

MARKET ANALYSIS AND PRACTICE WITH EMPIRICAL EVIDENCE FROM THE USDA  
FOREIGN AGRICULTURAL SERVICE

By

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A THESIS PRESENTED TO THE GRADUATE SCHOOL  
OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF SCIENCE

UNIVERSITY OF FLORIDA

2008

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To my family  
(even the members I haven't met yet)

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Abstract of Thesis Presented to the Graduate School  
of the University of Florida in Partial Fulfillment of the  
Requirements for the Degree of Master of Science

MARKET ANALYSIS AND PRACTICE WITH EMPIRICAL EVIDENCE  
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By

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May 2008

Chair: James A. Sterns  
Major Department: Food and Resource Economics

This thesis utilizes the U.S. Department of Agriculture's Foreign Agricultural Service (FAS), a public organization that conducts market analyses around the world, to compare the practice of market analysis as conducted by FAS with the methodology for market analyses found in the current literature. The literature reveals a consensus on the major steps of conducting market analysis. These steps are identify potential threats, identify strengths that can be exploited, identify market segments to be targeted (opportunities), and identify market demand and trends.

This research project also uses FAS as the example to compare the types of market analysis information demanded by users with the types of market analysis information published by FAS. Download statistics for FAS' General Agricultural Information Network (GAIN) reports, the primary market analysis information produced by FAS Posts, are the major source of data. Analysis of the information contained in the most downloaded GAIN reports revealed that FAS customers most frequently downloaded reports containing packages of information including all components of market analysis (opportunities, threats, trade and trend data). However, the single report category with the most total downloads for the 24 months analyzed contained none of those market analysis components. The most demanded FAS GAIN report is

the *Food and Agricultural Import Regulations and Standards* (FAIRS) report which explains foreign country import laws and food safety standards.

These results indicate FAS users rely on FAS for both market analysis information and market access/market entry information and assistance. Additionally, survey instruments were used to understand functions and operations of FAS posts and the needs of FAS customers.

The researcher learned that FAS does not have a formal method for conducting market analysis. However, the two most common functions performed by FAS Posts are “*Understanding Trade Barriers*” and “*Interpreting Local Country Importation Laws*,” which led to the conclusion that FAS is focused more on the processes of market access and market entry rather than market analysis.

## CHAPTER 1 INTRODUCTION

### **Problem Setting**

The question of how a company should conduct market research in order to decide if that particular market will be profitable is central to any decision about entering a new market. New market entry decisions become more complicated when the potential new marketplace is in a different country. For over a century, the U.S. Government has had a role in the market research process by providing unbiased information to help inform business decisions. Under the federal structure, the Foreign Agricultural Service (FAS), a service within the United States Department of Agriculture (USDA), helps fulfill this role by collecting data about food and agricultural markets outside the United States and then providing that information to the public. Some of this information is in the form of GAIN (General Agricultural Information Network) reports, which are available on the FAS website.

This thesis summarizes the research and analysis of the production and use for these GAIN reports. In so doing, this project serves three purposes. First, it helps FAS and USDA gauge customer demand for information. Second, it analyzes the methods used by FAS posts abroad to conduct market analyses and supply GAIN reports. Third, it reports an analysis of a previously unexamined database of FAS report download statistics.

### **Motivation for This Research**

FAS and USDA are facing pressure to ‘right-size’ their presence abroad as part of a larger U.S. Government mandate presented in the President’s Management Agenda in 2002. As a result of this mandate, the U.S. Department of State began to implement a number of measures designed to share more equitably the cost of hosting personnel abroad. Thus, there has been an increase in the cost per person charged to FAS by the Department of State for FAS personnel

located in Department of State facilities abroad. This research project helps FAS as it seeks to collect objective data related to customer demand for FAS post-generated information. It also helps FAS by examining the current manner in which these reports are produced across the entire range of FAS offices so that FAS can prepare best-practices for similar posts. Currently, no such set of best-practices exist for the preparation of GAIN reports.

### **Research Questions**

Are the techniques used by USDA's Foreign Agricultural Service offices abroad to conduct market analyses and supply market analysis reports consistent with the techniques identified in a review of the current literature? And second, to what degree are the resulting market analysis reports demanded by FAS's customers?

### **Objectives**

Using FAS as a case study, this research project has five objectives:

- Conduct a literature review to identify the steps and methods proposed in the current literature for conducting market analyses.
- Design and conduct a web-based survey of FAS posts to identify the methods and practices used by the FAS posts to conduct market analyses.
- Conduct a telephone survey and construct a webtrends downloads database to identify the market analysis information demanded by users of FAS services.
- Analyze differences in the methods and practice of market analysis between the literature and FAS Posts.
- Analyze the information demanded by users of FAS services and the market analysis services provided by FAS posts to determine FAS's most valuable market analysis functions.

### **Organization of Thesis**

This thesis is organized into six chapters. Chapter One provides an introduction of the research problem, motivation, questions, objectives and operative definitions. Chapter Two presents the argument for why this research is needed and why the Foreign Agricultural Service

was chosen as the organization to study. It also presents the history of the Foreign Agricultural Service as well as that of the General Agricultural Information Network (GAIN). Chapter Three establishes the steps for market analyses recommended through a review of the literature. Chapter Four discusses the methods used for all of the analyses in the research project. Chapter Five presents the analysis of the data and the conclusions reached. Chapter Six summarizes the four most important conclusions and outcomes from the research project.

### **Operative Definitions**

The terms ‘market assessment,’ ‘market analysis’ and ‘market research’ have similar meanings and are sometimes used interchangeably. Figure 1-1 below graphically represents the definitions given in this paragraph and will be used again later in the paper for further explanation. For the purpose of this work ‘market analysis’ is the part of a feasibility study, business plan, or marketing plan whereby “the company examines the macro forces (economic, political-legal, social-cultural, technological) and the actors (company, competitors, distributors and suppliers) in its environment” (Kotler 2003, 112). Market research is the total combined data used by the business to formulate its market analysis and decision making processes (The Entrepreneur Magazine 1995, 42) (Evans 1998, A35). These data can be primary or secondary and can consist of published numbers, survey responses, or a variety of other types of data. Once the market analysis has been completed, the firm or individual can create a market assessment. A market assessment is the determination of importance, size, or value of a market (Merriam-Webster 2007). The market assessment is the final determination resulting from all the market research data that is collected and evaluated during the market analysis. Once the company has its market assessment, it then makes a decision whether or not to enter a market. If it does not enter the market it might begin the process again with market research for a different market. If

it decides to enter the market, then next phases are implementation of the marketing plan, monitoring of the progress, and adjusting activities as needed.

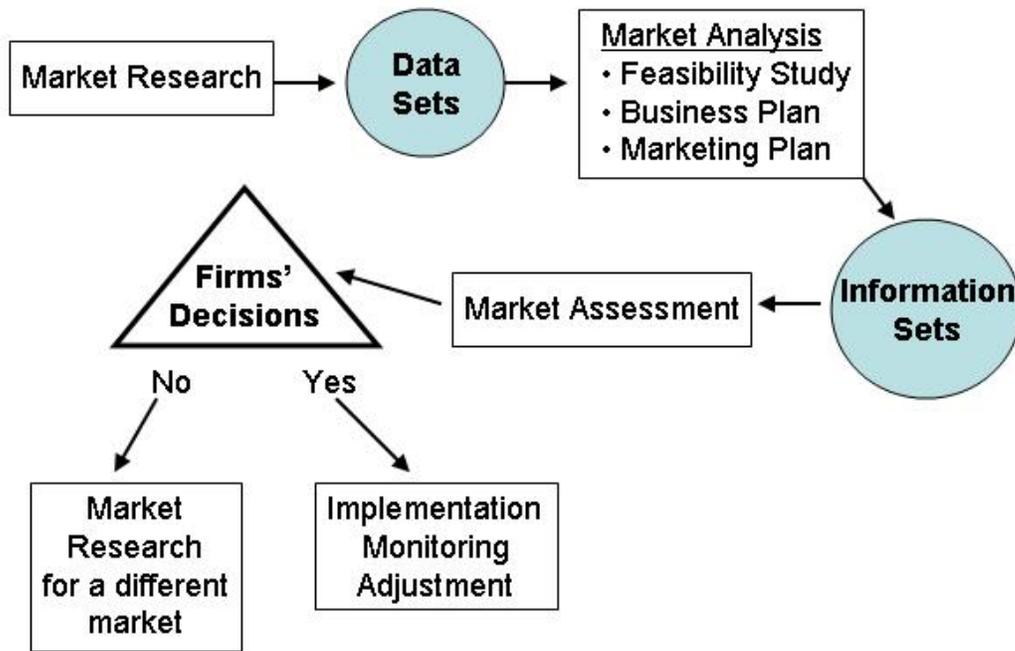


Figure 1-1 The Process of Market Analysis and Implementation. Created by the author for the purpose of this work.

## CHAPTER 2 BACKGROUND MATERIALS

### **The Need for Market Analysis**

Market analyses are important now and will continue to be important to the American food marketer in the coming decades. Many peer-reviewed articles and independently-researched projects about market analysis have been completed using various demographic factors as components of demand functions for agricultural products. Studied relationships include race and type of meat consumed (Lanfranco 2002), food expenditures and age (Blisard 2001) and word choice and marketability (Degner 1991). There are hundreds of other examples of such studies.

### **Importance of Market Analysis in International Food Marketing**

The rising population and affluence of Muslims in Europe is increasing their buying power and causing the dynamics of food demand in Europe to change. An example of this change is occurring in France which has about five million Muslim residents making it the largest Muslim population of any country in Europe (Journo 2007).

A recent article in the journal *Population* entitled “Recent Demographic Developments in France” republished data from the French *Institut National D’Etudes Démographiques*, which estimates that total population of France in 2004 was 59.9 million. The article also reports that 128,000 of France’s immigrants entered the country in 2003 because of family resettlement initiatives (Frejka 2007). This, combined with the fact that immigrants have higher birth rates than the general population (INEE 2006), indicates that demographic shifts drive population food preferences in France for many years to come.

Halal products are one niche market that has been positively impacted by the changing demographics of France. According to the Foreign Agricultural Service (FAS) post in Paris, the

Halal market in Europe is worth about 15 Billion Euros and in France alone it is worth between 1.5 and 3 Billion Euros (Journo 2006). This is just one small example of the potential in international food marketing and the importance of using market analysis to keep up with changing trends.

FAS assists U.S. agricultural firms by offering a variety of informational reports and market analyses free of charge. These reports assist U.S. firms by providing clear market information in English about markets all over the world. FAS has been involved in collecting agricultural market information and developing networks of contacts abroad for over five decades.

### **The Foreign Agricultural Service as an Example of an Organization That Conducts Market Analyses**

This thesis uses FAS as an example of a homogeneous worldwide organization that conducts market analyses in different markets around the world. This section presents the history of the FAS, a summary of the current operational structure, and an explanation of the origin and use of the GAIN reporting system, which provides public access to FAS reports. This discussion will provide context and demonstrate how deeply intertwined the conducting of market analyses is within the history and mission of FAS.

#### **History of FAS**

The organized analysis of foreign agricultural markets was not codified in U.S. law until the 1930 Foreign Agricultural Service Act. In this Act, the Foreign Agricultural Service was formed, consisting of the Attaché Service with diplomatic status, while the overall division in Washington was called the Foreign Agricultural Service Division of USDA. The 1930 Act states that FAS was enacted,

...for the purpose of encouraging and promoting the agriculture of the United States and assisting American Farmers to adjust their operations and practices to meet world conditions...

The duties of the USDA officers outlined in the 1930 Act include,

(a) Acquire information regarding world competition and demand for agricultural products and the production, marketing, and distributing of said products in foreign countries and disseminate the same through agricultural extension agencies and by such other means as may be deemed advisable.

(b) Investigate abroad farm management and any other economic phases of agricultural industry and, in so far as is necessary to carry out the purposes of this Act, conduct abroad any activities, including the demonstration of standards for cotton, wheat, and other American agricultural products in which the Department of Agriculture now authorized or in the future may be authorized to engage. Nothing contained herein shall be construed as prohibiting the Department from conducting abroad any activity for which authority for thus conducting it may exist. (FAS Act 1930)

In 1938 USDA was reorganized, and FASD was renamed Foreign Agricultural Service, as a part of the reorganization of USDA “the Division of Foreign Agricultural Service was established as a staff office of the Secretary effective December 1st 1938” (Baker et al. 1963, 266). Even as USDA was undergoing the reorganization in 1938, the U.S Congress was working its way through the Reorganization Act of 1939. This Act called for a reorganization of government and a streamlining of activities. In this spirit the State Department was given control of both the Foreign Agricultural Service and the Foreign Commercial Service (Baker 1963, 267). The reorganization only affected the eight overseas offices of FAS and not FAS employees based in Washington, DC, or the commodity specialists working in Washington or abroad. As a result, less than \$100,000 of the total FAS appropriation of \$300,000 was transferred to the Department of State and the remaining money was available to the Department of Agriculture to establish a new “foreign office” in the Department (Baker 1963, 268).vcc

No significant legislative changes affected the Foreign Agricultural Service until the Foreign Service Act of 1980. This Act specified the benefits and opportunities for those in all

parts of the Foreign Service, including State Department, Agriculture Department, Commerce Department, International Communications Agency and the United States International Development Cooperation Agency. Its overarching goal was to “strengthen and improve the Foreign Service of the United States.”

Under the Act, plans were established for merit-based promotion policies, improvement in diversity among the Foreign Service workforce and simplification of personnel salaries and grade categories. The Act changed the way decisions were made by establishing a statutory basis for representatives of Foreign Service personnel to take part in the forming of personnel policies and the resolving of grievances. It affected the standards of living for Foreign Service officers by making service easier on individuals and families and by providing salaries competitive enough to attract qualified people. It established the Senior Foreign Service for the most elite Foreign Service Officers to provide enough incentives to keep them employed even after they were eligible to retire. The overall goal was to increase the cooperation between all the Foreign Service Agencies, and otherwise enabling the Foreign Service to serve effectively the interests of the United States and to provide the highest caliber of representation in the conduct of foreign affairs (P.L. 96-466 Oct. 17, 1980 94 Stat. 2075).

After the Foreign Service Act of 1980, the rules that govern the Foreign Service section of the Foreign Agricultural Service have not been modified as of November 2007.

### **Current Mandates and Legislation Governing FAS**

FAS operates under Title 7 Subtitle A, Section 2.43 of the Code of Federal Regulations. This section specifies all of the current functions of FAS. Three of the sections specifically deal with FAS’s function of conducting worldwide analysis and assisting U.S. exporters with market analyses.

(3) Conduct studies of worldwide production, trade, marketing, prices, consumption, and other factors affecting exports and imports of U.S. agricultural commodities; obtain information on methods used by other countries to move farm commodities in world trade on a competitive basis for use in the development of programs of this Department; provide information to domestic producers, the agricultural trade, the public and other interests; and promote normal commercial markets abroad...

Paragraph (3) discusses the role of FAS in monitoring factors worldwide that affect U.S. markets both domestically and abroad. The outgrowth of this paragraph is the set of FAS trade database systems that offer objective statistics on all agricultural commodities. In later chapters when respondents say that they rely on FAS's statistics, they are referring to data fulfilling this section of FAS's mandate.

(23) Maintain a worldwide agricultural intelligence and reporting system, including provision for foreign agricultural representation abroad to protect and promote U.S. agricultural interests, and to acquire information on demand, competition, marketing, and distribution of U.S. agricultural commodities abroad pursuant to title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768).

Paragraph (23) discusses and references Title VI of the Agricultural Act of 1954, as amended. This Act is discussed in more detail later in this chapter. Of particular note, however, is that the Act brought agricultural attachés back into the exclusive service of USDA from the Department of State. Title VI spelled out unequivocally that the purpose of Agricultural Attachés abroad is to work for the American agricultural system--producers, marketers, processors and exporters as well as the Secretary of Agriculture. This was spelled out in no uncertain terms since the purpose of this Act was to call back and redefine the role of Agricultural Attachés abroad. They would no longer be working for both the Department of State and the Department of Agriculture.

(38) Disseminate, upon request, information on subjects connected with agriculture which has been acquired by USDA agencies that may be useful to the U.S. private sector in expanding foreign markets and investment opportunities through the operation of a Department information center, pursuant to 7 U.S.C. 2201.

Paragraph (38) combines with paragraph (23) to create the groundwork for the current FAS public reporting system. Paragraph (38) does not limit the information disseminated to that information collected at FAS posts abroad, rather leaving it open to all information acquired by USDA and useful to the U.S. private sector. The reports generated by combining all of the available sources of information are the synthesis of market analyses by FAS staff and are tacitly mandated in this paragraph.

### **Current Structure of FAS**

The Foreign Agriculture Service (FAS) is one of the 17 agencies of the United States Department of Agriculture (USDA). FAS is the only foreign service agency of the USDA. It covers 142 countries around the world with 103 staffed offices (FAS 2007). The domestic side of the FAS has about 800 employees working in Washington D.C., though this number is slightly fluid due to temporary contract workers that are hired for short-term work such as development projects (FAS FASTNET 2007).

The mission of FAS is to “work to improve foreign market access for U.S. products, build new markets, improve the competitive position of U.S. agriculture in the global marketplace, and provide food aid and technical assistance to foreign countries”. Figure 2-1 shows the five FAS program areas as of January 2005 (Mustard 2006): Foreign Agricultural Affairs, International Cooperation and Development, International Trade Policy, Commodity and Marketing Programs and Export Credits. As of November 13, 2006, FAS reorganized into the current structure of nine program areas designed to correspond to its mission and strategic objectives. The new program areas are Office of the Administrator, Office of Scientific and Technical Affairs, Office of Country and Regional Affairs, Office of Negotiations and Agreements, Office of Global Analysis, Office of Trade Programs, Office of Capacity Building and Development, Office of Administrative Operations and Office of Foreign Service Operations (FAS 2007). Of these nine

program areas, Export Credits administers the largest budget, approximately \$4.4 billion (Terpstra 2005). The Foreign Service budget of FAS requires just \$8.8 million (Terpstra 2005).

During Fiscal Year 2006, the FAS budgeted \$148 million for salaries and expenses. It has responsibility for over \$6.1 billion in funds for various programs to “promote U.S. agricultural exports, develop long-term markets overseas, and foster economic growth in developing countries” (Terpstra 2005).

### **GAIN Reporting System**

The current Global Attaché Informational Network (GAIN) system of electronic reporting can be traced back to the original Global Economic Data Exchange System (GEDES) system developed by the State Department and first used by FAS in 1981 (Mustard 2006). In 1988 the reporting system used by attachés became known as Telemail. In 1995 FAS launched its first website and it provided links to “Foreign Market Research,” which allowed the visitor to see some select GAIN reports in ‘.txt’ format. Figure 2-2 from the internet web archive depicts how the FAS website looked on November 4, 1996. This page has a link to “Foreign Market Research” which led to the listing of FAS Telemail reports (web.archive.org).

