



Tools for Assessing, Developing and Marketing Value-Added Products

Final Report for the Federal-State Marketing Improvement Program, titled “Development of Target Markets for Value-Added Niche Products” – a joint effort of the Tennessee Department of Agriculture and the Center for Profitable Agriculture from September 2001 to December 2003.

Overview

With a net farm income in 1999 of less than \$1,600 per farm, Tennessee farm families are motivated to consider value-added activities. Many farmers are evaluating ways to add value to their commodities in order to capture some of the value that is now being added beyond the farm gate. However, this concept is often not within the boundaries of traditional farming. As Tennessee small-farmers’ and agri-entrepreneurs’ interest in value-added products and enterprises expands, the following questions are often heard: How does one achieve success with value-added products? What are the keys that enhance the chance of success?

Addressing the Need

The Center for Profitable Agriculture is Tennessee’s primary education and development program for improving and enhancing the state’s economic opportunities through value-added agriculture businesses and enterprises. The Center is aware that value-added agriculture activities require a new and different set of skills from those associated with most farming enterprises. Thus, a major objective of the Center is to assist agri-entrepreneurs in learning to think and plan more like mainstream business managers than traditional farm managers. The mission to assist farmers and agri-entrepreneurs in the



evaluation, development and expansion of value-added agriculture enterprises and activities created a need for readily available, detailed market development guides and resources. Recognizing the need for such materials, the Center created a plan of work for a program that would 1) develop materials which would be helpful to producers who are marketing value-added products and 2) offer a series of farmer/producer meetings and agent in-service trainings addressing value-added products and marketing tips. To help reach this goal, the Center submitted a grant proposal to the Federal-State Marketing Improvement Program in January 2001. The grant proposal, “Developing Target Markets For Value-Added Niche Products,” was implemented in September 2001.

Charting the Course

The overlying goal for all materials developed and utilized in the program was to address marketing issues for value-added products. The areas chosen were general marketing issues with specific implications to value-added agriculture operations; resources that affect direct-marketing opportunities for value-added meat products; marketing of value-added products in local grocery stores; identifying threshold levels for market evaluation; evaluation tools for marketing value-added products; and outreach programs to address the overall value-added program.

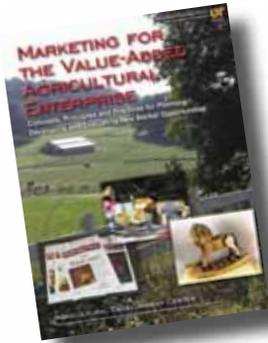
Accomplishments

Five printed publications, two interactive Web-based assessment tools, a series of training and in-service meetings, an educational exhibit, and two posters have been developed to support the project goals.

Publications

Marketing for the Value-Added Agriculture Enterprise: Concepts, Principles and Practices for Planning, Developing and Evaluating New Market Opportunities (PB1699)

This publication presents a handful of marketing issues along with specific marketing concepts in a brief “marketing plan” format. This marketing guide is unique because it specifically addresses marketing from the perspective of a value-added agricultural enterprise.



How to Get Value-Added Products into Local Grocery Stores: Analysis of Grocery Store Market Access Opportunities for Small-Farm and Value-Added Products (PB1719)

Results of a study that was conducted to determine the requirements, criteria and grocers' preferences for the selection of food products sold in the store are presented. These insights are helpful information for value-added agri-entrepreneurs planning to market products through grocery stores.



A Review of USDA-Inspected Livestock Slaughtering Facilities in Tennessee: Analysis of Tennessee Resources That Contribute to Direct Marketing Opportunities for Value-Added Meat Products (PB1727)

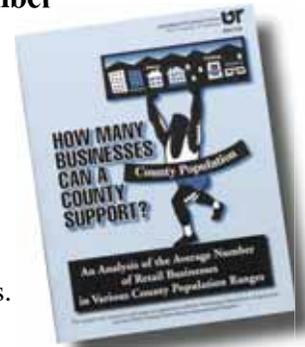
Facilities in Tennessee that slaughter livestock for the public and whose services are inspected by the United States Department of Agriculture are identified. Specific information about



each of these facilities is given, such as services rendered, species of livestock slaughtered and processed, and average cost of services.

