



# *Value-Added in Marketing*

John O'Sullivan

**Farm Management & Marketing  
Specialist**

**N.C. A&T State University**





# *Value-Added- What do we mean?*

- **Commodity- Tomatoes...**
- **Service- Pizza Sauce...**
- **Experience- A Farm Pizza Party...**



# *Value Added- Is it worth it?- Can you afford not to?*

- **Regulations**
- **Costs**
- **Liabilities**
- **Customer Interest**
- **Increased Sales**
- **Increased Revenues**



# *Commodity Examples*

- **Lettuce- Salad Mix**
- **Cucumbers- Pickles**
- **Tomatoes- Pizza Sauce**
- **Fruit- Jellies & Jams**



# Produce





# *Service Examples*

- **Delivery**
- **Organic & “Locally Grown”**
- **Pick-Your Own**
- **CSA**



# *Experience Examples*

- **Agro-tourism, mazes, school tours**
- **Weddings, parties, farm stays.**
- **Knowledge, Skills, Stories, Music & Culture of Place and Life.**



# Experiences- A Hayride





# *Local Community & Value-Added*

- **Shortens food chain for consumer**
- **Can build local community & local economy**
- **Captures more of food \$ for farmer**

# Creating Community





# *Issues in Value-Added*

- **Food Safety,**
- **Environmental Protection,**
- **Food Handling Regulations,**
- **Economics of adding value.**



# *Food Safety*

- **Cleanliness.**
- **Cool Chain.**
- **Clean Water.**
- **Protective Packaging.**

# Ice Cream





# *Food Safety; Food Security*

- **Global news market driven to get attention,**
- **We know of local things that have gone wrong,**
- **We know of things that can go wrong.**



# *Food Safety, Regulations, Livestock & Livestock Products*

- **Required Inspections & Appropriate Approvals.**
- **Regulations in certain cases a function of Scale of Operation and who owns animals at time of slaughter.**



# *Food Safety of Livestock & Livestock Products*

- **Integrity of quality- AIASFC- Assure Integrity in All Steps of the Food Chain.**
- **Birthing, feeding, slaughter disposal of offal.**



# *Registration*

- **All food processors including farmers who make jams and jellies must register by December 12 and receive a Federal ID number from the US Food and Drug Administration.**



# *Environmental Protection*

- **Waste Management;**
- **Water;**
- **Offal and By-Products.**



# *Regulations*

- **Who is in charge? (You are!)**
- **HACCP applies to you.**
- **Finding resources to meet Regulations,**
- **Liability Insurance.**



# *Economics*

- **Will it pay?**
- **Value to Consumer?**
- **Value to Producer?**
- **Value to Society?**



# *Keys to Success*

- **Love what you do!**
- **Listen to customers.**
- **Only provide high quality.**
- **Start small.**
- **Keep records and make decisions using them.**



# *Further Food for Thought*

- **Potential added risk,**
- **Potential for success,**
- **Support and Resources.**



# *Issues to address:*

- **Increased investment and specialization,**
- **More complete knowledge of the market &**
- **Clearer market plan.**



# *Plan to win, you'll need:*

- **Sufficient capital,**
- **Market & Management Plan,**
- **Licenses, permits & other needed compliances.**



# *Resources*

- **Customers**
- **Land Grant Universities**
- **NCDA&CS, Commerce**
- **Health, Rural Center**
- **Small Business Technical Development Centers (NC)**
- **Banks.**



# *Summary*

- **Plan for the long haul**
- **Be ready to be creative**



# *John M. O'Sullivan*

- **Farm Management & Marketing Specialist**
- **Tel (336) 334-7957**
- **E-mail: [johno@ncat.edu](mailto:johno@ncat.edu)**



**College of Agriculture and Life Sciences, NC State University  
School of Agriculture and Environmental Sciences,  
NC A&T State University**