The GAIN system was launched in 1997. This is the system that was still in use as of October 2006. GAIN submissions from the field are composed as Microsoft Word documents and then loaded into a macro that formats them for the GAIN system. GAIN is a database that simply holds all of the reports until they are retrieved by a user through one of the GAIN search engines. The system ran internally for three years until it was loaded onto the public FAS website so that it could be easily accessed by the general public.

Sometime between April 7, 2000 and May 10, 2000, the link to the Attaché Reports and the GAIN report search engine first appeared on the FAS homepage. Figure 2-3 shows ‘www.fas.usda.gov’ as it appeared on May 10, 2000. The sixth bulleted point on the main page

is a link to Attaché Reports. That link directed visitors to the GAIN report search engine whereby they could obtain any relevant GAIN reports (web.archive.org).

Opening up the GAIN reports database to the public became a powerful tool for U.S. agricultural firms. It gave users access to market intelligence from the entire globe. While the GAIN database had the potential to be used by FAS to track public demand for each of its public reports, the system was not created with these metrics readily available; therefore, the different levels of demand for each of the public reports remained unknown. It was not until the Webtrends download tracking software was installed in 2003 that tracking the number of downloads became possible, even if this information was still not readily accessible. The downloads database was further developed and translated into useable information for FAS by the researcher as described in Chapter Four.

## **Summary**

Research about how market analyses are conducted, particularly within the context of FAS's legislative mandates, is needed because U.S. agricultural firms are in an evolving, diverse marketplace both at home and abroad. In order for them to remain competitive with their international rivals, they must use all available resources to remain ahead of trends in the agricultural industry. FAS is funded by taxpayers and provides its information to the public free of charge, and for this reason U.S. agricultural firms wishing to enter the international marketplace should consider it as a resource.

As FAS continues to maintain its global presence and strives to provide relevant information to its customers, i.e. the U.S. agricultural industry, it needs to know what its customers demand so it can remain relevant to their requirements. This project helps to bridge the gap between customer demand and the intelligence and services supplied by FAS.

The next chapter reviews the relevant literature associated with market analysis in both the private and public sectors. The similarities discovered in the literature will serve as a basis by which to judge both the information supplied by FAS and the information demanded by FAS's customers. The resulting analysis will help both FAS and its customers better understand their roles *vis-a-vis* market research and market analysis.

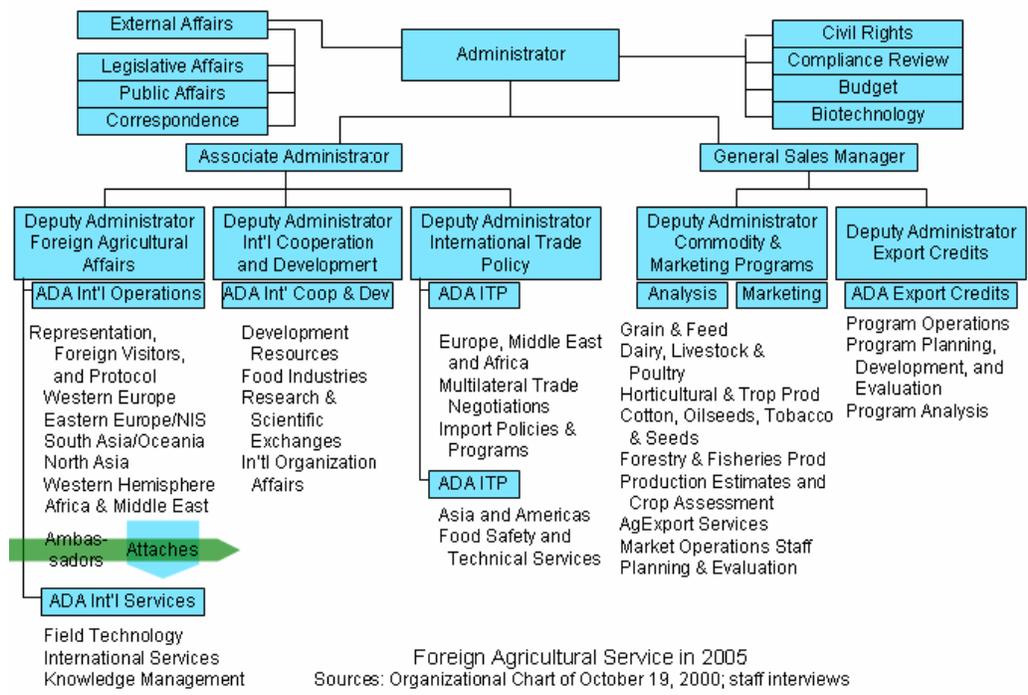


Figure 2-1. Organizational Structure of Foreign Agricultural Service in January 2005 ((Mustard 2006).



**FAS FACT FILE**

Dollar for dollar, we now export more wheat than steel, more meat than aluminum, and more fruits and vegetables than ships, boats, and trucks combined!



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Figure 2-2. FAS Online as It Appeared on November 4, 1996 (<http://web.archive.org>).

<a href="#">Countries</a>	<a href="#">Export Programs</a>	<a href="#">Food Aid</a>	<a href="#">About FAS</a>
<a href="#">Commodities</a>	<a href="#">Exporter Assistance</a>	<a href="#">Import Programs</a>	<a href="#">FAS Directories</a>
<a href="#">Trade Policy</a>	<a href="#">Buying US Products</a>	<a href="#">Development &amp; Training</a>	<a href="#">News &amp; Information</a>

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Go west, young exporter! To western Canada, that is, a friendly, familiar market where, last year, U.S. ag exports approached \$7 billion.

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Figure 2-3. FAS Online as It Appeared on May 10, 2000 (<http://web.archive.org>).

## CHAPTER 3 LITERATURE REVIEW

Figure 1-1 presented in Chapter One outlines the progression from *market research* using *data sets* to *market analysis* resulting in *information sets* which are then used for *market assessment* and ultimately a *firm's decision* for entering a new market.

In this chapter the concept of market analysis (and its components) is presented from its original sources in business literature, followed by a review of available sources of market information and its role in conducting market analyses. The techniques and recommendations specific to conducting market analysis that appear most often in the literature are not discussed in detail for each cited source of information; rather, they are summarized at the end of the chapter.

### **Role of Market Analysis**

Conducting a market analysis is widely recommended as an important step in determining the viability of a project or enterprise (The Entrepreneur Magazine 1995, 121; Dalton et al. 2002, 11; Kotler 1999, 168; Peter 1991, 20; Winer 1965, 2). Sources differ regarding whether the market analysis should come before an internal analysis of the firm's capabilities and resources or if the internal analysis should drive the market analysis. Porter's famous SWOT (strengths, weaknesses, opportunities, and threats) analysis (Porter 1979, 141) conceptualizes the situation from the internal perspective of the firm and then considers external forces. Alternatively, Kotler suggests that the perspective should be changed and the steps be carried out in the order of TOWS (threats, opportunities, weaknesses and strengths). Kotler says the SWOT structure "may place an undue emphasis on internal factors and limit the identification of threats and opportunities to only those that fit in the company's strengths" (Kotler 1999, 113). In either case, market analysis is the stage in the decision making process when a firm gathers information on macro forces and actors in the environment it is analyzing. The company examines the macro

forces (economic, politico-legal, socio-cultural, technological) and the actors (companies, competitors, distributors and suppliers) in its environment.

## **Two Goals of Market Analysis**

Market analyses are used to break down all of the factors that ultimately affect the demand for a product or service. All of the various strategies for market analysis ultimately come down to answering two fundamental questions:

- Are customers in group X **able** to buy product Y?
- Are customers in group X **willing** to buy product Y?

**Are customers in group X able to buy product Y?** Information that will help answer this question includes data related to general facts about the country or geographic area. This includes statistics such as GDP, population by age group, income, education levels, and rural/urban mix. Publicly available data such as these can be found in the data sets provided by information resources such as universities or the federal government. Also associated with this question is an assessment of existing or potential trade restrictions. Is product Y allowed to enter into country X? Answering this question often requires a knowledgeable contact point in that country for current and accurate information.

**Are customers in group X willing to buy product Y?** This question deals more directly with demand for product Y. If product Y is currently being sold, it has a customer group somewhere. When approaching a new group of consumers, the company needs to apply the knowledge it has learned regarding its principal customers for product Y to try and market the product to the new group of consumers.

The consumers who currently purchase product Y compose at least one specific Market Segment. The term 'Market Segmentation' can be defined as, "an appeal to one, well-defined consumer group through one marketing plan." (Evans 1998, A34) Market segments can be

divided in a variety of ways. Kotler (2003, 163) mentions in *Marketing Insights from A to Z* that a market segment can be defined in three ways: as a demographic sector (e.g., women between the ages of 35-45), a need group (e.g., travelers who wish to fly to another city but do not have much money), or behavior groups (e.g., customers who order specialty cheeses over the Internet). Weinstein (2004, 6) proposes a more detailed definition in his work, *Handbook of Market Segmentation Strategic Targeting for Business and Technology Firms*. He lists six of the most common segmentation dimensions: Geographic, business demographics, adopter categories, benefits, product usage, and purchasing approaches. Often reams of secondary data are analyzed to produce segmentation divisions for various products. Typical customers can then be grouped by a set of traits and be referred to as, “demographic/lifestyle clusters” (Blankenship 1998, 342).

### **Sources of Information Useful for Conducting a Market Analysis**

It is widely known that market analyses have an important role in the marketing process. Therefore, it is not surprising that a variety of resources are available to assist agricultural producers or businesses that need to conduct market analyses. The three sources of information are universities, private enterprises, and government entities. These three vary in the types of information they are best suited to provide.

#### **University Publications and Resources**

This section reviews examples of the types of market information available through universities and the assistance they provide for firms wanting to conduct a market analysis. The universities reviewed represent major public universities known for their expertise in agribusiness and/or agricultural economics. Their resources fall into categories of both data sets (either primary or secondary) and also information sets produced by university experts who collaborate with businesses to conduct market analyses. Specific examples are discussed below.

**Purdue University Extension** has extensive resources for individuals interested in starting a new agricultural business, through a program and resource site called ‘New Ventures’ (<http://www.agecon.purdue.edu/newventures>). The New Ventures website features a free web-based business planning tool. Purdue Extension also offers a number of resources on market analysis topics through their extension publications. Relevant publications include the following:

- Industry Analysis: the Five Forces (Ehmke et al. 2005).
- The Competitive Environment: New Realities (Boehlje et al. 2004).
- The Internal Analysis of Your Farm Business: What is Your Farm's Competitive Advantage? (Gray et al. 2004).

Each of these publications poses questions and guides strategic thinking for agribusinesses as part of a market analysis. The Industry Analysis publication helps readers identify potential threats to their business by evaluating each of five forces that affect their industry’s structure. For example, threats of new entrants into an industry and of substitutes for a product can be assessed (Ehmke et al. 2005). As indicated by the title, the Internal Analysis publication focuses on helping businesses to evaluate their strengths as part of a market analysis. The report breaks this topic down into specific questions for a self-assessment by a firm to determine its core competencies and then strategies for improving margins through process improvement (Boehlje et al. 2004). The Competitive Environment publication looks at general trends and market demands in agriculture in today’s global economy (Gray et al. 2004).

**University of Florida**, Department of Food and Resource Economics (FRED), provides substantial information on export-oriented market analysis through UFL Center for Agribusiness. One such market analysis resource available on the Center’s website is the ‘Export Primers’ publications for various countries. These are abridged versions of the Country Commercial

Guides (CCGs) published by U.S. Department of Commerce, with additional information supplied by University of Florida that is more directly relevant to agribusiness firms such as an analysis of the prospects for U.S. agricultural exports by commodity or industry sector. The UFL Center for Agribusiness also provides a listing of Exporter Resources which includes links to data sets produced by government or international sources that are referenced on ‘other government sites’ links (Center for Agribusiness 2007).

**University of Illinois Extension** provides interactive online resources to enable agribusiness and entrepreneurs to conduct market analysis including the ‘Market Maker’ which allows the user to map various demographic characteristics to determine where the highest concentrations of people in the target market reside. Other resources and tools for market analysis provided by University of Illinois Extension include the ‘Farm Doc’ website which has price and data tools to access information on regional and historical data that can be used in market analysis.

**Michigan State University** provides a resource for agricultural entrepreneurs similar to the New Ventures program at Purdue University. Michigan State’s ‘Product Center’ provides innovation counselors to entrepreneurs in the development stage of a new business to assist with market analysis and business planning functions.

**University of Wisconsin** offers the Ag Innovation Center as a support network for agricultural entrepreneurs and as a collection point of resources on market research. Market research resources listed on this site include the Wisconsin Innovation Service Center which can provide professional guidance on conducting both new product assessments and competitive intelligence searches as parts of a firm’s market analysis.

**Penn State University** produces information that divides the overall task of preparing a business plan and conducting market analysis into a series of several separate publications. An example is the publication, “Developing a Business Plan” (Kime 2004) which is designed to help a potential new business view the issue of entering a new market as an approachable rather than a daunting task. This publication has numerous references to other Penn State publications that focus exclusively on specific steps of the market analysis and business plan development.

**The University of Tennessee Extension** has a forty page publication entitled: “Marketing for the Value-Added Agricultural Enterprise” (Dalton et al. 2002, 39). This publication draws on several projects conducted by the Tennessee Agricultural Development Center including, “actual one-on-one, value-added enterprise evaluations by the ADC to emphasize marketing concepts that specifically apply to value-added agricultural enterprises” (Dalton et al. 2002, 2). Its focus is not necessarily limited to creating a business plan or conducting market research; it is, as the title suggests, simply improving the marketing of value added agricultural products. The important components it identifies towards this purpose are the following:

- Identifying the best marketing channel
- Identifying your niche market
- Conducting market research
- Establishing price and estimating cash flows
- Understanding competition
- Product packaging
- Developing a marketing plan that uses all of the information gathered in the previous sections (Dalton et al.).

The “conducting market research” chapter of this publication states that market research, “involves a study, review and analysis of the overall market environment for a product. Market research is the collection and evaluation of data pertaining to consumers’ usage, interest, preference and awareness of products and services” (Dalton et al. 2002, 10). The section explaining market research is two pages and mentions specifically using primary data and secondary data. However, it is noteworthy that other sections including, “establishing price,” “understanding competition,” and even “product packaging” are at least in part reliant on some level of market research.

**Cornell University Extension** developed a publication series called, ‘Smart Marketing.’ This is a monthly series of newsletters similar to the publication produced by Penn State that deconstruct marketing an agricultural product into component pieces. The subjects discussed are as varied as marketing your product abroad to the marketing of tree-ripened fruit. Many of the subjects deal with market research and market analysis. These topics include, “Do Consumers Matter?” (Milligan 2002), “Travel the Road to Success with a Marketing Plan” (Uva 1999), “Knowing Your Market – The most Challenging Part of a Business Plan” (Schlough 2001), “Market Research for New Products” (Rowles 2000) and many others. These articles tend to be easy to read and offer information in easy-to-understand pieces.

### **Government Sources**

Many government agencies also have published resources that seek to assist in the tasks of conducting market research and market analysis. These agencies include The U.S. Census Bureau, Department of Commerce, the U.S. Trade and Development Agency, and U.S. Department of Agriculture Foreign Agricultural Service among others.

**The United States Census Bureau** website provides access to an extensive database of facts and figures about the American population with an emphasis on incomes, household

characteristics, health statistics, agricultural statistics, business statistics and much more. While the Census bureau does not offer any direct instructional resources regarding, ‘how to conduct market analysis’ it does offer the raw data that most other resources cite throughout their publications.

**The Department of Commerce** maintains a centralized collection of all federal trade-related data in electronic format, as required by the Omnibus Trade and Competitiveness Act of 1998. This database, called the National Trade Data Bank (NTDB) was originally operated by Department of Commerce Office of Business Analysis. In 1994, NTDB was removed from federal appropriations and Office of Business Analysis changed its name to STAT-USA which operates the database and other services through access user fees. STAT-USA works with 40 federal agencies and offices to operate the NTDB, which contains 200,000 plus documents on export opportunities (STAT-USA, 2007).

STAT-USA has three major information databases that all require paid subscriptions to access. NTDB is part of STAT-USA/Internet (<http://www.stat-usa.gov>) which also contains the State of the Nation database on the domestic U.S. economy. The other two databases of STAT-USA are USA Trade Online (<http://www.usatradeonline.gov>) offering specific export and import information on over 18,000 commodities and Euro Trade Online (<http://www.eurotradeonline.gov>) offering similar information focusing on European markets.

**U.S. Commercial Service** is the trade promotion branch of the U.S. Department of Commerce International Trade Administration. U.S. Commercial Service provides market research, trade events, and introductions to buyers and distributors through trade specialists posted in 107 U.S. cities and over 80 countries (U.S. Commercial Service 2007).

**Export.gov** (<http://www.export.gov/index.asp>) is the main online resource for U.S. Commercial Service exporting clients. In addition to market research and trade leads from the U.S. Commercial Service, Export.gov brings together resources from across the U.S. Government to assist U.S. companies. These include information from the Export-Import Bank, Small Business Administration, and USDA Foreign Agricultural Service (Export.gov 2007).

**The United States Trade and Development Agency (USTDA)** was created in 1981 as a foreign assistance agency. It awards grants to U.S. companies to provide technical assistance and investment analysis that supports development of modern infrastructure and fair, open trading environment for overseas partners, including foreign governments, organizations and firms. By giving emphasis to sectors that benefit from U.S. exports and services, USTDA projects have generated \$40 in U.S. exports for every dollar invested in USTDA activities (USTDA 2007). U.S. companies seeking export opportunities and technical feasibility studies for a specific product or service can benefit from USTDA's extensive library of feasibility studies and reports. Report summaries are available on the USTDA website, while full copies are available from USTDA headquarters library or for purchase from the National Technical Information Service.

**The United States Department of Agriculture (USDA) Foreign Agriculture Service (FAS)** provides numerous information sources specific to market analysis for agricultural commodities and products. FAS has a network of agricultural trade specialists posted in over 80 countries worldwide, similar to the U.S. Commercial Service of Department of Commerce mentioned above but differentiated by their agricultural expertise.

