



TENNESSEE

Risk Management Education for Tennessee Value-Added Beef Producers

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Project Introduction

Expended Amount: \$44,918

Project intent was to provide educational and networking opportunities to help Tennessee beef producers considering or developing value-added beef businesses, either by directly marketing live animals for custom harvest or meat products to consumers, and to assess and manage financial, price and legal risk. The program included development of educational materials, a series of webinars and tours/demonstrations. An e-mail discussion forum provided networking among producers, Extension professionals, regulatory agency representatives and other industry partners. Project team members expected the following from participants: 150 would improve their understanding of regulations, financial analysis and market assessment of value-added beef enterprises; 125 would use information about regulations to establish a new value-added beef enterprise or adopt regulations not previously followed within one year; 35 would conduct financial or market assessments; and 50 would improve marketing strategies.

Project Participants

The target audience for this project was Tennessee farmers either interested in or currently finishing cattle for sale directly to consumers for custom harvest or marketing beef cuts to consumers. A comprehensive value-added beef Extension program is underway to respond to increased clientele interest. During the fall of 2011 and winter of 2012, seven workshops providing basic information were held to introduce and relate information on general

regulations, marketing and financial analysis and assess demand for a greater educational effort. Over 250 producers across Tennessee attended these workshops. Approximately 40 percent of attendees completing evaluations finish animals for local harvest either as live animals or meat cuts. Evaluations indicate a need for educational programs, tools and information sources with deeper emphasis on financial, marketing and legal risk management topics. Farm visits by Extension specialists in 2011 indicate a lack of understanding and implementation of regulations, financial analysis and direct marketing by producers currently marketing local beef.

Project Area

The project focused on producers in the State of Tennessee; use of webinar technology and an out-of-state tour increased reach. Webinar series registrants reported addresses in 16 states. On-farm workshops were held in Henry, Montgomery, Grundy and Knox Counties, Tennessee. A tour of Marksbury Farm in Lancaster, Kentucky, was also conducted.

Project Outcomes

The project provided educational and networking opportunities to help participants assess and manage financial, price and legal risk. The program included the development of 9 value-added beef entrepreneur/farm profiles; 3 Extension publications; a series of 11 webinars with 44 participants; 4 in-state, on-farm workshops with 106 participants and 1 out-of-state tour to a meat processing and marketing facility for 28 participants. An e-mail discussion forum was developed to provide a method of

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networking among producers, Extension professionals, regulatory agency representatives and other industry partners; to date, 337 people are members. Eighty-six participants improved their understanding of regulations related to direct marketing of meat. Eighty-eight increased awareness of business and market planning as a means of decreasing risk. Seventy-five participants improved understanding of how to effectively develop and implement marketing strategies. To date, 29 participants have used information about regulations to establish a new enterprise or adopt regulations. Twenty-seven participants reported conducting financial or market assessments, and twenty-nine have improved marketing strategies.

Quotes

Quotes from Follow-Up Evaluation of Webinars and Tennessee Value-Added Beef 101 On-Farm Workshops:

“The information provided in the workshops was very comprehensive and specifically developed for this branch of retail that we serve, so I felt that it gave a good foundation of Regulatory requirements.”

“We used a market survey to target our customers more effectively. We reviewed our risk assessment and made changes in our insurance. We also began reviewing where we stood on our financial plan weekly and are beginning to write a market plan and financial plan for 2014.”

“We learned a lot about the legal aspects of beef producing and marketing as well as advertising ideas. Reviewing the different cuts of beef was also very interesting and helpful as we made better choices when having our animals processed based on what we learned.”

“I have gained knowledge and created a business selling retail meat.”

Project Success Story

Charles and Emma Vernon, Shelby County, Tennessee, farm on land that has been in their families since 1839 and 1933, respectively. They decided to direct market meat but couldn't figure out the regulatory hoops. “I would hear one thing here and one thing there. It was hard to understand, and I was confused about what insurance, business or other licenses or permits were needed and whether or not we had to collect and remit sales tax.”

Emma participated in all 11 webinar sessions and attended a Tennessee Value-Added Beef 101 workshop. Emma reports that because of the information learned she “knew what to do and in what order.” “I had ammunition and information to deal with a municipality (to get everything in order to sell beef),” she said. The information helped her make choices on liability insurance and determine whether or not she needed a business license or collect and remit sales tax.

Emma says the webinars and workshops helped her decide how and where to market her product. They helped her decide “what to spend money on and what not to spend money on” and “how to communicate with customers.” According to Emma, “Learning about the cuts of meat helped me to be able to talk to and educate customers.”

The Vernons began selling beef to consumers in March 2013 from a farmers market and from the farm, starting by finishing four steers; each was sold within about a month after pick up from the processor. Emma says they could likely have marketed meat from eight steers. The enterprise is profitable, and the Vernons are currently finishing ten steers to market in 2014. They also plan to increase the number of cows in their herd.

***Sandra Martini, H. L. Goodwin and Ronald L. Rainey**, Grant Coordinator and Co-Directors, respectively, of the Southern Risk Management Education Center, serve as editors of this report series. To learn more about risk management education programs and resources, visit the Southern Center web site (<http://srme.uark.edu>) or the Extension Risk Management Education Program link (www.extensionrme.org).

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