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Extension Programming for Food Entrepreneurs: An Indiana Needs Assessment

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Extension Programming for Food Entrepreneurs: An Indiana Needs Assessment

Abstract

The objective of the research reported here was to identify the needs of food entrepreneurs in the state of Indiana. To attain this objective, Purdue Extension educators from 86 counties in Indiana were surveyed. Topics of interest from the survey results included marketing, new business start-up, food regulations, and food safety. This assessment tool has directed Purdue Extension in developing a Food Entrepreneur Engagement Program. The survey results were used to develop a statewide workshop for food entrepreneurs. Resources provided by this program ultimately helped several food entrepreneurs create value-added food businesses in Indiana.

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Introduction

The need to move from solely agricultural commodities to both commodities and value-added products is a key factor in sustaining Indiana agriculture. In order to help Indiana's Food Processing-Related industry as well as food entrepreneurs in development of value-added food products, Purdue University Cooperative Extension specialists are building a program that will be a resource for food entrepreneurs who wish to market specialty foods or food ingredients. It is anticipated that this program will provide written materials, workshops, contact resources, consultation services, consumer testing, and limited lab services.

The objective of our research was to identify the needs of food entrepreneurs within the state of Indiana. To attain this objective, Purdue Extension educators from 86 counties in Indiana were surveyed. Survey questions covered three subject areas: 1) resources that Purdue Extension might provide, 2) the number and type of inquiries made by food entrepreneurs to Extension educators, and 3) food entrepreneurs' interests, and type of product they were planning to market.

Understanding the specific needs of entrepreneurs has allowed Purdue Extension to determine what services and types of information will be most useful and necessary to build a program that will assist Indiana food entrepreneurs and provide Extension educators with basic technical education on food entrepreneurship (Bazik & Feltes, 1991; Koukel & Cummings, 2002). Citizens such as farmers, current food business owners, farmer's market participants, and homemakers who wish to become entrepreneurs in the area of specialty food products or food ingredients often

seek advice from their county Extension educators at some point in their ideation process. Because it is difficult to locate and survey food entrepreneurs directly and Extension educators are a reliable and often-contacted resource for food entrepreneurs, we chose to survey Purdue Extension educators as an indicator of the needs of Indiana's food entrepreneurs.

Extension educators are a key link to understanding client needs and their knowledge base in order to develop statewide program initiatives (Shneider & Smallidge, 2000; Koukel & Cummings, 2002; Kaplan, Liu, & Radhakrishna, 2003). Gilmore, Meehan-Strub, and Mormann (1994) used a similar needs assessment survey process to develop a statewide program related to food safety. The needs assessment of Purdue Extension educators has served as a guide in the development of a food entrepreneurship program provided by Purdue Extension specialists in Agricultural Economics and Food Science.

Materials and Methods

To ascertain the needs of Indiana entrepreneurs we developed a 16-item survey. The 16 questions asked on the survey were divided into three sections. The first section included questions regarding written resources that Purdue Extension specialists in Agricultural Economics and Food Science might provide to county Extension educators that would enable them to provide support for food entrepreneurs. The second section of the survey dealt with the number and type of inquiries made by entrepreneurs to Extension educators. This included who was inquiring, how often, how many, and how serious the inquiries were. Finally, the third section covered the specific interests of the entrepreneurs. This included topics like food quality and development, food regulations, food safety, marketing, etc. They also were asked about their product, process, and distribution plans.

One hundred and seventy-two Agricultural and Natural Resource (ANR) and Consumer and Family Science (CFS) Extension educators in Indiana were sent the survey via electronic mail with a letter explaining the purpose of the survey. They were instructed to return the completed survey via e-mail or fax, and a date was provided by which surveys were to be completed. Additionally, some of the ANR educators completed the survey while attending an annual conference.

Extension educators from 86 counties in Indiana were surveyed, and responses were received from 44 Extension educators from 35 different counties. This represents a response rate of 26%. Of the county Extension educators surveyed, those who responded were from a cross representation of Indiana. This helps to validate the usefulness of these data as a means of assessing needs across the state of Indiana.

Results

The majority of respondents indicated that a 3-ring binder of information covering various aspects of Food processing-related activities as a resource would be very or somewhat helpful and would be used regularly. Mainly, Extension educators were being queried quarterly, and 51% had received one to five inquiries regarding food entrepreneurship in 2002 (Figure 1). Twenty-four percent of the educators received no inquiries, and 17% received more than 10 inquiries. This demonstrates a potential market for educational resources related to food entrepreneurship.

