Is there Support for Value Added Agriculture in Alabama? Evidence from Statewide Surveys

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Introduction

Issues

- Shift from commodity agriculture to production agriculture
- Diminishing profit margins
- Small-scale production still dominates
“Value-Added Agriculture” may address these issues

To economically add value to a product by changing it from one set of characteristics (e.g. current place, time, form) to other characteristics that are more preferred in the marketplace.
Value-Added Agriculture (Contd.)

- Since the early 1990s, investment in farmer-owned, value-added agricultural businesses has increased tremendously.

- In the 1998-99, states budgeted more than $280 million for value-added programs.

- As of May 2001 all 50 states had at least one program to assist value-added agricultural businesses.
Value-added Agriculture (Contd)

For agricultural value-added initiatives to succeed, there must be:

- A cluster of active leaders from a diverse cross-section of the agriculture community, who are knowledgeable about value-added initiatives and a broad range of community issues (Green 2002), and

- Leaders from non-agriculture sectors who are knowledgeable and supportive

- Leadership at all level
Defining Economic Leaders

We follow Loveridge’s taxonomy:

- The organization for which an individual works influences what the individual does and what they do and why. E.g. city mayors, church leaders, planning commissioners,

- *The characteristics of the economic developer’s service region:* Is the region already well developed or undeveloped, rural or urban

  - Loveridge, 2000
Objectives

- Evaluate factors that explain local economic development leaders’ involvement in bringing value-added agriculture enterprises to their areas.

- Examine local economic development leaders’ knowledge of value-added agriculture initiatives.
Data Collection

- Web-based questionnaire (Surveymonkey.com)
- Economic Dev. Association of Alabama (EDDA)
- 376 local economic development leaders in Alabama
- Used their email address and websites
- Response rate: 41% (154 out of 376)
Data Analysis

Cross-tabulation between a key question against demographics and knowledge variables

**Key Question:**

*Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?*

**Demographics and knowledge variables:**

- Metro Non-metro
- Gender
- Age
- Education
- Familiarity
- Concerns
Survey Response: Metro Non-Metro

- Metro: 52%
- Non-Metro: 48%
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>Non-metro</th>
<th>Metro</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
<td>13</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>80</td>
<td>154</td>
</tr>
<tr>
<td>%</td>
<td>32%</td>
<td>16%</td>
<td>24%</td>
</tr>
</tbody>
</table>

[Bar chart showing the distribution of responses among non-metro, metro, and total respondents.]
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
<td>26</td>
<td>37</td>
</tr>
<tr>
<td>Respondents</td>
<td>28</td>
<td>126</td>
<td>154</td>
</tr>
<tr>
<td>%</td>
<td>39%</td>
<td>21%</td>
<td>24%</td>
</tr>
</tbody>
</table>
Survey Response: Age

Average age: 50 years, range 28-86 years old
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>&lt;30</th>
<th>30-50</th>
<th>&gt;50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>16</td>
<td>20</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>63</td>
<td>84</td>
<td>154</td>
</tr>
<tr>
<td>%</td>
<td>10%</td>
<td>25%</td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>
Survey Response

Education Level

- No College Degree: 9%
- College Graduate: 56%
- Graduate Degree: 35%
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>No College</th>
<th>College degree</th>
<th>Graduate Degree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>0</td>
<td>30</td>
<td>7</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>87</td>
<td>52</td>
<td>154</td>
</tr>
<tr>
<td>%</td>
<td>0%</td>
<td>34%</td>
<td>13%</td>
<td>24%</td>
</tr>
</tbody>
</table>
Survey Response: Are you Familiar with Value Agricultural Enterprise?

- Yes: 55%
- No: 45%
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>Familiarity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
</tr>
<tr>
<td>%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Survey Response: Do you consider value-added enterprises an important part of your community’s economic future?

- Yes: 74%
- No: 26%
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>Important for economic future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
</tr>
<tr>
<td>%</td>
<td>33%</td>
</tr>
</tbody>
</table>
Factors that influenced Local Leaders’ Responses about Value-Added Agriculture

- Increase Farmers’ Profit Margin: 37%
- Increase Local Business: 49%
- Survival of Small Farms: 53%
- Increase Local Income: 50%
- Increase Local Jobs: 72%
- Rural Development: 63%
Have you been involved in bringing agricultural value-added enterprises to your region in the past two years?

<table>
<thead>
<tr>
<th>Response</th>
<th>local jobs</th>
<th>Rural Dev</th>
<th>Survival</th>
<th>income</th>
<th>Business</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31</td>
<td>27</td>
<td>22</td>
<td>29</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>97</td>
<td>82</td>
<td>77</td>
<td>76</td>
<td>57</td>
</tr>
<tr>
<td>%</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
<td>38%</td>
<td>21%</td>
<td>35%</td>
</tr>
</tbody>
</table>
Key Points

- Leaders from non-metropolitan counties are more involved in bringing value-added enterprises to their region than leaders from metropolitan counties.

- Female leaders are more involved in bringing value-added enterprises to their regions than their male counterparts.

- Involvement in value-added initiatives increases with age, education and level of experience.
Conclusion

- Results were based on 154 responses out of 376 survey sent.

- Average respondent attributes: male, 50 years old, had a college degree, and represented a metropolitan region.

- Key Concerns for participating were bringing more jobs to the local areas followed by rural development.

- Leaders were more concerned towards developing the region than providing more benefits to individual farmers.

- Female leaders with a college education who are >50 years or older participated more in bringing value-added enterprises.
Thank you!

Questions ???