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"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"

Progress Report 27

January 2005

More than 700 Attend Presentations by CPA Specialists

From October to December, CPA Specialists provided teaching in 17 different educational sessions. Participation in these sessions ranged from 5 to 150 with a total of more than 700 total contacts. Topics of discussion for these educational programs include "Web Site Development," "Adding Value Through Commercial Food Businesses," "Understanding Tennessee's New Processing Coop Law," "Rural Jobs Workshop," "Overview of Tennessee's Agritourism Operations," "Overview of Value-Added Marketing," "What is Adding Value" and "Evaluating New Farm enterprises."

Update on Hispanic Market Development Project

As part of a study on Hispanic market opportunities in Tennessee, Specialists have begun to develop and refine a survey instrument which will be used to analyze activities of Hispanic retailers in a pilot area – Bedford County. Specialists from the Center met with key individuals who will help in conducting the survey to schedule a plan of work. Specialists also began to collect secondary data for analysis of trends in Hispanic markets. The results of the survey and analyses are expected to provide information to Tennessee farmers on the opportunities to produce and market value-added products to Hispanic consumers.

A Message from the Director . . .

2004 was a busy and productive year for the Center. Significant progress has been made in achieving our short-term organizational goals, serving individual clientele of the Center, developing quality educational materials and resources and attracting additional grant and contract funding for worthy projects.

Major projects on "Agritourism," "Cooperative Development" and "Hispanic Market Development" are well underway or nearing completion. All full-time permanent staff positions are filled with well qualified professionals who are involved in several individual clientele projects.

2005 will bring more exciting activity to the Center and promises to be even busier than 2004. Much of our attention will be focused on the "Developing Rural Businesses Initiative" (DRB) as referred to in the article below. Anne Dalton has rejoined our staff in a part-time Extension Assistant position dedicated to this project. Anne will be based in Knoxville. We will be conducting interviews in early January to fill an Extension Specialist I position which will serve as project coordinator for the DRB project.

The Center is partnering with Memphis-based Informa Economics (formerly the Sparks Company) in a strategic planning project for the Ames Foundation to develop a strategic plan for added enterprises at Ames Plantation. CPA has contracted with Informa to perform specific tasks related to enterprise evaluation and development.

Dan Wheeler

Director - Center for Profitable Agriculture

Grant Helps Fund New Program Initiative – On November 5, friends of the Center met on the campus of Tennessee Technological University in Cookeville to join in the ceremonial presentation of a \$261,345 check from Mary Ruth Tackett, State Director for USDA Rural Development. The check was presented to the Center as a grant to assist launching the Center's "Developing Rural Businesses" (DRB) program. The program is designed to create, develop and implement a value-added training and outreach initiative providing technical assistance to farmers and value-added entrepreneurs who are considering or are pursuing the development of successful private small business enterprises. This project involves providing business evaluation assistance to private enterprises that seek to develop value-added business activities in tobacco-producing counties. Overall, this small business development project will serve as a catalyst in stimulating agribusiness development in the nineteen county region including: Trousdale, Macon, Smith, Dekalb, Clay, Jackson, Putnam, White, Overton, Cumberland, Pickett, Fentress, Morgan, Scott, Campbell, Union, Claiborne, Grainger and Hancock counties.

On the Road Again – Representatives of the Center managed to pack in a significant amount of travel during the last quarter of 2004. Travels across the state included farm visits in Shelby County, Madison County, Gibson County, Carroll County, Hardeman County, Robertson County, Weakley County, Grainger County, Carter County, Fayette County, Bedford County, Wayne County and Williamson County. Other in-state destinations included Nashville, Jackson, Shelbyville, Knoxville and Savannah.