Figure 1.

Responses to the Question: How Many Inquiries Regarding Food Entrepreneurship Have You Received in the Past Year?

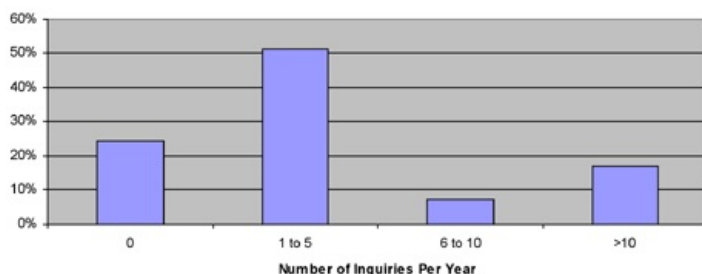
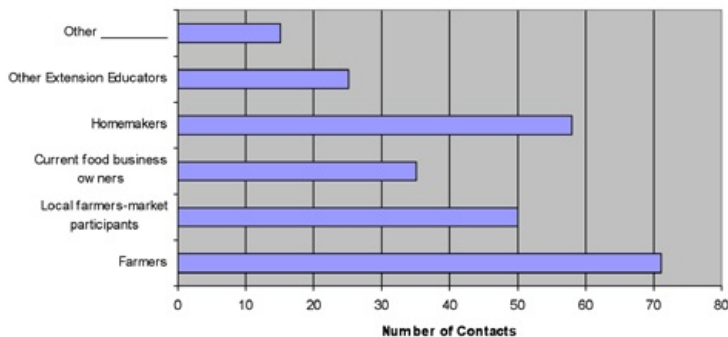


Figure 2 indicates Indiana citizens inquiring about food entrepreneurship were mainly farmers, homemakers, and local farmers' market participants. This observation identifies potential timing issues related to workshop offerings. Specifically, the workshops should be offered in early spring or late fall to avoid planting and harvesting, respectively. The results also showed that Extension educators might need more food business-related resources because not only are they receiving inquiries from current food business owners but also from other educators. Because of the diversity of interested parties, any workshop or program advertising must use multiple channels to reach potential participants.

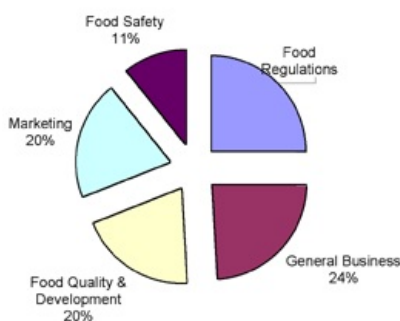
Figure 2.

Number and Types of Clients Seeking Food Entrepreneurship Information from Purdue Extension educators



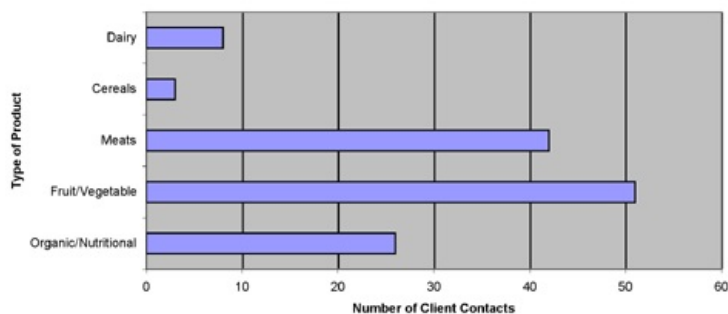
Potential food entrepreneurs contacting Purdue Extension educators had a higher level of interest in food regulations and general business information, with marketing and food quality and development coming in a close third (Figure 3). General business included a vast number of clients interested in new business start-up information. The broad interest of the potential food entrepreneurs implied the need for multidisciplinary (e.g., Agricultural Economics and Food Science) and interagency (e.g., Indiana State Department of Health and Indiana Small Business Development Centers) collaboration in the development of the workshops and materials.

