



## Agribusiness Management

# Helping Farm Business Owners Become Better Operators

In 2015, the state's \$56.6 million investment in Michigan State University (MSU) AgBioResearch and MSU Extension generated more than \$1 billion for Michigan residents. Every dollar the state invested in MSU AgBioResearch and MSU Extension leveraged an additional \$2.59 in federal funds and external contracts, grants and other revenues, including nearly \$1.3 million leveraged by MSU Extension children and youth programs alone. As a result, MSU Extension and MSU AgBioResearch are able to serve Michigan residents with a benefit/cost ratio of 18:1.

**“If it was not for what MSU Extension educators do, we would not be here right now.”**

- MSU Extension Farm Information Resource Management recipient



### THE ISSUE

Michigan agricultural businesses compete for market share both domestically and internationally. Challenges that face the agricultural industry include food safety, volatile prices, aging population of active farmers, tax law, weather-related disasters, labor availability and retention, credit availability and cost. While the agricultural sector in Michigan continues to grow, it still faces market and demand volatility, credit availability and changes in market availability.

Value-added agriculture and food processing is driven by both producers and consumers. The producer side is driven by increasing costs, decreasing commodity prices and the need for the producer to increase income for a viable and profitable operation. Consumers are driving value-added agriculture demand. The increasing demand for locally-produced foods creates a need for direct marketing and sales to retailers who want to market locally produced foods.

### MSU EXTENSION ACTION

MSU Extension uses multiple educational approaches to engage stakeholders in agricultural risk management and entrepreneurial development. This allows stakeholders access to a variety of methods to increase their knowledge and skill level, internalize educational concepts and increase concept adoption rates. MSU Extension materials and resources found on the MSU Extension website offer group programming, outreach and one-on-one consultations.

### THE IMPACT

In 2015, MSU agribusiness educators worked directly with more than 21,000 clients. As a result of this engagement:

- Farm Bill educational programming reached 6,800 participants while over 3,200 individuals attended programs.
  - MSU Extension worked with other universities to develop national, web-based tools for producers to review Farm Bill program options. These tools help growers who produce commodities that are ineligible for traditional crop insurance and allows them to review USDA Risk Management Agency (RMA) options.
  - MSU Extension collaborated with USDA Farm Service Agency (FSA) offices and commodity groups to provide multiple Farm Bill programming, including the Dairy Margin Protection Program (DMPP), Agriculture Risk Coverage (ARC)/Price Loss Coverage (PLC) and Noninsured Crop Disaster Assistance Program (NAP) Buy-Up programming events and tool development.

- › During this programming initiative, there were over 80 events bringing together over 10,210 participants specific to DMPP and ARC/PLC.
- Affordable Care Act (ACA) education reached agribusiness and agricultural producers through one-on-one consultations and provided more than 12 lectures to over 500 participants throughout 2015 at statewide and national labor programming events.
- Since 2010, MSU Extension educators have held public educational workshops in oil and gas leasing in 66 locations and attended by 7,643 agricultural producers and landowners.
- MSU Extension offers employer training in the areas of employee management, leadership and labor law compliance. Helping agricultural employers improve their skills in recruiting, hiring and employee management will enable them to be more competitive with other employers, maintain a more stable workforce, improve productivity and improve the working situation for employees. Around 200 people attended programs on employee training across the state.
- Regular, progressive training for dairy farm employees is critical to the farm's success, and leads to employees that are more engaged on the farm. Employee lessons were developed and published in Hoard's Dairyman magazine (in English and Spanish), encouraging employees and employers to discuss and implement improvements on the Michigan dairy farms.
- The MSU Product Center Making it in Michigan Conference and Trade Show attracted over 200 conference participants and 160 trade show vendors. Seventy buyers representing retailers across the state participated in the trade show to select Michigan-made products for their retail establishments.
- In 2016, 645 MSU Product Center clients were served through over 4,100 confidential business counseling sessions.
- Entrepreneurs were assisted with concept development to determine if their concept can result in a viable business. Developing a business plan, navigating the regulatory maze and accessing retail markets were key services that were provided. Clients also accessed specialized services offered by campus staff and faculty like feasibility studies, product classification and process authority review, nutritional labeling, food science, food processing and packaging assistance.

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