USDA FAS provides two major databases for agricultural trade information: U.S. Trade Reports (<http://www.fas.usda.gov/ustrade>) provide a commodity-by-country breakdown of exports and imports, while The Bulk, Intermediate and Consumer site (BICO)

([http://www.fas.usda.gov/scriptsw/bico/bico\\_frm.idu](http://www.fas.usda.gov/scriptsw/bico/bico_frm.idu)) provides statistics on international market sizes and the current U.S. share of a country's imports. Other major sources of information for market analyses that are a significant focus of this thesis are the FAS Global Agricultural Information Network (GAIN) reports, also known as Attaché reports. The searchable FAS GAIN database (<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>) contains over 23,000 reports submitted by FAS offices overseas and falls into several categories of content and format including exporter guides, retail guides, sector guides, Food and Agricultural Import Regulations (FAIRS), and commodity reports (Foreign Agricultural Service 2007c).

In addition to the agricultural trade data and market information reports, FAS provides practical web-based tools for potential agricultural exporters who want to develop a detailed export plan. FAS outlines market research basics as a three-step process: Screen potential markets, assess target markets, and develop an export plan. The final step includes a link to a tutorial that instructs the user in all phases of export plan development including the following topics:

- **Company:** outline goals, resources, trends and practices, production capacity
- **Target Market:** selected target market resulting from an assessment of potential markets
- **Product:** demands of potential consumers and import requirements
- **Pricing:** all costs that will determine export pricing
- **Market Entry:** market entry and promotional strategies
- **Action Plan:** tasks, priorities, schedule, resources required

This tutorial is the only free export tutorial the author of this research paper discovered in a literature review (Foreign Agricultural Service 2007c).

**Other government sites** simply provide the demographic data or trade data and leave the forming of specific analyses based on those statistics up to the individual website visitor. A few examples of such public sites for data gathering include the CIA World Fact book (CIA), Organization for Economic Cooperation and Development (OECD) Statistics Portal, FAOSTAT

Agricultural Data, and World Bank Country Summary Data. The latter are just a few of numerous sources for public data sets. A more complete and categorized summary of such public resources and data sets has already been compiled by the University of Florida Center for Agribusiness as *Competition Research* (Center for Agribusiness 2007). This site lists resources in the following categories which provide primary and secondary data sets: international organizations, statistical publications, online data sets, integration sites and other information.

### **Private Sector Resources**

The same types of information and assistance for conducting market analysis offered through Universities and on public websites are available for a fee through numerous companies and consulting groups that make a business out of conducting market analysis for other businesses.

**The Export Institute USA** provides online courses to help companies become more export savvy and understand the practical aspects of conducting business overseas including courses on identifying export markets, locating export sales representatives, pricing products and budgeting for export, writing your export marketing agreements, shipping your products overseas and receiving payment for your export sales. The Institute also publishes a well known reference manual entitled *Export Sales & Marketing Manual* which is updated yearly (Export Institute USA 2007).

**MarketResearch.com** claims to be “the world’s largest and continuously updated collection of market research.” The website provides collections of research reports on market areas or specific products including information on market trends and analysis, as well as specifics on market size, share, and growth in worldwide markets. The site also provides country reports with economic projections and risk assessment information. The available publications range in price from \$65 for a country specific Dun & Bradstreet, Inc., Export Guide for any

country to \$10,073 for an IMES Consulting Limited report on Soft Drinks in Levant (i.e., Syria, Lebanon, Jordan) (MarketResearch.com, 2007).

**Foreign Trade Online** ([www.foreign-trade.com](http://www.foreign-trade.com)) is a membership-based Business-to-Business network site which offers searchable databases of importers and exporters as well as research and analysis reports accessible only to members.

### **Summary of Findings from Literature Review**

Several conclusions about available information resources are made based on Figure 1-1 presented in Chapter 1. Conclusions made in this review following Figure 1-1 are as follows:

Primary and secondary data sets are available from all three information resources. Universities provide interactive tools for accessing regional and local data sets on demographics, as well as price, while governmental, as well as private, sites provide data on a national and international scale.

Both universities and private resources are able to provide expertise virtually or in person to assist an agribusiness in conducting analyses and forming information sets which can be used for market assessment and decision making. Two major differences are the cost of service as well as targeted clients. The private sector charges higher fees and focuses on larger companies with export potential; the universities as a whole provide assistance for free or at minimal cost and focus primarily on smaller, more rural firms. Furthermore, private resources will actually perform a market analysis and provide a recommendation for a client, whereas university publications and consultants typically only go as far as guiding the client.

In this review, University of Florida is an exception among universities, as it provides more export-oriented information and assistance, due to location and the export focus of Florida agribusiness. The only government resource found to provide expertise in the form of tutorials as well as public contacts for conducting market analysis is the Foreign Agricultural Service,

which focuses on commodity groups as a whole but is mandated to assist all U.S. exporters regardless of size.

In regard to the specific techniques for conducting market analysis, the following conclusion was reached based on a review of information resources that conduct market analysis. Although the following steps are suggested in a slightly different order by each resource, they are all mentioned by each of the information sources examined in this literature review as well as the original sources in business literature:

- Identify potential threats to the business
- Identify strengths within the business that can be exploited
- Identify the market segments or clusters that are to be targeted (i.e., specific opportunities)
- Use primary and/or secondary data to identify market demand and trends.

The above four steps are somewhat general; but as has been noted in this chapter's literature review, they provide great leeway regarding the creation and implementation of a market analysis for a specific product. These four steps are referred to in Chapter Five of this thesis to provide the basis for a study of the content of FAS's most frequently downloaded GAIN reports. They are also used as the basis for discerning if FAS offices abroad employ the same techniques while conducting market analysis that are recommended in the literature.

## CHAPTER 4 METHODS

Four data sources were used to address the research objectives in this thesis. The first data source, a literature review, is presented in Chapter Three. The additional three data sources will be described in this chapter. Results and analyses of all the data will be presented in Chapter Five.

### **Description of Surveys and Databases**

In addition to the literature review, two surveys and one database are resources for this research. The first survey is a telephone survey of 50 FAS information customers designed to elicit details about how they use FAS information. The second survey is a web-based survey of the 103 FAS posts abroad which focuses on the market analysis methods used by each office. The database was created by this researcher. It is a compilation of download statistics for a subset of GAIN reports produced by FAS offices abroad. Combined, this data source provides a picture of both what data are supplied by FAS and what data are demanded by its customers.

### **Telephone Survey of FAS Information Customers**

The first data collection exercise was a survey of FAS information users. This data set is important to the overall project since it establishes what basic information FAS customers are seeking when they contact FAS posts. The complete telephone survey questionnaire is provided in Appendix A.

The survey instrument was a questionnaire administered over the phone with 26 questions, 23 of which were open-ended. The questions can be classified into two main categories, those that address the information flowing between FAS posts and their customers and those that explore the relationship between those customers and the customers' customers. The survey had four objectives:

- Determine what FAS information the customers use
- Determine how the customers obtain the FAS information
- Determine how often the customers obtain FAS information
- Determine what the customers do with the information once they have it

The survey design was guided by four reference texts (Andrew and Hildebrand 1993; Dillman 1994; Fowler 2002; Fink 2003). These texts were used to guide question construction and survey flow. The thesis committee reviewed the questionnaire as did one official of FAS. This questionnaire was designed using open-ended questions and was administered over the telephone in such a way as to elicit a wide variety of responses and suggestions from the interviewees. It was intentionally exploratory in nature in order to provide context for future research projects and to provide a starting point for design of the web-based questionnaire for FAS posts abroad. It was noted that qualitative research instruments are excellent for instances such as this when the researcher is not looking for one single unifying factor or motivation but a whole variety of factors that color each decision (Auerbach et al. 2003, 23).

### **Target Population**

The target population of this survey was customers of FAS post-produced information. This population can be broadly divided into two parts, those customers inside USDA and those outside USDA. This researcher hypothesized that each of these two groups would have similar uses for the information. Internal USDA users would likely be focused on using the information to inform policy decisions and to add perspective to other analyses already formed within USDA. It was also thought that much of the information needed internally would not be available to the public in publicly available reports such as GAIN reports.

It was hypothesized that external USDA customers would share similar characteristics yet their informational needs would be more focused on marketing concerns such as segmentation or assessing countries' distribution systems. Each of these customers would also have information

needs further specified by the area of their businesses. It was also hypothesized that each of these businesses and organizations would have a wide range of sources in foreign markets and within the United States of which FAS information was just one. Since FAS information is released to the public, they would have to assume that all of their competitors also have access to the same information.

Each of the two main customer groups was divided further into two subgroups. The internal USDA users could be grouped along departmental lines, e.g., Economic Research Service and Agricultural Marketing Service. Separately, within FAS respondents were classified by division such as trade negotiations, commodity analysis and agricultural development. The external USDA customer groups was divided into three main groups including cooperators (business or trade associations), state agricultural departments, and private companies. The sampling of cooperators was varied based on their principal crop focus.

### **Sampling Methodology**

A nonprobability sampling method was employed with this survey since it was difficult for the researcher to identify individuals that use FAS information on a consistent basis. Respondents were recruited using an adjusted form of snowball sampling method which allows participants to recommend additional respondents for participation in the survey. (Fink 2003, 19). In addition to the standard snowball method, two main groups of respondents were identified, internal USDA and external USDA users. This method was combined with a cluster sampling method (Fink 2003, 15). Specifically, once respondents had completed the questionnaire, they were asked to identify others who might be able to add information to this survey. The potential respondents who were recommended were then considered based on what sub-groups they represented, i.e., what division of USDA for the internal respondents and which specific commodity group/company/state government office for which they work for external

respondents. The researchers attempted to obtain a sample that included at least one respondent from each of the major subgroups contained within the two main categories. Fifty-one persons completed the telephone questionnaire, this included 47 for the official questionnaire and 4 for the pre-test. Of the 47 completing the questionnaire, 15 were classified as internal and 32 as external. The full break-out of respondents can be seen in Figure 4-1.

### **Pre-testing of the survey**

Once the questionnaire received approval by the Institutional Review Board (IRB) at the University of Florida, four pre-test subjects were selected by Margie Bauer of FAS's Knowledge Management group, in conjunction with this researcher. The pre-test participants were selected because of their knowledge of the subject and their backgrounds in conducting similar research. The four pre-test subjects were evenly divided between internal to USDA and external to USDA. The two external to USDA subjects were evenly divided, one each from a commodity group and a trade association.

The pre-tests were administered over the phone in conference calls with both Bauer and two members of the University of Florida research advisory panel. These pre-tests aided in improving both the wording and question order of the questionnaire. The pre-tests also allowed Bauer and the research panel to collaborate regarding exactly what comments should be included when taking interview notes. This input proved important later as the responses were entered into spreadsheets for analysis.

### **Questionnaire Administration**

The questionnaire was administered between April 1 and June 16, 2005. The phone calls were placed from the offices of the Food and Resource Economics Department at the University of Florida. As respondents were interviewed notes were taken with pen and paper, and immediately following each interview, notes were typed detailing the discussions and comments

of the interviewed subjects. Since the questions were structured in such a way as to elicit *ad hoc* comments from the respondents, careful note taking was important to the overall quality of the survey procedure.

### **Analyzing the Survey Responses**

Responses provided to each question were categorized so they could be tabulated in Microsoft Excel. The responses to each question occupy columns and each respondent is listed in rows on the spreadsheet. Bauer provided insights into specific acronyms used by respondents during the answering of questions to aid in the categorization of each response. These compiled results of the telephone survey are found in Appendix B.

### **Using Telephone Survey to inform the web-based Post Survey**

A limited amount of useful information was gleaned from the 51 telephone interviews conducted with FAS information customers. Some common responses are provided in Chapter Five. The researcher also gained an understanding of the FAS jargon used to describe various functions of FAS posts, which was particularly useful in formulating the web-based survey of FAS posts. The greatest impact was that the researcher was able to determine more effectively appropriate response choices for each question while designing the web-based survey. Furthermore, it was also helpful to have an idea of the ways customers were using the information once it was available.

After conducting 51 telephone interviews the research advisory panel determined that this was not a viable method for reaching a true representation of FAS's information customers. It was impossible to verify that the subjects being interviewed were truly representative of FAS's customer base. It was also difficult to determine who within an organization would be the individual responsible for using FAS information. No sampling method could be devised to

categorically reach all of the customer groups within the time and resource constraints under which the research was being conducted.

Although the lessons learned from the telephone survey were used to help create the web-based survey, most of the questions in the published web-based survey are entirely different than those in the telephone survey.

### **Web-Based Survey of FAS Posts**

The second data collection tool was a questionnaire for the information creators working at FAS Posts worldwide.

#### **Survey Instrument**

The survey instrument was a web-based questionnaire with 15 questions, 11 of the questions were radio buttons for the subject to choose the best answer with space available to type in an 'other' option. Four questions were completely open-ended, and the respondent entered the response in a text box. The complete survey instrument is provided in Appendix C.

#### **Objectives**

The objectives of the survey were to determine--

- How these offices conduct market analyses for U.S. agricultural products
- The effectiveness of information flows within and associated with the Foreign Agriculture Service (FAS)
- The methods used by FAS offices abroad to conduct market analyses
- The number and characteristics of the FAS customers who contact posts
- The number and characteristics of market analyses conducted by each post.

#### **General topic areas**

Two general topic areas were covered by the survey: The first is identifying how and why market analyses were conducted and the second describes the ways that FAS offices interact with

their customers. Both of these topics overlap those covered by the telephone survey. By identifying how and why market analyses were conducted, the researcher hoped to see if the methods used by FAS employees abroad are similar to those used by FAS's customers or to those recommended by the literature. By learning how FAS employees abroad view the interactions with their customers, those perceptions can be analyzed in conjunction with the results from the telephone survey of FAS information customers. This analysis can help determine if any major communication problems exist between the groups or if both parties view the interactions in a similar way.

### **Pre-Test**

In lieu of a pretest, officials inside FAS were given copies of the questionnaire and asked for their comments. Some changes to the answer choices were recommended by these FAS employees and most suggestions were adopted by the research advisory panel. These changes dealt with word choice and phrasing questions in the particular language used by FAS offices when describing market analyses and associated activities. A complete copy of the questionnaire can be found in Appendix C.

### **Target Audience**

An e-mail announcing the research project and containing the summary information approved by the University of Florida IRC was sent to all FAS posts on December 27, 2005. This e-mail was followed on January 3, 2006 by a paragraph about the project that appeared in the newsletter "Notes to the Field" that is sent each week by Washington-based FAS officials to keep its foreign posts up to date on issues with wide-spanning interest. The target audience of this survey was FAS employees stationed abroad who conduct market analyses. There are 103 offices and approximately 300 employees in the possible respondent pool. The research team

sought to conduct a census of all FAS offices abroad; however the instructions stated that each office should only have one employee answer on behalf of the office to prevent double-counting.

The survey instructions requested that only one person from each office fill out the questionnaire but should consult with other people in the office when necessary. In addition, each respondent gave their post city and country along with their name to ensure that no office double reported its statistics.

Within two weeks, 25 posts had responded. The research panel contacted the non-responsive posts as a reminder to please complete the questionnaire. This brought in another 15 responses by the end of February 2005. From February 27th – March 15th the research panel sent another reminder message to those FAS offices that had not responded. This effort brought in another ten submissions and also a few responses from FAS offices stating that their office did not have time to fill out the questionnaire.

By March 17, 2006, a total of 50 questionnaires had been submitted from the 103 FAS offices worldwide. The research advisory panel decided to not actively seek additional questionnaire responses and the final questionnaire was registered on the respondent website on March 17, 2006. The 50 completed questionnaires represented both types of FAS offices, Agricultural Affairs Offices (AAO) and Agricultural Trade Offices (ATO). The AAOs conduct both marketing and diplomatic activities while the ATOs are completely focused on marketing activities. There was also representation from countries with varying levels of economic development. Figure 4-2 shows this breakdown of the responding FAS Posts by region and type of office as well as by the additional categories prescribed by the researcher which will be discussed in the next section, including number of Foreign Service Officers (FSO) at Post,

Human Development Index value, and trade valuation with the US. The compiled results of the web-based questionnaire responses are in Appendix D.

### **Cross Tabular Analysis and Chi-Squared Test Statistics**

The analysis converted the original five point Likert scale of the survey into a three point Likert scale. The simplification of the Likert scale was done by combining responses one with responses two (Never and Seldom), combining responses four with responses five (Frequently and Always) and leaving response 3 (Occasionally) unchanged and alone. This conversion was done because the five point Likert scale offered no meaningful insights due to the small number of respondents. The responses to two questions, question seven (Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005?) and question nine (During the time period of October 1, 2004 - September 30, 2005 what were the principal sources of information used to conduct market analyses?) are examined and the percentages given refer to the number of respondents that placed either a level five or a level four on that question, indicating that they always or frequently provided the service or used the information source in question.

Four categories were used in the cross tabular analysis and chi-squared statistics of responses: The host country's level of development (i.e., the country where the FAS office was located), region of the world, agricultural trade volume of host countries, and office size in terms of number of staff members. This analysis was conducted by using either the country where the office was located or the individual office as the primary unit of analysis. The cross tabular analysis allows the researcher to look for patterns in responses across groups of respondents. The four categories were used to test for both positive and negative associations between the cross-tabulated categories and the detailed responses to the questions

**The Human Development Index** is a broad index developed by the United Nations to approximate the overall level of development of a country (UNDP 2007). The index ranges from 0 to 1. For the purposes of the cross tabulation, the .8 threshold was used to distinguish more developed from less developed countries. There is no threshold in United Nations reports, but it does provide an easy benchmark on the continuum. The researcher hypothesized that information is more difficult to obtain in countries with lower HDI scores and that FAS offices would be asked for more services in these countries.

**The regional distinctions are those used by FAS when classifying posts.** The three regions, (1) Europe, (2) Asia, and (3) Middle East, Africa, and Western Hemisphere are divided into those classifications by FAS/USDA management. Each of these regions has a regional director and they are grouped in this way because of the similarities of the countries within each of these regions. Regions would have similar cultures and would, therefore, behave similarly.

**The size of agricultural trade** with the United States divides the posts into countries that have no more than \$500 million or less in agricultural trade with the United States in 2005 and those that had more than \$500 million in agricultural trade with the United States. This group was formed to test if there were any similarities between how offices in the major or minor U.S. agricultural trading partners operate. The hypothesis was that offices in countries that import relatively more agricultural products from the U.S. would be asked to perform different tasks than those in countries that import relatively less agricultural products from the U.S.

**FAS office size** distinguishes between offices that have one U.S. FAS employee and those that have more than one. The researcher proposed that since offices with more than one U.S. FAS employee tend to be larger offices in general, they might be able to supply different services or use different sources of information for market analyses. The hypothesis tested whether larger

FAS offices were able to perform more tasks than smaller offices. It also tested if larger FAS offices had more expertise to offer than smaller offices.

