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## S7E7: How can business savvy help Maine farmers succeed?

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## **S7E7: How can business savvy help Maine farmers succeed?**

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**Run Time:** 00:29:40

Like opening any business, starting and operating a farm can be challenging without any in-depth entrepreneurial knowledge or skills. To help strengthen support for farmers' business skills, University of Maine faculty members Erin Percival Carter and Stephanie Welcomer established the Business, Agriculture, and Rural Development (BARD) technical assistance training program in the Maine Business School.

The BARD program trains UMaine students to serve as consultants for farmers and operators of other small-scale and sustainable agricultural businesses. These students can assist agribusinesses with various aspects of commerce, such as data-management, price-setting, marketing, financial and strategic forecasting, market segmentation, product development, market intelligence and consumer research.

The BARD program recently received a \$292,000 award from the Small Business Administration that was requested by U.S. Sens. Susan Collins and Angus King through the FY22 Congressionally Directed Spending process, known as earmarks.

In this episode of "The Maine Question," Carter, an assistant professor of marketing, discusses how business savvy can help farms succeed.

### **Transcript**

[background music]

Erin Carter: Agriculture in Maine has always been different and special and unique, and it continues to be. There are a lot of promising trends in agriculture in Maine compared to the rest of the US, but the reality is that it is really hard to be a beginning farmer.

Ron Lisnet: Going back to the land to make your living growing things, a nostalgic, even a romantic image that holds appeal for many. As Erin Carter alluded to, being a farmer is hard. Thriving or even making a decent living is no guarantee, even during the best of times.

Carter is an assistant professor of marketing at UMaine, who helps run the BARD Technical Assistance program. I'm Ron Lisnet, and this is "The Maine Question" podcast.

BARD stands for Business, Agriculture, and Rural Development program. The basic idea is that students in the Maine Business School at UMaine receive special training and skills development to help agricultural producers and processors with things like marketing, price setting, product development, consumer research.

The program recently received a \$292,000 grant from the Small Business Administration. Farming in Maine has a long, rich history, and a set of unique features that make it stand out from the rest of the country.

The state has more beginning and younger farmers than the rest of the US, more diversified farms, many of which cater to smaller boutique specialty crops or products. It takes talent, diligence, and stamina to grow and produce the products they make.

Even the most successful farmers producing wonderful products, cheeses, blueberry jam can be challenged making the right business decisions. That's where the BARB program can make the difference between success and struggle.

The program's first focus was cheesemakers in 2020. This year, they're concentrating on the fiber industry, which has a long history in Maine. In this episode, we talk with Erin Carter, and ask the question, how can sound business practices help Maine farmers succeed?

Thank you so much for taking the time to join us. Maybe you could just tell us, what is your title here in the Maine Business School? What is your specialty?

Erin: I'm an assistant professor of marketing in the Maine Business School. My specialty is consumer behavior. I'm in marketing. I do the social cognitive psychology or behavioral economic side of marketing.

Methodologically, that means I tend to do behavioral experiments. Trying to understand how people think when they're in markets. Manipulating something about a scenario, seeing how that changes how people behave, and then writing a paper about it.

Ron: What is the BARD technical assistance program? Why was it created? What are the goals?

Erin: The technical assistance program started with myself and Dr. Stephanie Welcomer, who is central to all of this work, and unfortunately, not here for the interview today. I want to make sure I mention up top that Stephanie Welcomer's been critical in all of this, and continues to be.

It started out of conversations between Stephanie and myself. Reflecting on the fact that we felt like there was a real gap between what we were seeing in a lot of publications coming directly from farmers and smaller-scale agricultural producers in the state.

Talking about the kinds of resources that they need that they feel like they lack, and meeting those resources at the University of Maine.

Specifically, again, and again, and again, we see farmers saying they need help with business operations. More specifically, many, many independent research studies show that people are asking for support specifically with marketing.

We started thinking about what are some things that we can do as people in a business school to begin to address those needs of smaller-scale, in particular, agricultural producers?

Ron: Maybe you can paint the big picture for us. The state of agriculture these days in Maine and beyond, and then maybe drill down to what is very prevalent in Maine is those smaller specialty product farms, more boutique situations.

Erin: Agriculture in Maine is a unique beast. It looks different here than it does elsewhere in the country. I'm not originally from Maine. I'm from Wyoming myself. My grandfather had a cattle ranch in South Dakota, and then I grew up in Wyoming and Colorado. I grew up as a 4-H and FFA kid out West, and seeing what agriculture looks like there.

