

Preserving Agriculture by Adding Value



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**International Heritage Development Conference:
*Saving a Sense of Place Amidst Intense Growth***

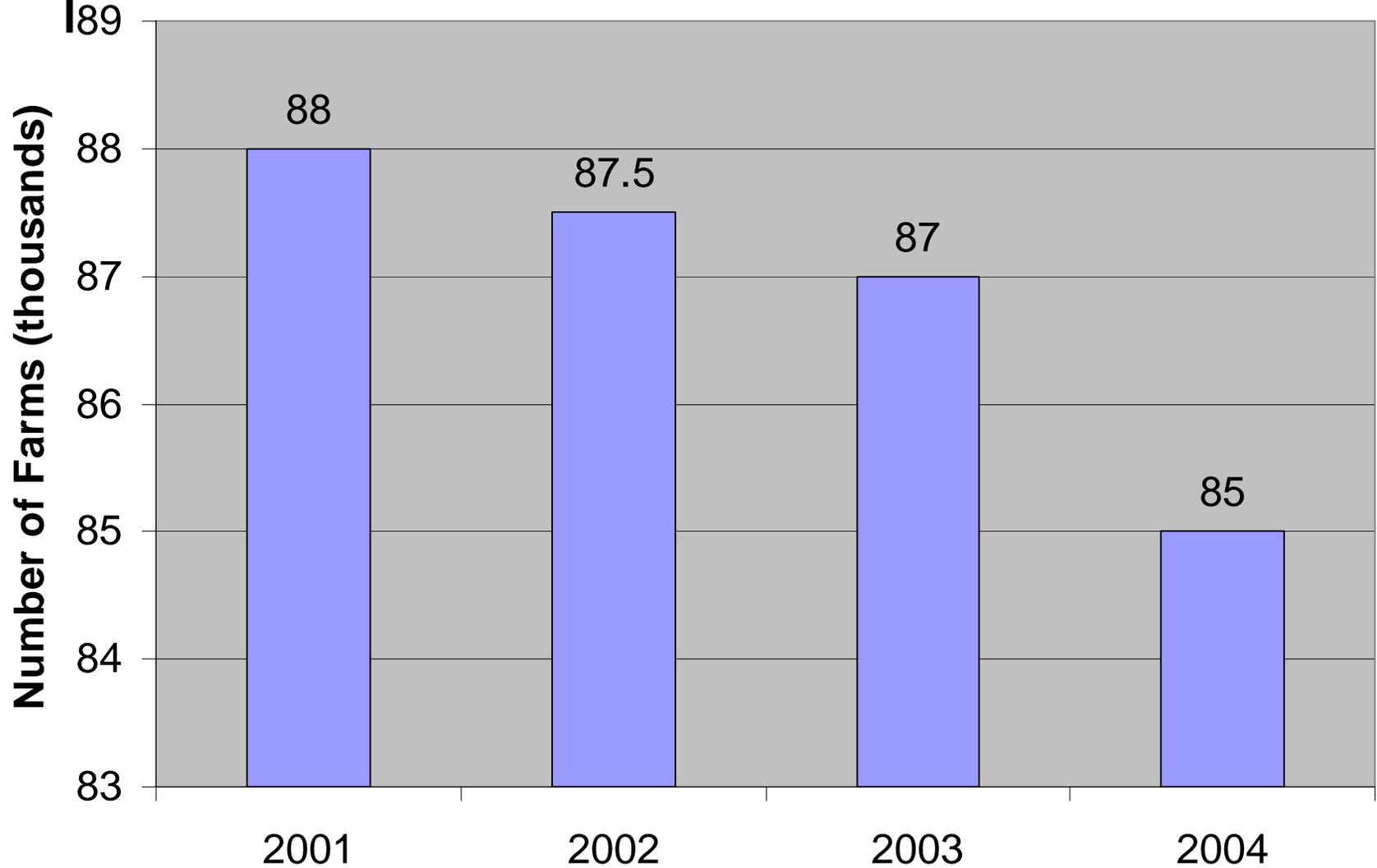
Overview



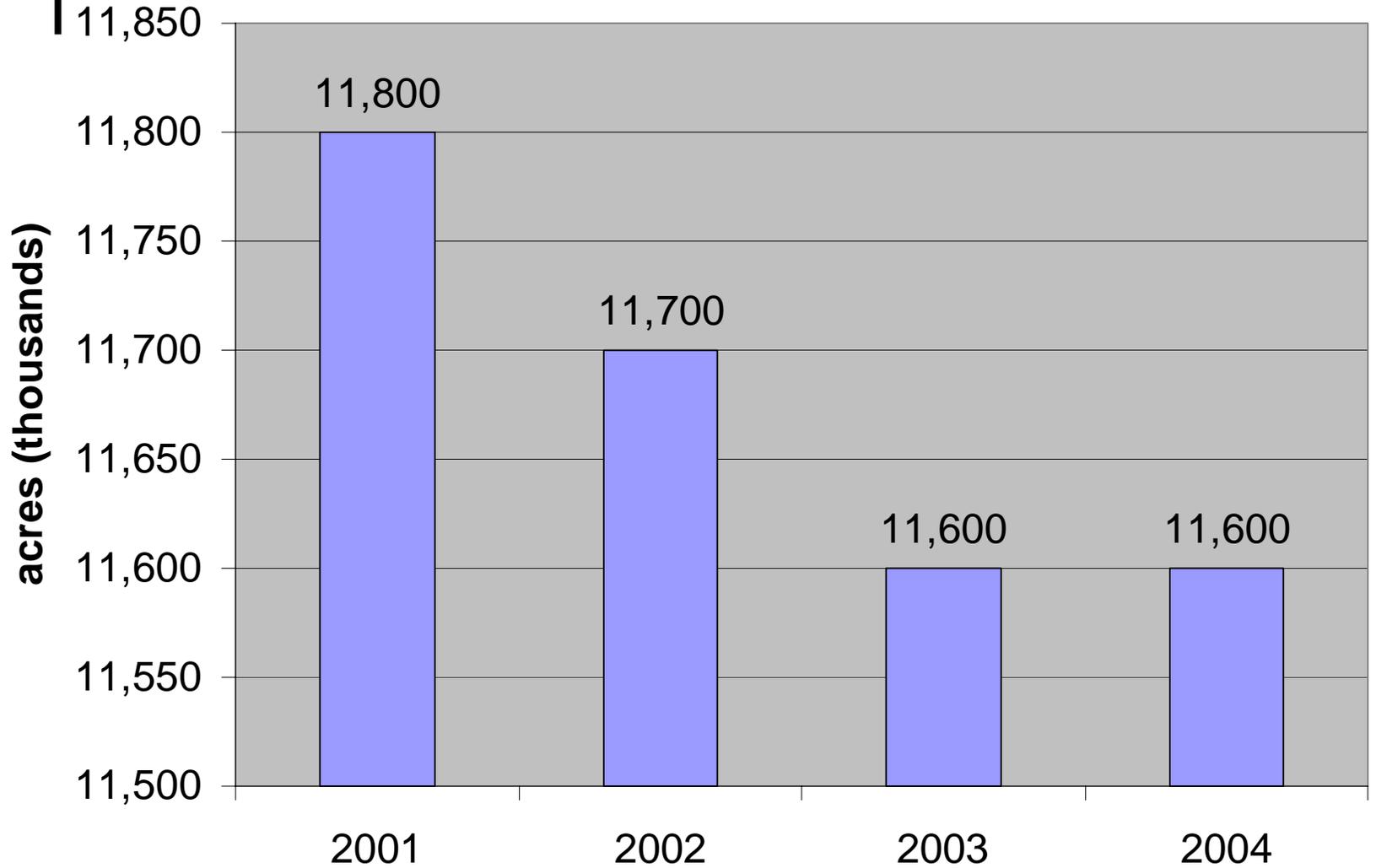
- Agriculture Facts
- Definition of Value-Added Agriculture
- Value-added Examples
- What does it take?
- Center for Profitable Agriculture



