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**INITIAL AWARD YEAR:** 2009  
**INVESTIGATOR:** Westgren, R. E.; Hofherr, P. W.

**PERFORMING INSTITUTION:**

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**AGRICULTURAL ENTREPRENEURS DEVELOPMENT PROGRAM**

**NON-TECHNICAL SUMMARY:** In the United States, farmers, ranchers and agricultural managers accounted for almost 1.3 million jobs in 2006, half of whom the United States Department of Agriculture estimates may retire in the next ten years. Even with the continued consolidation of farms nationwide, the number of new farmers and ranchers that will be needed to replace those retiring is staggering. Missouri, given its average farmer age of 57 years old, mirrors the national urgency of attracting and retaining beginning farmers and ranchers. With its 108,000 farms and 107,825 full and part-time operators, the task of attracting and retaining large numbers of beginning farmers and ranchers to create successful economically sustainable operations is critical to the long term success of the state's rural economy. In addition, today's business environment in farming is increasingly challenging due to rapid change in government policy, regulation and the global marketplace. Forces of change in a broader entrepreneurial sense includes new knowledge creation, new types of technology, changes in political, social and demographic conditions. These types of change can not only destroy the economic viability of existing businesses, but on the positive side create new opportunities for profitable ventures that are able to take advantage of them. For Missouri's farmers and ranchers to be able to navigate these complex challenges and take advantage of the resulting opportunities requires understanding of the process and concepts of both value creation and entrepreneurship. The program is designed around four intensive modules of 4 days each, including a day of site visits to successful ag entrepreneurs. Subject matter includes opportunity identification, venture concept development, small-firm finance, marketing to customer niches, branding, collective entrepreneurship, and working within agri-food supply chains. The outcomes of this program will be 125 new entrepreneurs in agriculture and a support network for successful new farmers that will serve as a support group for other incipient entrepreneurs in all the regions of the State.

**OBJECTIVES:** The goal of this project is to create a network of economically sustainable farms and ranches in Missouri by training beginning farmers and ranchers to respond to change and create long term value in their organizations by using the entrepreneurial process. The use of the entrepreneurial process as a strategic framework in farmers' and ranchers' operations increases the odds of continued sustainable success due to its reinforcement of alertness to new opportunities in marketing and operations. There are three objectives to this intensive education program. First, to teach the entrepreneurial process, including opportunity recognition and screening, resource gathering, venture management, value chain analysis, and marketing within the context of the food and fiber sector. Second, to provide experiential learning by examining innovative entrepreneurial ventures within the State of Missouri and across the country and by preparing a venture plan for each participant's operation. The third objective is to develop a network for life-long learning with the 125 alumni of this program as a source of mentorship for ongoing support and for subsequent new entrants. The program consists of 3 modules of 4- or 5-day duration and covering between 3 and 6 topics and a full day of site visits to regional entrepreneurs in production agriculture. A final session will include presentation and critique of the participants' venture plans. This learning program will be repeated 5 times during the project.

**APPROACH:** The project will consist of 5 repeated classes of 4 learning modules. One or two classes will be offered in each of the three years of the project. Each class will consist of 25 students nominated by agricultural organizations from the State. The first module will consist of strategic visioning, opportunity recognition, and basics of entrepreneurial finance; each subject will be covered for about 7 hours of classroom time. The second module will consist of marketing (10 hours), supply chain development (6 hours), family business management (6 hours), and intermediate entrepreneurial finance (8 hours). The third module is comprised of alliance formation, branding and new product development, collective entrepreneurship, analysis of the value chain, and financial strategy for the small firm. Each topic will be presented over an average of 6 hours. In the fourth module, participants will present a venture

lan that they had begun at the close of the first module. Instructors will provide feedback and present additional material on social networking and value chains. Materials for the teaching modules will be developed by project team members based on curricula designed for advanced undergraduate and MBA classes, as well as research on value-added initiatives in agri-food across the US and in Europe. materials will be prepared for print and web-based media. program evaluation will be done at two levels: an external review of the classroom materials and an external review of the program design and delivery. The former will be organized within the agribusiness economics and management section and the teaching and learning committee of the Agricultural and Applied Economics Association. The latter will be organized by commissioning a professional in educational program evaluation.

