



IDEA



Fall 2004

NEWS & VIEWS

Initiative for the Development of Entrepreneurs in Agriculture

Want to diversify your farm activity?

What assets (resources) do you have to work with?

Consider adding an alternative or value-added activity to your operation. In past "News & Views" we have presented topics such as "Customer Driven Marketing", "Financing your Value -Added Venture" and "The Importance of Marketing".

In this issue we are presenting the idea and the benefits of assessing your physical assets, personal skills and life experiences. Taking that inventory of what you have to work with will show you what you have that you can market to someone who will benefit in doing business with you.



As Tom Carlson, owner of Copper's Creek Outfitters, commented "This farm is what I have to work with".

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Copper's Creek Outfitters – Rock Island County.

By Kim Tack

Tom Carlson and sons, Beau and Scott, operate a family farm outside of Illinois City in Rock Island County. The area is where the Mississippi turns south and corn and soybean fields divide the rolling timbers of Western Illinois.

Tom and his dad, Al, have been farming in this area for more than 50 years. Their farm activities include a traditional corn and soybean rotation along with raising cattle, hogs and sheep. When they had the opportunity, they also enjoyed deer and turkey hunting while sharing their hunting ground with friends.



Beau, Scott and Dad at the farm

Four years ago Tom, Beau and Scott started to look at what they

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Mark your calendar for the ...

Marketing Strategies for Consumer-Driven Agriculture Conference on November 4th • Interstate Center in Bloomington, Ill. *By Dar Knipe*

The conference will focus on the following: Branding your product, Agritourism, Online Marketing Strategies, CSA/Farmers Markets, Guerrilla Marketing, Ethnic and Organic Marketing Potential.

The Keynote speaker will be Barry Moltz. Barry writes a weekly column, "Business Bunker" for eprairie.com and has also written for the Chicago Tribune, Empire New York, Angel Investor News, American Venture, The Business Ledger, and I- Street.

All Conference attendees will receive a free copy of Barry's book "You Need To Be A Little Crazy ". Here he tells the truth about what it's like to ride the roller coaster of starting and running a business. Check out his web site at ... <http://www.barrymoltz.com/book/index.html> To register for the Conference go to the IDEA website ... web.extension.uiuc.edu/iidea/ and click on the Registration Tab or call Sharon Hough at 309-792-2500.

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had for assets on the farm. What they realized was that they had a valuable asset in their hunting ground which was not fully utilized, in addition to one of the farm buildings. At that point they started to do some market research for a Fee For Hunting business.

As their research evolved, they began to formalize a business plan with financial projections for their potential alternative agriculture business.

Armed with their research, they felt that they could create a successful business. As Tom puts it "we decided - we could do it!" This is when they started spending "money" to implement their business plan.

Some of their first expenditures were:

1. To insure that they had the proper contracts, insurance coverage, permits and licenses to build and operate the business. This was done before they started their building process. Tom feels that this was very important because he then knew what was to be done before anything was started. The result was they did not have any "do over construction expenses". The Carlsons felt the county officials were very helpful and understood how their venture would bring economic activity to the county.

2. To convert an unused farm building into a six bedroom Hunting Lodge with a kitchen, laundry, bathroom and recreation area. Comments from their clients have caused them to plan for enhancements such as building a sauna ("a person gets a deep cold in his bones after hunting all day", says Tom).



From old farm building to heated hunting lodge.

3. To build trails and hunt stands in their timber.

4. To develop a plan to lease hunting land from their neighbors. One of the lease features is to award a bonus each season to the farm where the biggest deer is taken. Tom wanted to let the neighbors know what he was doing and express his appreciation for their support and assistance. With this understanding, the neighbors now ask to bring people over to show them the lodge and trails.

5. To develop a website to let the world know what they have to offer. They now have affiliations with outfitting organizations to extend their market reach.

After a year of planning and construction the Carlsons' Copper's Creek Outfitters opened for business. *(Please look at their website copperscreek.com to learn about them and their business)*

In the three years of operation, the Carlsons continue to refine and enhance their business through experience and listening to their clients.

One of their best feedback resources is a book which they leave on a table in the lodge, where they encourage clients/guest to write about what they liked and suggestions for what could be improved to further enhance their farm/hunting experience. Some of the comments from the book include:

1. A comment about the quality of a hunt stands locations. This has helped Tom with the locations of the hunt stands.
2. The creation of "Ladies Only Week" for the 2004 Season.
3. Open the lodge for "Family on the Farm" visits during the off-hunting season.

The "Family on the Farm" is essentially their second alternative business for the farm. This opportunity brings the family out to a working farm (there's no ATV's to ride or a petting zoo). There are cattle, pigs, sheep, goats, barn cats, a lot of wild life, trails through the timber, and Copper's Creek to experience during the farm visit.

Tom and the family have created two very successful value-added / alternative farm businesses that continue to grow and change.

The Carlsons are having fun operating their business by listening to what their clients want and giving it to them. They continually review and update their business and marketing plans. It all started with them asking themselves "what else can we do with what we have". They are more fully utilizing their farm assets and are continuing to build on their experiences.

The Lyons Fisheries – Marion County.

By Gina Backes

Brenda & JC Lyons farm is located at 573 Red Stripe Road Sandoval, Illinois, about 80 miles due East of St. Louis, MO. (618) 247-8477, e-mail lyonsden@ussonet.net)

Brenda & JC's story started when they decided to diversify their dairy and grain farm which has been in the family for three generations.

Their venture began as a hobby with aquaculture. *(Aquaculture is the cultivation of aquatic plant or animals. Some examples of aquaculture include raising catfish, tilapia, striped bass and fresh water prawns (Macrobrachium rosenbergii) in freshwater ponds).* They quickly realized their hobby had profit potential.

