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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 29

July 2005

Recent Outreach Efforts:

During April, May and June Specialists in the Center provided educational information through various consultations and assembly of educational resources to 112 individuals in 39 Tennessee Counties and 5 other states. One-on-one consultations were conducted with 11 farmers in Carroll, Weakley, Giles, Lawrence, Fayette, Van Buren, Robertson and Morgan counties.

CPA specialists made 23 presentations at various events across the state with an estimated attendance of just over 900. Teaching topics at these events included "An Overview of Value-Added Agriculture," "An Overview of the DRB Program," "Value-Added Opportunities in Animal ID Programs," "Branding Opportunities for Farm Products," "Direct Marketing" and "Marketing Strategies for Farmers' Markets."

Specialists also attended more than 30 events including professional development seminars, commodity advisory board meetings, multi-state program planning sessions, development district planning meetings, a rural development conference and various other program planning meetings.

UPDATE ON GRANTS:

During the second quarter, work was completed on two externally-funded projects which brought some \$16,000 to the Center. Four other projects are still underway and slated to bring a total of \$357,000 in additional funds. One new proposal for an additional \$20,000 was submitted during June but has not yet been funded.

A Message from the Director

CPA staff are scheduled to meet with county Extension Directors and agriculture agents in 19 Upper Cumberland and East Tennessee counties to discuss the goals, objectives and activity time-line for the "Developing Rural Businesses" project. The meetings will serve as kick-off events for outreach efforts associated with the project. The project, funded largely by a USDA - Rural Development, Rural Business Enterprise Grant, provides a unique opportunity for UT Extension and our project partners to inform, educate and otherwise advance the concept of value-added entrepreneurship among Tennessee farm families.

We are pleased and excited that Tennessee will be hosting the 2006 Annual National Value-Added Agriculture Conference next June in Nashville. The conference is attended by agricultural innovation and value-added professionals from across the country and will focus attention on our efforts in Tennessee.

CPA staffers have completed two comprehensive written feasibility/market analysis project reports for individual clients during the quarter in addition to their routine client consultation work. Client feedback on the quality and timeliness of our staff's project work continues to be very positive.

Dan Wheeler

Director - Center for Profitable Agriculture

NEW EXTENSION SPECIALIST NAMED TO LEAD CPA'S INITIATIVE IN UPPER CUMBERLAND - -

During June, Benjamin P. (Ben) Sanders was welcomed to the Center as an Extension Specialist. Sanders is a native of Bradley County, Tennessee where he grew up on the family dairy farm. He has a MS degree in Agricultural Economics and a BS degree in Animal Science, both from The University of Tennessee, Knoxville. "We're excited to have Ben join our Center," Dan Wheeler said. "His strong educational background and farm experience as well as his knowledge of UT Extension and Tennessee agriculture will serve us well. Ben will be an asset to the educational programs of our Center and a great resource to the farmers of Tennessee," said Wheeler. Sanders' primary role in the Center is to coordinate a targeted educational initiative in 19 Tennessee counties in the Upper Cumberland region. The program is titled "Developing Rural Businesses" and will concentrate on conducting workshops and meetings and providing one-on-one assistance to farmers who are considering value-added agriculture enterprises. A quarterly report on the DRB program can be accessed at the DRB Web site: <http://cpa.utk.edu/DRB>.

CPA MAKES ANNUAL REPORT TO FARM BUREAU - -

The Tennessee Farm Bureau Board of Directors received an annual report from the CPA on May 20. The report on the Center's activities during 2004 was delivered by Dan Wheeler, Megan Bruch and Rob Holland. The presentation included reporting on some 27 farm visits, 53 outreach teaching events with more than 2,300 participants, more than \$445,000 in external funding support, 28 fact sheets, 5 peer-reviewed publications and details on the "Cooperative Development Emphasis," the "Upper Cumberland Beef Alliance" Project, the "Tennessee Agritourism Initiative," the "Hispanic Market Development" Project and the "Developing Rural Businesses" Program.

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“VALUE-ADDED” IS FOCUS OF TAAA&S PROFESSIONAL DEVELOPMENT TOUR - - The CPA hosted some 43 Extension agents during one of the TAAA&S professional development tours during the group’s annual meeting which was held in Spring Hill during April. The tour, which focused on value-added enterprises, included a personalized tour of the Jack Daniel’s Distillery and some “Behind the scenes comments” from the Grounds Maintenance Crew and the Distillers Grain Feed Operation. An afternoon at the Valley Home Farm in Wartrace, Tennessee included a look at their successful black-plastic strawberry operation that specializes in pick-your-own direct marketing, agritourism and value-added products. Throughout the tour participants were updated on Tennessee’s new cooperative law, a marketing study that is being conducted to identify farm production opportunities targeting the Hispanic market, and the latest information from the Tennessee Agritourism Initiative.