Number of Farms in Tennessee (2001-2004)



Tennessee Land in Farms (2001-2004)



Tennessee Agriculture Facts



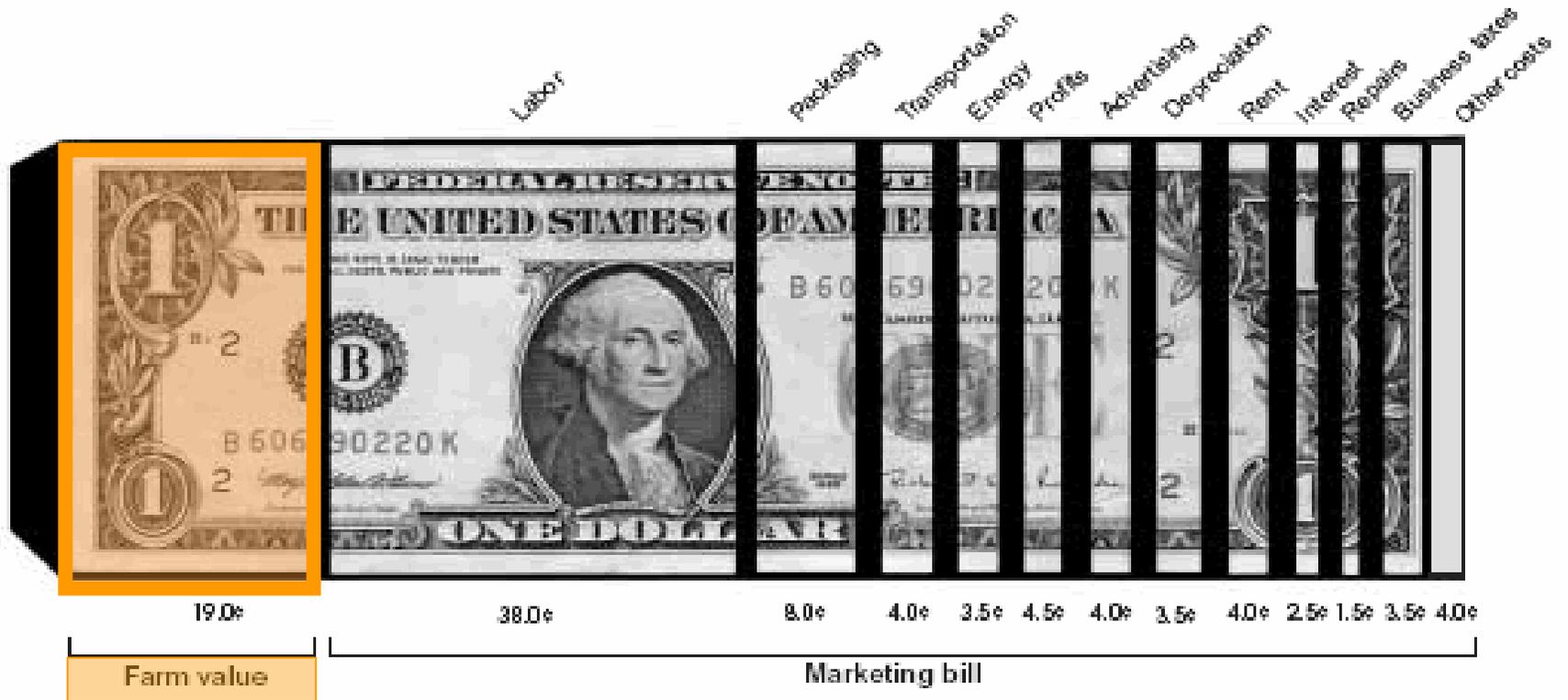
- Over 42 percent of TN total land area is in farmland
- Average land per farm = 133 acres
- TN agriculture accounts for 11.7% of state's economy or \$38.8 billion

Tennessee Agriculture Facts

- Average age of the farmer = 56 years
- Principle operators by primary occupation
 - 50% farming
 - 50% other
- Average net farm income = \$4,185



Farm Value of Food Dollar



Source: USDA's Economic Research Service.

