

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

We have initiated a strategic planning process that will help establish the direction for the ADC for the next five years. Completion of the strategic plan is scheduled for December 2000. Dr. Kent Wolfe, our marketing specialist, resigned at mid-June to return to his native Georgia. He will be missed. A key component of every project is marketing assistance and the vacancy limits what the ADC can provide. We hope to begin the process to fill the marketing position in the very near future. The positive aspect for the ADC continues to be the large number of good value-added project ideas that Tennesseans express. We can offer a valuable service with adequate resources.

- - - Ray Humberd

**FSMIP Update** - Phase I of the ADC's state-wide market development project funded by the USDA Federal-State Marketing Improvement Program is complete. All four value-added case study reports have been published under the title "Using Case Studies to Enhance Success." This publication is available in full-color hard copy and may be requested by contacting the ADC. This publication contains complete case-study reports for four of Tennessee's successful value-added businesses and will be used as a resource for farmers and agri-entrepreneurs considering their own value-added business. The publication will also serve as the primary teaching tool and resource for a variety of educational and training workshops and seminars across the state.

**Aquaculture Task Force** - The ADC's involvement in the state's Aquaculture Task Force stepped up during May and June. A complete market development study was conducted through a 25-question telephone survey of Tennessee aquaculture-industry participants. The results of the survey will be used in the development of a five-year strategic plan for Tennessee's aquaculture industry. A published summary of the survey is scheduled to be completed in August and will then be available on the ADC's web site.

**Survey of Markets for Value-Added Livestock Waste is Completed** - The ADC's investigation into potential markets for value-added livestock waste products was completed in June. During the one-year, "Ag. Tag-funded" project, background investigations, searches, interviews and literature reviews were conducted to develop four questionnaires for different potential consumer groups. Each group was interviewed through a telephone survey and some of the key findings of the surveys included: golf courses are more likely to currently be using manure-based products than other segments; manure-based products are liked because they are perceived to be environmentally friendly, they are organic and they improve soil composition; golf courses heavily prefer manure-based products to be packaged in bags, nurseries prefer bulk and landscaping contractors are evenly split on preferring bag or bulk packaging; potential users prefer that manure-based products be tested and have a guaranteed analysis; on average, Tennessee homeowners spend \$300.00 per year on lawn & garden care products ranging from \$0 to more than \$2,000; Tennesseans tend to have a lack of knowledge about manure-based products; Tennessee homeowners indicated a preference for manure-based products over non-manure-based products at equal prices.

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COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS

The University of Tennessee Institute of Agriculture, U.S. Department of Agriculture,  
and county governments cooperating in furtherance of Acts of May 8 and June 30, 1914.

Agricultural Extension Service  
Charles L. Norman, Dean

## COMPLETED PROJECTS

**Custom-Beef Marketing** - The market potential (population) for selling beef directly to consumers appears to be significant enough to support a direct-to-consumer beef sales business in certain geographic locations in Tennessee. However, the eating habits of consumers have changed significantly over the years and these changes have not been researched to determine their impact on a direct-to-consumer beef sales business. Consumers are eating away-from-home more often now than ever before, they are demanding more convenient and easy-to-prepare food products and the average household size has decreased. Current eating habits may pose significant obstacles to a custom-beef marketing business in Tennessee.

**Commercial Greenhouse Retailing** - Identification of a business's target market is critical to the success of specific promotion and advertising activities. Use of billboards, television, radio and direct-mail campaigns may be totally irrelevant if they are not developed and targeted at the right audiences. In addition, an appropriate slogan and brand image will assist in the effectiveness of frequent shopper programs, promotional flyers/brochures, exit surveys and direct-mail programs.

**Specialty Mushroom Production & Marketing** - Production and consumption of specialty mushrooms in the U.S. has experienced growth in recent years and is expected to continue to increase in the years to come. However, most of the U.S. mushroom demand is being met by companies with large production systems. Therefore, small farmers considering targeting niche markets (gourmet restaurants) for mushrooms must compete with the consistent, regular supply of low price mushrooms offered by the national suppliers. The production system for mushrooms varies greatly from the production principles that apply to the more traditional agricultural commodities. The market for mushrooms in the U.S. is well-served by large national suppliers through very reliable distribution channels. Some gourmet restaurants may be interested in buying direct from a farmer if consistent and high-quality supplies can be delivered to their specifications at a price equal to or less than current suppliers.

**Marketing Fresh-Cut Flowers** - There appears to be a viable market potential for locally-produced, fresh-cut flowers in some metropolitan areas of Tennessee. However, to tap such markets, the correct types of flowers must be made available to florists, at the appropriate time, in an appropriate manner and at an appropriate price. Winter and spring are the most popular months for fresh-cut flowers and Monday mornings appear to be the preferred delivery time for most florists. Flower growers wanting to notify florists of the products they have should consider direct-mail promotions. This method appears to be the most preferred method of learning about cut flower suppliers.

**Farm Camping** - A variety of regulatory issues face farm operations that propose to provide organized farm camp programs. Safety regulations for swimming pools, food inspections for meals and health regulations for waste disposal will all have to be evaluated by farm camping businesses. However, regulatory issues may very well be justified in areas of high demand for rural, hands-on farm-camp experiences for youth and young people. Human resources should not be overlooked by potential farm camping projects. Quality supervision and motivating attitudes are good ingredients for farm camp operations as well.

**Niche Marketing Lamb Meat** - With low per-capita consumption for lamb meat in the U.S. and low concentrations in Tennessee of ethnic preferences for lamb, there does not appear to be an unmet demand for lamb meat in the state. Certain niche markets for lamb meat are likely available in the state. While these markets will not generate large income streams, they may create an opportunity for a value-added sheep enterprise as a portion of other value-added enterprises with similar overhead and general operating resource requirements. However, partial or total dependency on a value-added sheep/lamb business in Tennessee should be explored and developed with caution.

**Farm Retail Sales & Agritainment Considerations** - A variety of farm crops often do well in direct sales to consumers from the farm. Direct-from-farm sales can be enhanced even further through agritainment farming activities. In addition, overhead and operating resources for one enterprise can be used to support the development and growth of other complimentary enterprises. As is the case with many value-added agricultural enterprises, products and activities, greater chances of success are present with direct marketing and agritainment enterprises when fixed and overhead resources are spread over numerous income-generating activities. In addition, significant investments should be planned for merchandising strategies, development of salesmanship skills and marketing/promotion activities.