

FSMIP Final Report

1. **Title of the Project:** Using Increased Market Opportunities to Create Wealth in the Delta Region of Arkansas
2. **Grant Period:** September 30, 2013 – September 29, 2015
3. **Issue or Problem:** Traditional row crop farming became less feasible for socially disadvantaged farmers in East Arkansas because they lacked adequate capital and the volume of land that was increasingly needed to be financially successful. An alternative was for small scale row crop farmers to transition into the production and marketing of fruit and vegetables; however, fruit and vegetable production and marketing are new to most producers in East Arkansas.

The focus of the project was to increase wealth in the rural Arkansas Delta region by developing local and regional food systems and value-added agriculture by transitioning into the production and marketing of fruit and vegetable as an alternative to row crop farming. The problem was how to increase the farm income and create wealth in the region by increasing market opportunity and market access for socially disadvantaged fruit and vegetable farmers to increase their farm income and create wealth in the region.

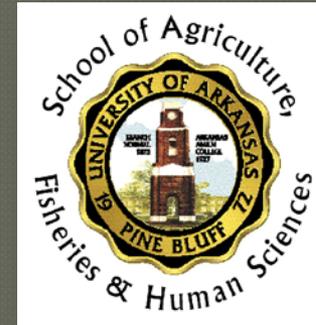
Farmers who transitioned from row crops to producing and marketing alternative fruit and vegetable production were required to comply with new federal food safety regulations. Two barriers inhibited producers/farmers' access to fruit and vegetable markets. One barrier was the health and safety regulations with which farmers had to comply order to market produce. Another barrier was the lack of education and training in Good Agricultural Practices, horticulture, food processing and aggregating facilities.

4. Goals, Objectives and Work plan:

The goals of this project were to create wealth in the rural Eastern Arkansas area also known as the Delta region through local and regional food systems and value-added agriculture and to develop direct marketing opportunities for producers and producer groups. The project objectives and the plan to achieve those objectives are as follows:

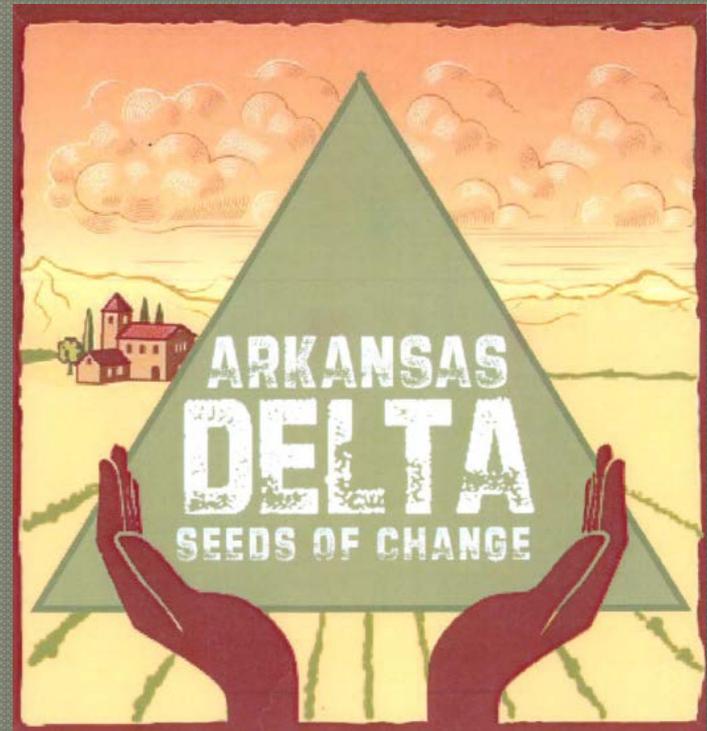
Objective A: To conduct workshops to provide training on marketing, packaging and processing of vegetables

- Provide staff, meeting facilities, travel and supplies for training and workshops on marketing
- Provide staff, meetings and processing facilities, travel and supplies for training on USDA Good Agriculture Practices (GAP)
- Assist farmers in obtaining GAP-Certification
- Assist beginning farmers in obtaining locally grown label for value added produce



Farm to School

*East
Arkansas
Enterprise
Community,
Inc.*



Introduction

- ◉ Is part of the ADSOC Marketing plan
- ◉ Purpose to help schools meet the new guidelines for fresh fruit and vegetables
- ◉ Started as a Pilot with Forrest City School District.
- ◉ Summer feeding program



What we provided:

- Squash
- Corn on the cob
- Cherry tomatoes
- Cucumbers
- Sweet potatoes
- Peas
- Watermelon
- Greens



Squash



Cherry/Slicing Tomatoes



Greens



Watermelon



Sweet potato



Schools

- Forrest City Schools
- West Memphis Schools
- Earle Schools
- Helena Schools
- Marvell Schools
- Shelby County School District (Over 250 Schools)



New Menu item



CENTRAL



EARLE



Economic Impact

- Last year over \$5000 in sales
- With using a \$1.50 multiplier effect
- A minimum of \$6500 was spent locally
- Local farmers provided seasonal jobs

East Arkansas Enterprise Community, Inc

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Objective B: To develop and launch value-added and Arkansas Grown brand labels for selected vegetable and fruit products.

- Develop brands and labels for the market expansion project
- Identify the crops to be marketed under label during initial and subsequent years
- Design and print labels that contain brand name, nutrient value and instructions to prepare the food
- Develop a plan and schedule the launching the value-added labeled products

Objective C: To identify barriers for local farmers to direct marketing.

