

Adding Value Beyond Fresh

Exploring Value-Added Food Endeavors

Based on the amount of time and work they take; fresh fruits and vegetables can seem like they are *non-profit* acts of love. Pursuing new endeavors can add value to fruits and vegetables and increase profitability. Value-added products can open new markets, extend the marketing season and enhance the public's appreciation for both the farm and the farmer.

Value-added processing offers farmers the potential to capture a larger share of the food dollar. Research, by the USDA Economic Research Service, shows that the farmer's share of the consumer's food shopping dollars had decreased from 46 percent in 1913 to just under 20 percent in 2006. Consumers were trending more toward "ready-to-cook" and "ready-to-eat" food while farmers were generally producing and marketing raw agricultural commodities.

Value-added processing and direct marketing are two of the best business management strategies that farmers can employ to improve their net profitability.

June MarketMaker Member Spotlight

Gaskill Family Farm



Gaskill Family Farm is a prime example of a farm that has mastered the duo of value-added processing and direct marketing. Combining locally grown produce and ingenuity they have created a new sustainable revenue stream with value-added packaged food products. <https://betafoodmarketmaker.com/business/bus-28D8B643>

In 2014, Gaskill Family Farm owners, Rick and Valerie Gaskill, recognized they needed an outlet to use the surplus berries and apples that they were growing on their farm. After an unsuccessful attempt with a U-pick operation, Gaskill's began using its excess fruit to produce and sell jam. Val recalls, "I actually came home from work one day, and found Rick making jam!"

"Growing and packaging healthy food options not only kept us in business; it actually grew our business during the pandemic. Using ingenuity and expanding our networks, we found a multitude of different methods to market our value-added products into greater consumer markets," stated Val.

With the addition of honey from their beehives in 2017 and coated popcorn in 2018, their value-added food products were providing further business sustainability. In 2019, they obtained a commercial license and began wholesaling their products to other retail establishments, including a local bakery that uses their jam in some of their handmade confections.

Unlike many commercially licensed establishments, the Gaskill Family Farm does not house its own kitchen. They, along with another producer, rent a commercially licensed kitchen from the local Senior Center. "Renting this licensed kitchen is extremely reasonable and is a win/win for us and the community," says Rick, "the kitchen is owned by the city of Milan and renting the kitchen out allows them to take in additional revenue when it would otherwise be sitting idle." Enlisting the help of a few locals, and their daughters when able, they utilize the kitchen 2-4 times a month and produce as much product as they can each time.



To increase their growing capabilities and product diversification this past year, the Gaskill's added a greenhouse and hoop house to grow microgreens. With this diversification and new customer base, their packaged food business (jam, honey and popcorn) grew from 16% to 66% of their overall farm income.

In May, Gaskill Family Farm received the 2021 Value-Added Agricultural Producer Award from the Michigan State University (MSU) Product Center and Michigan State University Extension. Both the MSU Extension and Product Center support entrepreneurs and businesses to develop products and services in the food and agricultural markets in numerous ways.

The Value-Added Agriculture Producer Award is awarded to a MSU Product Center Client who creates or captures value outside the scope of the traditional value chain in agricultural production. The award recognizes the producers' ability to increase their product's economic value by using a unique production process and the ability to regionally brand their product to increase consumer appeal and a willingness to pay a premium.

Val jokingly credits Rick for the business stating, "Rick doesn't do any small patches." Rick agreed saying he has always felt like if you are going to bother planting something, you should plant enough that you *have* to pay attention to it. Their success, however, is something they attribute to God. "We are thankful that He has led us through a lot of tough years and a lot of hard decisions. He has always been right in the middle of getting us to the right places, the right markets, the right people and to our survival in extreme conditions." Val concluded.

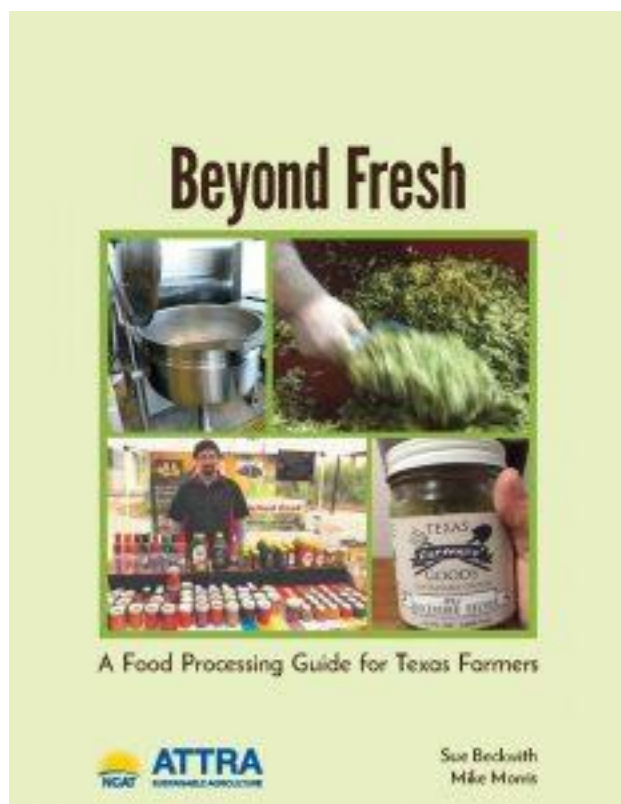


Gaskill Family Farm retails their commercial products at various farmer's markets, on Wagon Wheel and on their website: <https://www.gaskillfamilyfarm.com/#/>

Beyond Fresh

While it's true that value-added processing offers farmers great potential; it can also carry a unique set of risks that entrepreneurs should consider, including, but not limited to, their level of business expertise, processing skill sets, regulatory requirements, their available resources, and their understanding of direct marketing outlets. To begin a value-added business, farmers need an understanding of the 4 Ps of the marketing mix: the *product*, *price*, *promotion*, and *place* as they apply to direct marketing and value-added products.