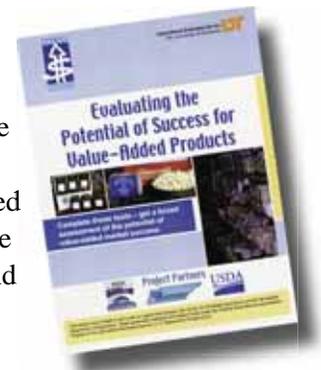
How Many Businesses Can a County Support? An Analysis of the Average Number of Retail Businesses in Various County Population Ranges (PB1735)

This publication presents helpful information for agri-entrepreneurs who are in the process of evaluating value-added markets or specific small business start-up opportunities. The information should be one of several business planning tools used in the overall assessment of a new business idea.



Interactive Tools

The Center has added a section called Evaluating the Potential of Success for Value-Added Products to its Web site. This will consist of two interactive tools which have been developed to assess the likeliness of marketing success. Both tools are designed to be used on-line and to collect and analyze the data provided in order to return helpful, evaluative information to the user. You can find these tools at <http://cpa.utk.edu/level2/funding/fundingprojects/assessmentprojs.htm>. Previous or future contact with the CPA is not necessary for accessing and using these tools.



Assessment of Marketing

This tool is designed for clientele who have a specific product identified and have a complete marketing plan for the specific product. The tool assesses the product, the marketing plan and marketing conditions. The feedback will indicate the likeliness of a product's success in the market.

Getting Value-Added Products into Grocery Stores

This tool is designed to provide a broad assessment of the potential for a value-added product to be marketed in a locally-owned grocery store. The assessment is based on the clients' responses to a variety of statements about the product, the producer and applications of marketing elements. A score will indicate the likelihood of a value-added product getting into grocery stores.

Producer/Farmer Meetings and Agent Training

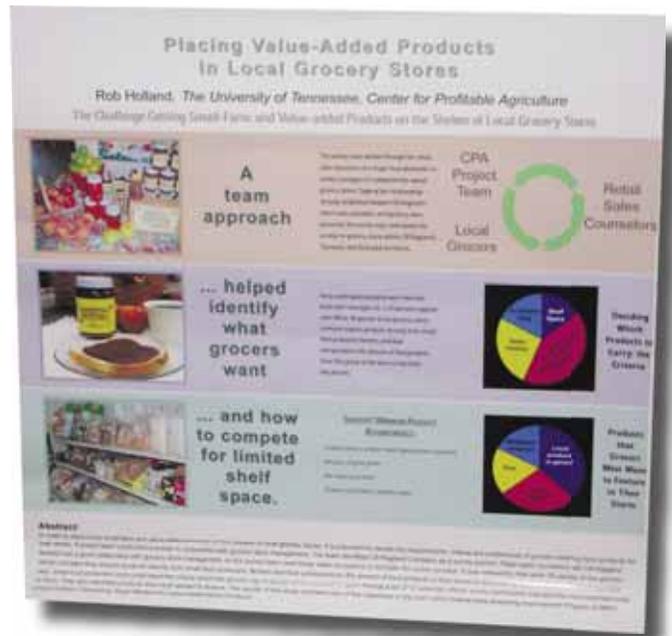
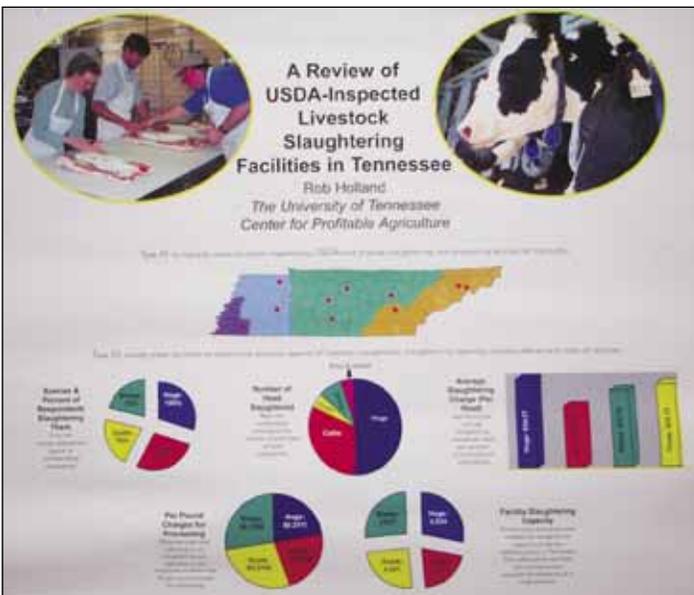
Specific workshops, meetings and outreach programs were implemented as another means to present the educational information developed and addressed by this project. Data regarding these outreach efforts is given in the chart below.



