

Planning a facility for value-added farm business incubation and educational use

Abstract: A survey of the community and surrounding region was conducted to determine the financial viability of a shared-use certified kitchen, which would be offered as one of the services of the Midwest Center for Entrepreneurial Agriculture.

Investigators:

Linda Barnes
Norman McCoy
Marshalltown Community College
Marshalltown

Tom Diemerley
Iowa Falls Area Development Corporation
Iowa Falls

More details:

www.leopold.iastate.edu/research/grants/2009-1/M2006-25.pdf

The investigators wanted to survey potential users of the kitchen to determine their interests and identify their most common equipment and space needs. They also needed information on existing kitchens to determine the most commonly used equipment and layouts.

What was done and why?

The Entrepreneurial Agriculture Program is teaching students of all ages how to launch farm businesses that will grow food for local consumption. One of the limiting factors for small farms that want to enter the local food market is the lack of facilities for preparing value-added products from fresh produce. The existence of a cooperative kitchen that is certified by the government to be used for light processing of fresh produce can help encourage dozens of small producers to start value-added businesses.

The goal of the project was to determine the level of demand and potential needs of those who might use a cooperative kitchen as part of the Midwest Center for Entrepreneurial Agriculture. Two specific objectives were to:

- Establish a database of kitchen information and
- Develop a business plan from that data.

What did we learn?

The initial survey of potential users of an incubator kitchen indicates that there is potential for such a facility in Marshall County. However, it is not likely to be a viable business without an association with the community college.

The unique qualities of the community also play an important part in making the project viable. Marshalltown has many small businesses that could benefit from expanded local processing capabilities and a population that is eager to buy locally-produced foods. There is a large population of people (especially Latinos) who have experience operating a small farm and desire to continue that career path. But they have little marketing experience and inadequate capitalization to start new businesses on their own. A business incubator provides them with the equipment they need to help with the cost of capitalization. Networking with other entrepreneurs will help them gain knowledge about local markets.

If this project were to be located elsewhere, a careful assessment of those circumstances would be necessary.



MARKETING