



Transportation and Marketing
Federal-State Marketing
Improvement Program

Fiscal Year 2017

Description of Funded Projects

Number of Grants Awarded: 6
Amount of Funds Awarded: \$938,863.74

For more information, please visit the grant program's website: <https://www.ams.usda.gov/fsmip>

NOTE: The below project descriptions were provided by the grant recipients.

California

Recipient:	California Department of Food and Agriculture Sacramento, CA	Award Amount:	\$197,326.00
		Match Amount:	\$214,930.00
Project Type:	Export Development	Total Project Amount:	\$412,256.00

Aligning Import Perspectives of Foreign Buyers with Export Training for New-to-Export Small Businesses: A focus on Canada and Mexico and the Consumer-Oriented Food Sector

Many new-to-export small businesses have challenges expanding into foreign markets. While a wealth of resources is available to assist in export training and education, this training oftentimes misses critical elements that new-to-export small businesses encounter. This proposal focuses on aligning foreign buyer import perspectives with targeted training to new-to-export small businesses to address unique export market barriers that small businesses often encounter. (SBA Issue Brief Number 11, 2015). Overall, this proposal aims to foster new foreign markets for small businesses within the priority area of creating wealth and economic opportunity in rural communities (USITA, 2011) through studies on issues related to the marketing of value-added agricultural products.

Hawaii

Recipient:	University of Hawaii Honolulu, HI	Award Amount:	\$103,404.00
		Match Amount:	\$103,920.00
Project Type:	Market Development	Total Project Amount:	\$207,324.00

Improving Business Knowledge & Online Marketing Presence of Maui Agripreneurs

The County of Maui's Office of Economic Development sponsors the annual Made in Maui County Festival event, which brings together vendors who have developed agricultural value-added products with purchasers including consumers, wholesalers, buyers, and distributors. In order to participate, vendors must meet specific criteria, including having their business based in Maui County, offering products with a minimum of 51 percent of their value added in Hawaii, and locating their headquarters on Maui, Molokai, or Lanai. Many of these small businesses have been so focused on product development that they have not been able to develop the marketing side, nor to attain the knowledge and skills needed to expand beyond a small operation into a business with the ability to meet market demand in Hawaii, and nationally and internationally. This project will 1) implement and evaluate comprehensive, first (Core Four) and second-stage (Be Strategic) business courses, to fill the huge gap that exists in providing small business vendors with adequate knowledge and skills to be able to market and grow their businesses and 2) develop, enhance, and evaluate a number of individual agri-preneur small business websites to enhance the marketing of their products in a 24/7 marketing environment.

Kansas

Recipient:	Kansas Department of Agriculture Manhattan, KS	Award Amount:	\$177,174.00
		Match Amount:	\$201,989.40
Project Type:	Market Development	Total Project Amount:	\$379,163.40

Reintroducing Kansas Grains to Midwest Pet Food Manufacturing and Processing Markets

The 2016 Kansas Ag Summit convened Kansas agriculture around core growth sectors. The over 400 attendees evaluated a total of 19 sectors including pet food and sorghum. As the Kansas Department of Agriculture (KDA) works to execute the agricultural growth opportunities identified in the summit outcome document, "Kansas Ag Growth: Grow Smarter. Grow Stronger. Grow Kansas," market improvement through collaboration among growth sectors will catalyze market development. Each year Kansas farmers grow around 200 million bushels of sorghum. Sorghum is a hardy, water conserving crop adapted for Kansas climate. Sorghum is traditionally marketed into domestic and international livestock feed and ethanol production. While essential commodity markets, these markets have minimal opportunity to capture value added opportunities or attribute premiums. Furthermore, markets for sorghum farmers can be erratic and at discount value. Diversifying and expanding markets for sorghum will entice farmers to grow the water conserving crop and expand value added grain market opportunities (USDA NASS). Along with sorghum, pet food production is an important Kansas value added industry. With several pet food companies located in Kansas there is a need to connect local ingredients with pet food processing companies. Kansas State has and continues to evaluate sorghum inclusion, palatability, processing and nutritional properties for utilization in pet food. KDA proposes to translate this research into pet food industry evaluation, understanding and utilization of sorghum in pet food and pet treat product lines.