What is value-added?



Commodity or product that has been changed, produced, or segregated such that a greater portion of the revenue derived from the value-added activity accrues to the producer.

Processing

Packaging

Marketing

Value-Added Product Example: Sweetwater Valley Cheese



Value-Added Product Examples: Jones Orchard Jams & Baked Goods



Value-Added Product Example: Valley Home Farm



Value-Added Product Example: R-GROW



Rollins Family Farm

Value-Added Product Example: Biodiesel



Value-Added Product Example: Pork

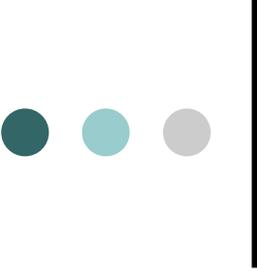


Value-Added Product Example: Lilies



Value-Added Product Example: Agritourism





Some sobering statistics...

- 75% of small businesses fail within 1 year
- Only 13% make it beyond 5 years

What does it take?: Factors of Success

- A unique combination of resources
- Organizational management skills
- Strong financial position
- Commitment to the long-term
- People skills and marketing savvy
- Labor management skills
- Ability to manage and maintain cash flow



Direct Marketing Statistics

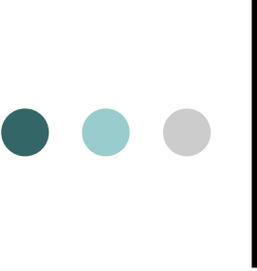
- 25.9% increase in number of farmers direct marketing (between 1997 and 2002) in TN
- 34% increase in the total value of agricultural products direct marketed (between 1997 and 2002) in TN



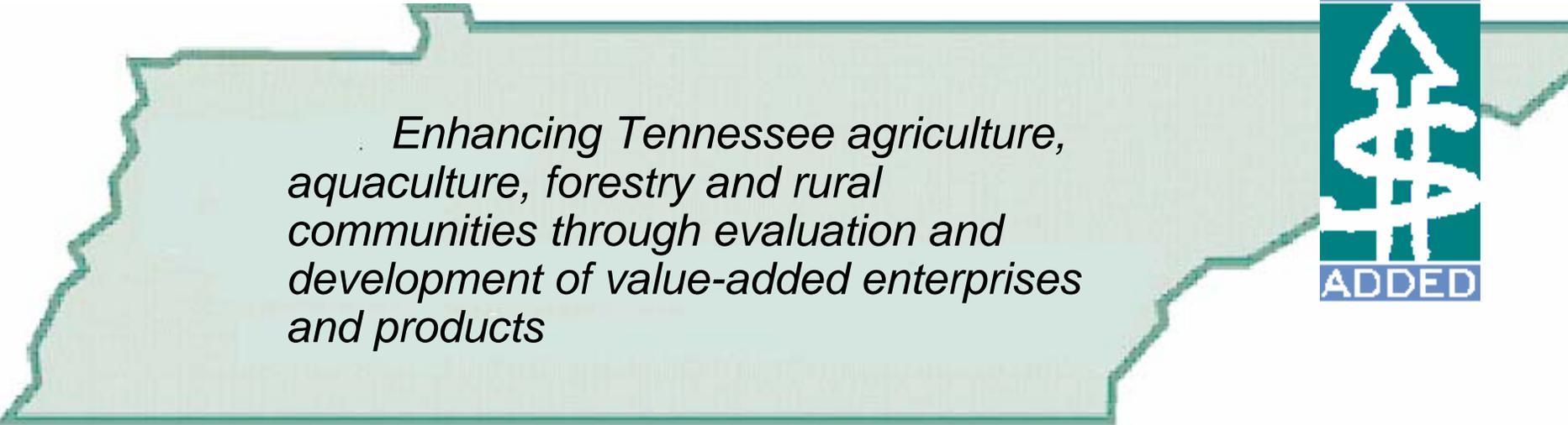
Center for Profitable Agriculture

- Department in the University of Tennessee Extension
- Partnership of Tennessee Farm Bureau Federation and University of Tennessee Extension
- Memorandum of Agreement with TDA, Market Development Division