TEN TENNESSEE DELEGATES ATTEND NATIONAL VALUE-ADDED CONFERENCE - - Among the participants in the 7th Annual “National Value-Added Conference” held in Indianapolis, Indiana during June were 10 Tennesseans. Approximately 170 value-added practitioners from across the country attended the conference and participated in various break-out and general sessions and heard from speakers including Mark Drabbenstott of the Federal Reserve Bank in Kansas City, Dr. James Fischer of the U.S. Department of Energy and Dr. Chris Peterson of Michigan State University. The large delegation from Tennessee was part of the planning process for hosting the national conference in Nashville, Tennessee during June of 2006. Attending this year’s conference on behalf of the CPA were: Kelly Amonette, Megan Bruch, Laura Cantwell, Alan Galloway, Rob Holland, Paul Nordstrom, Pam Rye, Ben Sanders, Dan Wheeler and Amanda Ziehl.

SPECIALISTS CONTRIBUTE TO VIDEO, TOGA CONFERENCE & MASTER GOAT PRODUCER PROGRAM - - During May, the UT Institute of Agriculture Video News Bureau developed a story about direct marketing. The video feature (which is also available in audio format for radio use) included on-site interviews and footage from Nancy Edwards and her Valley Home Farm in Bedford County and quotes from Amanda Ziehl and Rob Holland from the CPA. Dr. Peggy Hamlett, Area Specialist with the CPA in West Tennessee, delivered a presentation titled "Marketing Grassfed Beef" at the April 16 *Tennessee Organic Growers Association* (TOGA) conference in Nashville. Also, as a member of TOGA, Dr. Hamlett was chosen by the West Tennessee TOGA members to facilitate the development of a TOGA-West Chapter, which is underway with the second meeting to be held in July. The CPA’s Megan Bruch, Rob Holland and Amanda Ziehl are involved with a state-wide project to develop a Master Goat Producer training course and will be involved with authoring the Marketing and Economics Chapters of the Master Goat Producer training manual.

THIRD ANNUAL “AG OPPORTUNITIES SEMINAR” SETS ATTENDANCE RECORD - - For the third consecutive year, the CPA teamed up with partners from USDA--Rural Development and the Tennessee Department of Agriculture to host the “Agricultural Opportunities Seminar.” This year’s seminar was a mid-day session designed to make folks aware of grant programs and technical assistance available to farmers from Rural Development, TDA and CPA. The April 15 seminar was held in Nashville at the Ellington Agricultural Center and targeted individuals from 35 middle Tennessee Counties; 67 Extension Agents and other Agriculture leaders participated in the seminar.

UPDATE ON COMPLETED PROJECTS:

Produce Auction Analysis: With farmers using different marketing methods for produce, some may consider using a produce auction as an alternative at the wholesale level. Building and operating a successful produce auction comes with many challenges. There are several factors needed to make a produce auction successful including committed buyers and sellers, a convenient location and a large volume and variety of high-quality, fresh produce. Roadside vendors, small grocers, restaurateurs, wholesale buyers and those who re-sell at farmer’s markets should be targeted as buyers. It is important to incorporate packaging and grading standards to create consistency and speed the buying process. Seasonality of produce may require the need for the auction firm to consider selling other products such as hay, flowers, farm equipment or horses. The auction may not generate enough income to be the sole income source of the owner dependent upon start-up and operating costs as well as the commission charged.

Branding Report Summary: A brand strategy may be used to differentiate a business, organization or product from others in the marketplace. Developing, implementing and establishing a successful brand is a slow process that usually requires marketing expertise and may come with many challenges. A brand is not just a logo or tagline. A brand is the perception or image that a customer holds of a particular organization or product influenced by their experiences in the marketplace. Businesses or organizations who are considering branding should narrowly focus the brand on a few core strengths or attributes. It is also important for the business to realize that the brand should be understood, reflected and promoted by all aspects of the organization. Although developing a brand is initially a slow and difficult process, in the long-term a successful brand may lead to a more loyal customer base, greater market share and a higher price in comparison to non-branded products or services.