Each of the responses to web-based questionnaire questions seven, eight and nine were cross-tabulated with the categories described above, and the results are summarized in Chapter Five, along with the analysis of these findings as they relate to the research objectives.

### **Webtrends Database to Determine Information Demanded**

Since most of the customers surveyed by phone indicated that they used FAS online and by extension, the GAIN reporting system to retrieve information from FAS, the research advisory panel concluded that using downloaded statistics of GAIN reports or hits on various FAS webpages could provide a metric to accurately assess demand for different types of FAS information. The research panel next contacted FAS's Washington, D.C. headquarters to investigate the availability of the above mentioned data.

After contacting officials within FAS, this researcher determined that the raw data for a complete database did exist; however, no one had ever assembled all the pieces into a usable product. This task would require assembling three disjointed databases and joining them into an entirely new database. The researcher undertook this task to develop in concept and then in practice a Webtrends downloads database to compare download statistics from GAIN reports.

### **Database of Report Usage (Webtrends)**

The database created for this research project has been named GAIN Reports Webtrends database. The name *Webtrends* is used because it is the name of the software package run on FAS servers to track the demand for all of the files on the FAS public servers. The report that is used to generate the GAIN Reports Webtrends database is "250 Most Downloaded Files." This report tracks the top 250 most frequently downloaded files from all of the FAS servers. On average 80 of these files are GAIN reports each month. The other 170 files on the list contain

various other types of FAS information produced mainly by FAS employees in Washington. The GAIN reports hold the majority of the information produced by FAS posts abroad.

### **“Sample” of Target Population**

The full database of GAIN reports contains the complete list of over 25,000 reports produced at FAS posts from 1995 to 2006. The complete list of available download statistics begins in February 2004 and continues to December 2006. Because the GAIN reports are released on a yearly schedule from January to December, it was important that data for each month be counted in the database an equal number of times. Therefore, for this research project only those reports downloaded within the timeframe of January 2005 – December 2006 were analyzed.

Data about each report are collected automatically as it is submitted through the GAIN reporting system. Fields automatically included in the database include report category, title, date submitted, country, post, and voluntary or required. In the 24 months analyzed, 1,843 observations were collected, accounting for 675 unique GAIN reports. Some 52 of the 73 different report categories appear on the list at least once as well as 89 of the 103 different countries. Table 4-1 shows the breakdown of the 675 unique reports appearing on the list by the year in which they were produced.

When the download statistics are taken from Webtrends the GAIN files are only indexed by file number. The files are then indexed against the larger *Reports Produced* database in order to compile full descriptive details about each of the reports appearing in the download list.

### **Methods for setting up Web-trends database**

The simplest way to approximate demand for the information being produced by FAS is to use download statistics of FAS GAIN reports. These reports can easily be divided by country and subject. Download statistics from the GAIN database of online reports created and analyzed

by the researcher for this study have been used to act as a proxy of demand for each report. If the information noted in the literature review is in fact the most important to the preparation of market analyses, then demand statistics for those reports should be the highest. An alternative theory is that the most demanded GAIN reports reflect the most valuable information supplied by FAS.

The Webtrends program tracks the number of file downloads from FAS servers. Chapter Five reports and analyzes the descriptive statistics of the files downloaded through the external search engine of GAIN reports. Tracking downloads of these reports is one way of providing tangible statistics to the concept of customer demand. Download statistics are not perfect but they are more reliable than webpage hits or other similar measures (Webtrends 2006).

These statistics report downloads for the Calendar Years 2005 and 2006. Comparing only calendar year to calendar year is important so that the statistics are not skewed due to seasonality in demand for certain types of reports. Because of limitations in the reporting programs, a report must be downloaded 140 times in a month before it is recorded in the database.

Most reports that are posted on the public server are not downloaded more than 140 times in any one month and thus do not appear in these statistics. Using Calendar Year 2005 as an example, in 2005 about 2,100 GAIN reports were released to the public. By the end of 2006, after each report had been on the server for at least twelve months, only 310 of the 2,100 (or 15%) had appeared on the download list.

### **Determining What Information is the Most Demanded**

The first step in the analysis of the GAIN reports downloads was to count which countries and categories appear most often, the next step is to describe what information is contained in each of the top report categories to completely address the fourth research objective, “What information is FAS customers demanding in the form of GAIN reports?”

This question is somewhat difficult to tackle since each category of report can contain many different types of information. The first step was to review the reporting instructions provided by FAS to each post regarding what information should be contained in each report. These instructions showed promise since each of them were very clear and specific. The second step involved comparing the reporting instructions with some actual reports that had been marked as being in each category. From this comparison it was soon apparent that many of the reports did not contain all of the information outlined in the reporting instructions.

The types of information needed to conduct market analysis suggested by the literature, (i.e., potential opportunities and threats, and critical data sets) could not be equated by report category only, nor could they be equated by reading the titles of the reports since many reports have non-descript titles. Hence, a strategy of examining the contents of each report to determine if it contained these types of information was developed. If the contents of the report mentioned opportunities for American industry or positive trends in the industry, then it was deemed to contain information about opportunities; if a report contained information about competitors or problems that occur when trying to do business in a particular country, it was deemed to contain a threat; and if the GAIN report contained information about the production, supply, demand, volume produced or volume consumed by a country, it was deemed to contain critical data. In the instances where it was difficult to discern how the information presented in a particular report related to those categories, that determination was left up to the discernment of the researcher.

This analysis proved to be time consuming and in an effort to streamline this process only reports that appeared on the list in more than one month were reviewed. This subset is a

reasonably representative sample since it shows at least a sustained interest in the report and together this subset accounts for 446,000 of the total 514,710 downloads or 86.6 per cent.

This chapter reviewed the methods used to collect and clean the data used for this research project. We saw how each of the three data sets was collected and compiled and some descriptive statistics about each dataset. The next chapter will analyze these datasets and answer the research questions asked in Chapter One.

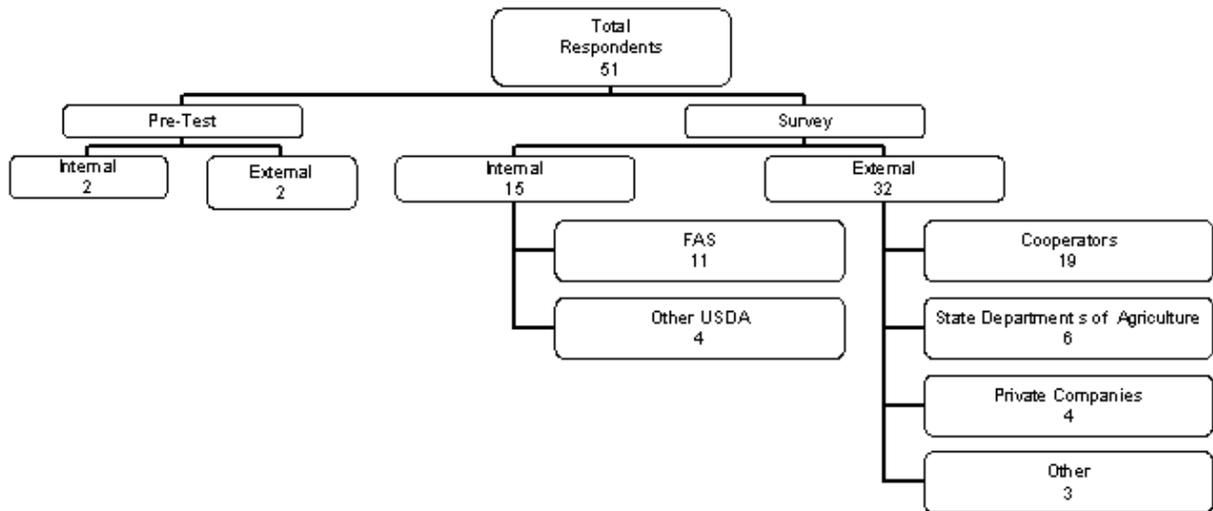


Figure 4-1. Number of Persons that Completed Telephone Pre-test or Survey; Break-out by Internal or External Source and Specific Type of Source.

Category of FAS Post	Post differentiation by category	Number of Posts Responding	Total Survey Population
FAS Regional Categories	Asia	15	34
	Europe	15	27
	W. Hemisphere, M. East, Africa	20	42
Type of FAS office	Agricultural Affairs Office (AAO)	39	89
	Agricultural Trade Office (ATO)	11	14
Number of Foreign Service Officers (FSO) at Post	Less than or equal to 1	26	103
	Greater than 1	24	103
Human Development Index (HDI) value for host country	HDI < .8	27	103
	HDI > .8	23	103
2005 agricultural trade value with the U.S.	Less than ½ billion US\$	26	103
	Greater than ½ billion US\$	24	103

Figure 4-2. Number of FAS Posts Responding to Web-based Survey for Each Category of Post Analyzed by the Researcher.

Table 4-1. Number of unique GAIN reports downloaded in 2005 and 2006 listed by the year in which the report was published by FAS.

Year Published	Unique Report Downloads in 2005-06
1999	5
2000	15
2001	10
2002	21
2003	53
2004	57
2005	311
2006	203
Total	675

## CHAPTER 5 RESULTS

The results chapter will address and discuss the five research objectives. The first three research objectives are met by analyzing and synthesizing each of the following data sources: The literature review, the web-based survey of FAS posts, the telephone survey of FAS customers, and the webtrends database of on-line demand for FAS reports. The remaining two research objectives require comparative analysis of the results of the data sources to determine the conclusions of this research. As stated in Chapter One, the five research objectives are--

- To conduct a literature review to identify the steps and methods proposed in the current literature for conducting market analyses;
- To design and conduct a web-based survey of FAS posts to identify the methods and practices used by the FAS posts to conduct the market analyses;
- To conduct a telephone survey and construct a webtrends downloads database to identify the market analysis information demanded by users of FAS services;
- To analyze differences in the methods and practice of market analysis between the literature and FAS Posts, and
- To analyze the information demanded by users of FAS services and the market analysis services provided by FAS Posts to determine FAS's most valuable market analysis functions.

### **Identify Methods Proposed in the Current Literature for Conducting Market Analysis.**

The results of the literature review were presented in Chapter Three; the summary results significant to addressing further research objectives are outlined here. In regard to the first research objective, an analysis of the literature suggested that four principle steps of market research and analysis were suggested by most of the sources reviewed. Those four steps are--

- Identify potential threats to the business
- Identify strengths within the business that can be exploited
- Identify the market segments or clusters that are to be targeted (i.e., specific opportunities)

- Use primary and/or secondary data to identify market demand and trends.

These four principle steps will be used later to answer the fourth research objective.

The other major result of the literature review is the comparison of information sources to the market analysis process or flow chart developed by this researcher to summarize the various steps of market analysis described in the literature. This flow chart is presented as Figure 1-1 and is displayed again here because of its importance to the results and analysis presented in this chapter.

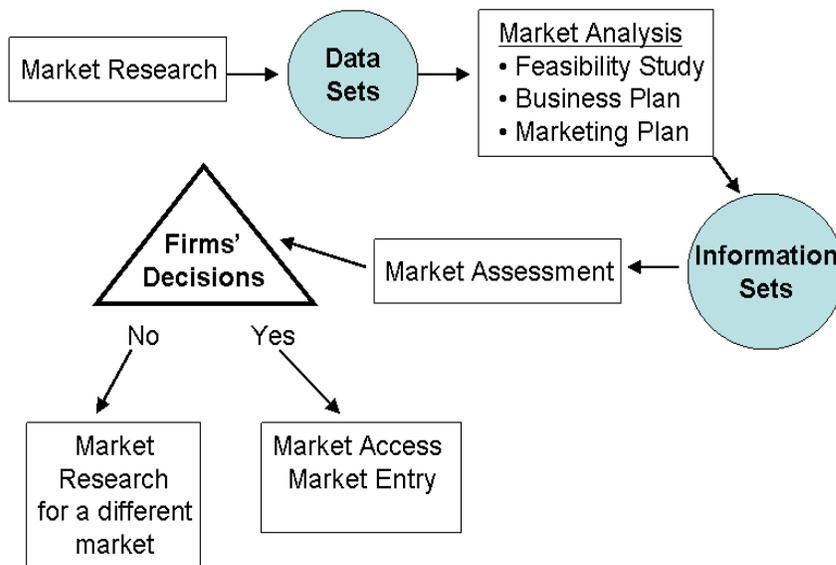


Figure 5-1: Market Analysis Flow-Chart

### Summary of Results

In relation to this market analysis flow chart, this researcher determined that university publications presented in the literature review focus mainly on the process of market analysis, which often includes developing a business plan and looking at the feasibility of new ventures. The difference is that university resources typically guide the user while the private resources will actually perform the analysis for an individual or firm for a fee. This researcher also

discovered that numerous government information resources are most useful for providing data sets which can inform market research and market analysis.

### **Identify the Methods and Practices Used by the FAS Posts to Conduct Market Analysis**

The second research objective is addressed using the web-based survey of FAS overseas posts as the primary data sources. A complete copy of the questionnaire as published on the University of Florida website for FAS posts is available in Appendix B and a complete breakout of responses to each question is in Appendix D. Of the 13 questions asked in the web-based survey, only three (questions Nos. one, seven, and nine) are discussed in detail to inform the results of this thesis. Other questions did not directly relate to the research objectives but met the needs of collaborators within FAS.

Overall, 50 of the 100 posts responded to the survey. This includes 39 Agricultural Affairs Offices and 11 Agricultural Trade Offices. As noted in Chapter Four, in the FAS system of managing international offices, the world is divided into three branches: Asia Branch, Europe Branch, and Middle East, Africa and Western Hemisphere Branch. Table 5-1 shows the response rates and totals for each of these branches. The response rates are very consistent worldwide with approximately half of the posts in each region responding to the survey.

#### **Question One: Initiation of Market Analyses**

The analysis of question one is used to determine the total number of market analyses conducted within one fiscal year and reasons that market analyses are initiated by posts. This researcher believed that this information was necessary as background to understand responses to other questions about the actual practices of market analysis.

Question one: For the time period of October 1, 2004 - September 30, 2005 please estimate the number of market analyses initiated in each of the following ways:

Table 5-2 shows the results of this question; the breakdown of various reasons for initiating market analysis reveals several key pieces of information. The first is that responding FAS posts conducted a total of 7,652 market analyses during fiscal year 2005. This result can be extrapolated to determine an estimate for all FAS posts including non-responding posts. The responding posts represent larger FAS posts and average 2.9 market analyses per week (153 per year). Therefore, for the 50 remaining non-responding posts, this researcher estimates only two market analyses per week (i.e., 100 per year). This researcher estimates two market analyses per week for smaller posts relative to the 2.9 market analyses conducted per week by larger posts. Using this estimation the researcher concluded that the 50 non-responding posts contribute on an average of 5,000 market analyses per year, suggesting a worldwide total of approximately 12,500 market analyses conducted in Fiscal Year 2005. This researcher cautions that this figure is only an approximation given the assumptions required to estimate the total worldwide market analyses.

Secondly, Table 5-2 shows that the largest single group requesting market analyses was individual U.S. companies. This researcher then compared the reasons for initiating market analyses between government and non-government sources to draw further conclusions. These results are also presented in Table 5-2 which sub-totals the government or non-government sources within the table. The two largest groups requesting FAS to initiate market analyses are both non-governmental (individual U.S. companies and U.S. trade associations). However, overall slightly more market analyses are initiated on behalf of governmental sources, including periodic scheduled reports, within post projects, and requests from FAS Washington, embassies, or state governments.

## **Methods Used to Conduct Market Analyses and Collect Market Information.**

The results of the other two survey questions were used to determine the methods and practices used by FAS offices to conduct their market analyses.

Question seven: Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005?

Question nine: During the time period of October 1, 2004 - September 30, 2005 what were the principal sources of information used to conduct market analyses?

As noted in Chapter Four, in analyzing the responses to these questions, the researcher determined it was necessary to further compare the responses based on different categories of FAS posts. These sub-groupings included the Human Development Index, region, value of agriculture trade with the U.S. and number of U.S. staff at post. The methods for this cross tabular analysis are described fully in Chapter Four. The following section will first present results and analyses of each question as published in the survey followed by the results of the cross tabular analyses for correlations between responses and post categories with a 95% confidence level of significance.

### **Question seven: Market Analysis Services Provided by Post**

Table 5-3 presents results of question seven and shows the percentages of posts which always or frequently provide various services as listed in the questionnaire. The top three services are more than ten percentage points higher than the remaining responses and should be carefully noted within the results.

The two most common responses about provided services were “*understanding trade barriers*” and “*interpreting local country importation laws*” which are related in that many of the trade barriers faced by U.S. agricultural products are due to legislation or regulations

preventing the importation of U.S. products. Specifically these services relate more to market access and market entry than to the process of market analysis.

The third most frequently provided service is “*estimating/measuring overall market size.*” In contrast to the top two services which deal with market entry and support of the export process, this service can be characterized as market research. This information could be requested by either government or non-government sources. An individual firm may need to gather market research data or a government agency could be gathering background information for WTO negotiations related to understanding possible market distortions and trade disputes. In cases such as the latter, estimating overall market size is related to both understanding trade barriers and interpreting local country importation laws.

The fourth most frequently provided service, “*finding an in-country partner to help with distribution,*” is similar to the top two services as it relates to the market entry step of Figure 1-1. It follows that this service is requested less often as it is a strictly private sector service request. However, it should be noted that among private sector service requests, it is the most requested service.

The fifth and sixth most frequently provided services are also strictly private sector requests, “*identifying marketing strategies*” and “*identifying target consumers.*” Both of these activities were discussed in Chapter Two as being important parts of developing a market analysis and are specifically mentioned in Dalton’s *Marketing for the Value-Added Agricultural Enterprise* and Weinstein’s *Handbook of Market Segmentation Strategic Targeting for Business and Technology Firms*. It is possible that they occur further down the list because they are specific tasks needed only by a subset of all of the customers that request market analyses.

The seventh and eighth most frequently provided services, “*providing cultural analysis*” and “*providing political analysis*” utilize FAS in-country expertise to help a customer understand the current cultural or political environment of a potential market. Both governmental and non-governmental customers have a need for these services, and these analyses can range in depth of the analysis requested from providing general insight about a press report or developing a formal report to explain a developing political situation in a country.

#### **Question nine: Sources of Market Analysis Information Used by Post**

Question nine of the web-based survey asks FAS posts to identify the sources of information most often used when preparing market analyses.

Table 5-4 presents results of question nine and the percentages of posts which always or frequently utilize the information sources listed as choices in the web-based survey. Broadly speaking these results reflect the importance of personal relationships and local knowledge to the gathering of information in foreign countries. The top four categories rely on people with insights and history of the local agricultural industries. The data and trade journals that are more widely available appear lower on the list of FAS information sources.

