

PRODUCERS FIRST FY 2009

As part of a national project on “agriculture-of-the-middle,” researchers from the University of Wisconsin-Madison and Iowa State University found that “...the mid-sized farms are the most vulnerable in today’s polarized markets, since they are too small to compete in the highly consolidated commodity markets and too large and commoditized to sell in the direct markets.” From 1997 to 2002, the number of such Wisconsin farms, ranging in size from 50 to 999 acres, decreased by 21 percent. However, capitalizing on recent trends, producers from farms in this category can play a key role in meeting consumer demand for local and value-added food products, and contribute to the development of regional food systems.

Established small- to mid-sized local food producers were the target audience for the Producers First program. More specifically, project leaders sought farmers with the following characteristics: 75% of their farm products were purchased and consumed within 300 miles of the farm, and gross product sales totaled at least \$15,000. Producers in this category included beginning farmers with some experience and ready to scale up, and existing producers seeking assistance in their current business to effectively manage risks and ultimately increase their sales and/or profitability. Through one-on-one technical assistance, the Producers First program helped these Wisconsin food producers meet goals of increasing sales, becoming more profitable, and creating jobs. Participating producers identified their own needs for technical assistance and selected a consultant to assist them in areas such as business planning, financial and data management, sales and marketing, and whole farm planning. Since the program began in 2010, 127 producers have requested support from Producers First. Thirty-four producers received a total of \$61,084 worth of technical assistance and reported the following impact tied to their work with Producers First:

- \$438,901 increased sales of local foods
- \$601,798 in new investment
- 26 jobs created
- 55 jobs retained

This report describes how the program was structured and presents examples of successful outcomes.

FINAL REPORT

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Producers First
FSMIP Grant Final Report
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Wisconsin Department of Agriculture, Trade and Consumer Protection

✓ Background and Justification

Wisconsin's mid-sized farms struggle to compete in today's highly consolidated global food system. From 1997 to 2002, the number of Wisconsin farms ranging in size from 50 to 999 acres decreased by 21 percent. As part of a national project on "agriculture-of-the-middle," researchers from the University of Wisconsin-Madison and Iowa State University found: "...the mid-sized farms are the most vulnerable in today's polarized markets, since they are too small to compete in the highly consolidated commodity markets and too large and commoditized to sell in the direct markets."¹

Although the number of small farms is increasing, their production has not replaced the volume lost from the decline of mid-sized farms. The trend, however, does present an opportunity for new, local markets. Mid-sized farms can benefit most from the growing consumer demand for local, value-added products. The UW/Iowa research project also found "...unprecedented opportunities to develop a food and farming system that can enable the agriculture of the middle to thrive...mid-sized operations will be able to provide greater quantities of some of these products and both small and mid-sized farms can link into marketing networks that can efficiently supply substantial quantities of these unique products"²

Per capita expenditures on fruits and vegetables are expected to have the highest increases among all types of foods through 2020, according to "The Expanding U.S. Market for Fresh Produce," a paper published by the Midwest Agribusiness Trade Research & Information Center at Iowa State University.³ Although imports have grown 11% in the last decade to meet this demand, the paper says, most consumers will prefer locally-grown foods because they are increasingly concerned about nutrition, safety, variety and convenience.

According to these studies, there are growing marketing opportunities for Wisconsin producers and, as noted earlier, a decline in the number of mid-sized producers to meet this demand. One of the essential steps in regional food system development is to support our existing local food producers that may be ready to scale up and to assist in the second stages of beginning farmer and rancher development.

✓ Approach

The aim of Producers First is to build farm business capacity to supply Wisconsin's local foods markets. Through one-on-one technical assistance, we help Wisconsin food producers meet goals to increase sales, become more profitable, and create jobs. Producers identify their own areas of need for technical assistance and select a consultant to assist them in areas such as business planning, financial and data management, sales and marketing, and whole farm planning.