Even as a business undergrad, knew that there was something special going on in Maine. I wrote about MOFGA in my undergraduate research thesis because I was interested in organic and smaller-scale agriculture. Maine is a hotbed for those things.

Agriculture in Maine has always been different, special, and unique, and it continues to be. There are a lot of promising trends in agriculture in Maine compared to the rest of the US.

Often, when we hear facts and figures, like Maine has more beginning farmers than anywhere else in the country, Maine has younger farmers than elsewhere in the country, Maine has more diversified farms than elsewhere in the country, those all conjure romantic thoughts about young, back to the land families making a go of it and doing it.

I am as much, if not more infatuated with the romance of those ideas as anyone else, but the reality is that it is really hard to be a beginning farmer. It is really difficult to be a younger farmer. It's hard to start any business.

I think that being a startup in the agricultural space is one of the most difficult places to try and be a startup, particularly when you are small in an industry that, for the most part, is focused on telling people that what they produce is a commodity.

I don't know any other industry where if you say, "I'm creating a startup in XYZ," where people immediately assume that what you produce is exactly the same as what anyone else who produces a thing by that name is producing. A tomato, is a tomato, is a tomato. Corn, is corn, is corn. Wool, is wool, is wool.

If you tell me that you're starting a startup in some other industry, I immediately start thinking about, "Oh, OK, well, what makes you unique?" The deck is stacked against beginning farmers, I think, in a unique way that makes it challenging, and therefore, interesting and rewarding to try and research

Ron: Any theories as to why Maine has all these unique aspects to its farming situation?

Erin: Long-standing history, the land itself lends to a different form of agriculture. Land access is a challenging problem for anyone. Land is still more affordable in Maine than it is in a lot of other places. Not to say that it's not challenging to get access to land without a lot of access to capital, but a little bit easier in Maine than it might be elsewhere.

People move here, both for the romance and the history of it, and the fact that it's more achievable for many people to move to Maine, buy 5 to 10 acres, and try and make a go of it, than it might be to move somewhere else and try and make a go of it.

Ron: The students in the program, are they either generally on the business side and want to learn about the agriculture side, vice versa, or both?

Erin: The first round of the program, they were all business students.

Our approach to the program was let's take these students who are juniors and seniors in business, who've developed this relatively high level understanding of business strategies and practices, put them in interdisciplinary teams, and then have those teams go out and advise specifically on business practices on-farm.

I don't know what the next round of the program will be. We're certainly open to students from other disciplines. I'm talking to some students in other disciplines, whether that's agriculture, economics, or graduate students and other programs that have reached out about whether graduate students could take part.

The gap that we're trying to fill is still bringing contemporary business research and business advising practices to a small-scale farming context. There's a little bit more catch-up work that students that are not upper division business students have to do in order to be ready to do that work.

We have agricultural programs that are great, that do a great job of advising on other things. We're very focused on the business piece of this. I don't know what the next round

of the program will be, but we're open to it. I hope that we have students from other disciplines that are interested in studying this gap.

Ron: Aside from farmers learning to run their operations better, how will this expertise get out to them? What are the outreach plans that will get them the knowledge they need to have better chances at success?

Erin: That's great. Other than farmers who are going to have student teams on-farm, so Stephanie and myself have been doing a lot of research directly on-farm with farmers for the last, I don't know, six or seven months now.

Part of what's critical about our program and the way that we approach it is we're explicitly studying non-commodity producers. Producers who are saying to this challenge of, "What you produce is the same as what I can get," according to the USDA price sheet that comes out and says, "Here's what the price of whatever, pork, wool, or corn is."

These are people who are saying, "No, actually what I'm doing is something pretty different." That's marketing. That, in and of itself, is marketing. We're trying to help improve that and make people feel like they can do a better job of that.

We've been working directly on-farm with farmers and collecting data. It's critically important that our students have access to some data to begin the class. That data for these small farmers largely doesn't exist.

It's not that we don't spend money studying agriculture and agricultural producers. We do, but we tend to study these large producers whose production metrics and needs are relatively well captured by most of the research that's out there.

We're filling this gap in a lot of ways for what do these smaller scale producers say that they need and how can we make sure that our students have data on both the producer side and the consumers for those products side that's specific to these non-commodity folks?

We have to approach studying these products like they're a fundamentally different thing. Is farmstead artisan-made cheese different from the cheese market writ large?

