

Farm and Food Business Technical Assistance: State of the Sector

Overview

In 2019, the Alliance sought to learn more about our sector—specifically, what business development services for farm and food businesses are available in New England and New York’s Hudson Valley, who provides them, and who benefits. We also wanted to learn more about the entities doing the work to better understand how the Alliance can support expansion of one-on-one business technical assistance throughout the region.

Our resulting survey received 37 responses from nonprofits, cooperative extensions, state agencies, private consultants, capital providers, and more. Services were provided to small and mid-size family farms, as well as other food enterprises, and these services included feasibility and planning support, marketing, accounting and taxes, legal and estate planning, and access to capital. The availability of specific services, however, varied by stage of business as well as by geography. This report summarizes our findings.

Highlights

- Business advisors offer a wide range of types of assistance, but many of the available options are not uniformly available across the field or to businesses at every stage.
- Most respondents offer less than 21 total hours of one-on-one business technical assistance to each client in 2018.
- Nearly half of the organizational respondents have an annual budget of \$1 million or more; however, among all respondents, most use less than half of their budgets, for one-on-one business technical assistance. In fact, 41 percent use less than a quarter of their budgets for this purpose.
- Tracking of demographic information about their clients and program participants varies across respondents and offers an incomplete overall view of clients’ races, ages, incomes, and genders.
- Respondents track a diverse array of outcomes to assess their programs’ and their clients’ successes.

Findings

Services Offered

Client Base: Most respondents serve small and mid-size family farms, although those serving large-scale family farms, nonfamily farms, fisheries, value-added processors, and other food enterprises and businesses were well represented.

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Service Types: Services related to business and project management were the most common, with several respondents (between 12 and 18 percent, depending on the stage of business) offering feasibility and planning services from pre-venture to succession. Business advisors offer a wide range of types of assistance—but many options are not uniformly available across the field, or to businesses at every stage. Respondents’ primary services include feasibility and planning support (including succession and capital planning), marketing, accounting and/or taxes, legal and estate planning, and access to capital, with some variation among offerings depending on stage of business. A few respondents also offer food safety compliance training, assistance with land access, and conservation services. Accounting and tax services also took precedence.

Nearly half of respondents (49 percent) provide financing or capital directly to food and farm business clients. Two-thirds of those providing capital describe their organization as business technical assistance providers that also offer capital. Nearly all (83 percent) provide loans and many also offer grants or debt. Less common but nonetheless available are equity, royalties, microloans, advanced payment, and sub debt.

Just one provider offers land access services, and then only for pre- and earlier-venture businesses—there were no land access services that addressed revitalization or succession needs. Similarly, only one provider offers land tenure services, though these do include feasibility and transfer planning through the succession stage. Many providers do offer services, including marketing, legal, accounting, and capital support, that address succession needs, but availability varies.

Legal and estate planning services were the least available. The number of respondents offering these services varies with stage: just three respondents (6 percent) worked with pre-venture businesses, for instance, while eleven (21 percent) work on businesses undergoing succession. Only one respondent offered assistance with food safety compliance.

Eligibility: About a third of respondents identified geography as the most common eligibility requirement for their services; another third had no eligibility requirements. Among those that did, sustainability criteria and income requirements were common. Many looked for qualitative criteria, too, such as interest in forming a cooperative, evidence of social impact, or experience in the industry.

Numbers and Hours Per Client: Most respondents—85 percent—provide less than 21 hours of business technical assistance annually per client, although 15 percent of respondents offer more. Most (73 percent) provided that one-on-one assistance or other services (84 percent) to 50 or fewer clients per year—although two respondents work with 100 or more clients, and one boasts 2,000 annual clients.

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Outcomes and Impacts: Survey respondents track a diverse array of metrics to assess their programs’ and clients’ successes, including number of overall participants or loan recipients, growth of participating businesses in terms of employment, developing a business plan, or revenues. Several also track changes in clients’ business skills, such as their decision-making abilities or how well they set and meet goals.

Client and Provider Profiles

Client Demographics: 40 percent of respondent organizations do not track any demographic information about their clients and program participants; slightly more than 40 percent do track race, and 30 percent of respondents track age and income. Less than 5 percent track the genders of their clients and participants.