Final Report on “Enterprise Development Learning Network” - - One-on-one work was completed with eleven full or part time farmers for this project. These folks were in search of ways to make their farm their primary income source and pass it on to future generations. All were interested, at varying levels, in knowledge of sustainable agricultural methodology. The farm size ranged from 20 acres to 210 acres. All clients who obtained assistance through this project were small, family farmers. Forty-eight total producers received benefits through this project. The type of assistance provided included educational materials and resources, as well as a training session, a tour to farms implementing sustainable farming practices, and an informal, in-state networking structure. Success came with being able to offer valuable information that allowed the farmers to learn how to incorporate sustainable, diverse farming and marketing techniques into their operations. From some of the producers’ viewpoints, they gained knowledge that improved their decision-making skills for their farming operations. They learned more about the importance of writing business plans where, within one plan, there could be multiple enterprises leading to the same goal – farm prosperity...through farm conditioning, care and concise marketing choices.

Final Report on "Cooperative Development Emphasis" - - From October 2003 to December 2004, the CPA provided leadership for the Cooperative Development Initiative. This program was designed to conduct educational programs to improve the understanding of cooperative forms of business organization, conduct training sessions for agricultural leaders and educators, conduct strategy sessions with producer groups considering a co-op organizational structure, develop and disseminate printed and web-based cooperative development educational information and provide analytical work regarding the state’s new processing cooperative law. Results of the project exceeded benchmark objectives with a total of 6 outreach and training sessions provided to an audience of 219. Additionally, a total of six strategy sessions were conducted with five different producer groups consisting of 68 farmers. Two new Extension publications were developed, four departmental fact sheets were released, 6 news releases were developed and a video was developed. Also, 20 farmers and agriculture leaders received training and have seen processing cooperatives first-hand through a three-day tour of processing-type cooperatives in Missouri and Kentucky. Printed educational resources have been distributed to more than 200 contacts.

Hot Off The Press . . . Center Releases New Educational Tools

★ **PB 1747** - “*A Snapshot of Tennessee Agritourism: Results from the 2003 Enterprise Inventory*” - presents the results of a 2003 inventory of 210 agritourism enterprises in Tennessee and provides valuable knowledge about the agritourism industry in the state and the needs of agritourism operators. The publication will be useful to existing and emerging agritourism entrepreneurs and educators in Tennessee and other states by providing a snapshot of experiences and insight of agritourism operators. The 2003 enterprise inventory provided information to the initiative partners enabling the promotion of the 210 participating enterprises. The enterprises are listed on the Tennessee Department of Agriculture’s Pick Tennessee Products Web site at <http://picktnproducts.org>. Agritourism has a significant impact on Tennessee’s economy. Respondents accounted for approximately 3.5 million visitors in 2002. Customers spent up to \$400 per visit at agritourism enterprises in 2002, with 30 percent of enterprises earning between \$1 and \$10 per visitor.

★ **PB1748** - “*Commentary and Overview for the Tennessee Processing Cooperative Law*” - provides a summary of the Tennessee Processing Cooperative Law which was passed in 2004. It provides a historical perspective of farmer cooperatives and compares the new law to various other business organization structures. The publication provides a broad view of the differences in the new law and traditional cooperatives and presents the specific and unique characteristics and terms for the new law. This publication is best for those who want to know details about what the new law offers and how it compares to other possible legal business structures.

★ **PB 1750** - “*Considerations for Membership/Investment in a Processing Cooperative*” - is suited for groups or individuals who are considering a processing cooperative as the legal business structure. It provides a description of the possible steps to follow in the formation and provides descriptions/discussions of the roles of cooperative members. It also provides guidelines for raising and contributing money and a checklist for possible farmer members. This publication is best for farmers who are actually contemplating possible membership in a processing cooperative or are embarking on recruiting members in a processing cooperative.

★ **Processing Co-op Video** - “*Agriculture’s Future: The Tennessee Processing Cooperative Law*” - is a 15-minute video that includes comments from Tennessee lawmakers, provides a description of what the law offers and includes specific footage and interviews with managers and members of processing-type cooperatives in other states. The video is not a step-by-step workshop approach to developing a processing cooperative – it is a “public-service-type” announcement to make people aware that the law exists and to show examples of actual cooperative ventures.