Oregon

Recipient:	Oregon Dairy Products Commission Portland, OR	Award Amount:	\$149,000.00
		Match Amount:	\$258,200.00
Project Type:	Export Development	Total Project Amount:	\$407,200.00

Pacific Northwest and Inter Mountain West Artisan, Farmstead, and Specialty Cheeses (and other dairy ingredients): An Integrated Initiative for Global Market Development

Global markets hold promising potential for small and medium-sized dairy processors and co-ops to enter into new opportunities or expand current product offerings. In fact, cheeses alone are projected to experience a 25 percent volume growth globally by 2021, which is the equivalent to an additional 500,000 metric tons. Natural cheeses—including artisan, farmstead, and specialty cheeses—are expected to be half of that projected increase (U.S. Dairy Export Council (USDEC) Cheese Database). However, two key hindrances have slowed the momentum of such global market expansion efforts, which include: 1) USDEC does not have the capacity to provide continuous individual service for small to medium-sized natural cheese brands and 2) small and medium-sized dairy processors typically lack the resources and staff, limited funding, lack of internal expertise, market knowledge, or high shipping costs. To address these needs this project will support a pilot program to further the USDEC's global dairy initiative with the western states of Oregon, Washington, Idaho, Utah, and Arizona. Working as a region, this collaboration of states will provide collective access to and knowledge of the region's small and medium-sized creameries as well as assist in the development of supply chain solutions through consolidated loads, and jointly work toward in-country promotions, and other market initiatives. The project will also enable these states to collectively arrange the needed support in export readiness and investment and research and explore the possibility of creating a central artisan cheese exchange.

Tennessee

Recipient:	Middle Tennessee State University Murfreesboro, TN	Award Amount:	\$148,080.74
		Match Amount:	\$304,620.00
Project Type:	Market Development	Total Project Amount:	\$452,700.74

Improving the production of wild simulated ginseng in the state of Tennessee by providing outreach and certification services to farmers

Ginseng is a valuable specialty crop that has significant economic importance. Currently, the world market for ginseng is over \$2 billion per year. The wholesale value of wild ginseng roots in the United States is estimated at approximately \$27 million per year, with an average price of \$600 per dried pound of wild ginseng roots. The State of Tennessee has historically been among the top three States for wild ginseng production with an average yield of 10,000 pounds per year. The huge market demand presents an exceptional opportunity to the farmers in the State of Tennessee to increase agricultural revenues by growing wild simulated ginseng, which is commonly considered of similar quality and price to wild ginseng, in the well-suited abundant forests in Tennessee. Farmers can obtain greater than \$40,000 net profit per acre per year from growing wild simulated ginseng as opposed to \$620 per acre per year from the cash crop corn. However, there are very few forest farmers in Tennessee who are growing wild simulated ginseng, and they struggle to increase productivity and profitability due to lack of the knowledge, resources, and support. Statistics from 2006-2015 showed that most harvested ginseng roots (>95 percent) in Tennessee were wild ginseng. For the recent consecutive 5 years 2011-2015, the harvest of wild simulated ginseng decreased to less than 1% of the total ginseng harvest. The goal of this project is to provide outreach and service to Tennessee forest plantation owners to build knowledge and resources for growing wild simulated ginseng. This project will also address the urgent conservation concerns for wild ginseng. Additionally, what is learned from our effort can be easily adapted to other ginseng-producing States and improve the profitability of ginseng production Nation-wide. This goal will be accomplished through five research and extension objectives in collaboration with Federal and state government regulatory agencies and nutraceutical companies.

Recipient:	The University of Tennessee Knoxville, TN	Award Amount:	\$163,879.00
		Match Amount:	\$163,879.00
Project Type:	Market Development	Total Project Amount:	\$327,758.00

Evaluating Market Opportunities for Small Scale Distillery and Brewery Spent Grains in Tennessee

Brewery and distillery spent grains (BDSG), a byproduct of breweries and distillers, can be utilized as a source of protein and fiber in livestock feed or as a soil amendment adding nitrogen and organic matter to crops. Large breweries and distillers have well-established marketing systems to dispose of BDSG; however, opportunities and challenges for small-scale craft breweries and distillers have not been systematically analyzed. Expanding market opportunities for BDSG for small-scale craft breweries and distillers could enhance the profitability of breweries/distillers and provide an additional source of feed for local livestock producers or fertilizer for local crop producers. Given the tremendous growth in the craft beer and spirit industries in Tennessee, collecting and distributing the growing BDSG production through alternative mechanisms (e.g., a coop, broker, or private contract) may improve the efficiency of transporting those BDSG to local crop/livestock producers, hence increasing the market potential of the byproduct. Thus, the specific objectives of the project are: (1) determine the existing quantity and location of BDSG produced by small-scale breweries/distillers in Tennessee (the base scenario); (2) determine the nutrient/energy/protein variability in BDSG from different sources/locations; (3) derive the economic profits of existing disposal of BDSG by small-scale breweries/distillers under the base scenario and quantify the economics of potential uses of BDSG in livestock feed and as a soil amendment in the region under alternative scenarios that handle and distribute BDSG; (4) identify the potential market boundary of the BDSG for livestock feed and for use as a soil amendment in Tennessee under both the base and alternative scenarios; and (5) estimate the potential economic impact on the entire Tennessee economy with regards to the livestock feed use and soil amendment scenarios.