The target audience for the Producers First program is established small-midsized local food producers. For the purpose of the program, this is defined as an entity that is producing food for the local market with 75% of farm products purchased and consumed within 300 miles of the farm and gross product sales of at least \$15,000. Producers in this sector may be beginning

farmers with some experience that are ready to scale up, or existing producers that are seeking assistance in their current business to effectively manage risks and ultimately increase their sales and/or profitability.

In the development of the proposed 2009 pilot program for Producers First, interviews with producers, consultants, local food groups, and educators were held to discuss approaches for supporting producers. It was agreed that utilizing qualified consultants to provide one-on-one technical assistance to producers is a valuable method in effectively managing risks, increasing capacity, increasing sales and/or profitability, and ensuring the vitality of our local food producers. These consultants may be retired producers, private consultants, university extension agents, project collaborators, or any individual who may be able to provide technical assistance to local food producers.

To apply, producers complete a short questionnaire about food grown, sales, and technical support needed. If they meet the minimum eligibility requirements, they are invited to prepare a three-page application that is reviewed by the Producers First Advisory board, which consists of other farmers, farm professionals, and DATCP staff. Producers are selected to receive technical assistance based on their ability to demonstrate need, illustrate measurable outcomes, and be cost-effective.

✓ Partners

Our partners, The Land Stewardship Project, The Institutional Food Market Coalition, Michael Fields Agriculture Institute, and the Buy Local, Buy Wisconsin Advisory Group are in full support of this program. These partners provide industry knowledge, outreach assistance, and most importantly, the voice of the producers they serve. Our Advisory Board, composed of members of these and other groups, also provides strategic guidance and reviews requests for technical assistance from producers.

✓ Results, conclusions, and lessons learned

Since the program began providing support in 2010, 127 producers have requested support from Producers First; 34 producers have been provided a total of \$61,084 worth of technical assistance. Each producer reports how they improved sales, impacted profitability, and created jobs with this technical assistance. In total, farmers we worked with reported the following impact tied to their work with Producers First (also show in Figure 1, below):

- \$438,901 increased sales of local foods
- \$601,798 in new investment
- 26 jobs created
- 55 jobs retained

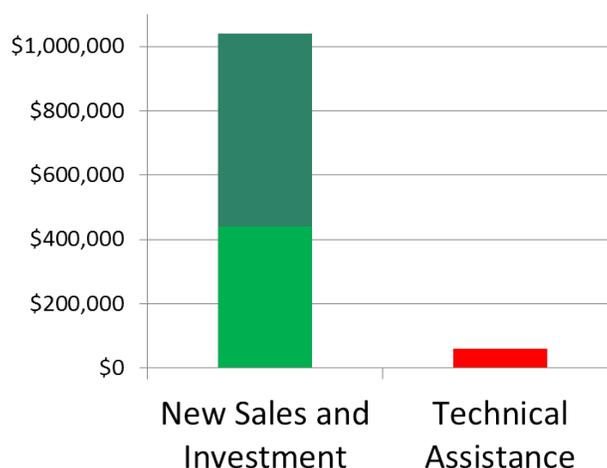


Figure 1. Producers First Impact 2010-2012. First bar reflects \$438,901 increased sales of local foods and \$601,798 in new investment. Second bar reflects \$61,084 worth of technical assistance provided to local food producers.

These numbers reflect the important and substantial effect that improving a farm’s technical capacity can have on the farm’s overall viability. Beyond these numbers are equally valuable qualitative impacts, which we capture in project profiles included a later section of this report. If another state or region were to implement a program such as Producers First, they should cite our record of successes and consider the following lessons we have learned:

Maintain the specific focus on technical assistance for producers while coordinating with other necessary and related efforts, such as beginning farmer training, working lands preservation, distribution and infrastructure development, and consumer access. For example, Producers First is part of the Buy Local, Buy Wisconsin Program at the Wisconsin Department of Agriculture, a comprehensive local food system development effort. The program offers a local food marketing guide and workshops for local food producers, which complement and promote Producers First. As another example, our partners at the Land Steward Project host a beginning farmer training and support program called Farm Beginnings. Producers First refers beginning farmers to this program, while Farm Beginnings highlights Producers First as an opportunity for continued support once producers become established.

