

## **Progress Report - *Agricultural Development Center* The University of Tennessee Agricultural Extension Service**

**A new year usually brings a resolve to improve or change. The ADC is no different. We resolve to continue to do our best to provide the information and education that will help our applicants make informed and profitable decisions. We don't have all the answers but we resolve to seek the best possible solution to the questions posed by Tennessee agricultural entrepreneurs. I resolve that I will thank everyone for their assistance and support. 2000 will be a great year.**

**- - - Ray Humberd**

**FSMIP Update** - One of the ADC's ongoing market development projects (funded by a **Federal-State Market Improvement Project** grant) is in full throttle. Four of the five on-site case-study interviews have been conducted with the final interview scheduled for early January. Case-study manuals have been drafted for each of the four businesses interviewed. Final drafts of all five case-study manuals are scheduled for completion by February, 2000. Phase two of the project will commence upon completion of the case-study manuals and will involve a market study for each of the five value-added enterprises. The market study will seek to identify information relevant to specific marketing needs identified in the interviews.

**ADC Publications Ready for Print** - Three publications have been drafted by the ADC. The publication topics that have been peer reviewed and are ready for print include: **Commercial Sod Production and Budgets**, **Considering Agritainment Enterprises in Tennessee** and **Considerations for Value-Added Agribusinesses**. The three educational resources should be available from County Extension Offices across the state during the first quarter of 2000.

**SARE, PDP Grant** - The ADC is pleased to have been invited to submit a full proposal for a **Professional Development Program Grant** from Sustainable Agriculture Research and Education. A pre-proposal was submitted in October and a full proposal will be submitted in January. The project seeks funding for the development of a year-long,— multi-event, multi-media educational program on “marketing value-added agriculture” for Extension personnel and other agricultural leaders in Tennessee.

**State Farm Bureau Convention** - The ADC and four value-added agriculture entrepreneurs presented a session at the annual Tennessee Farm Bureau Convention in December titled “Agriculture: Stepping Up to Change & Diversity.” The session introduced value-added concepts, discussed the role of the ADC and a panel of four entrepreneurs, Ed Rollins, Linda Davis, Bob Schmidt and Tim Hitchcock, discussed their business.

**Extending the ADC Message** - The ADC was involved with several group presentations and educational exhibits pertaining to value-added agriculture during the fall of 1999. More than 600 individuals participated in six ADC presentations across the southeast. Topics and presentations included: 1) **Niche Marketing for the Tennessee Sheep Producers Association**, 2) **Adding Value to Tennessee Agriculture Exhibit** at the National Small Farm Conference

3) Using the World Wide Web in conjunction with the Pickett County Chamber of Commerce 4) Focus Groups and Surveys to Assess Clientele Needs at the Smoky Mountain District Marketing Training 5) Adding Value to Tennessee Agriculture for two Collegiate Ag. Economic Courses and 6) Stepping Up to Change & Diversity at the State Farm Bureau Convention.

**Cooperative Ventures** - Significant efforts have been invested in cooperative ventures by the ADC to enhance and promote value-added agriculture across the state. The ADC is pleased to be involved with such cooperative ventures as the Tennessee Council of Cooperatives, the Tennessee Department of Agriculture Division of Marketing, the Tennessee Fruit & Vegetable Growers Association, the Tennessee Land Stewardship Association, the Delta Enterprise Network, the Tennessee-Kentucky-Arkansas Entrepreneur Training Program and with the U.T. Agricultural Economics Department on Tennessee Compost-Utilization Research and School Teacher Field Trip Research projects.

## COMPLETED PROJECTS

**Fresh Salsa** - The development of a shelf-stable fresh salsa product can be difficult—not to mention the marketing obstacles. The ADC has completed a product sampling investigation for a fresh salsa project. A total of 204 respondents were asked to sample the fresh salsa product then complete a confidential questionnaire. The results of the questionnaire suggest that the specially blended fresh salsa product is very appealing to all consumer groups. This data was then transformed into presentation material that was used to pitch the product to area grocery stores/supermarkets.

**Livestock Production and Processing** - A study was recently conducted to assess the limiting factors and competitive advantages for a livestock production, processing and marketing project. The study provided a historical look at the availability of resources pertinent to the success of the enterprise in Tennessee. The study also evaluated the market potential for a branded consumer product. Feasibility analyses were evaluated for the primary enterprise phases.

**Environmental Education** - School curricula for hands-on environmental education are becoming more popular. Therefore, developing a family farm into a hands-on learning workshop featuring environmental-education activities seems timely. However, the costs to develop and operate an environmental workshop with educational activities must be offset by fees charged to classes seeking such an environment. According to ADC findings, a farm that is developed as an environmental education facility should include the service of developing/providing/delivering an entire educational curriculum complete with activities and instructors. Simply offering an “outdoor classroom” does not compete well with other outdoor-education offerings such as public parks, organizations, vacant lots or other farms.

**Popcorn** - Utilization of Tennessee-grown popcorn in a value-added enterprise seems to have a market potential. In 1997, Tennessee’s 23 popcorn producing farms grew 2,563 acres and produced just over 8 million pounds. Retail sales of microwave popcorn have grown substantially since microwave packaging was introduced. Consumer preferences for microwave popcorn products include an attractive and eye-catching package design and flavorful taste, good popping aroma and a high percent of kernels popped.

**Fresh Grain Baking Mixes** - Many value-added agricultural enterprises can provide opportunities for the combination of farm resources. For example, a portable antique grist mill that serves as a teaching tool for entertainment farming and agritourism events can also serve as the primary manufacturing tool for the production of specialty baking mixes from Tennessee-grown grains. While the specialty baking mix industry is considered a hobby industry, niche markets do exist for gourmet packaged specialty items. Combined with unique packaging and promotion, speciality baking mixes may compete well in gourmet food shops, specialty food shows, online markets and through gift basket sales. However, the development of such a product must include considerations of applicable food preparation regulations including Good Manufacturing Practices and state inspections.

**Winery** - One way to add value to Tennessee agriculture includes the processing, packaging and marketing of grapes through a winery. Proper legal regulations should be pursued early-on in the business planning stages. Product analysis is also essential to a marketable product and should be included in the early phases of business development. Other business planning tactics should include market research, target market identification and financial planning.