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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 41

July 2008

### Value-Added Success Stories –

During the past several months, the Center has finalized 17 success stories based on the experiences of value-added farmers and entrepreneurs. A small quantity of each story will be printed for distribution on a single sheet (front and back) and include a few photos. All of the stories are available on the CPA web site at: [cpa.utk.edu/successstories/index.htm](http://cpa.utk.edu/successstories/index.htm)

**Hamlett takes on new position with TSU Extension** – Since the fall of 2003, Dr. Peggy Hamlett has served as an Extension Area Specialist with the Center. On July 1, Hamlett assumed a new role focusing efforts on sustainable agriculture, small farms and specialty crops. The position is funded jointly by TSU and UT Extension with headquarters remaining at the West Tennessee Research and Education Center in Jackson.

**CPA Features Small Crop Marketing Successes at “Fruits of the Backyard” Field Day** – Some 220 people participated in the first-ever “Fruits of the Backyard” field day held at the Middle Tennessee Research and Education Center on June 17 in Spring Hill. Megan Bruch spearheaded an exhibit in the trade show tent featuring the *Center for Profitable Agriculture* and two small-crop producers who were available for discussion about their on-farm efforts and marketing success.

**A Message from the Director** – Our Center recorded another successful season of accomplishments and progress during the second quarter of 2008. Since April, specialists in the CPA have been involved with various outreach and teaching programs for more than 1,265 participants in 10 counties through 16 presentations. Staff members also teamed-up in the development of a \$199,000 grant proposal submitted to USDA Rural Development; worked together in leading a Tennessee delegation to the National Value-Added Agriculture Conference in Oklahoma City; put into action planning for an Agritourism educational tour, Tennessee Farm Fresh workshops and agent trainings; and initiated a tour stop on “agritourism and direct marketing” for the upcoming Milan No-Till field day. The Center also participated in the “Fruits of the Backyard” field day and Maury County Country Classroom for more than 800 local third graders. The search committee for our vacant Extension specialist for financial analysis position narrowed the field of applicants and conducted interviews with three candidates – efforts are underway to finalize the search process. Jennifer Dutton, Extension marketing specialist in the Center, announced her resignation in May and departed the Center mid-June to accept a position with USDA Farm Service Agency in southern Wyoming, moving her closer to her family in Colorado. These and other accomplishments and program activities of the Center in the past three months are presented in this report.



Rob Holland, Director - *Center for Profitable Agriculture*

**County-Based Value-Added Agriculture Programs** – During the past several months, 10 county Extension agents provided leadership in implementing various value-added agriculture educational programs to their local farmers and producers. Programs included farmers markets, agritourism and direct marketing. More than 300 people participated in these programs. Counties which hosted value-added programs include: Dickson, Fayette, Giles, Grundy, Hickman, Knox, Montgomery, Morgan, Polk and Stewart. Funding support for these county-based programs was provided through the Center from the value-added priority program.

**10<sup>th</sup> Annual National Value-Added Agriculture Conference** – Five delegates from UT Extension attended the 10th Annual National Value-Added Agriculture Conference on June 1-3 in Oklahoma City. The conference was highlighted by a tour of the Oklahoma State University (OSU) Food and Agriculture Products Center on the OSU campus in Stillwater, Oklahoma. Other highlights of the conference included community entrepreneurship, organic certification, updates on value-added programs from various states and a great deal of networking with colleagues from other states. Future conferences are slated to be hosted by Iowa-Illinois in 2009 and by Mississippi State University in 2010.

**CPA Participates in Maury County “Country Classroom” at Middle Tennessee Research and Education Center** – Megan Bruch and Jennifer Dutton introduced the concept of value-added agriculture to more than 800 Maury County third graders during the annual “Country Classroom” at the MTREC on May 6. Using strawberries as an example, Megan and Jennifer explained how Tennessee farmers may add value to crops by processing, packaging and marketing.

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**"Tennessee Farm Fresh" Initiative** – The Tennessee Farm Bureau Federation and the Tennessee Department of Agriculture have teamed up to develop a new marketing program for Tennessee farmers. The program, called Tennessee Farm Fresh, is designed specifically for producers who direct market their agricultural products to consumers. More than 60 direct marketers have signed up for the program to date. Members of the program will receive marketing materials to identify them as Tennessee Farm Fresh producers and will be included in Tennessee Farm Fresh promotional materials such as [www.tnfarmfresh.com](http://www.tnfarmfresh.com) and printed directories. Advertising, public relations and publicity campaigns will promote the program and its members, encouraging consumers to seek out members and buy fresh and local products. As part of the Tennessee Farm Fresh program, the Center for Profitable Agriculture will be offering educational workshops to help direct marketers improve their operations. The planning for the first workshops, which will be held in several locations across the state this fall, is currently underway.

