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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 37

July 2007

What's the Buzz: Value-Added Project Ideas Recently Mentioned:

Below is a listing of only some of the value-added farm projects that have been proposed, discussed or evaluated in the recent months:

- ▶ Milk bottling
- ▶ Apple processing
- ▶ Niche hay marketing
- ▶ Goat meat marketing
- ▶ Gourmet pet food
- ▶ Custom feed crushing/bagging
- ▶ Marketing organic seed sprouts
- ▶ Tomato processing
- ▶ Grass-fed meat marketing
- ▶ Winery
- ▶ Domestic Kitchen Rules
- ▶ Rabbit Production
- ▶ Vegetable marketing (CSA)

Outreach Accomplishments for April-May-June: During the second quarter of 2007, CPA specialists assisted 58 farmers and value-added entrepreneurs in more than 35 counties through information packets, direct letters, e-mail correspondence and telephone communications. Additionally, six farm visits were conducted in four counties, four news releases were developed and three new fact sheets were released. CPA specialists also participated in 18 planning meetings, conference and committee meetings. More than 750 people attended 14 different events where CPA specialists were involved with teaching a variety of topics including farmers market start-up, value-added enterprise considerations, designing effective marketing brochures, commercial food processing feasibility and value-added promotion strategies.

CPA Director Dan Wheeler Retires June 30, 2007 - - The following statement was released by UT Extension Associate Dean, Dr. Tim Cross, on June 27, 2007 in announcement of the retirement plans of Dan Wheeler.

"Mr. Dan Wheeler joined UT Extension in August 2002 as Director of the *Center for Profitable Agriculture*. He has been instrumental in establishing this new Center, located at the Middle Tennessee Research and Education Center. Under his leadership, the Center has received over \$1 million in external funding to support educational projects related to value-added agriculture and natural resource projects. The Center also hosted the National Value-Added Conference in 2006 in Nashville, Tennessee, and this was the first time this conference was held outside the North Central Region of the US. Staff at the Center have completed more than 70 projects with individual value-added entrepreneurs, evaluating such ideas as apple butter, ostrich meat, treated forest products and wines. Prior to joining UT Extension, Mr. Wheeler served as the Commissioner of Agriculture from 1996 to 2001, where his accomplishments included a major reorganization of the department and leadership of the Governor's Conference on Agriculture and Forestry. The Agricultural Development Center was established as a result of the Governor's Conference, and this Center evolved into the current *Center for Profitable Agriculture*. Mr. Wheeler began his career with Tennessee Farmers Insurance Companies and then joined the Tennessee Farm Bureau Federation, holding positions which included Regional Field Service Director, Assistant Director of Organization, Assistant to the President/Chief Lobbyist, and Chief Administrative Officer. It has been a privilege for me to work closely with Mr. Wheeler for the past 5 years, and his wisdom and experience will be greatly missed. He's served us, and the University, in many ways. We extend our sincere best wishes to Mr. Wheeler and his wife Carol for a fulfilling and enjoyable retirement."

Jennifer Dutton Welcomed as New Marketing Specialist: We are pleased to welcome Jennifer Dutton as the newest Marketing Specialist to the Center. Jennifer joined the CPA on July 1 after recently completing her Master's degree in Agricultural Economics from Oklahoma State University and B.S. degrees in Business Administration and Economics from Western State College of Colorado in Gunnison, Colorado where she also played college basketball. Jennifer was born in Kansas and raised on a family farm operation in Limon, Colorado where she was a 4-H member and an active athlete. Jennifer will be assisting with various marketing analysis for value-added projects and will provide leadership to our value-added meat and livestock programs.

Revisions and Reprinting of CPA Publications: The past several months have been filled with a great deal of publishing and printing activity at the Center. Various external grant and contract funding provided opportunities to make revisions and reprint two of our most popular publications, PB1710 (Adding Value to Tennessee Agriculture Through Commercial Food-Processing Enterprises) and PB1727 (A Review of USDA-Inspected Livestock Slaughtering Facilities in Tennessee). In addition, new copies of PB1699 (Marketing for the Value-Added Enterprise) and PB1754 (Agritourism in Focus) were reprinted.