Situating a program such as Producers First within existing broader efforts to support local food systems can also help with outreach and administration, and help develop the network of technical assistance providers. Perhaps most critically to sustaining the program, a strategic position within a comprehensive local food system development effort can provide a context for continued funding after an initial grant expires.

Strive to make the application/enrollment process as farmer-friendly as possible. This means simple, flexible, and timed to accommodate the seasonal demands of farming. Our initial call for applications did not do this, and it made the process more difficult for everyone. Since then, we have moved to quarterly application deadlines that allow producers to apply and work with the consultant when it is most convenient and effective to do so. This system also spreads out the

review and administrative work load. A quarterly quota of the maximum number of applications approved, along with rolling marginal applications into the next review round, can ensure that fair opportunity is given to producers who apply at different times of the year.

Build relationships with producers, consultants, and related networks. Developing relationships with producers is critical for all stages of the program, from the application process to collecting impact metrics. We jettisoned the traditional grant model for a more personal process that allows these relationships to develop. We found that when the first step we asked of producers was to fill out a grant application, we lost the chance to work with producers who lacked the experience or skill-set of writing a grant application, but otherwise represented ideal candidates for technical assistance. These sorts of producers either provided incomplete applications, or decided not to apply at all. We replaced this system with a user-friendly web-based questionnaire intended to lower the barriers to initial contact, and provide us basic information about the producer. After this, we could follow up with a phone call. Besides being the seed of a positive relationship, this phone call allowed us to discuss whether the program was a good fit for them, go over the application process if so, and suggest other resources if not. From this point, we could work cooperatively with producers who decided to apply to prepare their application

For some producers, finding a suitable consultant presents a challenge, and the initial phone conversation an ensuing relationship is often essential to helping them find a qualified service provider whom they can trust and develop a working relationship with. Relationships with producers (and consultants) also improve trouble-shooting if difficulties arise during project work, and it encourages them to respond to requests for information on impact metrics after the project term has finished.

Our cadre of talented consultants has been a crucial part of the program's success. We identified an initial roster of potential consultants based on people in our networks with experience in providing technical support to farmers. While applicants had access to this directory, we also encouraged them to identify consultants that could meet their technical needs and fit other parameters they were looking for, such as location or previous work together. By allowing producers to identify consultants in their community, we have expanded our directory substantially. As word of the program has spread, consultants have also asked to be added to the directory. While we have vetted each of the consultants in order to confirm that they had the experience and expertise sought by the producer, and we have performed background checks to ensure a history of good business practices, we do not formally endorse any of the consultants, due mainly to liability concerns. The responsibility for due diligence in selecting a suitable consultant therefore rests with the producer. Relationships with the consultants have built more slowly than with producers, but when producers send back glowing reviews, we can share this information with future applicants.

✓ Future benefits and next steps

In many instances, producers continue to see the impact of their results years after the project end date. Most efforts focus on building producer skills and/or business infrastructure (e.g. marketing materials, record-keeping systems) that contribute to the long-term capacity to meet growing demand for locally-produced foods. Many of the producers we serve currently are or

grow to become leaders in their fields, so supporting their continued viability contributes to the vitality of the supply-side of local agriculture markets.

While the current scope of this program is food producers, we have also seen increasing demands for technical assistance from other local food businesses, including value-added processors, distributors, retailers, and restaurants. Though available funding currently limits service to these businesses, they represent other expanding sectors of local agriculture that offer promise of substantial impact on local food system development.

✓ Project beneficiaries

From 2010 to early 2012, we provided 34 producers with the opportunity to obtain technical assistance from a qualified consultant. These producers raised a diverse range of foodstuffs for sale to local markets, including fresh produce, fruit, herbs, meat, dairy, and value-added products. They ranged from their first years in production to several decades of experience, though most had 2-10 years of experience. They ranged in scale from several thousand to several hundred thousand dollars in annual sales, though most were between \$15,000 and \$100,000 in annual sales. They worked with consultants for 3 months to a year with no more than \$3,000 of technical assistance provided. See the attached map for more information on the spatial distribution of beneficiaries, as well as the type of technical assistance provided.

