

*ADC Info #32**April 1999*

**The Agricultural Extension Service at The University of Tennessee has implemented a program to evaluate value-added agricultural ideas. The Agricultural Development Center (ADC) provides a team of specialists to assist farmers, entrepreneurs and business people in the evaluation of value-added ideas, projects and products based on Tennessee agriculture, aquaculture and forestry.**

**The center helps new and existing businesses using Tennessee agricultural, aquacultural or forest products. Programs the center can offer include economic analyses, identifying market potential, feasibility studies, getting through the web of regulations, new product development and processing evaluations. The center is comprised of marketing, financial and production specialists from a variety of disciplines including food and meat science, forestry, engineering and dairy.**

**The ADC can be contacted by telephone at (423) 974-3824 or by e-mail at [adc@utk.edu](mailto:adc@utk.edu). The ADC web site address is [www.utextension.utk.edu/adc/](http://www.utextension.utk.edu/adc/).**

Agriculture makes a significant contribution to the Tennessee economy. Approximately 20 percent of all economic activity in the state is related to agriculture. Opportunity for income improvement exists not only in product agriculture, but also through adding value to agricultural products. Value can be added by processing, packaging and marketing products developed from agricultural sources. In order to take advantage of the value-added potential, the agricultural industry must be aware of the opportunities and be informed about feasibility, planning and market development. There are also income opportunities not directly related to production agriculture, including tourism, fee hunting, farm vacations, other recreational activities and home based industries.

Businesses in rural communities are usually created locally. Small, independent firms have shown the greatest growth rate in creating new jobs. However, national data indicate two-thirds of all businesses with fewer than 20 employees fail within the first four years. Many of the failures are attributed to poor management and lack of information. Educational programs proposed for agricultural development will focus on creating and expanding existing firms, helping people determine the feasibility of business development or expansion and assisting them in developing expertise in marketing strategies. The success of small businesses is critical to the development of jobs, income enhancement and the viability of rural communities in Tennessee.

The University of Tennessee Agricultural Extension Service has established the Agricultural Development Center to provide technical and educational assistance to agribusinesses, farmers and entrepreneurs in Tennessee who may be considering business expansion or an initial market entry. The establishment of an Agricultural Development Center was Recommendation 1.5, published in the Governor's Council on Agriculture and Forestry Report, June 1996.

The Center includes faculty with training in marketing, economic analysis, process engineering, business management and food technology. Linkages have been established with research, teaching and outreach activities of the greater University of Tennessee community, as well as other agencies across the state, such as the economic development districts, small business development centers, the Tennessee Department of Agriculture, the Tennessee Department of Economic and Community Development and the Tennessee Department of Tourist Development. The Center will provide feasibility studies, market analysis and needs assessments, especially for small businesses.

The Extension Service has established the Center using existing resources. A marketing specialist and a feasibility specialist are assigned full time to the Center. Faculty resources from Food Science and Technology, Agricultural Economics and Resource Development, Wildlife and Fisheries and Agricultural and Biosystems Engineering are also assigned to the Center. Additional faculty will be involved on a short-term, as needed basis.

The Agricultural Development Center provides assistance and training by:

- ▶ Performing economic analyses of production processes and developing marketing and distribution strategies for both new and existing products and services.
- ▶ Identifying new market opportunities for value-added agricultural products and providing technical information for market development.
- ▶ Performing feasibility studies for new and/or expanding Tennessee agribusiness processing firms.
- ▶ Providing information about local, state and federal regulations governing food and wood products processing.
- ▶ Assisting with new product development in the areas of formulation, processing procedures, sensory evaluations, packaging, content specifications, labeling and market potential.
- ▶ Performing management audits and evaluating economic justification of capital expenditures.

For a project to be considered by the Center, an application must be submitted. An application form can be found on our web site under HOW TO APPLY and submitted to us on line. Applications will be evaluated based on both primary and secondary criteria.

Primary criteria required by a project include:

- ✓ a relationship to Tennessee agriculture, aquaculture or forestry products
- ✓ produced in Tennessee
- ✓ must be within Center capabilities
- ✓ must be a value-added product/service

Secondary criteria for Center projects include:

- ✓ adequate information must be in the application to appropriately evaluate the project
- ✓ preliminary investigations must indicate that the project is technically feasible
- ✓ adequate financial/technical resources must be available to take a project to completion
- ✓ the project should offer economic impact potential

A State Partner in the Cooperative Extension System

The Agricultural Extension Service offers its programs to all eligible persons regardless of race, color, national origin, sex or disability and is an Equal Opportunity Employer.

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS

The University of Tennessee Institute of Agriculture, U.S. Department of Agriculture,  
and county governments cooperating in furtherance of Acts of May 8 and June 30, 1914.

Agricultural Extension — Billy G. Hicks, Dean