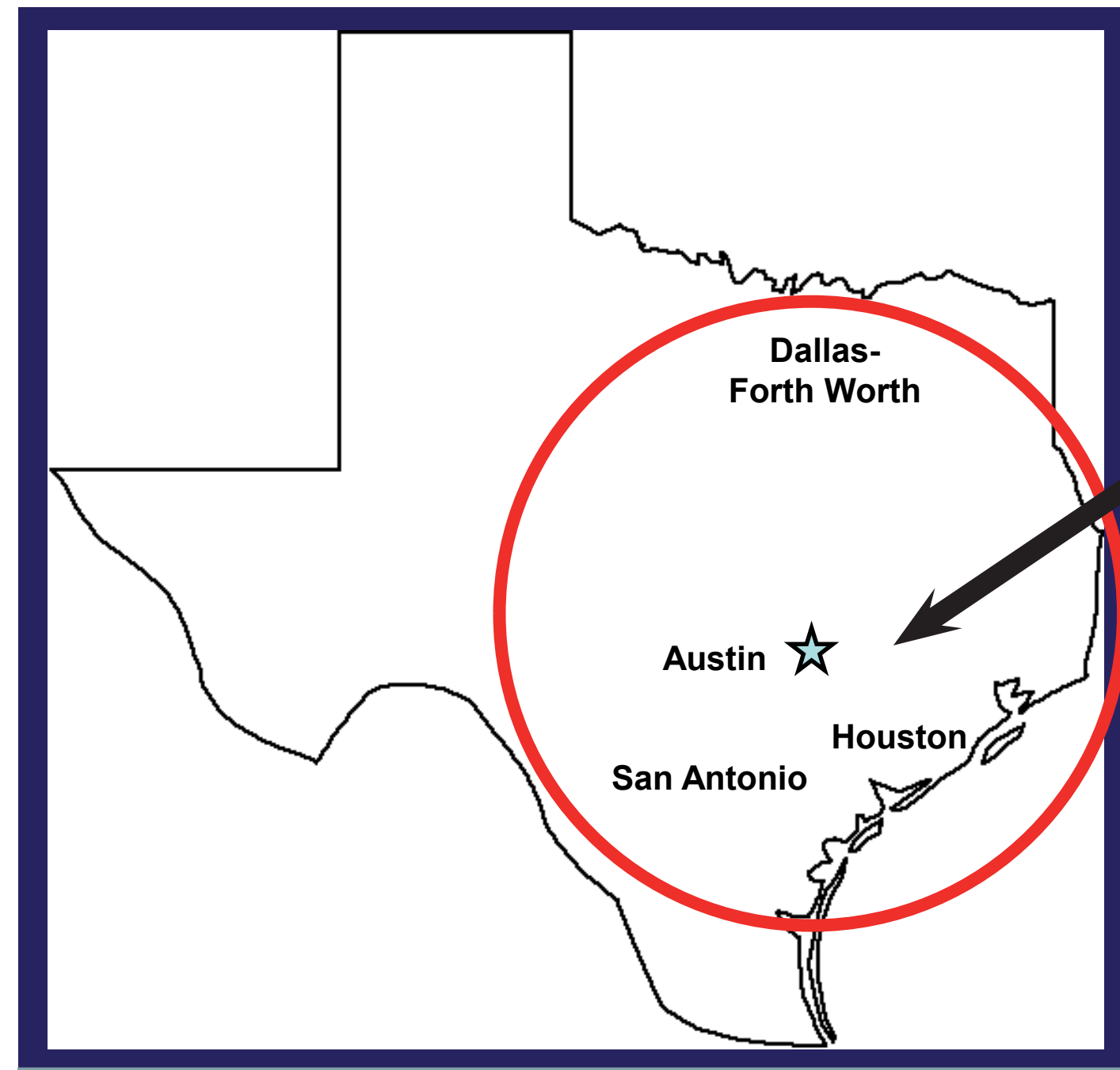




An Opportunity as Big as Texas

Year-round growing season
Proud agricultural heritage
More than twice as many farms as any other state.



Over 18 million consumers within 200 miles of Austin
87% of Texas consumers buy organic food.

Methods

- Put a *high-caliber product development team* to work for the small- and mid-sized sustainable and organic farms of Texas.
- Conducted a *market study* of barriers and opportunities to value-added product development in Texas.
- Interviewed* farmers, retail and wholesale food buyers, processors, packers, rural community economic development leaders, food banks, commercial kitchen owners, regulators, and enterprise funders.
- Contracted with Oklahoma State University to *research appropriate processing scale* for candidate food products, including recommendations for equipment, production methods, labeling, and packaging.
- Contracted with Texas A&M University to do an *economic impact study* for rural Texas communities.
- Offered *workshops, relationship-building events, media training* for farmers, and hosted a gathering of policy makers and economic development directors from small towns within 40 miles of Austin.