Is a skein of yarn produced from one farm -- sometimes they even know the name of the sheep who produced that yarn and they can tell you, the person who shared it, and the person who owned the mill that washed it and then ran it through all of their equipment and then brought it back to the farm.

Is that the same thing as yarn that you buy from some large international retailer that came from amalgamation of a million different sheep in New Zealand or Australia? For

some people, it's not. For some people, those are exactly the same thing. For a segment of the market, they're very different. We're understanding that segment.

How are we going to get all of that information that's explicitly not commodity-approach to understanding these markets? How do we get that back to farmers other than just the few who partner with our target teams?

We pre-committed ourselves in a risky way, actually, to publishing all of our formal research results as open-access articles, which is not the norm, at least in a business school. It's very much not the norm. What that means is that as an academic, part of our research output are these academic articles. That's what we're evaluated on.

Most of the time, if you go to download a research article online, which most people don't do because they're not that fun to read for the average person. They're only sometimes fun to read for an academic.

But most of the time, when you go to download one of those articles, you'll see the little "Pay 29.99 to read this article" from a publisher who actually didn't conduct the research. All they're doing is publishing it.

That's not a barrier if you're a huge multinational corporation or some consulting agency who's working to advise large farms that are competing in the commodity market. It's a huge barrier if you're a small farmer who's barely scraping together the time to read this research anyway.

We pre-committed ourselves in the earmark proposal to publishing all the results open access, which means the average person who goes to read these things does not have to pay anything. We are going to pay a fee upfront and publish with specific publishers who allow us to have those rights to make sure that the research is open access.

We also have collected contact information throughout with all of the farmers in Maine who we've been dealing with, and we'll share results directly with folks. Then there are a lot of recommendations that our students will come up with that will not be individual farm specific but will be more industry-specific.

We don't know yet because we don't have all the data in and we haven't had our students work on it, but we're very much planning to have some conversation around, "What would be really useful, easy to implement deliverables that we could provide to farmers?"

Whether that's just little graphical infographic-style things that we can give to farmers and say, "Hey, if you were looking for things to share on your Instagram or Facebook page, here's some options."

Ron: Is this the case that they are...?

Ron: ...producing value-added products so it's not just the milk, it's the artisan cheese, or it's the cranberry compote, or what have you? Is that what makes them more than growers of commodities?

Erin: For a lot of producers, it is. When we did the Cheese Year, those were a lot of both farmers who are producing milk and then turning that into cheese or occasionally only doing the cheese making and buying their milk in from nearby farms, but those are folks who are engaged in value-added production.

I would say, from a marketing perspective, that there's a real space in the market for, even if you're not doing value-added production.

If you are showing up to the farmers market and you're saying, "This is a tomato that's an heirloom. It's grown organically. I know exactly where the compost came from," and you tell a little story to go along with it, I still feel like, from a consumer perspective, you're trying to justify an additional price premium.

[crosstalk]

Ron: It's next level.

Erin: Yeah, you're trying to justify an additional price premium. I'm suggesting to people this is something different, and there's a subset of the market that's willing to engage with that and say, "I'm going to treat this thing that some person might think of as a commodity almost more like art."

It's a small segment of the market, but it's a pretty under-explored segment of the market. It's really necessary for a lot of New England producers because we cannot produce things at the same level and at the same economies of scale as producers in a lot of other regions.

Ron: The first go-round with the program was with cheesemakers. How did that go? What were some of the findings? Share with us that experience.

Erin: It was really great. It was delicious. We had 12 students who participated in that round, and we partnered closely with the Maine Farmland Trust in the first round of that program. Maine Farmland Trust is an incredible organization that does great work helping farmers.

One of the things that we were able to do with that program and partnering with them is that they had pre-planned a version of their Farming for Wholesale, about 98 percent -- sure that's correct. It's very close if not correct -- their Farming for Wholesale program.



They ran a version of that program that was targeted specifically towards cheesemakers and had their cohort of cheesemakers that were completing the program and allowed us to have ourselves and our students sit in for the entirety of that program.

Our students did 21 hours of classroom training in the room with farmers who were trying to do the calculus of, how do I change my business if I want to start thinking about bringing on wholesale as an additional distribution channel?

We then had students form -- well, we formed -- but put students into these business interdisciplinary, so it was like a finance and accounting, a management, a marketing business interdisciplinary teams partnered with individual farms and go talk to those farmers about exactly what can we help you with?