After five years of research, construction and marketing, they hosted their First Annual Shrimp (Prawn) Festival on September 11th, 2004.

Here are some of the activities that have moved them from having a hobby to being fresh water prawn producers and consultants:

1. When they decided to start their business, they felt that they had the skills to be a success, but were lacking in knowledge about raising freshwater prawns. They started their research by visiting aquaculture farms, taking a college course (Aquaculture 102 – Prawn Farming) and talking one farmer out of a couple of juvenile prawns to further their research.

2. The Lyons prepared their business and marketing plans for their fisheries, and referred to them often while completing the building and during the startup phase of the business. In February 2004, they attended a University of Illinois Extension workshop in Effingham, Illinois, on business plan writing. This helped them while they were updating their plan. They see their business and marketing plans as living, breathing road maps to be referred to at least quarterly to help keep them on track.

3. JC, a machinist by trade, planned and designed their aquaculture facilities. The Lyons family then pitched in to build the nursery, hatchery and grow-out ponds. Brenda's skills and experience in accounting, management, and marketing complimented JC's production skills. During the construction process, people came from all over to watch them build their prawn facilities. The Lyons quickly realized that they should be selling something, so they acquired a retailers license and began to market frozen prawn tails purchased from other farmers and the local co-op.

They now end every tour at the freezer, showing off the succulent prawn tails that are available for sale.

4. They have defined their market as Illinois, Wisconsin, Indiana, and Missouri. They supply seed stock, juvenile prawns for pond stocking, direct prawn sales to consumers

and restaurants in addition to providing consulting services. One of their networking ideas is to team up with a couple of vegetable producers who are direct-selling into the white tablecloth restaurant market in St. Louis. They see their prawns complementing the vegetables as locally grown fresh produce.

5. Brenda recalls how obtaining two Sustainable Agriculture Research and Education

(SARE) grants helped them start and grow the business. The first grant, "Reinventing the Family Farm", gave them media attention, which drew new customers, curious farmers, and even a high school Ag class. The second grant, "Three Little Fishes", allowed them to market their Prawn Harvest Festival and publish their cookbook "I Gotta Have That Cookbook", through the Shawnee Freshwater Prawn Growers Assoc.

6. The Lyons used a number of research and marketing resources to develop and grow their business. They nurtured relationships with the following universities, colleges and associations; University of Illinois, Southern Illinois University, Shawnee Community College, Kaskaskia College, Kentucky State and Mississippi State Universities, The Shawnee Freshwater Prawn Growers Association, United States Freshwater Prawn and Shrimp Growers Association, Illinois Fish Farmers Co-op, Illinois Aquaculture Industry Association, Marion County Farm Bureau, Agriculture and Tourism Partners of Illinois, North Central Region SARE Grant Program and the Greater Centralia Chamber of Commerce.

To promote the prawn farm, the Lyons invited their neighbors, community leaders, friends, supporters and customers for tours, dinners, and to their First Annual Shrimp Festival. Brenda & JC are pleased by all the excitement and interest generated by the community. "People love our shrimp!" They are amazed by their giant size and mild, sweet taste, and they're grown right here in Sandoval."

Looking back at their progress, they feel that there is really nothing major that they would do differently. Their research, planning, test marketing, and hard work have paid off, and they would definitely do it again.



Want to diversify your farm activity?

What assets (resources) do you have to work with? By John Pike

Working in the area of business development related to agriculture, it is enjoyable to hear about all of the ideas, interests and successful enterprises that exist on the farms and in the minds of our neighbors. The variety of business opportunities seems to be endless. What works on your neighbor's farm might not be the thing for you and vice versa. This is where you may want to do a self-assessment of what you have to work with.

The area of value-added agriculture continues to be an area of interest for all Ag producers. "What can I do to improve the marketability of some or all of the crops produced on the farm and how can I best utilize ALL farm resources to

improve my profitability?" This is a common question regardless of farm size or type of farming operation. Farmers and farmland investors are increasingly looking to areas other than production technologies and traditional marketing strategies to identify possibilities that might be beneficial. While making this analysis, it is common for the producer to look beyond the scope of what they have been doing for years. But, as the Copper's Creek Outfitters and Lyons Fisheries show us, farmers do not necessarily need to look beyond their own farm gate to find real profitable opportunities using under utilized resources that they already have. It just takes some thinking outside the box on occasions. Good Luck with your assessment and inventory.

Questions and Answers

You have got a fabulous idea for a business. But how do you know if you should put your idea into action?

First, you need to determine if your idea will make money. Take this quiz to discover if your idea has profit potential. **Answer each of these questions with a yes or no.**

1. Can you tell customers why they should buy from you instead of your competition?
2. Do you know how you will reach the people that would want to buy your product or service?
3. Is the price you need to charge to be profitable competitive?
4. Do you have the start-up cash to act now?
5. Does your business idea serve a niche or growing market?

If you have answered yes to at least 3 of the questions you may want to explore your idea further.

COOL LINKS

North American Farmers' Direct Marketing Association the perfect place for family farmers, extension agents and farm market managers to network with each other on the profitability of direct marketing. Website: nafdma.com

Market Maker – An interactive mapping system that locates businesses and markets of agricultural products in Illinois, providing an important link between producers and consumers. Developed by the University of Illinois Extension.

<http://www.marketmaker.uiuc.edu>

Illinois Agritourism - The purpose of this database is to make available a current and accurate list of Agritourism sites for travelers and travel planners. It was created by partnership between the *Central Illinois Tourism Development Office, Illinois Department of Agriculture, Illinois Bureau of Tourism, University of Illinois Extension* and the many farmers and site operators who have provided information. <http://www.agritourism.uiuc.edu>