



"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

Progress Report 13

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Faculty Changes:

We are pleased to report a couple of faculty changes within the *Agricultural Development Center*. After the departure of Dr. Kent Wolfe in June of last year, Ms. Shasta Leinart has joined the ADC team as Marketing Specialist. Shasta has a degree in agriculture and recently received her MBA from Tennessee Tech University. She will be providing leadership on various market analysis and market development projects in the ADC. With the recent retirement of Dr. Ray Humberd as Associate Dean and Acting Director of the ADC, Dr. Dan McLemore, Department Head for Ag. Economics, has been named the ADC's new Acting Director. Dr. McLemore is also chair of the search committee for a full-time ADC Director and will now provide direct administrative and subject-matter leadership for the ADC programs.

Upcoming Activities:

- ▶ Joint-Program Development
- ▶ Trade Show Exhibits and Outreach Efforts
- ▶ Program Evaluation
- ▶ UT-Martin Marketplace of Ideas Planning
- ▶ Grant Proposals

A Message From the Acting Director

It is a pleasure and a challenge for me to assume the Acting Director's position in the ADC, especially given the excellent leadership that the Center has enjoyed from Dr. Ray Humberd. Ray has done an outstanding job of guiding the ADC through its formative years and we hope that we can continue and expand the level of service that has been provided to clients in the past. One of my most important duties is to identify a permanent Director for the Center. That process is underway and we expect to have an outstanding person on board soon to build on past successes and to lead the Center to higher levels.

- - - Dan McLemore

Publication of Case Studies:

The ADC is pleased to have participated in the "Ag. Tag" grant program from July 2000 to June 2001. Our recently completed project spanned the entire year and the entire state. The culmination of the project is a published set of 12, value-added agriculture, entrepreneurial case studies. This project served as a "balance" to a tri-state cooperative effort which developed resources, from case studies, to further the development of value-added, alternative and entrepreneurial effort in farm and rural communities. In addition to the printed report, a complete project history and documentation is available at the "Market Development" site of the ADC's Internet home page, <http://www.utextension.utk.edu/adc/develop.html>. In addition to the web presence, we will be using the resources developed from this case study project in teaching and training sessions across the state.

Outreach Efforts:

ADC training programs were delivered to groups in four different cities during April. A general introduction to value-added agriculture and the outlook of e-commerce success for small value-added retailing were the primary topics. An on-going partnering relationship was also established with the Tennessee Council of Cooperatives and educational fact sheets were prepared for specific meat and forest-product topics. The ADC is also pleased to be affiliated with the planning and implementation of an upcoming "Marketplace of Ideas in Agriculture" educational and exhibit fair to be hosted by U.T. Martin in January 2002. This is an exciting regional program that will showcase information, testimonies and impacts of value-added agriculture.

Notified of Grant Projects Funded:

The ADC was recently notified that our proposal to conduct a feasibility study for the development of small-scale commercial kitchen enterprises and create various “value-added” resources centers across the state was funded as one of 19 projects for the 2001 - 2002 “Ag. Tag” grant program. The ADC also received notification of funding for a two-year USDA, FSMIP grant which will support a development of five market development tools and produce two hands-on evaluation resources. Together, these two new grant-funded projects will extend the value-added program efforts of the ADC and provide \$95,000 in additional resources.

New Web Site Feature:

The ADC web site now features a page devoted to reporting and presenting our efforts in market development. By nature, our role in market development is most often a cooperative effort involving additional resources such as grants. The new “Market Development” button on the ADC home page provides a general listing of each special project. Details of each project are provided as are down-loadable resources and publications which have been prepared for each.

Interviews Scheduled for ADC Director:

The six-member search committee for ta full time ADC Director has scheduled interviews with two candidates. Each interview will include an open-forum seminar, visits with various UTIA administrators, ADC faculty and project entrepreneurs. Interviews are scheduled for July.

An Update on Completed Projects

Investigating Markets for Organic Grain & Grain Products - The production of a significant number of acres of certified organic grains may allow a grower to target large- and small-volume buyers in both niche and mainstream markets. While the market outlook for both organic food and feed grains is good, investments in market development are still needed. Tennessee-grown organic grains can be targeted to numerous domestic and export grain dealers at premium prices or can be carefully marketed direct from the farm to organic livestock producers, organic feed mills and specialty food manufacturers. A well-planned marketing and promotion program, including bulk and bagged sales, well-designed literature and multi-media promotions, should be considered and maintained. A step-by-step action plan for market development and market diversification should be developed and the development of new uses and new markets for specialty products should be supported.

Manufacturing and Marketing Beef Jerky on a Small Farm - Utilization of beef in a value-added jerky business will be subject to USDA inspection and may result in a restructure or whole-muscle type end product. Basic jerky processing includes cutting or shaping the meat, seasoning, dehydration and packaging. The overall jerky industry has experienced significant growth in recent years to \$1.32 billion in 1999 sales and the third leading category of new product introductions for the snack food industry. Retail sales are dominated by convenience stores and despite recent increases in specialty and gourmet jerky sales, the product is still primarily an on-the-go outdoor snack. Jerky sales at Knoxville-area grocery stores are relatively low at just under 440 ounces per-brand, per-year and only \$0.91 sales per 1,000 check-out sales. While average retail prices are considered good at close to \$20.00 per pound, relatively low profit margins on wholesale prices tend to necessitate a significant volume of sales resulting in the need for many retail outlets.

Hillcrest Orchard, R-GROW, Cookson Creek, Dotta Sue’s - Several previously completed projects continue to make strides in their business and market development efforts. To increase traffic at their on-farm market during a historical “slow” cycle, Hillcrest Orchard is beginning a Farmers’ Saturday Market as a place for other local growers to market fresh produce. R-Grow Organic Soil Conditioner continues to expand its market borders by stepping up calls on Lowes Home Improvement Stores (where R-Grow is now an approved vendor), Home Depot and new retail stores in East Tennessee. The Cookson Creek Farm has opened a new retail facility (off the farm) on a major U.S. highway. The new market will include a grocery store and deli which features local produce. Dotta Sue’s Original Bake Shop is expanding its product line to include a new tasty treat.