Because of the nature of the kinds of farms that signed up for this Farming for Wholesale program, all of those farmers were in a very particular space with regards to largely thinking about how are we going to manage our product lineup and make pricing and distribution decisions?

All of the final projects that year were in that space about should we have more SKUs or fewer SKUs? How should we think about scaling up our business? I don't anticipate that the individual farms that our students partner with this year are going to be as homogenous in terms of the work product that they need.

Some farmers that we're talking to this year are very focused on how can I build up my online presence? Others are starting to think about how should we change our product line up? Should we be selling more fleeces directly to hand spinners, or should we be selling yarn? Or should we be looking to sell finished goods?

We'll have teams working on more varied products this year, I anticipate.

Ron: That leads to the next question. This year is focusing on fiber makers, which is what you're just talking about. What are some of the challenges, what are some of the opportunities? The history of this, I know they used to take sheep to the islands of Maine for grazing and such, right?

Erin: In terms of the history of fiber in New England, it is a really fascinating history. I thought I had a pretty good idea. Even just in prepping more over the last several months, I've learned exactly how deep that history goes, or I'm learning more all the time about how deep that history goes.

At one point, it was legislated in Massachusetts -- at least I haven't been able to find a similar statute in Maine -- that every school child in Massachusetts had to learn to spin wool because it was such a point of tension between the then colonies in America and later a fledgling revolutionary state, and Great Britain or England at the time.

It's really deep in our history, this idea of wool and being able to clothe ourselves. Being independent runs really deep in New England.

You mentioned sheep on islands. That still happens on several islands. There's incredible stories about when colonists arrived, brought sheep, and learned, "Oh, wolves like sheep. Our sheep that we imported here don't know how to protect themselves certainly, and we don't really know how to protect them from wolves."

That's part of the reason why sheep wound up on islands, which wound up making them incredibly vulnerable to then being stolen by British armies, who took that wool knowing full well that that was critically important for our national security then and to a certain extent now. Because the largest buyer of American wool is still the US military.

It's central to our history, both as a country and to what people expect when they leave or visit Maine -- that they'll see sheep on pastures or sheep on islands. There are people who are still doing that work. They're largely doing it and not being paid for it, is one of the things that we're finding out increasingly as we go out on-farm and talk with folks.

A lot of people are not covering their costs. If they're covering their costs, they're almost certainly not paying themselves. Even if they're paying themselves a little bit for their labor, there's someone in the house who has the off-farm job that has health insurance.

It's really challenging to eke out a living keeping the romance of fiber alive. Lots of challenges, and also, a regard for this history.

Ron: Maine has a growing business school, and obviously, a long history of agriculture programs. Is this a natural fit here at the University of Maine? Does this program follow any national model, or is this a unique thing?

Erin: I would say there's not a natural fit, but there's a real opportunity. It is challenging to try to bring all of the stuff that comes with business to a small-scale ag context. One of the things that I found myself saying increasingly when talking to farmers is I've yet to talk to a person who got into small-scale farming because they just really love marketing.

They don't. They don't really love marketing.

Ron: That's why they need help.

Erin: That's why they need help. If you want to make money, and you want to do so in a way that's atypical to the rest of the industry, that means you're going to have to be pretty creative with your marketing. You're going to have to spend a lot of time and effort carefully thinking about and measuring and then tweaking your marketing plans.

It's important, but it's challenging. To my knowledge, there is not another program in the country that's doing similar work. Which is not to say that there are not incredible programs like Cooperative Extension.

We have a great Cooperative Extension Program at the University of Maine. I'm a huge fan of the work that Cooperative Extension does across the country. They're incredible. They're one of the best outreach things that public universities provide.

They often don't have the same approach to thinking about marketing, targeting, branding, and positioning that we do in a business school. We hear again and again from farmers that that's an important unmet need that they have.

That's part of what we're trying to do. To my knowledge, there's not another program in the country where a business school is partnering explicitly with small-scale ag in the same way that we're doing here.

Ron: Can you talk about the potential in terms of economic development and workforce development? Is there a lot of room to grow?

Erin: There's a huge amount of room to grow, but it does require, hopefully, our students being creative in terms of thinking about how do I develop a career for myself in this space? Certainly, we're interested in helping students do that, and thinking about how to become technical assistance providers for supporting agricultural producers in New England.

We know that farmers need help here. We know that we have students that are interested in doing meaningful work where they feel like they're connecting with and reinforcing their communities. There's a real opportunity to do that.