The following project profiles provide representative examples of the producers we served and the results of their efforts.

Troy Community Farm

Description

Troy Community Farm is a five acre, intensively managed organic farm located on Madison's north side. In 2001, the farm launched and became Madison's first urban farm. The farm produces a variety of vegetables, fruit, flowers, herbs and sprouts for sale in the Madison area.

Project activities

- Analysis of farm expenses and profits by business enterprise
- Assessment of farm expansion strategies

Results

- \$26,000 (23%) increase in sales
- One job created
- Optimized labor structure, new sales accounts
- Expansion of profitable crops, elimination of costly crops for 2011
- Templates and tracking systems ready for future enterprise analysis

Producer says:

“This project will help increase farm profits thus allowing for new staff hires and/or realignment, and ultimately greater profitability. This project is timely in that opportunities for local foods are abundant.... We have identified the areas where the farm is profitable and have set goals for increasing those areas.”

Ney's Big Sky

Description

Doug Ney raises all natural, free range, certified beef and chickens. Marketing is through farmers markets; retail and foodservice; and direct website.

Project activities

- Marketing to local restaurants and groceries

Results

- \$17,500 (20%+) increase in annualized sales

Producer says:

"This [project] was ground breaking new opportunities and introducing our company to the various sales channels."

The Rustic Table

Description

Kim Cassano and Rich Toebe have been raising meat on 80 acres of rotational pastures for both the auction house and local direct markets since 1998.

Project activities

- Develop a database with which to maintain our meat inventory
- Design equitable deliveries from our own supply of meat that vary from month to month
- Cross-reference member tracking information with meat inventory information

Results

- Increase sales by \$21,060
- Increase CSA membership from 30 to 62
- Cut information management time per delivery per customer from .3 to .15 hours
- Create a replicable meat CSA database template

Producer says:

"This grant will allow us to get the assistance we need to improve our efficiency and accuracy and reach our sales goals."

Coulee View Family Farm

Description

Dean Zimmerman and family raise pastured chicken, heritage turkey, pork, eggs and occasionally goose, duck, and guinea fowl. They market to farmers markets and a meat CSA.

Project activities

- To identify and implement new accounting systems to more effectively manage the farm's accounts receivable and payable.
- To find new retail and wholesale market channels for the farm's products.

Results

- Increase in local food sales by \$38,000 (Four-fold increase in sales in 2010).
- Two jobs retained.
- Reviewed pricing, product offerings and market channels of all Coulee View Family Farm products.
- Implemented a customized Quicken-based record-keeping system.
- Over 20 poultry producers and one meat processor/distributor have begun discussions for evaluating and launching a poultry processing facility in Southern Wisconsin. The project team is currently working on a feasibility study to identify the market opportunities for developing this new processing facility.

Producer says:

“I have established solid goals for my CSA meat business which has inspired new growth.”

Carlson’s Island View Orchard

Description

Carlson’s Island View Orchard is located in the heart of Door County and features cherries, berries, and fresh produce. In addition, they have an on-site farm market that features local produce, specialty foods, organic vegetables, and other local products.

Project Activities

- Developed packaging for wholesale distribution of product
- Improved recordkeeping system to better track and manage production & sales
- Created a website that has the ability to sell products online

Results

- 1.5 jobs created
- 7 new markets (5 restaurants, 2 grocery stores)
- \$5000 invested into the business due to work with Producers First

Producer says:

“This is a very beneficial program. Our future plans are much more focused. I am certain that we would not have taken the time to develop and implement the bookkeeping system, the label upgrade, or the website, without the technical support the Producers First program helped us obtain.”

Four Elements Herbals

Description

Four Elements Herbals is specialty herb farm located in the pristine Baraboo Bluffs of central Wisconsin. They hand harvest specialty herbs at their peak potency and blend them into small batches.

