

**Enhancing Cooperative Extension capacity to support the advancement of adding value and direct marketing by farmers in the Northeast**  
**Project Impact Evaluation (Food Entrepreneurs Six to Twelve Months Post-Workshop)**  
**December 2015**

The NE SARE Professional Development Program Project, ENE12-125, *Enhancing Cooperative Extension capacity to support the advancement of adding value and direct marketing by farmers in the Northeast*, consisted of training 36 agricultural professionals in Pennsylvania, West Virginia, and Maryland (as well as in Tennessee and Oregon) to deliver *Food for Profit* workshops and to provide one-to-one consults about setting up and managing a food venture. The professional development teaching methods used were a series of webinars and field trips (to learn first-hand from farmers who have experienced success starting a direct-market or value-added food enterprise). Trainees apprenticed with the core team members to facilitate and present at *Food for Profit* workshops in their communities. As a result of this training, 57 workshops were conducted between fall 2013 and fall 2015, for a total of 983 participants.

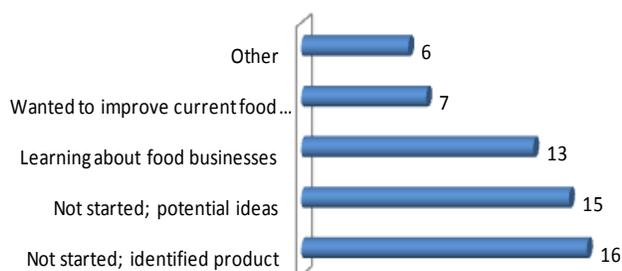
Out of this total, 522 attended a class during 2014; a representative sample (n = 250) was invited to provide feedback. Fifty-seven invitees (23%) completed at least some questions, related to their progress made toward food business start-up and development; their research, adoption or fine-tuning of risk management strategies; the number of jobs created in resulting businesses; and an estimate of gross receipts for the business over the previous year. This data was collected as an indicator of the NE SARE Project Trainees' success in teaching food business principles.

What follows is the aggregate data collected, and some analysis of what was learned.

Initially, the survey inquired whether the participant had been pre-venture, or a current food business owner, at the time he/she attended the workshop. A majority of participants (n = 16, 28.07%) had not started their business, but had a specific product selected when they came to *Food for Profit*. A second group were pre-venture, coming either come to learn about food businesses generically (n = 13, 22.81%) or because they were still undecided about what food product they might sell (n = 15, 26.32%). Those who had already started a food business, simply wanting to improve their current ventures, were smaller in number, accounting for seven respondents (12.28%). The people who selected "Other," (n = 6, 10.53%) provided these comments:

- *Came to seek solutions for Blueberry patch gifted to a non-profit*
- *I wanted to learn more as a Farmers Market Manager on what all was required of the food business vendors.*
- *Already had a culinary related business, but wanted to expand by building a shared commercial kitchen .*
- *Came for more information about whether I should start a food business*
- *I work in agri-tourism and want to learn more about food for profit, as I think it is quite complementary*

**Status at Time Of Attending Workshop**

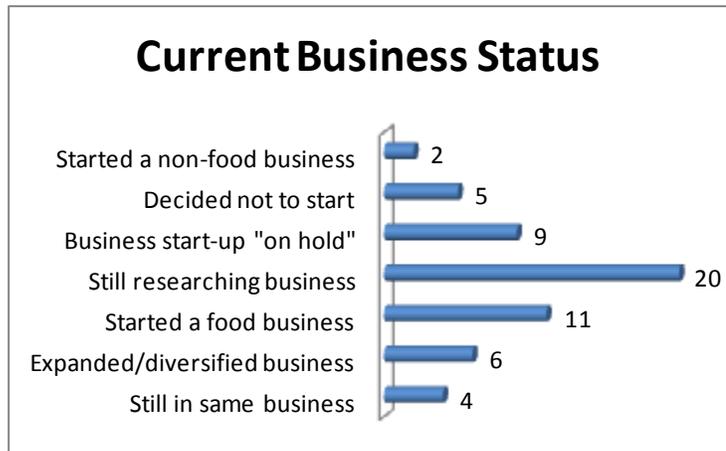


- *Still looking for land to get business started and the class gave me more product ideas*

The fact that the majority of respondents were learning about enterprise development, prior to starting their business, points to their being in a position to incorporate the information and strategies learned at the workshop from start-up, rather than having to retrofit their activities in an established enterprise.