I don't have concrete numbers on exactly what that looks like because it's going to require someone to carve their own path. We're going to try and help them do it.

Ron: There's a big push by the Department of Agriculture in Maine to buy local or buy Maine. The figures that I saw was currently 10 percent. They want to get to 20 percent by 2025 and 50 percent by 2050. How do you get there? What will Maine's agriculture big picture look like over that time span?

Erin: I think that it's an important initiative. There's similar initiatives going on throughout New England. There's a feeding New England group that's been meeting for a while. I've sat in on a few of those meetings.

I don't know exactly how we get there. Nobody knows exactly how we get there, which is the challenge. I'll say that up top.

I do think that an important consideration that we need to have in the back of our mind while we're having these discussions and setting the goals is what do we mean by 20 percent, and what do we mean by 50 percent? How are we going to set those metrics?

Depending on what metrics we set for ourselves, is that going to get us the outcome that we're looking for? Specifically, are we just talking about the amount of money that people are spending? Are we thinking about food that's produced by manufacturers in the same way that we're thinking about food that's produced on Maine farms?

Do we actually not mean the amount of money that's spent on food that's produced or manufactured in New England? Instead, we care more about the percentage of calories or the nutrient density of what we're producing in New England?

Getting some clarity on exactly what we're measuring, and then doing the projection forward. Thinking about, "Well, is that going to lead us to the outcome that we're trying to reach?" is important.

Ron: Finally, just wondering about sustainability. Where does that factor in, including climate sustainability? Is that wrapped into all of this?

Erin: Yeah. With anything else that's going on in the world right now, it's the big gorilla, elephant, or whatever. Sheep, I suppose I should say. It's the giant ram in the room. It's more expensive to do most of the things that we're talking about. It's increasingly uncertain how that's going to pan out.

It's, fortunately and unfortunately, a real opportunity for New England. A lot of the historical -- by historical, I suppose I mean the last 150 years -- a lot of the historical major wool and sheep-producing areas in our country and throughout the world are facing more severe climate impacts than we are right now.

Water shortages are a critical issue throughout the Mountain West. Fire is an important issue in California. I have a small flock of sheep myself. The whole reason I was able to buy the sheep that I have is because the farmer who I bought them from can't afford to keep sheep in California anymore.

They're just constantly evacuating them because there's fires. They can't irrigate their pastures, so they have to buy all of their hay in. They're feeding hay all summer. The math of how much does it cost to keep each head of sheep has changed out West.

That presents somewhat of an opportunity here. Even if costs have also gone up here, we don't face the same fire threat that they're facing out there. It also provides some real opportunities for things like sheep grazing on solar fields.

Sheep work really at well keeping all of the grass down and making sure that those panels can operate as efficiently as possible. There's opportunities for things like that, and then also using sheep and goats to try to maintain landscapes and reduce fire danger.

That work tends to be happening more out west now, but again, because of climate change, I think we'll start to see more of that concentrated grazing for fire suppression happening here.

[background music]

Ron: Well, thank you so much for taking the time. I wish we had done this during the cheese phase of this operation so we could have had some samples, but our time is not good.

Erin: Go buy Maine cheese and then go buy a hat or a blanket or something made with Maine wool, because it's wonderful all around.

Ron: Great. Thanks a lot.

Erin: Thank you.

[background music]

Ron: Thanks for checking us out. All of our episodes can be found on Apple and Google Podcasts, Spotify, Stitcher, and SoundCloud, UMaine's YouTube, Facebook, and Twitter pages, as well as Amazon and Audible. Questions or comments, send them along to [mainequestion@maine.edu](mailto:mainequestion@maine.edu). This is Ron Lisnet, we'll catch you next time on The Maine Question.

[music]

*The University of Maine in Orono is the flagship campus of the University of Maine System, where efforts toward racial equity are ongoing, as is the commitment to facing a complicated and not always just institutional history. The University recognizes that it is located on Marsh Island in the homeland of the Penobscot nation, where issues of water and its territorial rights, and encroachment upon sacred sites, are ongoing. Penobscot homeland is connected to the other Wabanaki Tribal Nations — the Passamaquoddy, Maliseet, and Micmac — through kinship, alliances, and diplomacy. The university also recognizes that the Penobscot Nation and the other Wabanaki Tribal Nations are distinct, sovereign, legal and political entities with their own powers of self-governance and self-determination.*