Our Mission



Enhancing Tennessee agriculture, aquaculture, forestry and rural communities through evaluation and development of value-added enterprises and products



Our People



Rob Holland
Feasibility Specialist



Dan Wheeler
Director



Megan Bruch
Marketing Specialist



Amanda Ziehl
Marketing Specialist



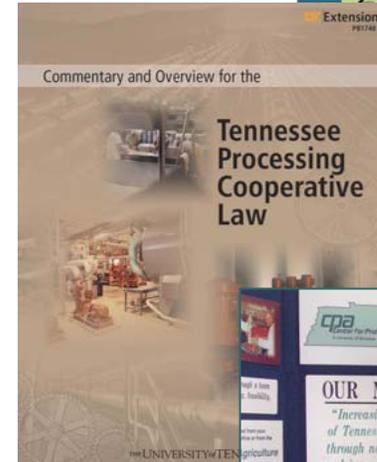
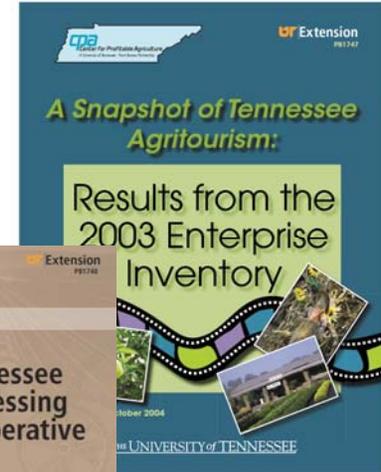
Peggy Hamlett
Area Specialist



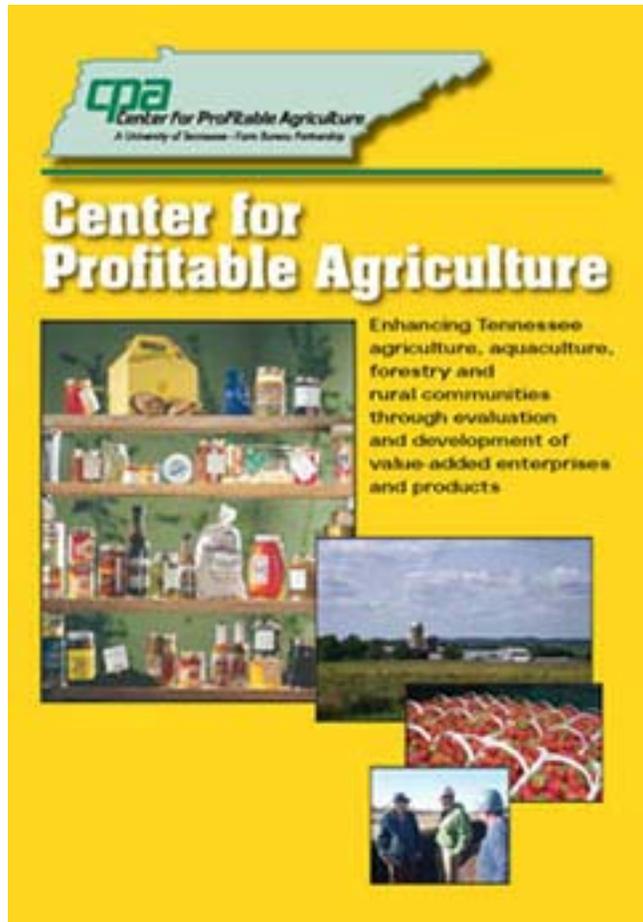
Kim Martinez
Principle Secretary

Activities

- Farmer-Initiated Projects
- Market Development Studies
- Educational Resources and Programs



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