Date	Location	Number Participating
February 26, 2003	Training Tour in Middle Tennessee	63
October 4, 2003	Montgomery County	58
October 27, 2003	Maury County	24
November 4, 2003	Sevier County	17
November 13, 2003	West Tennessee Training Conference	28
November 24, 2003	Lincoln County	32

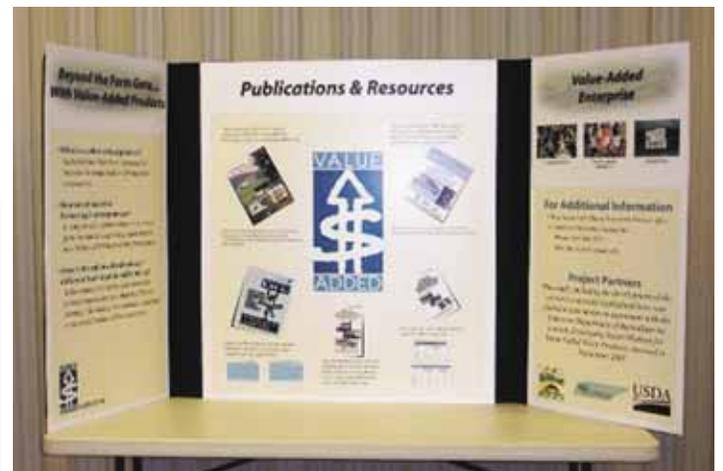
Educational Posters

The posters will be used in group settings to give continued exposure to the work and success of this project.



Educational Exhibit

The exhibit has and will continue to be used in trade shows and educational meetings as a vehicle for presenting the materials developed during this project.



Team Effort

Many people participated in and were responsible for the successful work on this project. The team approach – involving people from different levels and disciplines of the academic community, private and government organizations, and individual agri-entrepreneurs – was a definite strength of the project. The University of

Meeting the Challenge

Tennessee Agriculture Extension Service, the University of Tennessee Institute of Agriculture, Tennessee Department of Agriculture, United States Department of Agriculture, Center for Profitable Agriculture and CB Ragland Company were represented on the team. The chart below gives an overview of the number of people who participated in this study and the capacity in which they served.

Capacity of Service	Number of Persons Involved
Writing and implementation of project	4
Publication editing and design	5
Peer reviewers	14
Leadership and administration of project	4
Survey development	8
Survey implementation	10
Advisory board	9
Technical support	4
TOTAL PERSONS INVOLVED	58

Much was accomplished, and the challenge was met. Information to assist farmers and agri-entrepreneurs in the evaluation, development and expansion of value-added agriculture enterprises was needed. Toward addressing this need, five printed publications, two interactive Web-based assessment tools, a three-panel exhibit, posters and many outreach programs resulted from this project. Fifty-four people were responsible for this achievement, 222 have already participated in training with these materials in various outreach settings, and many more will benefit in the future as the materials will continue to be available and used.



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For additional information on the “Development of Target Markets for Value-Added Niche Products” please contact:

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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