- Identify producers and agribusiness needed to participate in the project
- Identify vendors and distribution outlets for this project
- Survey farmers to identify the barriers that they have encountered marketing produce
- Identify ways to overcome past barriers
- Survey literature to identify barriers to marketing directly and to large scale commercial and institutional buyers

Objective D: To develop a pilot direct marketing program for small farmers in the Delta.

- Develop marketing plan
- Expand current direct markets
- New markets will be piloted to determine if is sustainable
- Coordinate transportation and delivery to markets
- Deliver products to markets as agreed

5. Contributions of partners in terms of work performed:

The East Arkansas Enterprise Community partnered with the University of Arkansas at Pine Bluff (UAPB) and the Arkansas Delta Seeds of Change (ADSOC) to conduct this project. Extension and resident faculty and staff conducted workshops and provided technical assistance to the farmers. In addition, UAPB also allowed the use of the Agriculture Demonstration and Outreach Center (ADOC), a food processing facility to aggregate, process, store and distribute the locally grown produce. ADSOC partnered with UAPB and EAEC to create a sustainable food system in the East Arkansas Delta and create jobs in sustainable agriculture and community food enterprises for low income families.

6. Summary of results, conclusions, and lessons learned:

a. Results

1. Training on marketing, packaging and processing of fruit and vegetables for seventy (70) farmers
 - Training had to be scheduled at times that were convenient for farmers in order for them to attend. Training needed to be conducted during winter months when farm work demanded less time and on weekends during crop seasons.
 - A majority of the farmers did not have access to computers or were not skilled enough in the use of computers to use computerized training

material; therefore, face-to-face training was conducted in workshop settings.

- Farmers learned and applied GAP principles to clean, package and transport produce to markets.
 - Farmers learned to set prices based on food prices in local stores and prices in the USDA Terminal Markets for the produce that they sold direct; and, they also learned to calculate and incorporate the cost of producing, processing and transporting produce to markets in the price of food taken to commercial and institutional markets.
2. Branding locally grown fruit and vegetables.
 - Nutrition labels were created for fruits and vegetables that indicated the amount and type of nutrient in each serving.
 - A symbol for the Arkansas Delta Seeds of Change (ADSOC) was transformed into a sticker that was affixed to packages along with the Arkansas Department of Agriculture's "Arkansas Grown" sticker.
 3. Barriers for local farmers to direct marketing.
 - Time – A minority of the participants are full time farmers. They farm and perform another either full or part time job; therefore, they reported that they did not have time to engage in direct marketing of their produce.
 - Lack of knowledge – A majority of the participants reported that they did not know how to identify and access food markets.
 - Scale – Farmers did not produce the quantity of food that would enable them as individuals to meet marketers' demand for volume.
 4. Pilot marketing program for small farmers in the Arkansas Delta
 - Institutional markets were the focus of the pilot. Institutional markets were primarily schools. Fresh fruit and vegetables including squash, sweet potatoes, tomatoes, cucumbers, peppers, leafy greens, and watermelons were produced to sell to schools for the breakfast, lunch and summer feeding programs. In addition, southern peas were frozen and sold to schools.
 - Farmers and directors of child nutrition programs in schools collaborated to plan, promote and implement the marketing program.

b. Conclusions

The schools were a friendly market for farmers because the child nutrition directors wanted to implement Farm to School programs so they worked closely with farmers to coordinate crop production with their menus. Farmers were able to save on the cost of transporting food; however, they had to be willing to make deliveries to the school each week or sooner because schools had so little space in which to store food.

The major limitation was that schools pay for food on a monthly schedule and farmers wanted to be paid within a week to ten (10) days; therefore, the EAEC had to act as an intermediary. The EAEC purchased the produce from the farmers and paid them within ten (10) days. The EAEC then sold the produce to the schools. The only drawback

was that the farmers got slightly less for their produce because the EAEC accessed a fee to cover the cost of labor and transportation that it incurred.

The EAEC became one of the enterprises in the fruit and vegetable value chain. It acted as a food hub when it aggregated, processed, stored, marketed and transported produce to schools.

The project met its objectives. It trained farmers and helped them to acquire the knowledge, certification and skills to use good sanitation practices to grow, harvest, process and transport food. They also learned to label food according to its farm source so that it was traceable in case a health issue arose.

Farmers learned to record their farm financial inputs, subtract the inputs from the income in order to determine how to set prices that were fair but assured them of a profit.

The farmers went from having no reliable markets at which to sell their food to having one of the largest school districts in the region as a market. They went from one school district that had five schools to multiple districts that bought food for children in two hundred (200) schools.

This project benefited sixty (60) farmers by enabling them to access markets to sell produce to earn money; and it benefitted school districts in east Arkansas and Tennessee by enabling them to meet the requirements of USDA Farm-to-School to buy and serve fresh locally and regionally grown fruits and vegetables in the feeding programs. Each farmer reported that earning a profit from the school markets. The markets were consistent and the prices fair.

Future research needs to focus on ways to reduce the cost and carbon foot prints of transporting food to institutional markets. Schools require food to be delivered to each school site rather than a central location because most schools do not have a central location where food is delivered and stored until it is sent to schools to be prepared. There is a need to investigate to determine whether it would be cost effective to provide money to schools to increase capacity to buy and store food in quantities large enough to avoid the need for weekly deliveries.

7. Reporting:

This project was presented at the annual 2014 meeting of the Farm Credit Association in Little Rock, AR.