Project Activities

- Completed a feasibility study and business plan to secure a Value Added Producers Grant (VAPG) to bring herbal teas into grocery stores

Results

- \$284,523 in new investment as a result of receiving funding for VAPG.
- 1 job created

Producer says:

“Connecting with DATCP has broadened my horizons for marketing my herbal teas. I very much appreciate the guidance & patience from the staff at DATCP...[my consultant] is brilliant at her job and has created a detailed feasibility study and business plan to help me visualize the possibilities.”

Roots Down Farm

Description

In production since 2007, Roots Down Farm is a certified organic CSA farm that grows over 30 different varieties of fruits and vegetables. In addition, they sell at several farmers markets in Dane and Waukesha Counties.

Project Activities

- Developed and implemented a marketing plan
- Created a logo, marketing materials, and a website

Results

- \$35,780.00 in increased sales
- 70 new customers
- 3 jobs retained

Producer says:

“Our CSA is filling up faster and is larger than before this project. The new website improves communication, convenience for CSA members, and the overall brand. Marketing and efficiency improvements helped us reach our sales goals.”

- ✓ Additional information

See our website at http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/Producers_First/

See our pre-application questionnaire

at http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/producerquestionnaire/

See reporting forms, payment request forms, and training video

at http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/Producers_First/Reporting/index.aspx

See information and webinars of workshops we coordinated Producers First with

at http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/BLBW_Workshops/index.aspx

See attached resource sheet for producers who do not qualify for technical assistance.

See the attached map for more information on the spatial distribution of beneficiaries, as well as the type of technical assistance provided.

See a slideshow about Producers First at

<http://prezi.com/bucec7ysq5nm/producers-first-technical-assistance-for-your-farm-business/>

See long-term follow-up survey sent to producers for impact metrics

at <https://docs.google.com/spreadsheets/viewform?pli=1&formkey=dHRYNm42TWpKZkFiQmNpcGxWdHAYb0E6MQ#gid=0>