The highest ranked source, “*contact with in-country industry,*” is eight percent higher than the next source on the list. This reveals the most valuable information source as a source requiring personal relationships and contacts to maintain. In many countries FAS offices have cultivated these types of contacts over a period of many years. It is often noted in the area of market analysis that the best sources, such as contacts with existing in-country industry, are those that will likely be the competitors of new products in that market. This can sometimes make it difficult to extract good information from firms that perceive a potential threat from FAS clients in the future.

Two sources are ranked with the second highest percentage of positive responses. These are “*contact with host country governments*” and “*first-hand knowledge by an FSN (Foreign Service National)*.” Both of these responses are related to each other since often times the relationships with host country governments are nurtured over a period of years by not only U.S. FAS staff but also local staff known as FSNs (Foreign Service Nationals). The continuity of information sources provided by such lasting relationships is crucial for FAS performing market analyses and market entry functions because personal relationships are recognized as a key aspect to business success worldwide (Fey 2002, 57). Often FSNs remain in their position for many years at FAS posts; therefore, they are extremely important for maintaining this continuity of contacts with local industry and government. As the Attachés cycle in and out every three to four years, the FSNs maintain long-standing contacts and help the attachés establish such important connections in the country.

The fourth most cited source is “*contact with local distributors in that industry*.” This source can actually be considered as a subgroup of the highest rated source, “*in-country industry*,” as distributors are a sub-sector of the larger group of in-country industry officials. Distributors are listed separately in the questionnaire because they play a key roll with their knowledge of exactly how much product is moving through the supply chain at all points.

The fifth most cited source is “*foreign government data*.” It is important to be aware that not all foreign government data are as accessible or easy to obtain as government data for the United States. In a number of countries foreign government data must be laboriously pursued through a series of phone calls and personal visits to government ministries to obtain paper records. Nevertheless, foreign government data are a crucial source of information for FAS offices worldwide.

## Cross Tabular Analysis Results for Question seven and Question nine

The response choices listed in Table 5-3 and Table 5-4 for both question seven and question nine were used in the cross tabular analysis. This section will provide the results of the four statistically significant (95% probability) correlations that were determined from the cross tabular analysis and can, therefore, be used to draw further conclusions in this research. Each correlation is presented along with the complete matrix of responses to that question used in the cross tabular analysis.

Table 5-5 shows the cross tabular analysis of question seven showing the relationship between posts providing cultural analysis and the 2005 US agricultural trade dollar value with that country. This analysis reveals a positive correlation between the largest U.S. agricultural trading partners and the frequency of the post *providing a cultural analysis of a situation* in that country (Chi Square = 6.88, p-value = .032). One possible explanation for this association is that since these trading partners are so large, there are also many instances of both private sector and governmental officials meeting with their foreign counterparts and, therefore, requiring cultural analysis briefings prior to their interactions.

Table 5-6 shows the cross tabular analysis of question seven showing a relationship between posts *providing political analysis* and FAS office size. There is both a positive association between FAS offices with more employees providing political analysis and smaller FAS offices not providing political analysis (Chi Square = 12.74, p-value = .002). One possible explanation is that larger offices tend to be located in countries where the domestic political situation is important to the United States, such as Moscow and Tokyo, whereas smaller offices tend to be places where domestic politics do not directly impact the United States as much, such as Italy or Nicaragua. A second straightforward possibility is that the larger offices simply have

more people available to fill the requests for political analysis and are able to provide these more regularly than are smaller offices with less staff resources available.

Table 5-7 shows a positive correlation of more *reliance on knowledge of the FAS Attachés* in less developed countries as well as negative correlations for reliance on attaché knowledge in more developed countries (Chi Square = 11.04, p-value = .004). It is possible this relationship exists because of the relative difficulty of obtaining information in less developed countries and often the Attaché must rely on experiences that occurred previously in their career to find the information they need. As a general rule, FAS sends more highly-qualified and experienced officers to less developed countries, and they are often the only U.S. officer at post.

Table 5-8 shows a positive correlation between the use of U.S. trade journals and less developed countries (Chi Square = 5.89, p-value = .052). Overall, only 10 of the 48 posts that responded to this question indicated that they use these sources; however, of those that did indicate that they use them, 90 percent (9 of 10) were in less developed countries. This is probably because less developed countries often do not have separate trade journals and possibly the only sources of information on their countries are U.S. journals with an international scope.

### **Summary of Analysis of FAS Web Survey Results**

This researcher determined that FAS market analysis functions primarily include tasks focused on market entry or market access such as *understanding trade barriers, interpreting local country importation laws and finding an in-country partner to help with distribution*. They also included classic market analysis elements, such as *estimating/measuring overall market size, identifying marketing strategies and, identifying target consumers*. Important sources of information were primarily those that hinge on close physical proximity and continuing

relationships including, *contact with key industry players, contact with host country government, first-hand knowledge by a FSN and local distributors in that industry.*

### **Identify Market Analysis Information Demanded by Users of FAS Services**

To address the third research objective, two primary data sources were used: the telephone survey of FAS customers and the creation and analysis of the webtrends download database.

### **Results and Analysis of the Telephone Survey of FAS Customers**

The telephone survey of FAS customers highlighted some significant details about the information used by FAS customers. The first common response of the telephone survey was that FAS information customers do not distinguish between information that comes from FAS and information that comes from other USDA agencies. It is all considered to have originated from the same source. This observation is based on the open-ended responses recorded during the survey with 70% of the respondents commenting on FAS reports in the midst of referring to other USDA reports. This pattern indicates that respondents do not view the agencies within USDA as materially different. Much of what customers identified as important sources of information coming from USDA were actually particular GAIN reports produced by FAS offices abroad.

A second result of the telephone survey is that customers use FAS information for a variety of purposes including preparing market analyses, assessing local food trends and writing reports and articles for newsletters. Many of these purposes require adding the FAS information to the firm-specific analyses that already exist within their organizations. This can be seen from the results of Question 21, "*How do you use the information (that you obtain from FAS)?*," with 14 of the 20 external subjects responding that the information is used to prepare "*reports or newsletter articles*" and also 13 of the 20 stating that it is used to "*prepare marketing plans*" or to "*attempt to assess local trends*".

Thirdly, the majority of FAS customers surveyed use the internet as their primary source of obtaining information from FAS. When asked, “*Do you use FAS online?*” 27 of 33 (82%) of external customers responded that they use it frequently. With an additional five customers noting they use it infrequently. This is logical as the website can be accessed anytime from any location. Respondents also indicated that FAS online information is relatively easy to locate and is stored in standardized formats.

Overall, results from the telephone survey indicate that FAS customers perceive that FAS offices abroad are involved in almost all phases of the market analysis flow chart presented in Figure 1-1. For the open-ended question, “*What types of information are you seeking when you contact posts?*” the most popular responses were ‘*Gather Data Not Available Anywhere Else*’ with 22 out of 33 (67%) respondents stating this, ‘*Market Access Problems*’ with 16 out of 33 (48%) and ‘*Codes and Regulatory Information*’ with 13 out of 33 (39%). The first response is not particularly telling; however, the second two responses relate to the market access and market entry phases of the export process.

While the telephone interviews did provide some useful information, this data source also presented several problems as discussed in the Chapter Four. Therefore, this researcher transitioned to a more reliable and complete data source, the webtrends database, to answer the research objective concerning information demanded by FAS users.

### **Results and Analysis of the GAIN Report Downloads by Country and Subject Using Webtrends**

As described in Chapter Four, this researcher determined the simplest way to approximate demand for the information being produced by FAS was to analyze the download statistics of FAS GAIN reports. Download statistics from the GAIN database of online reports created and analyzed by the researcher for this study act as a proxy of demand for each report. This section

will describe the most downloaded GAIN reports in 2005 and 2006. The webtrends database reveals that the most popular countries and report categories account for the heavy majority of the total downloads. For instance the 20 most popular countries provide 80% of the reports written in 2005 that were on the list, and the top 20 categories account for 90% of the reports that appear on the list. This trend goes beyond report categories or countries' demands for individual reports. The top 10% of the most downloaded 2005 reports account for 55% of the total downloads.

The above example only includes those reports written in 2005. The entire list of reports downloaded in 2005 and 2006 includes reports written years 1999 through 2006. A total of 675 different reports types were downloaded during the years 2005 and 2006. As an example of the diversity among the most downloaded reports consider that only three reports appear on every monthly download list for the entire 24 months reported, The Canada Organics report from 2002, Canada's Food Brokers list from 2001, and Japan's Organics report from 2000.

Table 5-11 shows that overall seven report categories are among the top ten most downloaded in both 2005 and 2006. These categories are Retail Food Sector, Food and Agriculture Import Regulations and Standards (FAIRS) Country Report, Grain and Feed, Exporter Guide, Oilseeds and Products, Food Processing Ingredients, and Organic Products. Similarly Table 5-11 shows seven countries are in the top ten in both 2005 and 2006: Canada, China, EU-25, France, India, Japan and Mexico. The combination of the top seven countries and top seven categories yields 25% of the total reports downloaded each year.

Expanding this analysis to include the top 25 countries and categories gives us an idea of the wider patterns shown in the data. We see that 15 of the countries and 18 of the categories appear in the top 20 in both 2005 and 2006. The combination of these 25 countries and

categories accounts for 86% of total downloads during these years. Table 5-9 is the matrix that results when the 25 countries and categories are combined. This matrix demonstrates the popularity of specific countries such as China and EU-25 and of categories such as the FAIRS Country reports and the Exporter Guides. The matrix in Table 5-9 allows for a visual comparison between countries and categories so the viewer can see patterns in how those two distinctions interact.

### **Results and Analysis of GAIN Report Downloads by Type of Information Contained in the Report**

After analyzing the total downloads of GAIN reports by country and category, the researcher conducted a second analysis looking at the information contained in the GAIN report downloads. Chapter 4 explains how this researcher categorized the information contained in reports into the three categories of opportunities, threats, and trade data as a basis for the analysis. These three categories were determined based on the results of the literature review which identified four key steps for the market analysis process. They were necessarily condensed into three categories for the analysis of the GAIN reports. This analysis did prove to be fruitful and revealed the types of information most demanded by FAS information customers.

Table 5-12 shows the total number of downloads as well as number of unique reports downloaded for each of the three categories. According to this analysis, the type of market analysis information that FAS customers demand most is information about opportunities. However, because each report typically contains more than one type of information, the researcher created Table 5-13 to analyze the package of information content in the report downloads. It was determined as a result of this analysis that customers actually tend to demand packages of information. The most demanded package of information is the one that contains all three types of information: Opportunities, threats and trade data. The four most popular

categories of GAIN reports that contain this package are Food Processing Ingredients Sector, Retail Food Sector, Product Brief and Exporter Guide. It is interesting that while all four of these categories appear in the top ten most downloaded GAIN reports by categories, they rank third, fifth, sixth and ninth. In this case we cannot draw a direct relationship between demand for specific packages of information and demand for specific GAIN reports.

The second most popular interaction of the three information types is, in fact, an absence of all three types of information. There were 67 GAIN reports with a total of approximately 88,000 downloads that did not contain any of the three information types examined in this research. This begs the logical question, “what type of information do these reports contain?” It was determined that many of the reports in this category are FAIRS (Food and Agricultural Import Regulations and Standards) reports that contain explanations of foreign country import laws and food safety standards. Basically, these are the GAIN reports that coincide to the two most often provided services by posts according to the web-based post survey noted earlier, “*Understanding trade barriers*” and “*Interpreting local country importation laws.*” The most common report category in this section is the FAIRS report. It is interesting to note that in many of these reports there is very little information added by the FAS posts besides alerting the audience to the change(s) in laws or regulations and then translating the text of such change(s).

The third most downloaded set of information is the one that contains opportunities and threats but not trade data. The four report categories that occur most frequently with these types of information are Oilseeds and Products, Organic Products, Product Brief and Retail Food Sector. These reports often address coming trends in a country and explain some of the same services identified in the Web-based survey, such as estimating market size, identifying target consumers and marketing strategies, as well as cultural and situational analysis. Though these

reports do not contain trade data, they still contain statistics such as prices of similar products and estimates of domestic demand for particular products. The information contained in these reports would most likely be used by a firm during the market research phase of the flow chart depicted in *Figure 1-1*.

The analysis of GAIN report downloads collected in the Webtrends download database provides two basic conclusions. The first is that FAS customers are seeking information about opportunities in foreign markets and the second is that the most popular category of report for both years in which data was collected is the FAIRS report, which focuses on each country's specific set of import regulations and often includes information about non-tariff barriers to trade. This coincides exactly with the services FAS posts indicated they most often provide and again falls into the market access and market entry phases of the *Figure 1-1* flowchart.

#### **Differences in Methodology and Practice of Market Analysis between the Literature and FAS Posts.**

The literature review presented the results of the market analysis process in a flow chart. The literature on market analysis is mainly focused on the 'process' of market analysis which often includes developing a business plan and exploring the feasibility of new ventures. These are the focuses of many university publications and private resources on the topic. Within that market analysis process, this researcher identified the four key steps of market analysis in the literature which were later condensed to three: Opportunities, Threats, and Trade Data. The literature review also revealed numerous government sources primarily used to provide data sets which inform the market research and market analysis process.

With regard to research question four, this researcher determined the major difference between the literature on market analysis and the practices of FAS is that FAS deals more often with market entry and market access than the general market analysis process. Both the most

common services performed by FAS offices abroad (*Understanding trade barriers, Interpreting local country importation laws*) and the sources of information used (*Contact with key industry players, Contact with host country government, First-hand knowledge by a FSN*) indicate that FAS offices are involved in the marketing process several steps beyond where market analysis and market assessments happen. Therefore, this researcher was not able to directly compare market analysis methods between the literature and FAS practices. Nonetheless, the conclusion drawn from this analysis is significant in understanding the role of FAS in the market analysis process.

It costs a great deal of money for U.S. taxpayers to have these offices abroad and their value-added is on the ground with operational details of how to move a product within a country and how to address potential trade barriers that might prevent US imports to that country.

The survey of FAS posts paints a clear picture of offices that receive hundreds of requests a year to conduct market analyses for a variety of products. They only have time and resources to pursue the ones that have the potential to benefit FAS customers, which are primarily US exporters. This research suggests that FAS posts work mainly with established exporters that are already exporting product(s). These exporters will call upon FAS when there are regulatory or trade barriers that they cannot address through the private sector processes.

FAS's organizational structure is set-up to have background work, or more general market analysis functions, performed by the staff in Washington. Of FAS's 1000 employees, 700 are in Washington and only 300 are abroad. Yet the 300 stationed abroad cost the organization much more money per capita. The FAS Washington staff has employees with the titles such as "Marketing Specialist" whose job descriptions includes helping new and existing U.S. exporters investigate foreign markets. The role of the staff at oversea post is to assist U.S. firms when they

come to the country for visits with contacts and to aid the company when trade barriers arise, whether political (a protectionist import ban to support domestic prices) or physical (an official at the port refuses to let a product be unloaded until he receives a bribe). These are the types of wide-ranging activities that can best be done by posts and are a more logical use of their scarce resources since they benefit many U.S. exporters and result in maintaining or increasing exports, which has immediate financial recompense for US agribusinesses.

### **Examination of the Information Demanded by Users of FAS Services and the Market Analysis Services Provided by FAS Posts to Determine FAS's Most Valuable Market Analysis Functions**

The information demanded by FAS's customers seems to be two pronged. The first is that they demand information about market opportunities, and the second is that they demand a specific type of report that details technical barriers to trade. These varied types of information demanded indicate that FAS has at least two types of information customers: Those that are investigating a wide variety of information about agricultural markets in a variety of countries and those that are already engaged in exporting and are interested in technical barriers to trade.

The first group of information customers seems to be engaged in the data gathering stage of market analysis where various marketing opportunities are weighed against each other by collecting as much data as possible about various markets. The other group of exporters is probably smaller in number, but the type of information they need is more precise and, therefore, all of their information demands are concentrated in one (very popular) report. This second group of exporters seems to be in line with the subset of U.S. firms to which FAS posts cater. This is the reason that we see the overlap between the services offered (*Understanding trade barriers, Interpreting local country importation laws, Finding an in-country partner to help with distribution*) and the top demanded report by number of downloads (*Food and Agriculture Import Regulations Report*).

## Summary

Consolidation in the U.S. agricultural industry has led to only a limited number of agricultural firms controlling much of the nation's agricultural exports. These few firms have teams of people dedicated to international marketing and supporting the process of exporting product(s). When these organizations contact FAS, it is likely that a lot of money is at stake. These large firms are likely to be the ones driving demand for the FAIRS report and for the services most frequently provided by FAS posts.

The smaller firms with more limited resources are more likely the ones driving demand for the rest of FAS's GAIN reports. These firms need greater assistance and need to be accessing FAS's marketing specialists in Washington, DC, before they contact posts with specific questions. These smaller or new-to-exporting firms are the ones that stand to benefit the most from FAS's improved methods for conducting market analyses.

In addition to answering the research objectives, this chapter revealed two particularly unexpected conclusions included in the results above. First, the researcher learned that FAS does not have a formal method for conducting market analysis as was assumed at the start of this project. Secondly, the discovery that FAS focuses more on market access and market entry than market analysis is a key result of this research.

The next chapter, Chapter Six, "Conclusions and Outcomes" highlights a few of the other insights gained during the process of completing this research project and offers suggestions that address the conclusions discussed in this chapter.

Table 5-1. Response Rate by FAS management region for the Web-based survey of FAS Posts.

	Number of Posts	Responses	Response Rate
Asia	34	15	44.1%
Europe	27	15	55.6%
Middle East, Africa and Western Hemisphere	42	20	47.6%
Total	103	50	48.5%

Table 5-2. Results of web-based survey of FAS Posts question number one: ‘For the time period of October 1, 2004 – September 30, 2005 please estimate the number of market analyses initiated in each of the following ways?’

Reason for Post to initiate a market analysis	Count	Percentage
Request by Individual U.S. company	2160	28%
Request by U.S. trade association/commodity group	1265	17%
Periodic scheduled report	1000	13%
Initiated within post	961	13%
Request by FAS Washington	917	12%
Request by U.S. embassy	499	7%
Request by U.S. state governments	449	6%
Other	170	2%
Request by other USDA office	87	1%
Request by local contact	75	1%
Request by other FAS Posts	39	1%
Request by USTR	30	0%
<i>Sub-total of U.S. Govt. requests</i>	<i>3982</i>	<i>52%</i>
<i>Sub-total of non- U.S. Govt. requests</i>	<i>3500</i>	<i>45%</i>
<i>Sub-total unknown ‘other’ requests</i>	<i>170</i>	<i>2%</i>
Total	7652	100%

1/ Response Rate = 50/103

Table 5-3. Totals for ‘always’ and ‘frequently’ responses to web-based survey of FAS Posts  
 Question 7: *Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005?* Responses indicating ‘occasionally, seldom, or never’ responses not scored.