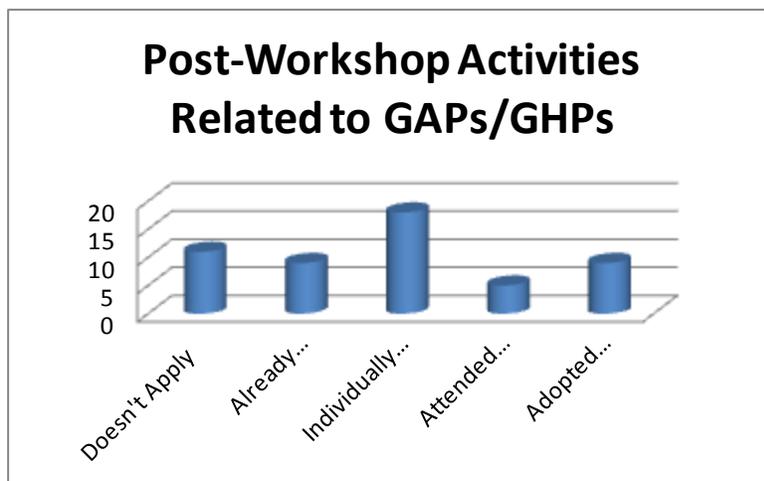
Six to twelve months after attending *Food for Profit*, the level of business ownership information showed some change:

- 4 were in the same business
- 6 had expanded/diversified
- 11 had started a food business
- 20 were continuing to research their food business (pre-start)
- 9 had put their food business venture “on hold”
- 5 decided not to start a business
- 2 started a non-food business



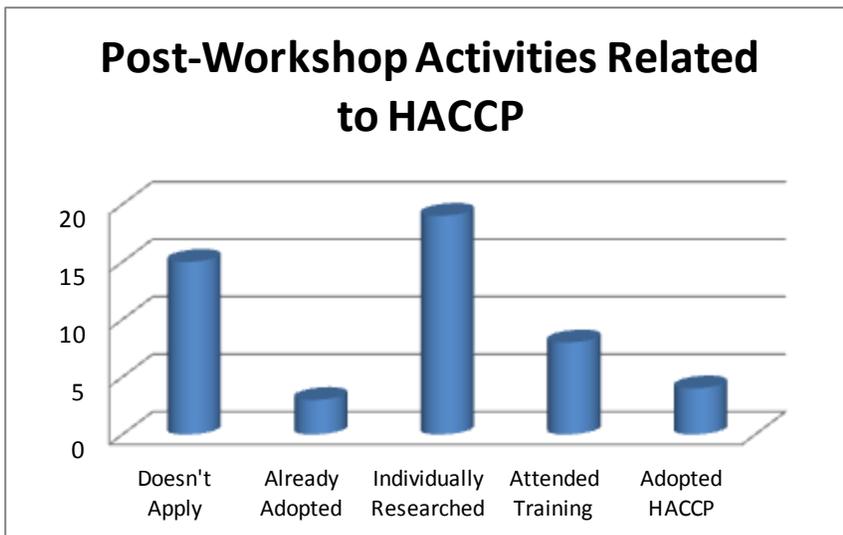
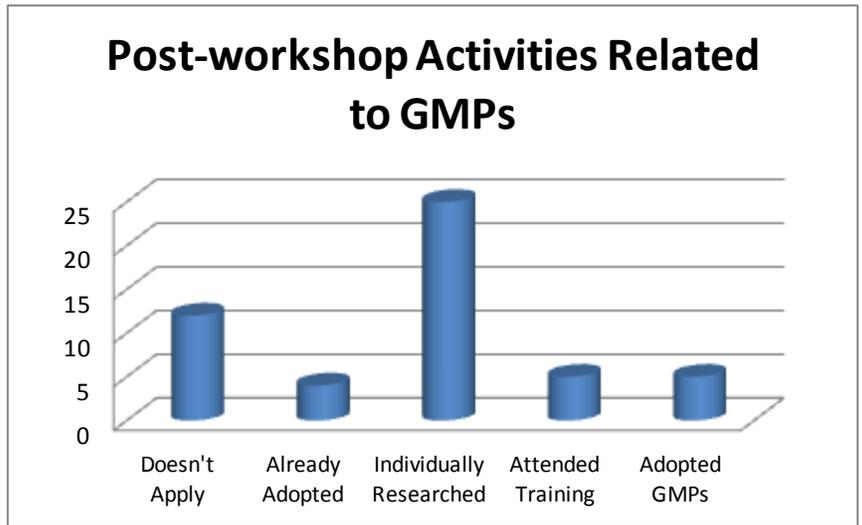
After answering the initial identification questions, the respondents who had decided not to start a business were excused from the remaining questions, which dealt application of information and strategies which were taught in the workshop. From this point, respondents provided varying levels of information about workshop impact

