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2009 Farm and Rural Life Poll: Value-added agriculture*

by J. Gordon Arbuckle, Jr., extension sociologist; Paul Lasley, extension sociologist; Peter Korsching, professor; and Chris Kast, research assistant

The Iowa Farm and Rural Life Poll is an annual survey that collects and disseminates information on issues of importance to rural communities across Iowa and the Midwest. Conducted every year since its establishment in 1982, the Farm Poll is the longest-running survey of its kind in the nation. This article highlights information from the 2009 survey on farm policy and commodity production.

Value-added agriculture

Value-added agriculture is also viewed as a means toward economic development in rural areas. Defined as the processing or marketing of an agricultural product in a way that allows producers to earn a greater portion of their products' commercial value, value-added agriculture encompasses a broad range of activities that can allow farmers to turn innovative ideas and management expertise into higher returns from their farm operations. The Farm Poll explored current involvement in value-added agricultural activities and barriers to participation in such initiatives.

Nine percent of Farm Poll respondents reported that they were involved in a value-added agriculture business. Among those who indicated that they were participating in a value-added enterprise, 41 percent were involved in either ethanol or biodiesel production. Following in frequency, at 30 percent, were meat-related ventures, primarily the direct marketing of beef, pork or other meats. Production of organic, specialty or identity-preserved grains was cited by 18 percent of value-added entrepreneurs, and seven percent produced and marketed fruits or vegetables. Other value-added activities included production of cheese, honey and ornamental plants.

To develop a better understanding of why so few Iowa farmers participate in value-added agriculture ventures, we worked with the Iowa State University Value Added Agriculture Program to develop questions regarding challenges to farmer involvement in value-added initiatives and potential barriers to expansion beyond traditional agricultural production activities.

Perceived risk appears to be a major impediment to participation in value-added agricultural enterprises. Seventy percent of participants agreed that many farm-

ers would rather take an off-farm job rather than start a value-added enterprise, and 67 percent agreed that many farmers just don't want to start something new (Table 1). Sixty-six percent of participants reported that markets for products other than unprocessed major commodities are limited in their area, and 62 percent agreed that demand for alternative agricultural products is uncertain. The high rates of agreement on these four items likely reflect an aversion to risk. Starting a new business can involve much more financial risk than taking an off-farm job with an established employer. Especially in cases where markets for products may not be well-developed or accessible, such considerations may play an important role in reluctance to get involved in a new, untested venture.

Lack of business experience and marketing skills also seem to act as barriers to the development of value-added agricultural activities. Sixty percent of participants agreed that many farmers would feel uncomfortable trying to market products directly to customers (Table 1). Fifty-eight percent concurred that many farmers do not have sufficient business development experience, and 50 percent agreed that farmers are just not aware of opportunities to start value-added businesses.

Survey information

Iowa State University Extension, the Iowa Agriculture and Home Economics Experiment Station, and the Iowa Department of Agriculture and Land Stewardship are all partners in the Farm Poll effort. The information gathered through the Farm Poll is used to inform the development and improvement of research and extension programs and is used by local, state and national leaders in their decision-making processes. We thank the many farmers who responded to this year's survey and appreciate their continued participation in the Farm Poll.

Who participates?

The 2009 Farm Poll questionnaires were mailed in January and February to a statewide panel of 2,201 farm operators. Usable surveys were received from 1,268 farmers, resulting in a 58 percent response rate. On average, Farm Poll participants were 64 years old,

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and had been farming for 39 years. Fifty percent of farmers reported that farm income made up more than half of their overall 2008 household income, and an additional 20 percent earned between 26 and 50 percent of their household income from farming. Copies of

this or any other year's reports are available from your county Extension office, the Extension Online Store (www.extension.iastate.edu/store), Extension Sociology (www.soc.iastate.edu/extension/farmpoll.html), or from the authors.

Table 1. Value-added agricultural businesses

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
	—Percentage—				
Many farmers would rather take an off-farm job than start a value-added enterprise.....	0	5	25	63	7
Many farmers just don't want to start something new	1	9	23	62	5
Markets for products other than unprocessed major commodities are limited in my area	0	7	27	58	8
Demand for alternative agricultural products is uncertain	0	7	32	57	5
Many farmers would feel uncomfortable trying to market agricultural products directly to customers.....	0	10	30	56	4
Many farmers don't have sufficient business development experience to start a value-added business.....	1	11	30	52	6
Start-up costs for value-added businesses are too high for most farmers	0	7	41	47	5
Farmers are not aware of opportunities to start value-added businesses	1	9	40	47	3
Farmers are too busy with their farm operations to get involved in value-added businesses.....	0	13	36	45	6
By providing a safety net for farmers, commodity programs discourage participation in value-added businesses.....	0	13	47	36	4
Banks are reluctant to provide financing for non-traditional agricultural businesses	0	7	62	27	4

*Reprinted with permission from the Iowa Farm and Rural Life Poll, 2009 Summary Report, PM 2093. Renea Miller provided valuable layout assistance to the questionnaire and this report. The Iowa Department of Land Stewardship, Division of Statistics, assisted in the data collection.



Economics of tile drainage

by Don Hofstrand, extension value-added specialist, co-director AgMRC, 641-423-0844, dhof@iastate.edu

There are more than six million acres of cropland in Iowa where wetness limits productivity. Slightly more than half of the 375 different soils series mapped in Iowa have problems with excess water. The drainage of farmland is obviously important for improving the productivity of Iowa agriculture. Based on the large number of acres susceptible to excessive wetness and the yield response from removing this wetness, farmers and landowners are becoming increasingly interested in drainage.

The two major methods of farmland drainage are surface drainage where standing water is removed using surface ditches and subsurface drainage where excess water is removed through a system of underground drainage tiles. This article and the associated *AgDM Information File C2-90* deal only with subsurface tile drainage.

The major soil association areas of Iowa are shown in Figure 1. Although artificial drainage can be utilized