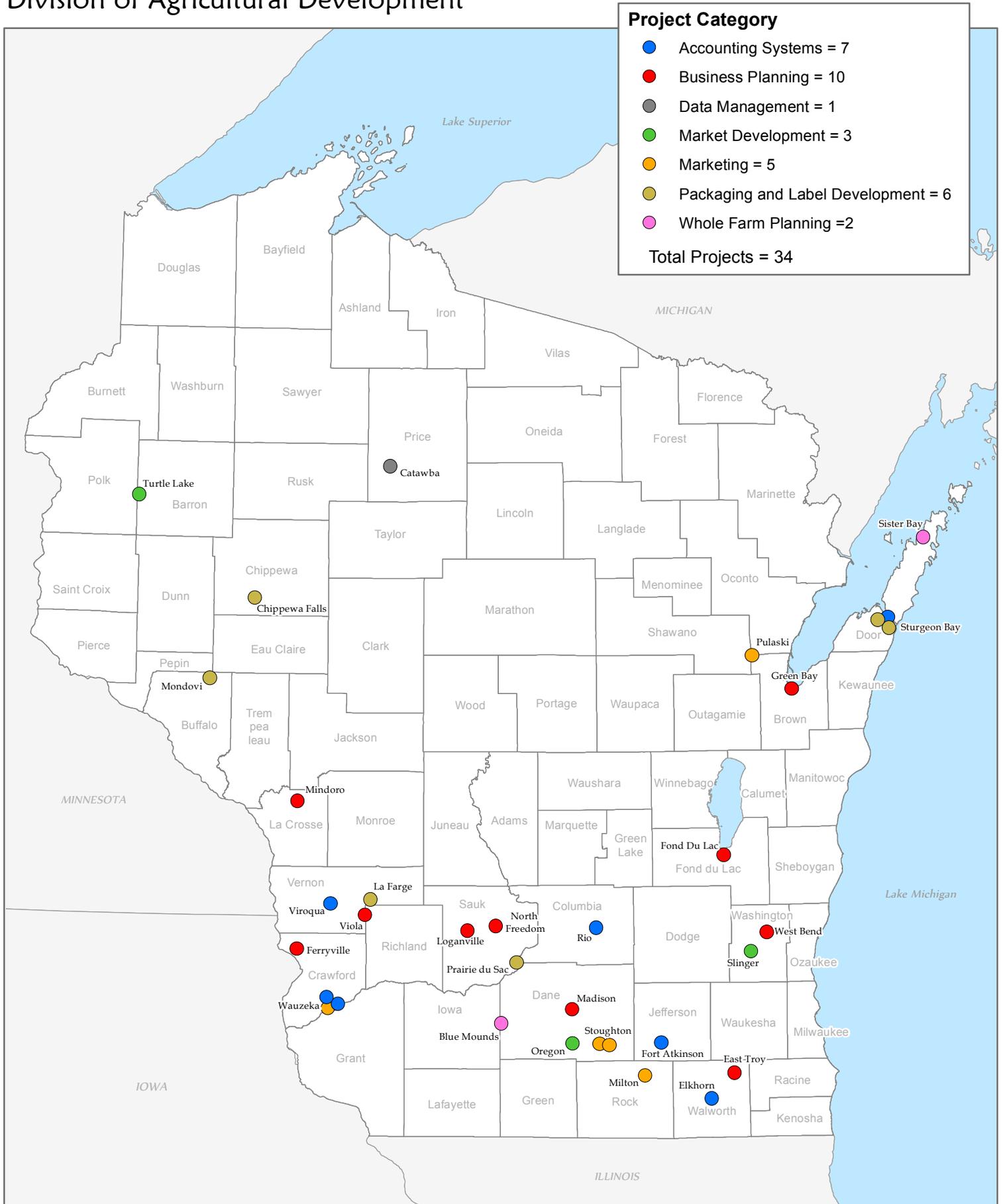
Contact Keefe Keeley for more information: 608.224.5095 / datcpproducersfirst@wisconsin.gov

Endnotes

1. Kirschenmann, F., Stevenson, S., Buttel, R. Lyson, T. and Duffy, M., *Why Worry About the Agriculture of the Middle?* White Paper for the Agriculture of the Middle Project. Data n/a. This national initiative seeks to renew what is being called the “agriculture of the middle.” This term refers to a disappearing sector of mid-scale farms/ranches and related agri-food enterprises that are unable to successfully market bulk commodities or sell food directly to consumers. <http://agofthemiddle.org/>
2. Ibid.
3. Clemens, Roxanne, *The Expanding U.S. Market for Fresh Produce*, Center for Agricultural and Rural Development (CARD), Iowa State University, February, 2004.

Producers First Projects

Division of Agricultural Development



Farmer Technical Assistance Resources

Courses and Programs

Producers First

WI Department of Agriculture, Trade, and Consumer Protection

http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/Producers_First/index.aspx

Provides one-on-one technical assistance for Wisconsin food producers from a consultant of their choosing.

Wisconsin Farm Center

WI Department of Agriculture, Trade, and Consumer Protection

http://datcp.wi.gov/Farms/Wisconsin_Farm_Center/index.aspx

Provides services to Wisconsin farmers and agribusinesses.

Beginning Farming Courses

The Center for Integrated Agricultural Systems

www.cias.wisc.edu/category/education-and-training/

Beginning farming courses: Beginning Dairy & Livestock or Beginning Fruit, Vegetables and Flowers.

Farm Beginnings

Land Stewardship Project

www.landstewardshipproject.org/farmbeg.html

Farmer-led educational training program designed to help people who want to evaluate their enterprise.

Whole Farm Workshops

Michael Fields Agricultural Institute

<http://michaelfieldsaginst.org/work/education/workshops/index.shtml>

Offers workshops such as Soil 101 and Pest & Disease Management.