Findings

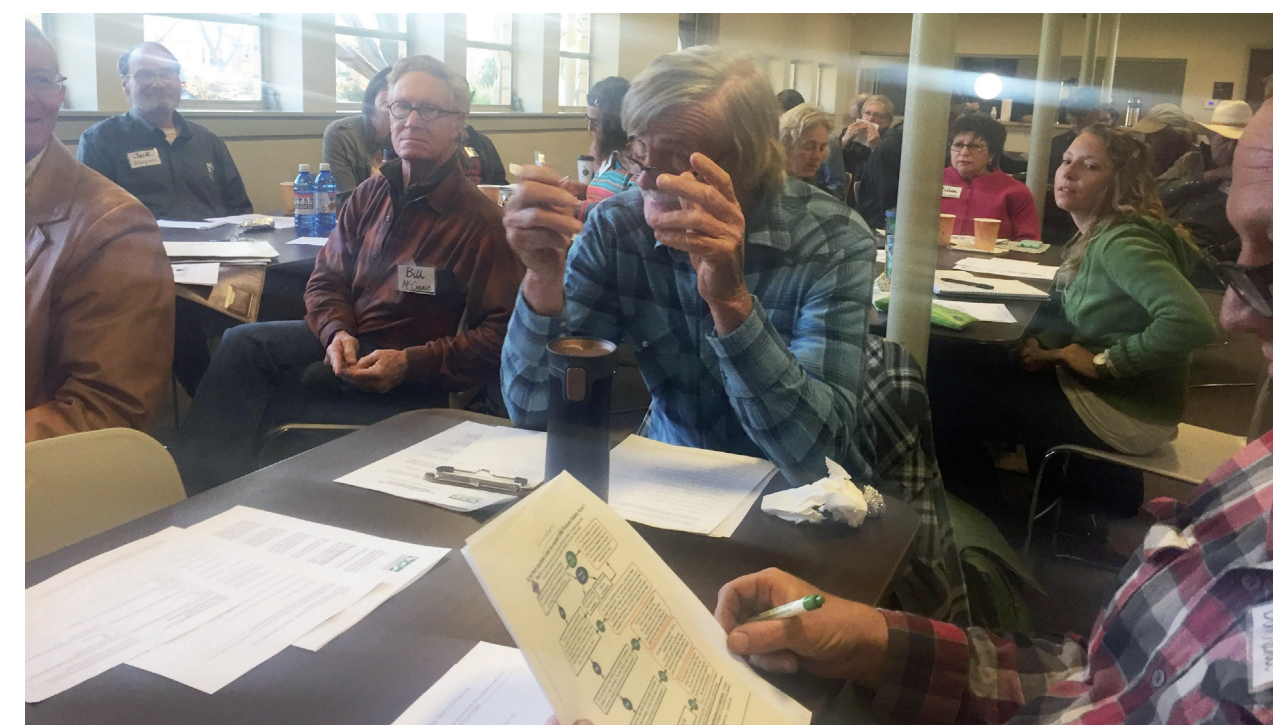
- Excellent opportunities* for direct-market farmers in Texas to create value-added food enterprises.
- Products need to be chosen carefully because *very few are profitable*.
- Start small, fail early*. Farmers are already maxxed out on risk.
- Huge value in *cottage food laws*. Often not worth it to leave the farm and use commercial kitchens.
- Adding local + sustainable + value added *does not multiply the price* consumers will pay.
- Good opportunities to sell *ingredients* to food manufacturers.
- Wholesale market opportunities are *just beginning to develop*. More work is needed to build them.