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Review of FY 2007 External Funding: More than \$300,000 in external funding in the past fiscal year allowed the Center to greatly enhance our outreach and analysis programs. Five different grants or contracts were active between July 1, 2006 and June 30, 2007. These programs funded the development of four new publications, a training session for county Extension agents, one-on-one analysis for more than 18 value-added projects and more than 50 workshops with more than 1,300 participants.

Final Report Prepared for *Developing Rural Businesses* Program: The *Developing Rural Businesses* (DRB) program was an education and outreach initiative of the CPA in a 19-county area encompassing the Upper Cumberland region of the state. The program ended in June 2007 and was funded by a grant from USDA Rural Development. The program reached 1,124 farmers and entrepreneurs through informational sessions, educational workshops, one-on-one assistance and the *Ideas to Enterprises* conference. A final report for the entire DRB program has been prepared and documents the history, inputs and outcomes of the program. The final report is available at the DRB Web site <http://cpa.utk.edu/DRB/>.

New Farmers Market Publications Hot-Off-The-Press: Two of the Center's newest educational publications have been finalized and are available for statewide distribution. UT Extension PB1770 (A Guide for Considering and Developing a Farmers Market in Tennessee) and PB1771 (Direct from Tennessee Farmers Markets: Observations, Quotes and Data from Market Managers, Vendors and Customers) result from a year-long CPA initiative in farmers market development that was funded in part by a grant from the Tennessee Department of Agriculture with funds derived from the sale of agricultural specialty license plates (the Ag Tag). Both publications are available directly from the CPA, any county Extension office in Tennessee and from the CPA Web site.

Bruch Teams-Up for Multi-State Agritourism Teaching: In June, Megan Bruch traveled to Purdue University in Indiana for the Marketing Tools and Techniques Workshop, sponsored by the Indiana Office of Tourism, the Indiana Department of Agriculture and Purdue Extension. The workshop was broadcast to eight locations around the state and will be produced onto a DVD. Bruch presented on two topics, "Key Concepts to Successful Marketing" and "Brochure Design, Development and Distribution," to 75 workshop participants. Materials from this workshop will also be used by Indiana colleagues in a presentation at the Ohio Farm Science Review in September. Also, in January, Bruch spoke to 53 attendees of the Illinois Specialty Crop and Agritourism Conference about "Agritourism Innovation in Tennessee." The conference was sponsored by the Illinois Specialty Growers Association.

CPA Specialists Introduce Value-Added Agriculture to 1,100 3rd Graders:

It was not our typical audience, but on a hot May day Megan Bruch and Rob Holland participated in the Maury County Ag. Day where some 1,100 third graders from Maury County came to the Middle Tennessee Research and Education Center (home of the CPA) to learn about agriculture. The third-graders were introduced to the notion of "adding value" to farm products with fresh strawberries and numerous strawberry products featured.

Annual Report to Farm Bureau Board: Megan Bruch and Rob Holland delivered the CPA's annual report to the Tennessee Farm Bureau board of directors at their May board meeting. Highlights of the report included an update on external funding, contacts and impacts for 2006 and outreach efforts for farmers markets, agritourism and the Developing Rural Businesses program.

Review of Shared-Use Commercial Kitchen in Fentress County Completed: Through a planning grant received from the USDA "value-added producer grant" program, the Fentress County Agribusiness Development Steering Committee contracted with the UT *Center for Profitable Agriculture* to conduct an analysis for a possible shared-use commercial food processing project. Primary and secondary data was utilized in the study. While enough experiences of other similar projects combined with strong local leadership and available human resources point to technical feasibility for the project to be launched, little interest from likely users and dismal financial projections create a more cautious marketing and financial feasibility conclusion. Despite strong, positive local leadership for the project, secondary data utilized in this study indicates an up-hill battle for self-sustainability and the results of a survey with Fentress County potential users of the kitchen provided extremely disappointing indications of project success.

UPDATE ON COMPLETED PROJECTS:

Composting and Marketing Bagged Broiler Litter - - Developing a market for bagged broiler litter is not an easy task. Creating a bag that meets regulatory requirements, promotes the product and attracts customers does not happen overnight and developing an automated bagging system, within a tight budget, can be tricky. In addition, developing a pricing strategy that covers costs and fits local market parameters takes some time. Finally, pushing the product through retailers and directly to consumers requires time, skill and endurance. Proper planning, management and persistence can help navigate through many obstacles of developing and marketing bagged broiler litter as a value-added farm product.