Service was ALWAYS or FREQUENTLY performed by post.	Number of ‘always’ or ‘frequently’ responses	Total responses	%
Understanding trade barriers	42	50	84%
Interpreting local country importation laws	40	50	80%
Estimating/Measuring overall market size	36	50	72%
Finding an in-country partner to help with distribution	31	50	62%
Identifying marketing strategies	30	50	60%
Identifying target consumers	29	50	58%
Providing situational analysis - cultural	28	50	56%
Providing situational analysis - political	25	50	50%
Assistance with USDA Programs i.e. GSM, Cooperator programs, etc.	24	50	48%
Identifying potential product competitors and competitor pricing	22	49	45%
Assistance finding an in-country partner to help with marketing	19	50	38%
Help companies plan their 'marketing mix' of products/services	11	49	22%
Monitoring and Evaluating Market Response	11	49	22%

1/ Response Rate = 50/103

Table 5-4. Totals for ‘always’ and ‘frequently’ responses to web-based survey of FAS Posts  
 Question 9: During the time period of October 1, 2004 - September 30, 2005 what  
 were the principal sources of information used to conduct market analyses?  
 Responses indicating ‘occasionally, seldom, or never’ responses not scored.

Service was ALWAYS or FREQUENTLY performed by post.	Number of ‘always’ or ‘frequently’ responses	Total responses	%
Contact with key industry players	46	49	94%
Contact with host country government	42	49	86%
First-hand knowledge by a FSN	42	49	86%
Local distributors in that industry	39	49	80%
Foreign government data	38	49	78%
First-hand knowledge by a U.S. FAS employee	30	49	61%
Cooperator or other U.S. commodity representative in the country	29	49	59%
Foreign trade journals	29	49	59%
United States Government data	29	49	59%
Independent data gathering service	17	49	35%
Survey or other primary data collection	15	48	31%
International news services websites/wire/print (CNN; BBC; AP)	12	49	24%
First-hand knowledge by a U.S. Embassy employee, (Dep.of State)	11	49	22%
United States trade journals	10	48	21%
Contact with government officials representing third countries	6	48	13%

1/ Response Rate = 50/103

Table 5-5. Cross tabular analysis showing positive correlation between largest U.S. agricultural trading partners and Posts that 'always or frequently' provide cultural analysis. Results based on web-based survey of FAS Posts question 7: Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005?

	Agricultural Trade Value with U.S. between 0.5 billion and 10 billion USD	Agricultural Trade Value with U.S. less than 0.5 billion USD	Total
'Always' or 'Frequently' provide cultural analysis.	18 (75%)	10 (38.5%)	28 (56%)
'Occasionally' provide cultural analysis	4 (16.7%)	12 (46.2%)	16 (32%)
'Seldom' or 'Never' provide cultural analysis	2 (8.3%)	4 (15.4%)	6 (12%)

1/ Response Rate (N) = 50/103

2/ Chi-square = 6.88, p-value = .032

Table 5-6. Cross tabular analysis showing correlation between FAS office size and Post providing political analysis. Results of web-based survey of FAS Posts question 7: *Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005?*

	One or less Foreign Service Officers at Post.	More than one Foreign Service Officer at Post	Total
'Always' or 'Frequently' provide political analysis.	7 (26.9%)	18 (75%)	25 (50%)
'Occasionally' provide political analysis	7 (26.9%)	4 (16.7%)	11 (22%)
'Seldom' or 'Never' provide political analysis	12 (46.2%)	2 (8.3%)	14 (28%)

1/ Response Rate (N) = 50/103

2/ Chi-square =12.74, p-value = .002

Table 5-7. Cross tabular analysis showing correlation between first-hand knowledge Foreign Service Officer (FSO) and human development index value of the host country. Results based on web-based survey of FAS Posts question 9: *During the time period of October 1, 2004 - September 30, 2005 what were the principal sources of information used to conduct market analyses?*

	Human Development Index < .8	Human Development Index >.8	Total
No response provided	0 (0%)	1 (4.3%)	1 (4.2%)
'Always' or 'Frequently' depend on first-hand knowledge of FSO	22 (81.5%)	8 (34.8%)	30 (60%)
'Occasionally' depend on first-hand knowledge of FSO	4 (14.8%)	8 (34.8%)	12 (24%)
'Seldom' or 'Never' depend on first-hand knowledge of FSO	1 (3.7%)	6 (26.1%)	7 (14%)

1/ Response Rate (N) = 49/103

2/ Chi-square = 11.04, p-value = .004

Table 5-8. Cross tabular analysis of positive association between ‘always’ and ‘frequent’ use of U.S. trade journals as an information source and a human development index value of less than 0.8 for the host country. Results based on web-based survey of FAS Posts question 9: *During the time period of October 1, 2004 - September 30, 2005 what were the principal sources of information used to conduct market analyses?*

	Human Development Index < 0.8	Human Development Index > 0.8	Total
No response provided	0 (0%)	2 (8.7%)	2 (4%)
‘Always’ or ‘Frequently’ use U.S. trade journals as info. source	9 (33.3%)	1 (4.3%)	10 (20%)
‘Occasionally’ use U.S. trade journals as info. source	6 (22.2%)	6 (26.1%)	12 (24%)
‘Seldom’ or ‘Never’ use U.S. trade journals as info. source	12 (44.4%)	14 (60.9%)	26 (52%)

1/ Response Rate (N) = 48/103

2/ Chi-square = 5.89, p-value = .052

Table 5-9. GAIN report matrix of 25 most downloaded report categories and countries for 2005-2006.

	Argentina	Australia	Brazil	Canada	China	Colombia
Agricultural Situation			179		1858	
Bio-Fuels					9531	
Biotechnology		179		185	344	
Citrus	391		771		458	
Coffee			1215			
Exporter Guide			174	4544	5875	191
Fishery Products					478	
FAIRS Country	1089	476	938	163	6252	
Food Processing Ingredients					8234	
Fresh Deciduous Fruit		204			600	
Grain and Feed	1310	1446	1536	840	2590	
HRI Food Service Sector					2465	
Kosher Foods	1821		373	1904		
Livestock and Products	247	1415	1575	601	1163	
Market Development			300	14753	1686	
Oilseeds and Products	410		2664		1178	
Organic Products		123		8058	154	
Planting Seeds	244				164	
Poultry and Products	229		1702	460	2092	
Product Brief		769				
Retail Food Sector				4761	1441	11195
Solid Wood Products					9399	
Sugar			4707		186	
Trade Policy Monitoring						
Wine	735	208			1481	
Total	6476	4820	16134	36269	57629	11386

Table 5-9. Continued

	EU-25	France	Germany	Greece	India	Japan	Korea
Agricultural Situation	4204				1736	559	
Bio-Fuels	1670				354	2497	
Biotechnology	1237	897	239		223		
Citrus						353	153
Coffee							
Exporter Guide		415	405		767	7693	1182
Fishery Products		1212					
FAIRS Country	1809	390	1304		4947	4274	6118
Food Processing Ingredients	4835			714	437	2389	149
Fresh Deciduous Fruit			102			220	
Grain and Feed	8312	132			2351	1012	2230
HRI Food Service Sector		4817		1202	344	316	185
Kosher Foods		10813	919				
Livestock and Products	3239					1024	433
Market Development							
Oilseeds and Products	25119	9953	10032		396		
Organic Products		6172				5438	1833
Planting Seeds					1463		
Poultry and Products	3658				1262	408	
Product Brief		9815		195		1478	2830
Retail Food Sector		2898		2074		166	2263
Solid Wood Products							
Sugar	11948				170		
Trade Policy Monitoring	1951						
Wine	882	750				310	
Total	68864	48264	13001	4185	14450	28137	17376

Table 5-9. Continued

	Malaysia	Mexico	Netherlands	Nigeria	Philippines	Russian Fed.
Agricultural Situation		768	2656			
Bio-Fuels						
Biotechnology	3234		228		3115	
Citrus		170				
Coffee		305				
Exporter Guide	877				4188	
Fishery Products						
FAIRS Country	2761	1761	324	622	3236	1893
Food Processing Ingredients				5012	4320	227
Fresh Deciduous Fruit						260
Grain and Feed		322			642	1143
HRI Food Service Sector						
Kosher Foods		1503				
Livestock and Products		2067				757
Market Development	1012					
Oilseeds and Products			6776			495
Organic Products						
Planting Seeds		124				
Poultry and Products	2456	392			211	2162
Product Brief		1753				
Retail Food Sector	148	188	138		220	6664
Solid Wood Products		7300			1128	641
Sugar		186				
Trade Policy Monitoring						176
Wine						
Total	10488	16839	10122	5634	17060	14418

Table 5-9. Continued

	Saudi Arabia	Singapore	Thailand	UAE	UK	Vietnam	Total
Agricultural Situation					150		12110
Bio-Fuels							14052
Biotechnology	144		223				10248
Citrus							2296
Coffee						378	1898
Exporter Guide			698	2514		198	29721
Fishery Products					389		2079
FAIRS Country	3818	5411	4540	529	1413	1986	56054
Food Processing Ingredients							26317
Fresh Deciduous Fruit							1386
Grain and Feed	209		3507			1556	29138
HRI Food Service Sector		898	1095	480			11802
Kosher Foods					1981		19314
Livestock and Products						337	12858
Market Development					154		17905
Oilseeds and Products							57023
Organic Products					885		22663
Planting Seeds							1995
Poultry and Products	322		496				15850
Product Brief		1415	628				18883
Retail Food Sector	2261			1549			35966
Solid Wood Products						178	18646
Sugar							17197
Trade Policy Monitoring							2127
Wine							4366
Total	6754	7724	11187	5072	4972	4633	441894

Table 5-10. GAIN report matrix showing total numbers of report downloads in 2005 and 2006 by country, arranged from greatest total downloads to least total downloads.

GAIN Report Country	Total Downloads 2005	Total Downloads 2006	Total Downloads 2005 & 2006
EU-25	18667	50366	69033
China	19043	43010	62053
France	14497	33937	48434
Canada	16367	20373	36740
Japan	15810	13325	29135
Mexico	8863	9655	18518
Korea	5432	11944	17376
Philippines	5674	11635	17309
Brazil	7935	8776	16711
Russian Fed.	7941	6891	14832
India	5855	8783	14638
Germany	5097	8216	13313
Colombia	5321	6065	11386
Thailand	6015	5172	11187
Malaysia	2107	8491	10598
Netherlands	495	9627	10122
Singapore	4592	3132	7724
Argentina	4281	2844	7125
Saudi Arabia	1026	5728	6754
Nigeria	478	5156	5634
Australia	2923	2425	5348
United Arab Emirates	1404	3668	5072
United Kingdom	1976	2996	4972
Vietnam	2356	2277	4633
Greece	1259	3318	4577
Israel	1868	2011	3879
Dominican Republic	464	3272	3736
Sweden	785	2526	3311
Taiwan	2034	1234	3268
South Africa	738	2443	3181
Indonesia	538	2523	3061
Czech Republic	620	2312	2932
Italy	2095	592	2687
Spain	1935	722	2657
Ukraine	1030	1395	2425

Table 5-10. Continued

GAIN Report Country	Total Downloads 2005	Total Downloads 2006	Total Downloads 2005 & 2006
Turkey	1455	898	2353
Austria	1320	956	2276
Bulgaria	166	2004	2170
Pakistan	206	1783	1989
Unknown*	1443	391	1834
Egypt	789	914	1703
Hungary	0	1583	1583
New Zealand	841	701	1542
Chile	879	549	1428
Portugal	612	806	1418
Venezuela	844	511	1355
Poland	458	696	1154
Hong Kong	1069	0	1069
EU-15	558	505	1063
Trinidad and Tobago	193	741	934
Peru	386	509	895
Caribbean Basin	527	303	830
Qatar	0	792	792
Morocco	318	268	586
Jamaica and Dominican Rep.	534	0	534
Kuwait	319	161	480
Denmark	0	360	360
Romania	348	0	348
Oman	0	333	333
Estonia	190	0	190
Lithuania	163	0	163
Belgium-Luxembourg	0	159	159
Croatia	0	158	158
El Salvador	0	138	138
Jordan	0	134	134
Bahrain	0	128	128
Cambodia	0	127	127
Belize	0	123	123
Totals	177521	306840	484361

Table 5-11. GAIN reports matrix showing total numbers of report downloads in 2005 and 2006 by category, arranged from greatest total downloads to least total downloads.

GAIN Report Category	Total Downloads 2005	Total Downloads 2006	Total Downloads 2005 & 2006
FAIRS Country	19902	47853	67755
Oilseeds and Products	15466	43630	59096
Retail food Sector	19904	19295	39199
Grain and Feed	16671	21227	37898
Exporter Guide	15686	15541	31227
Rood Processing Ingredients Sector	8679	20511	29190
Organic Products	8028	17809	25837
Kosher Foods	11277	12573	23850
Product Brief	6598	16370	22968
Solid Wood Products	5960	13924	19884
Market Development Reports	7714	10766	18480
Sugar	2177	15020	17197
Poultry and Products	7043	9860	16903
HRI Food Service Sector	8833	6230	15063
Bio-Fuels	0	14052	14052
Agricultural Situation	5923	7634	13557
Livestock and Products	6068	7316	13384
Biotechnology	1862	11332	13194
Wine	3819	1793	5612
Trade Policy Monitoring	3540	339	3879
Citrus	1263	1806	3069
Fishery Products	575	1636	2211
Fresh Deciduous Fruit	1652	377	2029
Planting Seeds	1206	789	1995
Coffee	1333	565	1898
Promotion Opportunities	1425	433	1858
Unknown*	1443	391	1834
Dairy and Products	1285	525	1810
Cotton and Products	259	1072	1331
Trade data Multiple commodities	1191	134	1325
Tomatoes and Products	555	665	1220
Canned Deciduous Fruit	781	340	1121
Sanitary/Phytosanitary/Food Safety	177	577	754
Export Certificate FAIRS Report	668	0	668
Asparagus	551	0	551
FAIRS Product Specific	110	441	551
Tree Nuts	326	214	540
Strawberries	0	531	531
Honey	461	0	461
Frozen Potato Products	421	0	421
Stone Fruit	307	0	307
Total	191139	323571	514710

Table 5-12. Analysis of GAIN reports by content for total reports downloaded and total unique report downloaded that were on ‘top 250 downloads list’ in web-trends download database for more than one month in 2005 – 2006. (Each report may contain more than one type of information)

	Number of downloads	Number of reports
Contains information on Opportunities	313,249	173
Contains information on Threats	236,947	153
Contains information on Trade Data	221,841	170
Total	772,037	496

Table 5-13. Analysis of GAIN reports showing each combination of type of information contained for trade data, threats, and opportunities paradigm. Matrix shows total reports downloaded and total unique reports downloaded that were on 'top 250 downloads list' in web-trends download database for more than one month in 2005 – 2006.

Contains Trade Data	Contains Information on Threats	Contains Information on Opportunities	Total Number of reports	Number of unique reports
Y	Y	Y	126,899	99
N	N	N	88,369	67
N	Y	Y	82,561	35
Y	N	Y	61,440	26
N	N	Y	42,349	13
Y	N	N	17,558	33
Y	Y	N	15,944	12
N	Y	N	11,093	7
Totals			446,213	292

## CHAPTER 6 CONCLUSIONS AND OUTCOMES

### **The Four Most Significant Observations**

Over the past two years of studying and analyzing both FAS and its information systems, many interesting phenomena were observed. The four most important to this work are as follows:

- FAS did not have a system that collected and reported information usage.
- FAS does not know exactly who are its primary information customers.
- There is an apparent consensus in the literature regarding the types of information needed to conduct market analyses.
- FAS does not have a systemized method for preparing market analyses.

#### **FAS Report Information Usage System**

Regarding the first point, the greatest outcome of this research project is that it has contributed to the establishment of a system that FAS can use to systematically collect and analyze GAIN report usage data. This research cannot take full credit for drawing attention to the problem that FAS needs to collect and analyze this information. However, the database created by this researcher for the project, along with the insights gained as a result of the database, provided FAS management with evidence that a permanent system could help manage the reporting work done by overseas posts. The October 2007 FAS demonstration of the revamped GAIN system included metrics for tracking report usage data.

#### **FAS Knowing Its Primary Information Customers**

Regarding the second point, no change is likely regarding knowledge about primary information customers. Due to privacy concerns, federal agencies are forbidden from installing 'cookies' onto users' computers to track their use of government information. Other solutions such as creating a log-in system to track usage yet still allow anonymity or requiring users to give a valid e-mail address each time they use the system have also been rejected by FAS

officials. It appears that at no time in the foreseeable future will FAS create a system to track who are its primary information customers.

### **Consensus in the Literature on Information Needed to Conduct Market Analysis**

This researcher was surprised to learn through the literature review process that, in fact, much of the market analysis information from the reviewed sources is quite similar. The most interesting examples of this similarity are in the agricultural land grant section of Chapter Three where eight departments' attempts to help the user learn how to conduct market analyses are presented. The approaches vary widely, from the University of Florida's collection of available databases and country pages to Michigan State University's personal interactions with innovation counselors. Among the schools that have created guides to marketing there is a large amount of variability. The University of Tennessee created a forty-page paper while Cornell University Extension Service created a series of one or two page publications. It is interesting to note how many ways there are to present information that is so similar.

### **FAS's Lack of a Systemized Method for Preparing Market Analysis**

The discovery that FAS lacks a systemized method of market analysis is another finding that is unlikely to change for a reasons rooted in FAS's Foreign Service selection process. When this research project began, the concept was to compare FAS's written procedures for conducting market analysis with the current literature. A problem arose when the researcher discovered that FAS did not have a collection of these written procedures. This begged the question, "How does a multi-national organization with hundreds of employees preparing market analyses function without a standardized set of procedures?"

The answer was slowly revealed as more information was discovered about the culture of FAS and the specific process used to recruit and select Foreign Service officers. FAS requires that its Foreign Service applicants be with the Agency for at least 18 months before they are

eligible to apply to the Foreign Service (though many work for FAS for years before they apply). During the time the applicant is working in Washington for FAS, he or she is expected to learn about the FAS style of researching and writing reports through his/ her everyday duties. Once an applicant passes the Foreign Service examination, he/she spends eight to sixteen years at two to four different posts as a junior officer before running his/her own office. During this time the junior officer learns from superiors and from the foreign staff how to conduct market research in each of the different posts; he/she then presents the information in the style learned while working in Washington. The process FAS uses to train its new Foreign Service Officers to conduct and present market analyses is a lot more complicated than providing employees with a manual, rather it is based in years of on-the-job training. This is a significant conclusion that led the researcher to reframe an original research objective as it is not possible to compare an FAS standard for market analysis with that of the literature review.