**PROGRESS:** 2009/09 TO 2012/08

**Target Audience:** This project had a target audience of non-farmers wishing to enter production agriculture and beginning farmers with less than 4 years of active production agricultural experience. We recruited from rural communities (through Missouri Extension and the Farmers Union) and from urban centers. We sought equal representation from male and female sub-populations. In the final year of the project we recruited one class of 27 participants for a 100+ hour program of formal instruction and experiential learning. 17 participants were women and 10 were visible minorities. This compares with year 2 of the project, in which we recruited 2 groups of 20 and 22 participants, respectively, for the same instruction. In year two, 17 of 42 recruits were women and there were 3 members of minority communities. **Changes/Problems:** The only significant change in the delivery of the program from the proposal was that we were only able to recruit and train 3 cohorts of participants for the intensive training. We discovered that the time commitment of four four-day modules spread over 5 months was a hindrance to recruiting. We were able to serve the three cohorts well by covering nearly all their costs of attending the modules, including hotel and transportation to the various sites. We find that the smaller number of participants was balanced by an exceptionally high retention rate during the cohort cycle and what we believe to be the highest percentage of participants actively farming among BFRDP projects during the same time period. **What opportunities for training and professional development has the project provided?** The project created three complete training programs (learning cohorts) with 62 persons who finished the training and developed business plans. The project also linked members of the training cohorts to farmers markets, urban agriculture centers, and established agricultural enterprises for ongoing informal learning. Pieces of the entrepreneurship curriculum have been used in on-campus entrepreneurship courses at the undergraduate level at the University of Missouri. Approximately 165 students have seen modules on collective entrepreneurship, working with contracts, and cashflow management in these on-campus classes. **How have the results been disseminated to communities of interest?** The project supported a website that updated the general public on the content of the classroom activities and the experiential learning. There was active sharing among the three projects centered at the University of Missouri, which resulted in dissemination across these different target communities. The College of Agriculture, Food, and Natural Resources issued six press releases and five published stories about the program and its participants. The State Director of Agriculture was briefed about the program outcomes. **What do you plan to do during the next reporting period to accomplish the goals?** Nothing Reported

**IMPACT:** 2009/09 TO 2012/08

**What was accomplished under these goals?** We finished the project with 62 participants who completed all phases of the intensive curriculum. This includes more than 100 hours of classroom instruction and 4 day-long field trips to visit successful agricultural entrepreneurs. Thus, all but seven of the participants who were recruited for the three cohorts finished all the activities under the first and second goals of the project. There are 47 who were farming within 6 months of completing the program and 11 others who are actively engaged in a business related to agriculture. There was one alumni networking event in December of the final project year. Ninety percent of all participants who finished the three cohorts attended the day-long event. Since that time two geographically-delimited networks of project alumni have been operating in central and eastern Missouri. the networks have included new learning, sharing of new production practices, and group support for new entrants.

**PUBLICATIONS (not previously reported):** 2009/09 TO 2012/08

no publications reported this period.

**PROGRESS:** 2010/09/01 TO 2011/08/31

**OUTPUTS:** During the 2010-2011 fiscal year, the project team completed two full cycles of a four module course and initiated the third cycle, which will be completed in December 2011. Each module consists of twenty-six hours of classroom instruction, nine to twelve hours of experiential learning in visits to other farmer-entrepreneurs and to entrepreneurs operate businesses that connect to farm enterprises, and six hours of case studies and group learning activities. The final module requires a formal presentation of a venture plan for each new farm enterprise, which is

viewed by the entire participant class and the program instructors. Each participant receives more than 100 hours of instruction, covering opportunity recognition and screening, accounting and finance, marketing, family enterprise management, and contracting. Each participant observes fifteen enterprises on site across the State of Missouri and in one distant locale; the Sonoma Valley and the Champlain Valley were chosen in this project year. All presentation materials developed for, and used in, the classroom activities are printed and delivered to the participants. Videos and photo images of the modules are posted on the project website, as are interviews with program participants that describe their motivations for taking the course, behavioral changes, and feedback about the learning experiences. The website is maintained by the project team, is supported by College and Extension staff, and is advertised through those collaborating offices. During the project year, 62 persons enrolled in the courses. Thirty-two participants are women and six are visible minorities. We estimate that twelve are limited resource farms. Five participants, representing 4 farms, are located in persistently poor Missouri counties and eight participants, representing six farms, are located in counties with poverty rates above 20%. PARTICIPANTS: Total number of participants who completed training during the project year: 62 (30 men, 32 women, 6 visible minorities) Number who are currently farming: 47. Number farming less than 1 year: 15. TARGET AUDIENCES: Limited Resource (household income less than \$23,000) or 2. Number of Entrepreneurship Project farms located in counties with poverty rates above 20% in 2009: 6 farms, 5 participants, representing St. Louis City, Wayne County, Oregon County, Polk County, Hickory County. Number of Entrepreneurship Project farms located in persistently poor Missouri counties: 4 farms, 5 participants, representing St. Louis City, Wayne County, Oregon County PROJECT MODIFICATIONS: Not relevant to this project.

