

## Progress Report - *Agricultural Development Center* The University of Tennessee Agricultural Extension Service

**“A year ago the ADC was just beginning to move from concept to reality. Faculty and staff were hired. Procedures adopted. Awareness created. Partnerships formed. Projects accepted. Progress? I think so! During the past 12 months, the faculty have completed 13 projects and accepted 11 additional projects which are being evaluated. Project completion only means that we have provided our analysis. Much of the implementation and follow-up still has to occur. Our goal is to maintain contact and continue to provide assistance through the ADC or through other programs. We hope that our evaluation process and you will help us do that.”**

**- - - -Ray Humberd**

**Evaluation Procedure Adopted:** The ADC has developed procedures to evaluate the effectiveness, implementation and impact of its educational programs and services. A series of evaluation forms and questionnaires have been created to track the progress of ADC projects over time. Mailings of the first phase of questionnaires will begin in April 1999. Other periodic questionnaires will be mailed at appropriate intervals to determine the growth and impact of specific value-added enterprises.

**Value-Added Workshops Planned:** In cooperation with the Tennessee Department of Agriculture and the U. S. Food & Drug Administration, the ADC plans to offer a series of workshops across the state focusing on enhancing value-added agriculture industry. The first workshop in the “Adding Value to Tennessee Agriculture” series is planned in Memphis on June 3. The Memphis workshop will target agri-entrepreneurs interested primarily in food businesses. A similar workshop is planned in East Tennessee later this year. In addition, other workshops in the “Adding Value to Tennessee Agriculture” series will be taught across the state in the coming years. As a prelude to a complete agri-tourism workshop, a brief break-out session focusing on agri-tourism will be offered to the planners of various organization, association and educational events in the state from October 1999 to March 2000. Other workshops focusing on issues such as waste management, small farms and organics plan to be offered.

**ADC Featured at State and Regional Events:** During the first quarter of 1999, ADC faculty made presentations at three training sessions for County Extension Agents, a multi-county Leadership conference, the 4<sup>th</sup> Annual Sustainable Agriculture Professional Development Program Workshop, a multi-county sustainable agriculture seminar, the Tennessee Sorghum Growers Association Annual Meeting, the Tennessee Land Stewardship Association meeting and the Tennessee Fruit & Vegetable Growers Annual Meeting.

**ADC Seeks Grants for Educational Programs:** In order to further the growth of Tennessee’s value-added industry, the ADC, in cooperation with numerous cooperators, recently submitted grant proposals to the United States Department of Agriculture and the Tennessee Department of Agriculture for market development educational programs. The proposed projects would allow the ADC to conduct case studies with successful value-added businesses, perform actual market research surveys and provided various educational workshops and seminars on value-added agriculture.

## **BELOW IS A BRIEF SUMMARY OF RECENT PROJECT FINDINGS**

**Retail Meat Marketing:** A study was conducted to determine the target market for a retail meat market. Industry research suggests that the tastes and preferences of consumers have changed over time. Consumers are now purchasing food products based on taste and freshness rather than focusing solely on health benefits. Consumers are spending less time preparing meals and are demanding convenience products. In a recent study, retailers were asked which promotional programs were most effective at increasing product movement and which promotional programs were the most effective at differentiating the store in the marketplace. The promotional programs overlap, and not only help position and distinguish the store in the market, but they contribute to increasing displays, direct mail, in-store demonstrations, sampling and frequent shopper programs. As a general rule consumers consider price, fat content, freshness and color when they are considering a meat product.

**Value-Added Woodworking:** The ADC has completed an analysis for the potential of adding value to local timber through the manufacturing of wooden cabinet doors. Per unit cost of production was found to be significantly influenced by labor and the wood species utilized. Survey results indicate that there is little market potential for wooden cabinet door panels but a slightly better potential market for cabinet doors. Cost estimates for manufacturing the cabinet doors at full capacity appear to be competitive with market conditions. According to secondary industry research, the largest market potential for wooden cabinet doors lies in the remodeling market. The remodeling market accounts for three-quarters (77%) of the total use of new kitchen cabinets, with the remaining 23% going toward new home construction. However, cabinet makers appear to be losing market share to other businesses when it comes to remodeling jobs. For example, cabinet makers are predicted to do 3.7% of the total kitchen remodeling jobs in 1998 - a significant decline in market share of 61.9% since 1994.

**Consumer Survey for an Old-Time Butcher Shop:** A total of 2,500 surveys were mailed to randomly selected residents within 30 miles of the selected site of the proposed retail outlet. The survey found that residents shop, on average, at two stores a week for groceries and they currently drive between four and six miles to purchase pork and meat products. The respondents were less than satisfied with their current stores meat and cite appearance, freshness and quality as the most important criteria in selecting a meat. The results indicate that an old-time butcher shop would appeal to area residents, however the shop would need to be located near a major population center to attract enough customers to be economically feasible.

**Cabin Rentals for Agritourism:** The ADC assisted an agri-entrepreneur in redesigning marketing materials to better attract the targeted market and allow the material to meet guidelines for distribution in Tennessee's welcome centers and rest areas. Marketing efforts were also directed toward getting the business listed in the *Tennessee Sounds Good To Me* vacation guide, which is sent out to tourists inquiring about vacationing in Tennessee. A partial marketing plan was also developed to assist in the exploration of advertising and marketing in metropolitan areas. An analysis by the ADC of visitation trends and cycles for area attractions proved valuable in the assessment of expected peak seasons.

**Farm Campsites:** A preliminary financial and market analysis was performed to study the feasibility of developing a small campground on a rural Tennessee farm. Preliminary indications show that the costs associated with developing and operating the campground exceeded expected revenues from the venture. Visitation trends in the area around the proposed campground were analyzed by the ADC and found to have declined during the past year. The analysis of the visitation trends and cycles provided less than favorable estimated occupancy rates for the campground. However, the agri-entrepreneur is now well-positioned to track developments and monitor tourist traffic to determine if the project will be feasible in the future.

**Entertainment Farming through School Tours:** Investigation into the entertainment farming industry finds that it is **not** a "build it and they will come" enterprise. Folks must be convinced that the business will provide a product and experience that is a "good value." The obvious aspects of the business such as quality products, safe experience, polite visit and a clean and neat environment must be extended by features such as well organized, thoroughly planned and greatly executed. Entertainment farming activities offer the potential of additional income for the farm operation and a method to capitalize on non-utilized resources. However, the project will require significant investments of time and labor. A total devotion to the project will be required during certain months and will require intensive management and marketing efforts. Liability issues on the farm will be increased and a tendency to be distracted from other farm activities will be likely during the fall. The target market for this enterprise is the sub segment of the total population that is most likely to visit. Two target markets have been identified - the first is elementary school children and the second is households with children. The primary regulatory concerns will involve the County Health Department for food served and waste management, the USDA, APHIS for petting zoos and the Tennessee Department of Agriculture for foods produced. Sales, use, business and income taxes will all be issues for this enterprise.