AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

RESEARCH REPORTS & UPDATES

Food Distribution: Structure and Practice

Moderator: H. L. Goodwin,
Texas A & M

REPORTS

Foods and Crafts Cottage Business

Marketing and Management Training

by

Forrest E. Stegelin
Associate Professor
Department of Agricultural Economics
University of Kentucky
Lexington, Kentucky

Problem Addressed

With more than two-thirds of the total income of farm families in Kentucky being earned from non-farm sources, the capacity of rural communities and of agriculturalists to absorb the shock of agricultural crises is directly related to the diversity and the health of the nearby economic environment. To assist Kentucky rural residents in increasing economic stability and adding economic diversity to their communities, any comparative advantage for these individuals needed to be exploited. Also, Kentucky is known for its food products and crafts, as well as horses, fancy farms, tobacco and distilleries. This homespun heritage needed to be turned into profitable businesses rather than just being tied to fairs, festivals and local events.

Methodology Used

Educational workshops were initiated emphasizing starting and operating cottage businesses that produced and marketed food products and crafts made from raw farm food and fiber products. Topics included in the workshops (resource notebooks were provided for the participants as well) were as follows:

Planning, Starting and Organizing

Conception to Grand Opening
Business Structure
Capital Needs, Acquisition and Use
Strategic Management
Writing and Implementing Business Plans
Starting and Expanding
Products and Services Selection
Financial Planning
Strategic Marketing

Fundamentals of Finance and Accounting

Cash Flow
Budgeting
Recordkeeping
Risk and Decisions Analysis Tools
Predicting Operating Results

Merchandising and Marketing

Sales Forecasting
Advertising
Layout or Design
Market Analysis
Budgets
Pricing
Customer Analysis

Personnel Management

Organization
Recruiting, Hiring and Evaluation
Motivation
Job Description/Analysis
Training/Ladder Climbing

Legal Concerns

Business Form
Administration
Consumers
Liability
Employees
Product Liability

Evaluation

Goal Setting
Mid-Course Corrections
Feedback
Monitoring Progress
A Look Back
Exiting

The workshop materials and instructors were tailored to the perceived needs of the participants, so the educational activities were not identical among workshops. Instructors in the workshops included representatives from local banks, media and advertising firms, area economic development districts, Cooperative Extension Service, Chambers of Commerce, Better Business Bureau, Kentucky Labor and Commerce Cabinets, Kentucky Department of Agriculture, Internal Revenue Service, and urban county Centers for Small Business.

Major Findings and Their Contribution To Food Distribution

From these workshops arose an appreciation and understanding of retailing, especially foods retailing and food distribution; concerns about food safety, quality and consumer satisfaction; a confidence in seeking information and assistance from the appropriate agencies, offices or similar businesses; additional non-farm income sources; and community economic development and enhancement.