Because product liability is an especially important consideration for food business owners, specific strategies to increase food safety and consumer awareness had been stressed in the *Food for Profit* workshops. The first strategy addressed was certification for Good Agricultural Practices (GAPs)/Good Handling Practices (GHPs). This strategy calls for planning and monitoring the planting, propagation and harvesting of fruit and vegetable crops. The focus is on clean water, clean soil, clean hands and clean surfaces. Records are kept related to farm practices, creating a paper trail for all activities associated with safe food production. In the workshop, students were taught that GAPs/GHPs were important not only to producers, but also to businesses purchasing ingredients for their food products from local farms. This concept seems to be well accepted by the respondents — as only 11 of the 43 respondents to this particular question indicated that GAPs/GHPs did not apply to their business. In comparison, 18 indicated that they had personally researched GAPs/GHPs certification, 5 said that they had attended a



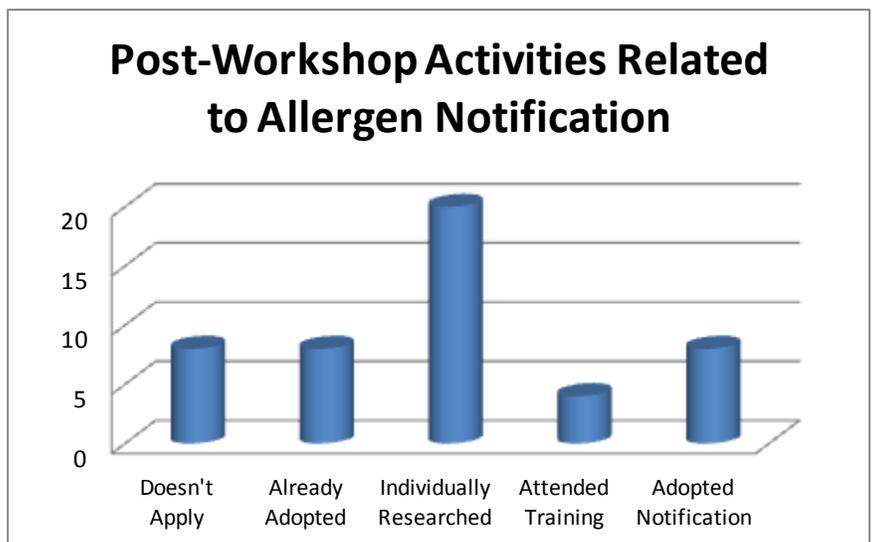
follow-on class about GAPs/GHPs, and 9 reported adopting GAPs/GHPs certification in their business strategy (in addition to 9 who had GAPs/GHPs certification before attending the class). (Note: for this question, and the ones that follow, the sums of category response numbers may total more than the total number of respondents, as they were allowed to select more than response related to each of the risk management strategies.)

The second strategy was use of Good Manufacturing Practices (GMPs). By incorporating GMPs into the everyday food business activities, the entrepreneur has more assurance that his/her food processes meet the standards of 21CFR Part 110. Since the enactment of the 2011 Food Safety Modernization Act (FSMA), this is an imperative for those who make food sold interstate, as FDA requires these standards to register the company. Of the 41 people who responded to this question, 25 (61%) indicated that they had personally researched appropriate GMPs, 5 (12%) had attended training about GMPs, and 5 (12%) reported adopting GMPs after attending *Food for Profit*. Twelve of the respondents (29%) indicated that GMPs did not apply to their business., and 4 (10%) indicated they had adopted GMPs prior to the workshop.

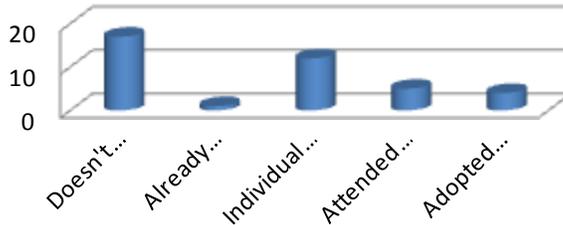


The third strategy was activities related to Hazard Analysis Critical Control Point (HACCP) planning. When critical control points are identified, and monitored consistently, the food products resulting will also be consistent — as safe as is practical. Of 42 people responding to this question in the survey, fifteen indicated that HACCP did not apply to them. Nineteen (45%) responded that they had individually researched HACCP, as it applied to their business. Eight (19%) indicated that they had attended HACCP training and four (10%) had adopted HACCP planning. An additional three indicated that they had HACCP plans before coming to the workshop.

