



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

[www.utextension.utk.edu/adc](http://www.utextension.utk.edu/adc)

### Issues on the farm:

- ▶ organics
- ▶ cooperative efforts
- ▶ direct marketing and farmers markets
- ▶ non-food enterprises
- ▶ cost of regulations

**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 (4-1-01)*:

- ▶ Projects Completed . . . . 55
- ▶ Projects In-Progress . . . . 7
- ▶ Grant Funds Received . . . . . \$117,000
- ▶ Publications Developed . . . 7
- ▶ Fact Sheets Prepared . . . 49
- ▶ Mass Media Releases . . . 28
- ▶ Projects with Products Available . . . . . 34
- ▶ Extension Specialists Involved . . . . . 18
- ▶ Potential Gross Income from Project Evaluations . . \$20 million
- ▶ Average Time to Project Completion . . 4.15 months
- ▶ Average Number of Jobs Created Per Project . . . 1.9
- ▶ Dollars Generated from Value-Added Activities . . . . . \$225,000

### Upcoming Activities:

- ▶ E-Commerce Training
- ▶ Marketing Specialist Interviews
- ▶ Case Study Publication
- ▶ Claiborne, Knox & Warren County Programs

## Progress Report 12

April 2001

### A Message From the Acting Director

We haven't been successful in obtaining all the necessary resources to make the ADC viable for the long term. We are grateful for the commitment that Dean Norman has made with existing resources. I believe that we have demonstrated that the concept is sound, and the process will work. The ADC can produce a timely and useful product and there are entrepreneurs in Tennessee who need our assistance.

I've been pleased to have been a small part of the ADC during the past three years. This will be my last message as Acting Director and I'd like to express my appreciation to everyone who has worked with us and provided support, knowledge and encouragement.

--- Ray Humberd

**New ADC Publication Available:** Because elementary school classes can be such a vital target market for agritainment enterprises, the ADC recently conducted a survey of elementary school teachers in six east Tennessee counties. On average, 22 students and five adults tend to participate in each school field trip. Teachers prefer to drive less than 35 miles and less than 45 minutes and pay less than \$7 per person. Most teachers plan their field trips either at the beginning of the school year or before the school year starts. Most school field trips are taken in the spring and fall and most teachers prefer to select a field trip that relates to the classroom curriculum. Teachers indicate that restroom facilities, an eating area and learning centers are necessary for class trips. A complete summary of the school teacher survey is available on-line at the ADC home page and in publication #1669, "Targeting School Groups for Agritainment Enterprises: Summary of a Schoolteacher Survey in Tennessee."

**Grant Proposals Pending:** The ADC currently has two grant proposals, totaling \$95,000, pending review. The proposals seek funds to develop additional market development and outreach programs for value-added agriculture.

**Training/Outreach Efforts:** Since January, ADC specialists have been busy conducting a variety of outreach teaching and training programs across the southeast. Agriculture leaders from 5 tobacco-producing states participated in an entire program devoted to value-added agriculture issues and approximately 50 community leaders were presented a completed overview of the ADC at the annual Quin-State Community Development Forum. Multi-county workshops were conducted with more than 90 participants in Sevier, Giles and Smith counties and the ADC educational exhibit was featured at trade shows in Pulaski, Columbia and Chattanooga. Approximately 20 Extension agents in the Smoky Mountain District were trained in Value-Added Agriculture issues.

## An Update on Completed Projects

**Packaging Farm Waste Products** - Potential consumers of a value-added product must be able to associate potential uses, benefits and results of the product. However, regulatory and labeling regulations tend to vary with certain product claims, positioning and labeling. The conflict between increasing sales with certain product claims and adhering to the regulatory requirements associated with making such claims is very apparent with packaged farm waste products such as compost, pelletized poultry litter and worm castings. State registration and regulations apply to all fertilizer packages of less than 25 pounds and all soil conditioners, soil amendments and specialty fertilizers. Consumers of such products desire to know several product attributes such as, N-P-K, weight, use, application suggestions, expected benefits and other product features such as product ingredients, production process and organic ingredients. Because many farm waste products do not tend to compete well with synthetic fertilizer products on a strictly N-P-K basis, other “specialty” product features should be emphasized on the product package and in all promotion materials.

**Puree Foods** - Increases in the “aging” population may make this consumer group a target for certain value-added food products, such as prepared puree foods. However, such a business should be carefully evaluated, studied and planned. Such a business will require a complex combination of production and market feasibility analysis. Proper raw-product inputs should be used in a quality processing procedure. End products should be appropriately packaged and competitively priced for a narrowly defined target. While the target market for such a value-added product may be easily described, actual identification and notification of the targeted consumers may not be so straight forward. Therefore, marketing efforts should not be underestimated.

**Colored Mulch** - The passion by Americans for home landscaping, combined with loyalty, spirit and a desire for the unusual may be enough catalyst for development of a successful value-added wood-product business through the production of specialty colored mulches. Surplus waste products suitable for landscaping mulch may be used with modern technology and coloring agents to tap into a growing demand for landscaping mulch in various colors. Equipment for such procedures is often considered expensive and therefore should be offset with substantial market development and promotion strategies so as to increase the potential for business success. ADC faculty assisted a rural Tennessee wood products business, and producer of colored hardwood mulch, with intensive financial planning and analysis for debt capital acquisition. The ADC also assisted with the development of marketing strategies designed to introduce wholesale buyers to the advantage of this product over non-colored hardwood-based mulches.

**Retail Meat & Specialty Products Marketing** - Developing a retail business in rural areas of Tennessee that will feature value-added farm products takes a significant amount of planning, development and market evaluation. Despite the tourism potential and uniqueness of the planned business, the enterprise should be evaluated and positioned with success contingent on a local customer base. Therefore, market assessment and development should include a complete understanding of the potential consumers that reside within a close proximity (5 to 20 miles) of the venture. In addition to consumer demographics, a diversified product line, multiple sales outlets, multiple promotion techniques and multiple retailing techniques should be evaluated and planned. While an Internet presence will be essential in the business development process, caution should be taken not to expect a significant volume of sales via the Internet, especially in the short term. Competition for the business and per capita consumption trends should also be evaluated and utilized.