6
Radio Advertisements	32	19.6

- Frequencies do not add up to 209 because of multiple responses

Table 2
While Shopping for Fresh Produce, Do You Specifically Look for Jersey Fresh Logo Items

	<i>Frequency</i>	<i>Percent</i>
Always	35	24.0
Occasionally	88	60.3
Never	15	10.3
No Response	8	5.4
Total	146	100.0

Table 3
Willingness to Pay a Premium to Purchase Jersey Fresh Produce

	<i>Frequency</i>	<i>Percent</i>
Up to 5% more	94	46.8
6% to 10% more	37	18.4
10% to 20% more	14	7.0
More than 20%	5	2.5
Would not pay more	50	25.5
Total	200	100.0