In 2019, Mike Morris and Sue Beckwith wrote a book to assist farmers in exploring value-added food businesses in hopes of helping producers add to their net incomes. The book takes a “farmer-first” approach; starting with questions that are foremost in the producer’s minds, rather than with what consumers want. The book is a great resource and makes the process of identifying, developing and selling processed food products less intimidating. Mike and Sue worked with a team of farmers, economists, and food experts to create the decision-making workbook called [*Beyond Fresh: a Food Processing Guide for Texas Farmers*](#).



Don't let the word “Texas” in the title deter you. Nearly everything in the book applies to producers nationwide, covering product development, regulations labels, food safety, packaging, market trends, and many other topics. A lot of detail and attention is given to how to evaluate the profitability of a food enterprise and how to fund a startup food business.

Recognizing the need for user-friendly tools that could be used to estimate product profitability, Mike and Sue hired Dr. Rodney Holcomb and Dr. Timothy Bowser

(two experts at the Robert M. Kerr Food and Agricultural Products Center at Oklahoma State University). Holcomb and Bowser built a series of profitability calculators, in Excel format, that show the return on investment and cash flow from any value-added product made at any scale; from home cooked on a stove top to mass-produced in a stand-alone commercial facility.

You can download the book and calculators at the ATTRA website [here](#). You can purchase the workbook for just \$19.95 (<https://www.lulu.com/>) and actually work through the exercises to determine your best potential for profitability in adding value to your fresh produce this season.

https://attra.ncat.org/blog-13-beyond-fresh/?fbclid=IwAR3cEatDXhzuEUUrJf0jvWKy0_jZ2egnfPgWJG5G

Value-Added Producer Grants

The United States Department of Agriculture's (USDA) Rural Development (RD) implements several loan and grant programs to support businesses in rural areas, including the Value-Added Producer Grant (VAPG) program. The VAPG program began in 2001 and provides financial assistance for agriculture producers to enter into value-added activities related to processing and/or marketing of value-added products.

Value-added agricultural products are agricultural commodities that meet at least one of the following five criteria:

- (1) A product that has undergone a change in physical state (for example berries into jam).
- (2) A product that is produced in a manner that enhances its value (for example organically produced).
- (3) A product that is physically segregated in a manner that enhances value (for example traceability of hormone-free livestock).
- (4) A product that is a source of farm or ranch based renewable energy (for example converting methane from animal waste to generate energy).
- (5) A product that is aggregated and marketed as a locally produced food product. Local is defined as products that are raised, produced, aggregated, stored, processed and distributed in the locality or region in which the final product is marketed. Products have no official national designation. (Raised and sold within the same state in which it was produced or sold less than 400 miles from its origin.)

For information on how to get started on a VAPG application visit the USDA website: <https://www.rd.usda.gov/programs-services/value-added-producer-grants>

View past Value-Added Producer Grant recipients at AgMRC:

<https://www.agmrc.org/media-room/videos>

🌀 National Ice Cream Day – July 18

I scream, you scream, we all scream for ice cream!

There's no recognized inventor of ice cream, but it has been said that ice cream-like food was first consumed between 618-97 AD. Thanks to former President Reagan, we now celebrate National Ice Cream Day every third Sunday in July. Reagan declared, "Ice cream is a nutritious and wholesome food enjoyed by over ninety percent of the people in the United States."



Courtesy of Chowhound

Forty percent of Americans admit to having eaten an entire pint (4 servings) of ice cream in one sitting. I can't deny it, I suspect in my younger days, I probably imbibed in seconds, thirds and possibly fourths of ice cream. As a dairy daughter, we made and ate homemade ice cream routinely and why not, there was always an excess of cream on hand! We would carry drinking milk to from the barn and the cream would separate as it cooled, and we would skim it off. Winters days were filled with collecting ice-sickles off the sheds in anticipation of an ice cream night. To this day, my family has a yearly celebration on the day we retired the old crank machine, because of the *extravagant* purchase of an electric ice cream freezer!

Raise your bowls! Toast National Ice Cream Day with your family. Try making your own homemade ice cream. What, no freezer? No worries! There aren't many science experiments that you would actually enjoy eating; but this one you can! All it takes is a couple of baggies and some patient shaking.

Ice Cream in a bag

1 Cup Half & Half

1 tsp. vanilla extract

1 Tbsp. Sugar

Ice

¼ Cup Salt

1 Pint Ziploc bag

1 Quart Ziploc bag

Pour cream, vanilla and sugar in the smaller bag. Let out excess air and seal bag firmly and set aside. In the larger bag, fill it about ½ way with ice. Add ¼ cup of salt. Then add your small bag and fill with extra ice on top. Seal the larger bag. Put on gloves and shake for 6 minutes. (The salt makes the ice extra cold, wear gloves for protection.) Remove the small bag and rinse with

fresh cold water, making sure to get all the salt off. It is important to rinse thoroughly to prevent salt flavoring your ice cream. Eat ice cream right out of the bag!

Better yet, transfer it to a bowl and top it with Gaskill Family Farm's delicious Caramel Apple Jam for an extra treat! <https://mi.foodmarketmaker.com/business/bus-28D8B643>