Figure 3.
Type of Information Requested by Clients



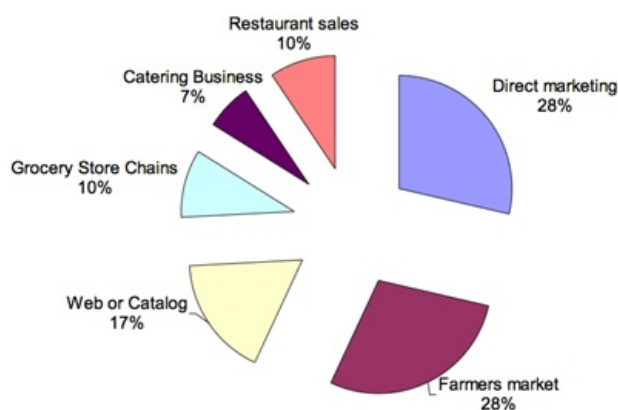
Purdue Extension educators indicated that most clients were planning to mainly use or sell fruit, vegetable, or meat products (Figure 4). Approximately 58% of the clients contacting Extension educators indicated that fresh, or no process, and freezing were the predominant methods of processing they were planning to use. These data helped focus the food safety and food processing sections of the workshop's program and printed materials. While the interest in organic/nutritional products was lower, materials covering these concepts were included in the printed materials and resources in the workshop's binder because of the increasing demand by consumers for organic/nutritional products.

Figure 4.
Type of Products Clients Were Planning on Making/Selling



The majority of Indiana food entrepreneurs (56%) were planning on direct marketing or participating in farmer's markets for the distribution of their products (Figure 5). Only 10% were interested in distributing their food products through national or regional grocery store chains. A survey of Indiana's County Department of Health officials also indicated that most inquiries were by clients interested in distributing their products by direct marketing channels, including farmers' markets. However, county Health Departments had more clients interested in restaurant and catering sales than Extension educators.

Figure 5.
Client Distribution Methods



From the survey we concluded that most of the food entrepreneurs that were contacting Extension educators were producers, homemakers, or farmers' market participants. The results of the survey indicate that food entrepreneurs in Indiana most often requested information about business start-up and food regulations. The results also indicated the need for program information specifically related to producing and marketing products that will be sold directly to consumers. This prompted us to include sections in our programming material on marketing and pricing food products by different distribution channels. The product development, packaging, and food regulation sections of the materials developed are also focused on helping food entrepreneurs sell their products via direct marketing channels.

Application and Impacts

Our survey was used to focus Purdue Extension's efforts toward supporting food entrepreneurship in Indiana. Specifically, the survey identified content topics that needed to be addressed. Another major impact of this survey and the application of the data gathered was the development of a closer collaboration between the Indiana State Department of Health, Indiana Small Business Development Centers, and the Departments of Agricultural Economics and Food Science at Purdue University.

A 1-day workshop was designed to be an introduction to the basic needs of new food entrepreneurs and titled "An Introduction to Starting a Specialty Food Business in Indiana." The morning sessions cover business management topics such as business planning, marketing of food products, and contracting with suppliers. The afternoon sessions cover topics such as Indiana food regulations, foods safety, product and process development, and packaging. In order to give entrepreneurs a first-hand account of what it is like to be a food entrepreneur in Indiana, we invite a successful food entrepreneur to be a guest speaker.

The workshop participants are given a 3-ring binder that includes the workshop presentations and reference materials for further reading. For example, the business management section includes references of small business to obtain free counseling and other small business resources. The food processing section includes material on how to maintain quality control and where to purchase equipment. Printed materials can also be accessed through our Web site. These materials have been accessed by over 4,000 individuals and downloaded 7,000 times over the past year. The Web site can be located at <www.foodsci.purdue.edu/outreach/FEEP>.

Understanding from the survey that timing is important, the workshops are offered twice a year, once in early April in central Indiana and once in mid-November in either southern or northern Indiana. The workshop is marketed via several sponsors, collaborators, and agencies such as the Small Business Development Centers, Indiana Farm Bureau, and the Neighborhood Self-Employment Initiative (a micro-enterprise agency). The workshops have been attended by an average of 30 participants, including six Extension educators per workshop. On average, 20% go on to start new food businesses.

Collaboration between the Departments of Food Science and Agricultural Economics culminated in the development of the Food Entrepreneurship Engagement Program. This is a statewide program in which both departments provide food entrepreneurs with technical assistance in their areas of expertise. For example, business management and marketing assistance is provided by Agricultural Economics, and processing and food safety assistance is provided by Food Science. Many of the workshop participants continue receiving assistance through this program in order to start new food businesses. One such participant started a new food business that generated 30 new jobs in a community of 2,500.

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