### **Applied Outcomes of the Research**

As a result of this research project, FAS made significant changes in the way it manages the GAIN system, specifically the collection and use of download data to inform FAS's operations.

### **Webtrends Downloads Database Long-Term Implementation**

The Webtrends download database developed for this research project was a proof of concept for FAS's management. It motivated FAS to begin thinking about ways the data collected can help inform management decisions. Concurrently with this research project, FAS was undertaking a system redesign of the GAIN reporting system. This fortunate timing enabled the researcher to present findings and recommendations to FAS management which were incorporated into the requirements of the new GAIN system.

One such improvement implemented because of this research is that the new GAIN system collects granular data about report downloads and usage. The new GAIN system will also have a user-friendly dashboard that allows managers to pre-designate the GAIN downloads data they need and display it in a variety of graphic formats.

Another important feature is that it will register every report that is downloaded at least once as opposed to the current system which only reports the top 250 most downloaded reports of any type. This will allow FAS officials to obtain a clear understanding of which reports have *not* been viewed. This upgrade is an important improvement widely requested by FAS management.

This researcher also suggested one minute time and date logs implemented in the new GAIN system. This is an upgrade over the monthly summary statistics available now. Tracking downloads in periods of one minute will allow for a much more robust dataset that will facilitate more detailed data analysis in the future.

At the time of the completion of this research, it appears that the Webtrends downloads database will have a substantial impact on the management of the overall GAIN reporting system. It will provide quantifiable evidence of relative differences in demand of GAIN reports. It is not likely that FAS management will base changes in post reporting requirements solely on this data set; however, it is expected that this data set will become an important factor in FAS management's decision making processes.

### **Suggestions for Further Research and Applications**

Once the new GAIN system is implemented, a more robust dataset will become available for future research linking demand for FAS information with a variety of factors. The new GAIN database will include a complete list of all reports downloaded each minute from the GAIN server resulting in a detailed time series dataset with millions of observations. This will

allow for a variety of tests to be applied to the varying levels of downloads including, event shocks (i.e., a case of BSE is reported in a particular country), deviations in currency exchange rates, changing prices of agricultural inputs, etc. The list of potentially explanatory variables is extensive. Ultimately, it would be interesting to construct a model of the relative impacts of various independent variables on the demand for GAIN information.

This researcher recommends that FAS adopt a systemized method for collecting information from its information customers. Currently, FAS does not have the capability to track how many users from a particular country are using its information. It is a glaring deficiency in FAS's information security system that it likely provides such reports developed with taxpayers funding to competitors of the United States free of charge.

As previously noted, FAS cannot accomplish this by installing cookies onto users' computers due to government restrictions; however, an alternative strategy should be employed. This researcher believes alternative options exist which would respect the privacy of FAS's information users while still providing FAS with the information it needs to understand who is using the information published on the FAS website. Implementing one of these solutions will require FAS to walk the fine line between individual privacy and the needs of the Agency to better serve the public. However, the benefits of implementing such a system are substantial as it would allow FAS to be certain that its efforts are serving the primary customer group, the U.S. agricultural industry, rather than potentially working for its competitors.

This researcher also recommends that FAS initiate a program to capture the knowledge and experience of its most senior staff to create training materials and reference guides for standard activities such as conducting market analyses. As noted earlier, formal FAS guidelines for market analysis do not currently exist. This could be achieved by conducting several focus

groups with experienced FAS personnel and compiling their commentary into a draft reference guide that is then circulated for further comments. To date, the informal process that has developed within FAS has been successful because of the dedication of longtime FAS market analysis experts and their commitment to training future generations of FAS employees. However, a more formalized training manual or reference guide is needed in order to collect their valuable experience and institutional knowledge to guarantee it will be available in years to come.

APPENDIX A  
QUESTIONNAIRE USED IN PHONE SURVEY OF FAS INFORMATION CUSTOMERS

FAS: Internal or External (choose one)

Division:      Interviewee name:      Job Title:      Phone number:      Date:

1) Who are your customers or stakeholders that need and use post generated information that you may or may not analyze?

Cooperators

Exporters

World Board

GAINS Subscribers

Other \_\_\_\_\_

2) How often do you communicate with your stakeholders/members about FAS overseas post-generated information?

3) How often do stakeholders/members contact you to give you feedback on a particular report?

4) Which of FAS overseas posts do you contact most often?

5) What types of information are you seeking when you contact posts? (Open-ended)

6) Please tell me yes or no if you use the specific services FAS posts provide (close-ended):

Y N Market access issues

Y N Trade data

Y N Food Service/ Food processing reports/Retail Reports

Y N Commodity Specific Reports

Y N Lists of Importers

Y N Lists of other key players (Government officials, etc)

Y N In-country product pricing

Y N Information about the commercial sector

Y N Information on Foreign Visitors (for briefing paper preparation)

Y N Marketing activity collaboration

7) How have FAS posts conveyed this information to you?

8) Of the different types of information you use, which is most important?

9) Do you share this information with your stakeholders/members?

A) Please list the groups with which you share this information:

10) How could this information be more valuable to you?

11) Of the posts you work with, which do a particularly good job conveying information to you?

12) Posts also provide other information such as (list the categories they responded “No” to in question 6) Do you use this information? Why not?

13) What information needs does your division/organization have that are not being met?

14) Do you use any post-generated information in your UES (trade associations only)? If so, what?

15) If posts were to stop reporting the information you use, how would you obtain this information?

16) How accurate is this non-post generated information?

17) What other information sources do your stakeholders use?

18) Please describe your idea of a seamless information flow from an FAS post to you and your stakeholders?

19) Do you use FAS online?

Frequently    Infrequently    Never

20) What specific information from FAS online do you use?

21) How do you use this information?

22) Do you use any post websites?

23) If yes, which FAS overseas posts websites do you use?

24) If yes, what information do you use from these sites and how do you use it?

25) What post websites are the most helpful and why?

\*(Identifying sites with the information you need, this will help us in our current efforts to improve post websites.)\*

26) Which of your stakeholders or associates could provide candid thoughts about posts?

APPENDIX B  
RESULTS FROM TELEPHONE SURVEY

Question #1: Who are your customers/stakeholders that need/use post generated information?

External Responses		
Groups	Raw #	%
Exporters	24	71%
Cooperators	16	47%
GAINS Subscribers	15	44%
Producers	8	24%
State Government	4	12%

Internal Responses		
Groups	Raw #	%
USDA	11	65%
GAINS Subscribers	10	59%
Exporters	9	53%
Cooperators	8	47%
USTR	4	24%
World Board	4	24%
State Government	4	24%
University Students or Faculty	3	18%
Producers	2	12%

Q2: How often do you communicate with your stakeholders/members about FAS overseas post-generated information?

External Responses		
	Raw #	%
Frequently	26	76%
Infrequently	8	24%
Never	0	0%
Total	34	100%

Internal Responses		
	Raw #	%
Frequently	12	75%
Infrequently	4	25%
Never	0	0%
Total	16	100%

Q3: How often do stakeholders/members contact you to give you feedback on a particular report?

External Results		
	Raw #	%
Frequently	20	67%
Infrequently	7	23%
Never	3	10%
Did not answer	4	11%
Total	34	

Internal Results		
	Raw #	%
Frequently	10	59%
Infrequently	5	29%
Never	2	12%
Total	17	

Q4: Which of FAS overseas posts do you contact most often?

External Results			
	Raw #	%	Rank
China	16	47%	1
Mexico	16	47%	1
Japan	13	38%	3
South Korea	8	24%	4
Taiwan	7	21%	5
Brazil	5	15%	6
Brussels	5	15%	6
Caribbean Basin	5	15%	6
Canada	4	12%	9
Chile	4	12%	9
Hong Kong	4	12%	9
Russia	4	12%	9
Singapore	4	12%	9
Argentina	3	9%	14
Colombia	3	9%	14
Thailand	3	9%	14
Spain	3	9%	14
Australia	2	6%	18
Malaysia	2	6%	18
Guatemala	2	6%	18
Poland	2	6%	18
Philippines	2	6%	18
London	2	6%	18
Germany	2	6%	18
Vietnam	2	6%	18

Internal Results			
	Raw #	%	Rank
Mexico	11	65%	1
Brazil	8	47%	2
Japan	8	47%	2
China	6	35%	4
Brussels	5	29%	5
Serbia	4	24%	6
Costa Rica	3	18%	7
Bulgaria	3	18%	7
Dominican Republic	3	18%	7
Guatemala	3	18%	7
Philippines	3	18%	7
Morocco	3	18%	7
South Korea	3	18%	7

South Africa	3	18%	7
Argentina	2	12%	15
Canada	2	12%	15
Colombia	2	12%	15
Dubai	2	12%	15
Egypt	2	12%	15
Kenya	2	12%	15
Russia	2	12%	15
Thailand	2	12%	15
Caribbean Basin	1	6%	23
Chile	1	6%	23
Malaysia	1	6%	23
Peru	1	6%	23
Poland	1	6%	23
India	1	6%	23
London	1	6%	23
Germany	1	6%	23
Spain	1	6%	23
Tunisia	1	6%	23
Vietnam	1	6%	23

External Results			
	Raw #	%	Rank
China	16	47%	1
Mexico	16	47%	1
Japan	13	38%	3
South Korea	8	24%	4
Taiwan	7	21%	5
Brazil	5	15%	6
Brussels	5	15%	6
Caribbean Basin	5	15%	6

Internal Results			
	Raw #	%	Rank
Mexico	11	65%	1
Brazil	8	47%	2
Japan	8	47%	2
China	6	35%	4
Brussels	5	29%	5
Serbia	4	24%	6
Costa Rica	3	18%	7
Bulgaria	3	18%	7
Dominican Republic	3	18%	7
Guatemala	3	18%	7

Philippines	3	18%	7
Morocco	3	18%	7
South Korea	3	18%	7
South Africa	3	18%	7

Q5: What types of information are you seeking when you contact posts?

External Results			
	Raw #	%	Rank
Gather Data Not Available Anywhere Else	22	65%	1
Market Access Problems	16	47%	2
Policy Perspectives	15	44%	3
Codes And Regulatory Information	13	38%	4
Interpret Foreign Trade Laws	9	26%	5
Promotional Programs	9	26%	5
Information About Local Markets	9	26%	5
Clarification Of Info In Attaché Reports	8	24%	8
Let Them Know We Are Coming Over	6	18%	9
Sensitive Information	5	15%	10

Internal Results			
	Raw #	%	Rank
Gather Data Not Available Anywhere Else	15	88%	1
Sensitive Information	11	65%	2
Policy Perspectives	9	53%	3
Information About Local Markets	7	41%	4
Interpret Foreign Trade Laws	6	35%	5
Market Access Problems	5	29%	6
Codes And Regulatory Information	4	24%	7
Promotional Programs	4	24%	7
Clarification Of Info In Attaché Reports	3	18%	9
Let Them Know We Are Coming Over	2	12%	10

Q6: Please tell me yes or no if you use these specific services FAS posts provide.

External Results			
	Raw #	%	Rank
Trade data	33	97%	1
Market Access issues	31	91%	2
Commodity Specific Reports	28	82%	3
Information about the commercial sector	27	79%	4
Marketing Activity Collaboration	22	65%	5
Food Service/ Food processing reports/Retail Reports	21	62%	6
Lists of other key players	18	53%	7
Lists of Importers	15	44%	8
In-country product pricing	10	29%	9

Internal Results			
	Raw #	%	Rank
Market Access issues	15	88%	1
Commodity Specific Reports	13	76%	2
Trade data	11	65%	3
Information about the commercial sector	11	65%	3
Information on Foreign Visitors	11	65%	3
Lists of other key players	9	53%	6
Marketing activity collaboration	9	53%	6
In-country product pricing	8	47%	8
Food Service/ Food processing reports/Retail Reports	6	35%	9
Lists of Importers	1	6%	10

Q8: Of the different types of information you use, which is most important?

External Results				
		Raw #	%	Rank
Market Information		12	35%	1
Trade Data		9	26%	2
Local Market trends		9	26%	2
Policy Updates		8	24%	4
Market Access Issues		8	24%	4
Post Collaboration		6	18%	6
Food Processing/Retail		6	18%	6

GAIN Reports	5	15%	8
Commodity Specific	4	12%	9
Attaché Reports	4	12%	9
Specialty Crop Specific Reports	3	9%	11
Marketing Activity Collaboration	3	9%	11
Pre-qualified Trade Leads	2	6%	13
Lists of Importers	2	6%	13
All Equally Important	2	6%	13
Lists of other key players	1	3%	16
Info about Foreign Visitors	1	3%	16
Info about commercial sector	1	3%	16
In-Country Product Pricing	1	3%	16

Internal Results			
	Raw #	%	Rank
Market Information	11	65%	1
Policy Updates	6	35%	2
Local Market trends	5	29%	3
Market Access Issues	3	18%	4
Post Collaboration	3	18%	4
Trade Data	2	12%	6
Food Processing/Retail	2	12%	6
Commodity Specific	2	12%	6
Gain Reports	2	12%	6
In-Country Product Pricing	1	6%	10
Marketing Activity Collaboration	1	6%	10
All Equally Important	1	6%	10
Lists of Importers	0	0%	13
Lists of other key players	0	0%	13
Info about commercial sector	0	0%	13
Info about Foreign Visitors	0	0%	13
Attaché Reports	0	0%	13
Specialty Crop Specific Reports	0	0%	13
Pre-qualified Trade Leads	0	0%	13
Fairs Reports	0	0%	13

Q14: Which FAS post generated information does your organization use for its UES reports?

(NOTE: Only external results are reported since the question only applies to external information users.)

External Results			
	Raw #	%	Rank
Trade Statistics	11	39%	1
Market Segment Reports	11	39%	1
Retail Reports	10	36%	3
Attaché Reports	9	32%	4
GAIN	9	32%	4
Overall information about the country	8	29%	6
Outlook Reports	5	15%	7
Country Guides/Exporter Guides	4	12%	8
Other Responses	0	0%	9

Q15: If posts were to stop reporting the information you use, how would you obtain this information?

External Results			
	Raw	%	Rank
Private Contractors	13	38%	1
Foreign Government Statistics	12	35%	2
In Country Representatives	11	32%	3
Independent Information Services	8	24%	4
Industry Journals	3	9%	5
US Commerce Department	3	9%	5

Internal Results			
	Raw	%	Rank
US State Department Econ Officer	7	41%	1
Foreign Government Statistics	6	35%	2
Independent Information Services	6	35%	2
Private Contractors	5	29%	4
US Commerce Department	5	29%	4
No Replacement For The Information	4	24%	6
USTR	4	24%	6
FAO REPORTS	3	18%	8
USAID	2	12%	9
Us Customs Official Numbers	2	12%	9
APHIS	2	12%	9

In-Country Representatives	1	6%	10
Industry Journals	0	0%	11
Other Responses	0	0%	11

Q16: How accurate is this non-post generated information?

External Results		
	Raw #	%
Reliable	19	63%
Neutral	8	27%
Not Reliable	3	10%
N/A	4	
Total	30	100%

Q19: Do you use FAS online?

External Results		
	Raw #	%
Frequently	28	82%
Infrequently	5	15%
Never	1	3%
N/A	0	0%
	34	

Internal Results		
	Raw #	%
Frequently	12	71%
Infrequently	4	24%
Never	1	6%
N/A	0	0%
	17	

20) What specific information from FAS online do you use?

External Results		
	Raw #	%
Trade Data	18	53%
GAIN	17	50%
Attaché Reports	14	41%
Market Information	14	41%
Country Reports	10	29%
Commodity Specific	9	26%
Policy Updates	9	26%
FAIRS	8	24%

Food Processing/Retail	7	21%
Contact Information	7	21%
Regulations	7	21%
Price	6	18%
Market Access Issues	5	15%
Info About Commercial Sector	5	15%
Marketing Activity Collaboration	5	15%
Grant proposals information	5	15%

Internal Results		
	Raw #	%
Trade Data	7	47%
Policy Updates	5	33%
Attaché Reports	4	27%
GAIN	4	27%
Contact Information	3	20%
PS&D Tables	3	20%
Country Reports	3	20%
Commodity Specific	2	13%
Market Information	2	13%
Market Access Issues	1	7%
Regulations	1	7%
Price	1	7%
FAIRS	1	7%
Food Processing/Retail	0	0%
Lists Of Importers	0	0%
Info About Commercial Sector	0	0%
Info About Foreign Visitors	0	0%
Marketing Activity Collaboration	0	0%
Specialty Crop Specific Reports	0	0%
Grant Proposals Information	0	0%
Other	0	0%

21) How do you use this information?

External Results			
	Raw #	%	Rank
Reports/Newsletter Articles	14	70%	1
To Prepare Marketing Plans	13	62%	2
To Try And Assess Local Trends	13	62%	2
Stay Informed Regarding Changing Up-To-Date Regulations	8	31%	4
Sector Specific Analysis	7	26%	5
Find Out What Is The Us Position And Align Our Position To That	5	17%	6
For My Own General Knowledge	4	13%	7

Notify The Embassies That We Are Coming	3	10%	8
When We Are Trying To Resolve Specific Trade Issues.	2	6%	9
Country background to prepare for visitors to the U.S.	2	6%	9
Academic Research	1	3%	11
Other Response	0	0%	

Internal Results			
	Raw #	%	Rank
To Try And Assess Local Trends	7	50%	1
Prepare Reports/Newsletter Articles	6	43%	2
Country background to prepare for visitors to the U.S.	5	36%	3
For My Own General Knowledge	5	36%	3
Sector Specific Analysis	4	29%	4
When We Are Trying To Resolve Specific Trade Issues.	4	29%	4
To Prepare Marketing Plans	2	14%	5
Stay Informed Regarding Changing Up-To-Date Regulations	2	14%	5
Notify The Embassies That We Are Coming	2	14%	5
Contact The Posts	2	14%	5
Find Out What Is The Us Position And Align Our Position To That	2	14%	5
Academic Research	1	7%	6

APPENDIX C  
ALL CONTENT POSTED ON UF WEBSITE FOR WEB-BASED POST SURVEY

**Informed Consent**

Dr. James Sterns and Roy Justin Taylor

Food and Resource Economics Department, University of Florida

Please read this consent document carefully before you decide to participate in this study.

**Purpose of the Research Study**

The purpose of this study is to understand the process that Foreign Agriculture Service employees use to conduct market analyses for U.S. Agricultural products. We are also examining the ways in which information flows within the Foreign Agriculture Service (FAS) in an effort to improve information flows and help FAS employees perform their jobs more easily.

