



"Increasing the value of Tennessee's economy through new, expanded and improved processing and marketing of agricultural, aquacultural and forestry products and home-based industries"

www.utextension.utk.edu/adc

An Update on a Completed Project

Commercial Herb Marketing - The herb industry is often separated into three primary classifications: essential oils, medicinal crops and culinary herbs. Herbs are the leaves, roots and flowers of plants grown and processed for these three classifications. Favorable trends for the production of herbs for the culinary market include the greater acceptance of ethnic cooking and the increased use of herbs by up-scale restaurants. The increased use of convenience food by consumers has also increased the demand for herbs as high-quality flavorings. The harvest and post-harvest handling of fresh herbs is much more labor intensive than crude-dried herbs. Because of the relatively high labor requirements, producing fresh herbs for niche markets is usually done on a small scale. Herb prices tend to be relatively variable predominantly because of fluctuating supplies. Market access can be difficult for a beginning herb farmer. Overhead and start-up costs for large-scale herb production normally represent 35 to 65 percent of all costs. Most markets for herbs require reliable, year-round supplies although some local niche markets may exist for small-scale production.

Progress Report 11

January 2001

A Message From the Acting Director

Traditionally, a new year brings optimism and resolutions to work for improvement. For the ADC, 2001 is the year in which we will employ a full-time Director of the ADC, replace our marketing specialist and principal secretary. If the ADC is to grow, we must have quality people in these positions. We will seek funding from appropriated, grant and contract sources. We will do our best to respond to people of Tennessee who have a potential project that will add value, create jobs and income. We will continue to be appreciative of the support provided by UTIA administration, faculty, partners, organizations and especially the people that we work with on projects.

- - - Ray Humberd

FSMIP Market Development Project - December 2000 brought closure to the 18-month FSMIP project managed by the ADC. During the course of the project, case study reports were developed from interviews with four value-added agriculture businesses in Tennessee, marketing surveys were conducted for investigation into various facets of the case study businesses, a variety of teaching tools were developed for use in education and outreach efforts and more than 100 individuals have been trained using information, publications, exhibits and hands-on tools from the FSMIP project. A complete documentation of the FSMIP project "Analyzing and Developing Marketing Strategies for Tennessee's Value-Added Agriculture" is available at the *Agricultural Development Center's* web site: www.utextension.utk.edu/adc/.

Aquaculture Development Project - The *Agricultural Development Center's* involvement with the Tennessee Aquaculture Task Force and the "Ag-Tag" supported aquaculture development project continued through the final quarter of 2000. Numerous teaching tools and resources have been utilized in the delivery and dissemination of information and data prevalent to the objectives of aquaculture development. More than 200 individuals participated in 6 different educational programs which featured results and resources from the aquaculture project. An educational exhibit, publication, fact sheet, poster and state-of-the-art training presentation have been developed/assembled to provide a high-quality teaching and outreach program that focuses on market development for aquaculture production in Tennessee. A complete documentation of the "Ag. Tag" supported Aquaculture Task Force project "Opportunities for Growth" is available at the *Agricultural Development Center's* web site: www.utextension.utk.edu/adc/.

Another Completed Project Update

Pastured Poultry Processing and Marketing - There is much concern for opportunities, or lack thereof, regarding small-scale poultry processing in Tennessee and other states. Investment in and operation of a USDA-approved slaughtering and processing facility is often deemed “prohibitive” for small-scale operations. However, USDA exemptions and traditionally higher market prices for free-range, pastured-poultry, organic and the like may be reasons to re-visit value-added poultry enterprises. Plans must be made for complete compliance with all USDA rules, regulations and inspections for poultry processing and slaughtering. Start-up costs could range from \$75,000 to several million and annual operating costs could range from \$600,000 to the millions depending on size, scale, distribution and location. Increases over the past 30 years in poultry consumption along with product differentiation opportunities for free-range and pastured poultry yield optimistic marketing opportunities. However, significant investment in marketing, promotion and public relations should be expected. A quality, safe, reliable and consistent product is a given and cannot be sacrificed or compromised.

Strategic Planning Efforts Pay Off - The first-priority goal identified by the ADC’s strategic planning process recently culminated with the work of an action team which developed a proposal and job description for a full time center Director. A search committee for the new position has been established and will begin to screen applications in February. A copy of the job announcement may be obtained by contacting the ADC or visiting the “What’s New” feature of the ADC web site.

Training Sessions Dominate Fall 2000 - The final quarter of 2000 was dominated by training sessions, producer meetings and a variety of ADC outreach efforts. More than 85 county Extension agents, 120 agri-entrepreneurs, 110 agri-leaders, 8 international visitors and 55 college students participated in 11 training sessions, workshops and seminars aimed at enhancing knowledge and skills related to value-added agriculture. Results of program evaluations by participants were very favorable and provided an endorsement for additional, hands-on training in value-added enterprise development.

Update on Job Opportunities - The ADC has hired a new Principal Secretary who is scheduled to begin work in the Center near mid-January. In addition, the ADC is seeking applicants for two other full-time positions: Director and Marketing Specialist. Both of these positions are 100% appointments to the center and will contribute to the overall multi-disciplinary team mission of the ADC. Inquiries may be made directly to Ray Humberd or Rob Holland at the ADC in Knoxville (865-974-3824).

On-going Producer Projects - The ADC’s teams of specialists are currently involved with seven producer-initiated projects involving such value-added ideas and enterprises as beef jerky, niche markets for pork products, direct marketing, organic marketing, value-added waste products and value-added wood products.

Upcoming Activities - The beginning of the new year does not seem to indicate a slow-down of activity in the ADC. Up to ten new case-study interviews will be developed as part of a three-state project in value-added agriculture and numerous producer educational programs and training sessions are scheduled across the state. The possibility of two new publications is on the horizon and the activity on the ADC web site continues to grow.

Just the Facts - The following information is based on regular efforts to evaluate and assess the activities, progress and impact of the *Agricultural Development Center*:

▶ Projects Completed	50
▶ Projects In-Progress	7
▶ Projects Pending Action by Applicant	6
▶ Grant Funds Received	\$117,000
▶ Publications Developed	5
▶ Fact Sheets Prepared	47
▶ Mass Media Releases	26
▶ Projects with Products Available	33
▶ Extension Specialists Involved	17
▶ Average Time to Project Completion	4.15 months
▶ Estimated Number of Jobs Created Per Completed Project	1.9
▶ Dollars Generated from Value-Added Activities	\$225,000