Grants Advising

Michael Fields Agricultural Institute

<http://www.michaelfields.org/building-food-systems-one-business-at-a-time/>

Help to apply to grant and cost-share programs to start or expand your agricultural, forestry or related business.

Farm Business & Production Management Degree

Wisconsin Technical College System

www.witc.edu/pgmpages/farmbus/wtcs.htm

A series of classroom and on-farm courses taught over a six-year period, resulting in a technical diploma.

MOSES Farmer-to-Farmer Mentoring Program

<http://www.mosesorganic.org/mentoring.html>

Pairs experienced organic farmers with transitioning organic farmers to promote the successful adoption of organic methods through one-on-one interaction.

USDA Natural Resources Conservation Service (NRCS)

<http://www.wi.nrcs.usda.gov/>

This agency has offices in each county that provide technical assistance and funding for private landowners to conserve natural resources.

Conferences

Buy Local, Buy Wisconsin Workshop Roadshow

Wisconsin DATCP

http://datcp.wisconsin.gov/Business/Buy_Local_Buy_Wisconsin/index.aspx

Workshops held around the state to provide various trainings. Webinars of past workshops available.

Organic Farming Conference

Midwest Organic and Sustainable Education Service

www.mosesorganic.org/conference.html

This annual conference has over 60 informative workshops.

Fresh Fruit and Vegetable Conference

Wisconsin Fresh Market Vegetable Growers Assoc.

www.wisconsinfreshproduce.org/WFFVC/

A winter conference open to growers and operators, offers networking opportunities and a trade show.

Publications

WI Local Food Marketing Guide:

http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/BLBW_Food_Marketing_Guide/index.aspx

This guide explains step-by-step how to move products from field to consumer.

Direct Marketing Meat Guide:

<http://www.uwex.edu/ces/animalscience/meats/documents/Wisconsin-DirectMarketingofMeat-2.pdf>

A resource for direct market meat producers from UW-Extension and DATCP.

Got Moo-La? and other farm business resources

http://datcp.wi.gov/uploads/Business/pdf/Wisconsin_Business_Resources.pdf

A comprehensive guide to help small businesses develop and grow using money, information, and technical assistance. Also includes livestock budget spreadsheets and fresh market growing guides.

Resources for Entrepreneurs and Directory of Food Business Incubators

<http://fyi.uwex.edu/aic/startup/>

<http://fyi.uwex.edu/foodbin/files/2010/05/sharedkitchens.pdf>

An informal collaboration of public and private organizations working together to provide access to facilities and technical assistance for aspiring food processors.

Upper Midwest Organic Resource Directory

<http://www.mosesorganic.org/resourcedirectory.html>

A reference to resources about organic agriculture in the Upper Midwest. The directory identifies resource groups, certification agencies, suppliers, buyers, processors, consultants, publications, and events.

Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses

<http://www.sare.org/Learning-Center/Books/Building-a-Sustainable-Business>

Explains the business planning process for alternative and sustainable agriculture entrepreneurs.

Other farm and general business organizations

The Alternative Farming Systems Information Center (AFSIC)

<http://afsic.nal.usda.gov/>

Specializes in identifying resources about sustainable food systems and practices.

USDA Farm Service Agency (FSA)

<http://www.fsa.usda.gov/>

This agency makes and guarantees loans and provides credit counseling to farmers and ranchers. For more information contact your local FSA office.

GrassWorks, Inc.

<http://grassworks.org/>

Non-profit organization that promotes managed grazing.

Fair Share CSA Coalition

<http://www.csacoalition.org/>

Provides support and outreach for CSA farms in WI.

Wisconsin Entrepreneurs' Network (WEN)

<http://www.wenportal.org/index.htm>

Business assistance, training, financing opportunities and a network of over 100 organizations helping existing and potential Wisconsin businesses succeed.

Wisconsin Small Business Development Center Network

<http://www.wisconsinsbdc.org/sbdc.htm>

Wisconsin's SBDC network consists of twelve service centers and three specialty centers located at four-year University of Wisconsin campuses.