**Annual Report Delivered to TFBF Board** – During the May 29 quarterly meeting of the Farm Bureau Board of Directors, CPA Director Rob Holland provided an update on CPA programs and activities and delivered the Center's annual report for 2007. Highlighted in the report was the Centers overall outreach efforts, farmer projects, external funding and staffing updates.

**Center featured at Leadership Maury Ag Day** – On May 15, the CPA and staff with the Middle Tennessee Research and Education Center collaborated in hosting some 30 members of the Leadership Maury Class of 2008 for a day devoted to agriculture. Tours of the MTREC and presentations about agriculture production in Maury County, value-added enterprises and ag policy topped the agenda. Participants were also treated to various value-added products and snacks made in Tennessee throughout the day.

**Holland Participates in State 4-H Congress** – From March 29 to April 2, Rob Holland represented state Extension Specialists at Tennessee 4-H Congress in Nashville and coordinated the state Citizenship competition interviews. The event brought more than 400 high school 4-Hers together from across the state for a "learn-by-doing" experience in state government and various project competitions.

**Workshops Improve Understanding of Meat Marketing Regulations** – During May and June, Rob Holland and An Peischel (Extension Goat Specialist with TSU) teamed-up to host two pilot educational workshops with livestock producers in Middle Tennessee to address various meat marketing opportunities and regulations. These workshops facilitated open discussion of various direct meat marketing opportunities and their associated regulatory specifications. The workshops were designed to first inform livestock producers of broad meat marketing issues and then to apply specific meat marketing regulations. The workshops succeeded at improving the overall understanding of meat marketing regulations and facilitated discussions of new value-added enterprises to assist in local meat marketing successes.

**Web-based Educational Resources Launched by Value-Added Priority Team** – A new online directory of educational resources to assist value-added enterprise development has been developed by members of UT Extension's value-added agriculture priority program team. The directory catalogs resources available to help producers with information in these topic areas: livestock, wood and forestry, farmers' markets, agritourism, marketing, farm waste, funding and fruits and vegetables. Additional topics that are expected in the future include getting started in value-added agriculture, business planning, bottled water and wine and winery development. The directory is available on line at: <http://valueaddedag.tennessee.edu/resources/index.htm>.

## UPDATE ON COMPLETED PROJECTS:

**Direct Pork Marketing** – Most small-scale pork producers cannot compete with large-scale producers. They differentiate their products from those available in the conventional marketplace. Some small-scale producers have chosen to differentiate their products by breeds produced, production practices, labeling claims and animal handling practices. Their products will then be marketing more directly to the consumer through on-farm sales, farmers markets and online sales. A secondary market that may be considered is wholesaling to restaurants. The producers engaging in these activities often have to comply with additional regulations, both at the federal and state level. Pork producers that develop direct pork marketing enterprises must pay attention to consumer sensitivity to price, marketing cuts of varying value, product availability and regulation compliance.

**Analyzing and Developing Markets for Lump Charcoal and By-products** – Developing markets for products is challenging, especially in a market with significant competition. Products must be positioned to fill a niche in the market. Market analysis, planning and implementation will be vital to potential product success. By-products of production processes often create obstacles for producers. Ideally, a market will exist for the by-products that will bring additional revenue. In some cases, clear markets may not exist, and producers may need to work to develop markets or find a way to dispose of the by-products cost efficiently.

**Direct Beef Marketing** – Some beef producers are looking towards direct marketing and product differentiation in order to earn a higher percentage of the consumer dollar. More recently, producers are differentiating their products in the marketplace by using specific production practices and labeling claims on their final products and then marketing these products through online sales, on-farm retail stores, grocery stores and restaurants. Using these product differentiation strategies requires the producer to be in compliance with a variety of federal and state regulations. The producer also faces the issue of being able to retail all products produced from one beef carcass because there are many cuts that are valued at lower prices than steaks. Beef producers that develop direct beef marketing enterprises must pay attention to consumer sensitivity to price, marketing lower valued cuts, product availability and regulation compliance.