**What You Will be Asked to do in the Study**

You will be asked to complete a survey that will be administered over the internet.

**Time Required**

Approximately 20-25 minutes.

**Risks and Benefits**

There are no reasonably foreseeable risks or discomforts that might occur as a result of your participation in this research project.

**Compensation**

You will not be compensated for participating in this research and there are no direct benefits to you for participating in this study.

**Confidentiality**

Your identity will be kept confidential to the extent provided by law. Your information will be assigned a code number. The list connecting your name to this number will be kept in a

secure location on the University of Florida web server. When the study is completed and the data have been analyzed, the list will be destroyed. Your name will not be used in any report.

### **Voluntary Participation**

Your participation in this study is completely voluntary. There is no penalty for not participating.

### **Right to Withdraw from the Study**

You do not have to answer any question you do not wish to answer. You have the right to withdraw from the study at anytime without consequence.

### **Whom to Contact if you Have Questions about the Study**

Roy J. Taylor, James Sterns, PhD  
Food and Resource Economics Department  
Box 110240, University of Florida,  
Gainesville, FL 32611-0240  
ph (352) 392-1826 ext. 222

### **Whom to Contact about Your Rights as a Research Participant in the Study**

UFIRB Office  
Box 112250, University of Florida  
Gainesville, FL 32611-2250  
Phone: (352)-392-0433.

### **Agreement**

I have read the procedure described above. I voluntarily agree to participate in the procedure and I can receive a copy of this description if I contact the researchers at the above

addresses and telephone numbers. By typing my name below I certify that I agree with the terms described above.

Participant:

Date:

Principal Investigator: Roy Justin Taylor Date: August 5, 2005

### **Questionnaire**

For which type of FAS office are you answering this survey?

AAO

ATO

Other (Please Specify) -

In which city is your office located?

1) For the time period of October 1, 2004 - September 30, 2005 please estimate the number of market analyses initiated in each of the following ways?

Periodic scheduled reports

Direct contact from an individual U.S. company

Contact from a U.S. trade association or commodity group

Contact from a U.S. state governments (eg. State of Florida Dept. of Agriculture)

Office decision

Request by FAS/W

Request by U.S. embassy (State Econ section or other section)

Other (please specify):

Total

2) Of the total market analyses indicated in question 1, please estimate the number of market analyses conducted between the following months:

October 1, 2004 - December 31, 2004

January 1, 2005 ? March 31, 2005

April 1, 2005 - June 30, 2005

July 1, 2005 - September 30, 2005

Total

3) Of the total market analyses indicated in question 1, please estimate the number of market analyses where the PRINCIPLE AUTHOR was each of the following, during the time period of October 1, 2004 - September 30, 2005:

FAS head of office

FSO (not head of office)

Locally employed permanent staff

Local consultant (contractor)

U.S. consultant (contractor)

Other (please specify)

Total

4) Market analyses are typically conducted for a variety of different types of agricultural products or market sectors. Of the TOTAL NUMBER of the market analyses indicated in question 1, please estimate how many were conducted for each of these product types, during the time period of October 1, 2004 - September 30, 2005?

Processed/High Value Agricultural products

Intermediate/Ingredients

Unprocessed/Bulk Commodities

Other (1)

Other (2)

Total

5) Market analyses are typically conducted for a variety of different types of agricultural products or market sectors. Of the TOTAL AMOUNT OF TIME your office spent on market analysis, please estimate the PERCENTAGE OF TIME spent on each of these product types, during the time period of October 1, 2004 - September 30, 2005?

Processed/High Value Agricultural products

Intermediate/Ingredients

Unprocessed/Bulk Commodities

Other (1)

Other (2)

6a) Between October 1, 2004 - September 30, 2005, how many U.S. clients from each of the following categories contacted your office to investigate export opportunities?

Potential U.S. exporters

Current U.S. exporters

Representatives of U.S. commodity groups based in a foreign country

Representatives of U.S. commodity groups based in a the United States

State Government officials

Employees of USDA Washington (not FAS)

Employees of FAS/W

Other (1)

Other (2)

Clients Total

6b) How would you characterize the knowledge levels of these U.S. clients that contacted your office, during the time period of October 1, 2004 - September 30, 2005? Please provide a percentage.

% Very Knowledgeable (Has done research on culture, and general market structures of the country or market, is familiar with relevant market size through best available data.)

% Somewhat Knowledgeable (Has limited understanding of culture, market conditions, structures and relevant market size.)

% Not at all Knowledgeable (Has little or no understanding of culture, or local markets)

7) Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005 ?

Please rate each choice on the following scale:

1 = This service was ALWAYS provided

2 = This service was FREQUENTLY provided

3 = This service was OCASSIONALLY provided

4 = This service was SELDOM provided

5 = This service was NEVER provided

- Assistance finding an in-country partner to help with distribution 1 2 3 4 5
- Assistance finding an in-country partner to help with marketing 1 2 3 4 5
- Assistance with interpreting local country importation laws 1 2 3 4 5
- Assistance with understanding trade barriers 1 2 3 4 5
- Assistance with USDA Programs ie GSM, Cooperator programs, etc 1 2 3 4 5
- Identifying marketing strategies 1 2 3 4 5
- Identification of target consumers 1 2 3 4 5
- Estimating/measuring overall market size 1 2 3 4 5
- Identifying potential product competitors and competitor pricing strategies 1 2 3  
4 5
- Help companies plan their "marketing mix" of products/services 1 2 3 4 5
- Monitoring and Evaluating Market Response 1 2 3 4 5
- Situational analysis- political 1 2 3 4 5
- Situational analysis- cultural 1 2 3 4 5
- Other (1) 1 2 3 4 5
- Other (2) 1 2 3 4 5
- Other (3) 1 2 3 4 5

8a) What types services for promotional activities did your office provide for U.S. companies that were potential or current exporters, during the time period of October 1, 2004 - September 30, 2005 ?

Please Rate each choice on the following scale:

1 = This service was ALWAYS provided

2 = This service was FREQUENTLY provided

3 = This service was OCASSIONALLY provided

4 = This service was SELDOM provided

5 = This service was NEVER provided

In-store menu promotions and tastings      1 2 3 4 5

Facilitated, designed, and/or critiqued/ public education and media campaigns      1 2 3 4 5

Provided technical assistance (addressing an SPS issue, sponsoring training courses or seminars  
1 2 3 4 5

Organized or conducted trade missions and reverse trade mission      1 2 3 4 5

Planned, organized and/or /hosted trade show(s)      1 2 3 4 5

Public relations activities such as press events, journalist teams, and newsletters      1 2 3 4 5

Other (1) 1 2 3 4 5

Other (2) 1 2 3 4 5

8b) Of these services, which one was most effective? (Please include any comments/details you wish to share about it.)

9) During the time period of October 1, 2004 - September 30, 2005 what were the principle sources of information used to conduct market analyses?

Please Rate each choice on the following scale:

1 = This source was ALWAYS used

2 = This source was FREQUENTLY used

3 = This source was OCASSIONALLY used

4 = This source was SELDOM used

5 = This source was NEVER used

Contact with key industry players 1 2 3 4 5

Contact with host country government 1 2 3 4 5

Contact with government officials representing third countries, e.g. officials from other embassies 1 2 3 4 5

Cooperator or other U.S. commodity representative in the country 1 2 3 4 5

First-hand knowledge by a U.S. FAS employee 1 2 3 4 5

First-hand knowledge by a U.S. Embassy employee, e.g. Dep. of State Econ officer, U.S. commercial service 1 2 3 4 5

First-hand knowledge by a FSN 1 2 3 4 5

Foreign government data 1 2 3 4 5

Foreign trade journals 1 2 3 4 5

Independent data gathering service 1 2 3 4 5

International news services websites/wire/print (CNN; BBC; Reuters; AP) 1 2 3 4 5

Local distributors in that industry 1 2 3 4 5

Survey or other primary data collection 1 2 3 4 5

United States Government data 1 2 3 4 5

United States trade journals 1 2 3 4 5

Other (1) 1 2 3 4 5

Other (2) 1 2 3 4 5

Other (3) 1 2 3 4 5

10a) How much do foreign consultants charge to conduct market analyses in the area that your office covers (Please fill in all that you know):

\$ (in USD) per hour

\$ (in USD) per day

\$ (in USD) per assessment

\$ (in USD) other

Do not know

10b) How much do U.S. consultants (excluding the U.S. Department of Commerce) charge to conduct market analyses in the area that your office covers (Please fill in all that you know):

\$ (in USD) per hour

\$ (in USD) per day

\$ (in USD) per assessment

\$ (in USD) other

Do not know

11a) Does your office currently track the U.S. agricultural exports that occur as a direct result of the assistance provided by your office?

Yes No

11b) If yes, how do you track this information?

Formal contact database of assistance provided, with follow-ups on progress

Informal correspondence initiated by your office

Informal correspondence initiated by the exporter

There is no system in place and there are plans to create one

There is no system in place and there are not plans to create one

Other (Please Specify)

12) What can FAS do to improve the way that market analyses are conducted?

13) What can FAS do to improve the way that market analyses are reported/distributed?

APPENDIX D  
RESULTS FROM SURVEY OF FAS POSTS WEB-BASED QUESTIONNAIRE

Question 1		
1) For the time period of October 1, 2004 - September 30, 2005 please estimate the number of market analyses initiated in each of the following ways?		
	Count of Reports	
q1f1	1000	Periodic scheduled reports
q1f2	2160	Direct contact from an individual U.S. company
q1f3	1265	Contact from a U.S. trade association or commodity group
q1f4	449	Contact from a U.S. state governments (eg. State of Florida Dept. of Agriculture)
q1f5	907	Office decision
q1f6	917	Request by FAS/W
q1f7	499	Request by U.S. embassy (State Econ section or other section)
q1f8	455	Other (please specify):
q1f9	0	
Total:	7652	

Question 2		
Of the total market analyses indicated in question 1, please estimate the number of market analyses conducted between the following months:		
	Count of Reports	
q2f1	1816	October 1, 2004 - December 31, 2004
q2f2	2069	January 1, 2005 - March 31, 2005
q2f3	2116	April 1, 2005 - June 30, 2005
q2f4	1614	July 1, 2005 - September 30, 2005
Total:	7615	

Question 3		
Of the total market analyses indicated in question 1, please estimate the number of market analyses where the PRINCIPLE AUTHOR was each of the following, during the time period of October 1, 2004 - September 30, 2005:		
(Unusable Results)		
Question 4		
Of the total market analyses indicated in question 1, please estimate the number of market analyses where the PRINCIPLE AUTHOR was each of the following, during the time period of October 1, 2004 - September 30, 2005:		
q4f1	3721	Processed/High Value Agricultural products
q4f2	1366	Intermediate/Ingredients
q4f3	1862	Unprocessed/Bulk Commodities
q4f4	304	Other (1)
q4f5	0	
q4f6	213	Other (2)
q4f7	0	
Total:	7466	

Question 5		
Market analyses are typically conducted for a variety of different types of agricultural products or market sectors.		
Of the TOTAL AMOUNT OF TIME your office spent on market analysis, please estimate the PERCENTAGE OF TIME spent on each of these product types, during the time period of October 1, 2004 - September 30, 2005?		
q5f1	1854	Processed/High Value Agricultural products
Extra5	0	
q5f2	597	Intermediate/Ingredients
q5f3	1278	Unprocessed/Bulk Commodities
q5f4	360	Other (1)
q5f5	0	
q5f6	155	Other (2)
q5f7	0	
Total:	4244	Hours (so it is okay it does not equal total from q4)

Combination of 4 and 5			
# of Analyses		% of time	
3721	1854	0.498	Processed/High Value Agricultural products
1366	597	0.437	Intermediate/Ingredients
1862	1278	0.686	Unprocessed/Bulk Commodities
6949	3729	0.537	Average for all

Question 6a)		
Between October 1, 2004 - September 30, 2005, how many U.S. clients from each of the following categories contacted your office to investigate export opportunities?		
q7af1	0	
q7bf1	2893	Potential U.S. exporters
q7bf2	2041	Current U.S. exporters
q7bf3	1090	Representatives of U.S. commodity groups based in a foreign country
q7bf4	796	Representatives of U.S. commodity groups based in a the United States
q7bf5	526	State Government officials
q7bf6	449	Employees of USDA Washington (not FAS)
q7bf7	1041	Employees of FAS/W
q7bf8	150	Other (1)
q7bf9	0	
q7bf10	65	Other (2)
q7bf11	0	
Total	9051	(# of people, is okay it doesn't equal total from q4)

Question 6b)		
How would you characterize the knowledge levels of these U.S. clients that contacted your office, during the time period of October 1, 2004 - September 30, 2005? Please provide a percentage.		
q7cf1	1258	Very Knowledgeable (Has done research on culture, and general market structures of the country or market, is familiar with relevant market size through best available data.)
q7cf2	2094	Somewhat Knowledgeable (Has limited understanding of culture, market conditions, structures and relevant market size.)
q7cf3	1543	Not at all Knowledgeable (Has little or no understanding of culture, or local markets)
Total:	4895	

Question 7								
Of the following types of assistance, how often, if ever, did your office provide these services to U.S. clients during the time period of October 1, 2004 - September 30, 2005 ?								
Please rate each choice on the following scale:								
1 = This service was ALWAYS provided								
2 = This service was FREQUENTLY provided								
3 = This service was OCASSIONALLY provided								
4 = This service was SELDOM provided								
5 = This service was NEVER provided								
		1	2	3	4	5	6	total of columns
q8f1	Assistance finding an in-country partner to help with distribution	18	13	8	5	6	0	50
q8f2	Assistance finding an in-country partner to help with marketing	8	11	14	11	6	0	50
q8f3	Assistance with interpreting local country importation laws	25	15	7	2	1	0	50
q8f4	Assistance with understanding trade barriers	24	18	5	0	3	0	50
q8f5	Assistance with USDA Programs ie GSM, Cooperator programs, etc	12	12	16	9	1	0	50
q8f6	Identifying marketing strategies	11	19	12	6	2	0	50
q8f7	Identification of target consumers	12	17	16	2	3	0	50
q8f8	Estimating/measuring overall market size	12	24	7	5	2	0	50
q8f9	Identifying potential product competitors and competitor pricing strategies	7	15	20	5	2	0	49
q8f10	Help companies plan their "marketing mix" of products/services	4	7	20	11	7	0	49
q8f11	Monitoring and Evaluating Market Response	3	8	14	16	8	0	49
q8f12	Situational analysis- political	14	11	11	13	1	0	50
q8f13	Situational analysis- cultural	11	17	16	3	3	0	50
q8f14		0	0	0	0	0	0	0

q8f15	Other (1)	3	3	1	0	0	0	7
q8f16		0	0	0	0	0	0	0
q8f17	Other (2)	2	1	1	0	0	0	4
q8f18		0	0	0	0	0	0	0
q8f19	Other (3)	1	0	0	0	0	0	1

Question 8 No useful information gathered because of technical problems								
What types of services for promotional activities did your office provide for U.S. companies that were potential or current exporters, during the time period of October 1, 2004 - September 30, 2005 ?								
								total of columns
q9f1	In-store menu promotions and tastings	5	8	12	10	14	0	49
q9f2	Facilitated, designed, and/or critiqued/ public education and media campaigns	5	21	15	7	2	0	50
q9f3	Provided technical assistance (addressing an SPS issue, sponsoring training courses or seminars	7	18	14	4	7	0	50
q9f4	Organized or conducted trade missions and reverse trade mission	6	18	10	4	12	0	50
q9f5	Planned, organized and/or /hosted trade show(s)	5	13	15	6	10	0	49
q9f6	Public relations activities such as press events, journalist teams, and newsletters	0	0	0	0	0	0	0
q9f7	Other (1)	0	0	12	10	14	0	36
q9f8		0	0	0	0	0	0	0
q9f9	Other (2)	0	0	0	0	0	0	0
q9f10		0	1	0	0	0	0	1
q9f11		0	0	0	0	0	0	0
q9bf1		0	0	0	0	0	0	0
Question 8b) No information gathered because of technical problems								

Question 9								
During the time period of October 1, 2004 - September 30, 2005 what were the principle sources of information used to conduct market analyses?								
		1	2	3	4	5	6	total of columns
q10f1	Contact with key industry players	33	13	1	0	2	0	49
q10f2	Contact with host country government	23	19	5	1	1	0	49
q10f3	Contact with government officials representing third countries, e.g. officials from other embassies	2	4	21	16	5	0	48
q10f4	Cooperator or other U.S. commodity representative in the country	8	21	10	6	4	0	49
q10f5	First-hand knowledge by a U.S. FAS employee	18	12	12	4	3	0	49
q10f6	First-hand knowledge by a U.S. Embassy employee, e.g. Dep. of State Econ officer, U.S. commercial service	1	10	21	16	1	0	49
q10f7	First-hand knowledge by a FSN	34	8	2	4	1	0	49
q10f8	Foreign government data	20	18	8	1	2	0	49
q10f9	Foreign trade journals	8	21	10	8	2	0	49
q10f10	Independent data gathering service	4	13	9	14	9	0	49
q10f11	International news services websites/wire/print (CNN; BBC; Reuters; AP)	4	8	18	15	4	0	49
q10f12	Local distributors in that industry	18	21	7	1	2	0	49
q10f13	Survey or other primary data collection	4	11	9	17	7	0	48
q10f14	United States Government data	13	16	14	5	1	0	49
q10f15	United States trade journals	3	7	12	17	9	0	48
q10f16		0	0	0	0	0	0	0
q10f17	Other (1)	2	2	3	0	0	0	7
q10f18		0	0	0	0	0	0	0
q10f19	Other (2)	0	0	2	1	0	0	3
q10f20		0	0	0	0	0	0	0
q10f21	Other (3)	0	1	1	0	0	0	2

Question 10a)
How much do foreign consultants charge to conduct market analyses in the area that your office covers (Please fill in all that you know):
Question 10b)
How much do U.S. consultants (excluding the U.S. Department of Commerce) charge to conduct market analyses in the area that your office covers (Please fill in all that you know):

Question 11a)					
Does your office currently track the U.S. agricultural exports that occur as a direct result of the assistance provided by your office?					
q12af1					
Yes	NO	Total			
34	13	47			

Question 11b)	
If yes, how do you track this information?	
9	Formal contact database of assistance provided, with follow-ups on progress
20	Informal correspondence initiated by your office
3	Informal correspondence initiated by the exporter
1	There is no system in place and there are plans to create one
2	There is no system in place and there are not plans to create one
5	Other (Please Specify)
40	Total (7 of the 13 No respondents did not answer part B of the question)

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## BIOGRAPHICAL SKETCH

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