**IMPACT:** 2010/09/01 TO 2011/08/31

All participants in the training programs reported changes in knowledge. All participants developed new skills in accounting and financial management, notably in cash flow management. All participants developed the skills necessary to write a position statement that describes in detail their new farm entrepreneurship venture, with respect to clientele served, differentiation of products and services offered, and how they reach customers. All participants developed new knowledge in marketing, particularly with direct marketing that is consistent with local food movements and the Know Your Farmer, Know Your Food programming in USDA. These direct markets include farmers markets, community supported agriculture, on-farm sales of harvested products and value-added products, and services to customers on-farm. The latter include wellness and nutritional counseling, tours and other educational activities, on-farm events, and other agri-tourism destination activities. All participants reported increased appreciation for networking with other farmers, as well as retailers, restaurateurs, and community-based organizations that support local foods access and nutritional attainment. These changes in knowledge are accompanied by tangible changes in actions. Every participant produced a venture plan, as a sole proprietor or with a partner. Each venture plan denoted a significant change in the production activities, marketing channels, or the addition of on-farm hospitality and events. Among the most radical changes in venture activities include the purchase of a grain mill by an organic farm, the initiation of a private equity campaign to raise a million dollars to expand an on-farm winery, and the switch from field vegetable production to ducks for foie gras. One participant bought and outfitted a food truck to bring high-quality, organic products to a medium-sized city. Other out-of-the-box thinking includes the development of an artists' retreat on the historic family farm property, a commercial kitchen and nutrition center for at-risk Hispanics that is tied to the farm property, and an urban agriculture demonstration farm. Of the 62 participants who participated in the program during this project year, 47 are actively farming and 15 began farming within a year of beginning the course. It is estimated that five participants will not have farming ventures within two years, based upon their venture plans.

**PUBLICATIONS:** 2010/09/01 TO 2011/08/31

0 publications reported this period

**PROGRESS:** 2009/09/01 TO 2010/08/31

**OUTPUTS:** PRODUCTS DEVELOPED A four-module curriculum for new farmer-entrepreneurs was developed in the first year of the program. The modules are designed to be delivered face-to-face in groups of 20 to 30 learners. Topics include opportunity recognition and screening, enterprise finance, marketing, family enterprise leadership, collective enterprise, writing the venture plan, and supply chain relationships. The recruitment and ongoing programming are supported with a website. EVENT The first cohort of learners began the curriculum on 3 August 2010. This cohort will finish the curriculum on 4 December 2010. This cohort of 21 learners includes 2 socially disadvantaged beginning farmers, 8 females, 3 limited resource farmers, and 6 who have been farming less than one year. PARTICIPANTS: Randall Westgren, Project Director. Developed 50% of curriculum and delivered 50% of instruction hours for the first participant cohort. Peter Hofherr, Principal Investigator. Developed 50% of curriculum and delivered 50% of

instruction hours for the first participant cohort. Jill Lucht, Program Coordinator. Managed participant recruitment, duplication and distribution of materials, correspondence with participants, and module logistics. The Missouri Farmers Union acted as a partner organization and identified a pool of potential participants from their programming across the state of Missouri. TARGET AUDIENCES: The first participant cohort of 21 beginning farmers targeted persons who may have some experience in farming, but are seeking to develop new, profitable ventures. The project will use various organizations operating in Missouri, including the Missouri Farmers Union, Farm Credit Services, and the University of Missouri Extension to assist in identifying participants, especially those with limited resources, or who are female or socially disadvantaged. The first of five planned cohorts includes 2 socially disadvantaged participants, 8 females, 3 who have limited resources, and 6 who have been farming less than one year. Efforts to create new farming opportunities include four intensive face-to-face learning modules, each of which include 25 hours of classroom programs, 8 hours of on-site visits to successful farming entrepreneurs, and a required development of a new venture plan. PROJECT MODIFICATIONS: Nothing significant to report during this reporting period.

**IMPACT:** 2009/09/01 TO 2010/08/31

**TARGET BEGINNING FARMER AUDIENCE** The size of the target established by the proposal is 5 cohorts of 25 participants completing the curriculum by the end of the 3 year project. No cohorts completed the curriculum prior to the end of the first reporting year.

**PUBLICATIONS:** 2009/09/01 TO 2010/08/31

no publications reported this period