Accomplishments and Products

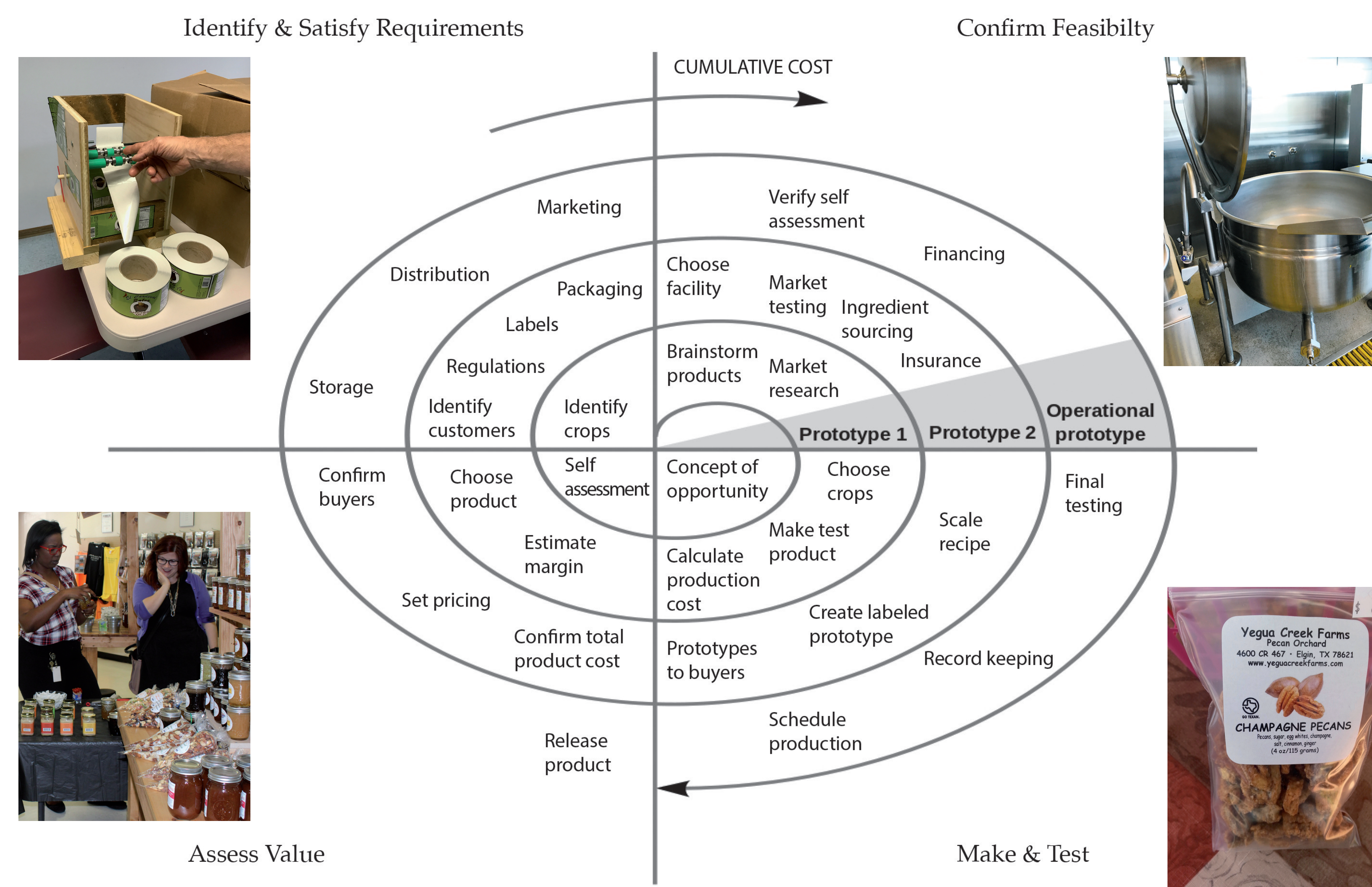
- Helped to create a new *Texas Center for Local Food*, chosen by USDA as one of 13 USDA FoodLINc centers nationally.
- A new *directory of resources* for local food enterprises in Texas.
- A new *workbook for growers*, taking a Farmer First approach to planning value-added food enterprises.
- Cost calculators* that can be used to explore value-added processing at any scale.
- Value chain coordination*: Hosted meetings to bridge gaps and leverage networks, creating many *promising new relationships* between farmers, entrepreneurs, and public officials.
- Case studies* of value-added food enterprises in Texas and the Southern SARE Region.
- Expanded and improved section on Value-Added Food Products on the *ATTRA website*.

Listening to farmers about declining net incomes

- Proliferation* of farmers markets.
- The CSA model has *lost its luster*.
- Competition from many *new food delivery service options* for consumers.
- Overwhelmingly, growers see value-added enterprises as the *best hope* for increasing their net incomes.



Product Development: an Iterative Process



Objectives

- Research opportunities for value-added processing of sustainably grown fruits and vegetables in Texas, with special attention to the appropriate scale of production.
- Increase the sales and profitability of value-added products by sustainable and organic fruit and vegetable growers in Texas.
- Educate and organize growers, facilitating key decisions about topics such as appropriate business structures, values-based branding, sustainability requirements, and scale of production.
- Cultivate increased collaboration, coordination, and support for value-added enterprise development in the sustainable and organic sector by strengthening inter-industry value chains and rural-urban linkages.



Project Team

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