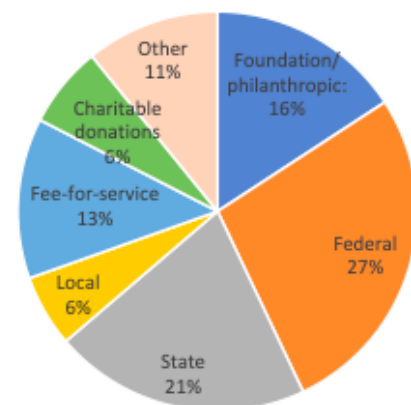
Survey Respondents: Though a majority (51 percent) were from nonprofits, the 37 respondents also represented cooperative extensions (15 percent), state agencies (5 percent), private consultants (11 percent), capital providers (16 percent), and other entities (3 percent).

Budget Size: Nearly half of the organizational respondents have an annual budget of \$1 million or more; however, among all respondents, most use less than half of their budgets, for one-on-one business technical assistance. In fact, 41 percent use less than a quarter of their budgets for this purpose, and just 11 percent of respondents do—although six respondents noted that they simply do not delineate their budgets along these lines for comparison.

Personnel: 76 percent of respondent organizations have five or fewer full-time equivalent employees providing one-on-one business technical assistance; one has more than 20 employees. Most (78 percent) employ consultants or contractors to deliver business technical assistance, and about half of respondents increase staff or consultant capacity seasonally. In most cases, though, that capacity is less than the equivalent of five full-time employees.

Funding Sources: Two-thirds of respondents receive federal funding, and many respondents receive state (48 percent) and local (30 percent) government funding as well. Philanthropic foundations are also important sources of funding for 51 percent. 30 percent of respondents’ organizations have no revenue from client fees; 26 respondents do charge some fee for their services, but those fees constitute less than a quarter of program budgets for 15 of those respondents.

Funding Sources for Business Assistance, Average (Q22)



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Wish List: With more funding, nearly every respondent would provide additional business technical assistance. Most would want to add professional development services, peer-to-peer networking, and marketing to clients as well. Program evaluations and policy advocacy were also popular. If outside services were offered, respondents ranked market research as the service they would find most helpful, followed by career and market development and construction of a centralized database. Discounts were also desirable; other responses included additional staff and capacity, new training programs, additional loan and grant products, and geographic expansion.

Alliance Leadership

Executive Committee

Todd Erling, *Hudson Valley AgriBusiness Development Corporation*
Dorothy Suput, *The Carrot Project*

Steering Committee

Liz Gleason, *Vermont Farm & Forest Viability Program*
Stephen Hadcock, *Cornell Cooperative Extension*
Jim Hafner, *Land for Good*
Jennifer Hashley, *New Entry Sustainable Farming Project*
Nathan L'Etoile, *American Farmland Trust*
Gabriela Pereyra, *Northeast Farmers of Color Land Trust*
Christopher Wayne, *Grow NYC*

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About the Agricultural Viability Alliance

The Alliance aims to increase the number and economic viability of farms and food businesses representing the diverse populations of New England and New York's Hudson Valley. The organization will shift the region's status quo towards more comprehensive service provision by networking, elevating, and supporting business technical assistance to farms and food businesses and by developing a professional network of service providers. The Alliance will also strengthen the educational pipeline to train future providers, take advantage of funding opportunities, and implement a comprehensive equity framework.

Participating Organizations Surveyed

- Allgood Eats Local/ELA Consulting
- Boston Bay Consulting
- Center for an Agricultural Economy
- Cooperative Development Institute
- Cornell Cooperative Extension
- Cornell Small Farms Program
- Dirt Capital Partners
- Farm Credit East
- Fresh Source Capital
- Glynwood Center
- GrowNYC†
- Hawthorne Valley Association's Institute for Mindful Agriculture
- Hudson Valley Agribusiness Development Corporation (HVADC)*
- Intervale Center
- Julia Shanks Food Consulting/The Farmer's Office
- Land For Good†
- Maine Farmland Trust
- Maine Harvest Credit Project
- Maine Organic Farmers and Gardeners Association (MOFGA)
- MaineStream Finance
- Massachusetts Department of Agricultural Resources
- National Young Farmers Coalition
- New Entry Sustainable Farming Project†
- New Hampshire Community Loan Fund
- Northeast Organic Farming Association of Vermont (NOFA-VT)
- Rose Wilson Consulting LLC
- Social Enterprise Greenhouse
- The Carrot Project*
- University Connecticut Extension
- University of Maine
- University of Vermont
- Vermont Community Loan Fund
- Vermont Small Business Development Center (VtSBDC)
- Vermont Sustainable Jobs Fund
- Vermont Housing and Conservation Board (VHCB)'s Vermont Farm and Forest Viability Program*
- Young Farmer Network

*Agricultural Viability Alliance Executive Committee Member

†Agricultural Viability Alliance Steering Committee Member

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