The fourth strategy to be assessed was ensuring that consumers are made aware of food allergens that are an ingredient of the product, or present in the kitchen where the product is made. Since 2006, all food packaging is required to list any of the “big eight” food allergens (wheat, milk, soy, tree nuts, peanuts, shellfish, fish, and eggs). However, since the majority of allergic reactions happen through point-of-purchase consumed products, all food businesses need to mitigate risk by making purchasers aware of potential allergic reactions. Eight (20%) of the 41 question respondents indicated that this strategy is not applicable to their business; 20 (49%) said that they had researched the issues related to allergens for their venture; four people (10%) had engaged a consultant to assess their allergen-related exposure and eight (20%) had adopted allergen notification as a strategy in their business.



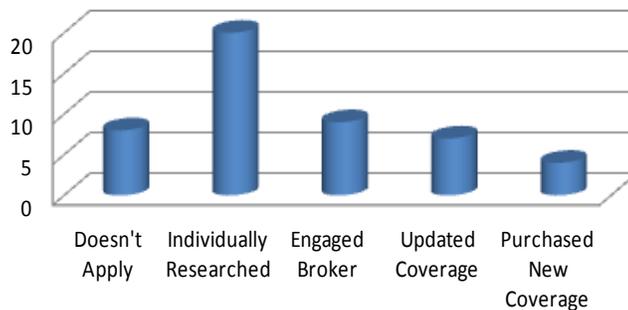
## Post-Workshop Activities Related to Proactive Recall Systems



indicating they did not need to have a recall plan, 32% (n=12) saying that they had researched recall plans, 5 (13%) who engaged, or had spoken to, a recall planning consultant, and 4 (11%) who reported adopting a proactive recall system; only 1 person had a recall system before attending the workshop.

Beyond the specific actions and strategies that can be taken to minimize or eliminate risk, the *Food for Profit* students were taught that appropriate, adequate insurance coverage will cement their risk management plan together. 41 respondents answered the question concerning insurance coverage and their food business. Eight (20%) of those asserted that insurance did not apply; in contrast, 20 (49%) said that they had researched their insurance needs after attending the workshop. Nine respondents said that they had engaged an insurance broker or agent to assist them in evaluating coverage. As a result of the class, 7 (17%) reported updating their insurance and another 4 (10%) said that they had bought new or additional insurance to support their business.

## Post-Workshop Activities Related to Insurance



Small businesses account for a significant portion of the jobs created every year across the United States — whether these enterprises simply create employment for their owners or if they offer jobs to additional workers. The survey inquired about the number of jobs (counting the respondent's) that had been created by the food enterprises that were started. Twenty-four people responded to this question; 23 of them said that one job (their own) was created — one respondent indicated that he/she had created 2 to 4 jobs. These responses were anticipated — potentially, businesses with three to five years track record would be more likely to have market recognition and level of sales that would result in the need to hire other people to share the workload.

The survey also inquired about the gross income realized by the food enterprises that had been started. Twenty-three people responded to this question (this includes 7 people who originally indicated that they were “still researching,” and does not include 5 people who reported having a food business but skipped the question); 22 (96%) indicated that they grossed \$10,000 or less; the remaining respondent indicated that his/her enterprise had gross sales between \$10,001 and \$25,000. Again, with more longevity, the numbers of individuals with higher value responses would be seen, but income during the first year is an important indicator of sustainability.

In recent years, food borne illnesses related to a specific producer's items have been reported — often affecting a batch or the growing field rather than the entire business output. For that reason, it is important to think ahead, and develop ways to be able to recall affected food items, once they have entered the marketplace. Workshop participants were made aware of proactive recall planning and the need to conduct “dry run” tests of these systems. Thirty-eight responded to the survey question about recalls, with 45% (n=17)

As one would approach any impact evaluation, the project team endeavored to solicit participation by as many *Food for Profit* students as possible; beyond the original notification of the on-line survey, three reminders were sent to the 250 who were invited to participate. Since the survey responses were truly anonymous, the project team leader thanked those who had already provided feedback, and kept everyone aware of the current number of respondents. It is believed that this encouraged those who did not initially participate to “join the group.” In future projects, resources should be included to hire interns to conduct a phone based survey to increase the number of responses.

All the same, the project team believes that the 23% response rate (57 of 250 invited) is sufficient to assert that the education of potential and actual food business owners through *Food for Profit* workshops did result in entrepreneurs taking steps to research, receive more training about, and adopt strategies and tools necessary to start food businesses with a greater focus on food safety and risk management.

A similar evaluation was conducted in 2012, when *Food for Profit* was taught almost exclusively in Pennsylvania and by the small team who are the NE SARE project leaders. It is notable that responses to the previous survey were quite similar to those gathered in this evaluation. This points to an assertion that the introduction of trained Extension personnel who apprenticed since fall 2013, presenting material and providing follow-up has clearly maintained the quality and effectiveness of the original *Food for Profit* workshops — while expanding the corps of trained instructors into other states.