

## Evaluation Report to



**Maine Department of  
Agriculture, Food and  
Rural Resources**

and



**December 2007**

# **FARMS FOR THE FUTURE PROGRAM**

**PREPARED BY**



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### **THE FARMS FOR THE FUTURE PROGRAM (FFF) HAS HAD A POSITIVE IMPACT ON FARM EMPLOYMENT.**

- Farmers participating in Phase 2 of the FFF program (75) have an estimated 71 additional employees, and anticipate employing a further 59 employees over the next three years, for a total of 130 new farm employees in that time period.
- Approximately 20 family members have been able to leave an off-farm job and work on their family's farm due to the FFF grant program. In addition, it is anticipated that a further 19 will be able to do so within the next three years.

### **FARMERS' FINANCIAL CONTRIBUTIONS TO FFF PROJECTS EXCEEDED ORIGINAL ANTICIPATED SPENDING AND LEVERAGED FFF GRANT FUNDING BY A FACTOR OF FIVE TO ONE.**

- Total farmer spending on projects amounted to \$7.74 million (\$6.02 million of immediate spending, plus an additional \$1.72 million in further capital improvements that went beyond the initial scope of the project).
- Thus, the overall leverage factor for the FFF program has been approximately five to one (\$7.74 million ÷ \$1.57 million, of grants).
- Farmers spent 23.6% more on projects than originally anticipated.
- More than half of farmers reported that it is unlikely that they would have undertaken a Phase 2 FFF project without grant assistance.
- The principal reasons cited were:
  - ✓ Farmers needed the additional finance (25% of project cost grant) to move ahead with the project
  - ✓ Obtaining the grant money allowed them the opportunity to move up the timing of a proposed project
  - ✓ The grant program acted as a stimulus for assembling the remainder of project funding

## I.1 EXECUTIVE SUMMARY

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**While it is early yet to report on the longer term impacts on sales and net revenue because many projects have only been executed in the past couple of years, it appears that a strong majority of Phase 2 program participants are enjoying the benefits of increased sales and net profits.**

- Across all farms, we estimate that sales have increased an average of approximately \$39,000, or 37.3%, (from an average of \$104,500 to an average of \$143,400 per farm) between the year in which the Phase 2 project commenced and the year ending December 2006.
- Two-thirds (65.6%) of farmers reported that net profit from farming operations has increased since the execution of the FFF Phase 2 project. Overall, 40.6% say that profits have increased “somewhat” or “significantly”, 17.2% say they have remained the same, while 9.4% said that profits have declined.

**PROTECTED FARMLAND — WE ESTIMATE THAT APPROXIMATELY 18,000 ACRES OF FARMLAND HAVE BEEN PROTECTED AS A RESULT OF THE FFF PROGRAM.**

**BUSINESS PRACTICES — A HIGH PERCENTAGE OF FARMERS REPORT CHANGES TO THEIR BUSINESS PRACTICES AS A RESULT OF THE FFF PROGRAM, AND FOUR IN TEN ALSO REPORT THAT THEY HAVE RECEIVED FURTHER FREE TECHNICAL ASSISTANCE.**

- More than three-fourths of farmers (78.1%) indicated that they have changed their internal business practices as a result of participation in Phase 1 of the FFF project (Business Planning).
- The principal ways in which they have changed their internal business practices are:
  - Improved business planning and decision-making practices;
  - Concerted efforts are being made to continuously update and revise their business plans;
  - Improved budgeting, bookkeeping, and/or financial management; and
  - Improved marketing practices.
- Approximately four in ten respondents (42.2%) reported that they have received free external business, technical, or production assistance since commencing Phase 2 of the project.

## I.1 EXECUTIVE SUMMARY

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### **NEW TECHNOLOGIES — A STRONG MAJORITY OF FFF PROGRAM PARTICIPANTS HAVE INTRODUCED NEW TECHNOLOGIES TO THEIR FARMS, AND THEY ALSO ANTICIPATE INTRODUCING NEW TECHNOLOGIES OVER THE NEXT THREE YEARS.**

- Two-thirds of farmers (67.2%) reported that they have introduced new technologies (directly and/or indirectly) to their farms as a result of participation in Phase 2 of the FFF program.
- The principal technologies introduced include computers and computer programs, improved irrigation systems, greenhouses, coolers / cooling systems, haying equipment, bulk tanks, barns, plastic layers (for heat), dairy pipeline milking systems, packing machinery / lines, mechanical harvesters, and cultivation equipment.
- Nearly six in ten respondents (57.8%) anticipate introducing new technologies to their farms within the next three years as a direct or indirect result of the FFF program.

### **PRODUCTION AND EFFICIENCY — FARM PRODUCTION AND EFFICIENCY HAVE RECORDED SIGNIFICANT LEVELS OF IMPROVEMENT.**

- The vast majority of farmers (82.8%) reported that their farm's production has increased (either "slightly", "somewhat" or "significantly") due to participation in the FFF grant program.
- More than three-fourths of respondents (78.1%) indicated that their farm's efficiency has increased (either "slightly", "somewhat" or "significantly") due to their participation in the FFF program.
- Farmers have seen a change in production mainly due to:
  - ✓ An increased number of acres are being farmed (as a result of having more and better equipment);
  - ✓ An increase in the amount of products produced; and
  - ✓ The introduction of new products to their farm.
- Farmers also cited improved production levels due to increased efficiencies on the farm; the addition of new equipment or technology on the farm; a change in the principal product that is produced on the farm; better products being produced; entering new markets; and increased sales.
- Farmers have seen changes in efficiency mainly due to:
  - ✓ Newly introduced technology;
  - ✓ New equipment;

## I.1 EXECUTIVE SUMMARY

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- ✓ A change in the products produced (amount or type);
  - ✓ The addition of a barn or storage; and
  - ✓ A change in office systems and/or bookkeeping.
- Farmers also cited a change in efficiency due to more efficient farm production; an increased number of employees; business planning; and change in sales and/or prices.

### **NEW PRODUCTS — A MAJORITY OF FARMERS HAVE INTRODUCED AND ANTICIPATE INTRODUCING NEW PRODUCTS IN THE FUTURE.**

- More than one-half of respondents (54.7%) reported that they have introduced new products (directly and/or indirectly and including value-added products) to their farms as a result of participation in Phase 2 of the FFF program.
- The principal new products introduced are horticultural, dairy and meat products, and baked goods.
- In addition to these categories, some farmers also anticipate producing fruit products.

### **MARKETING — FARMERS HAVE BEEN ACTIVE IN DEVELOPING NEW MARKETING CHANNELS.**

- Approximately two-thirds of farmers (62.5%) indicated that they have entered into new marketing channels (directly and/or indirectly) as a result of their participation in Phase 2 of the FFF program.
- New marketing channels include transitioning from retail to wholesale markets, transitioning from wholesale to retail markets, entering or expanding farmers' markets, entering or expanding CSA (community supported agriculture) shares, and broadening direct purchasing options, such as through Internet sales.
- Fifty-six percent of respondents (56.3%) anticipate entering into new marketing channels within the next three years as a direct or indirect result of the FFF program.
- The principal anticipated new marketing channels are:
  - ✓ Direct farm sales / Internet sales;
  - ✓ Expansion into a different geographic region;
  - ✓ Wholesale markets;

## I.1 EXECUTIVE SUMMARY

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- ✓ Retail markets;
- ✓ Farmers' markets / farm stands;
- ✓ Food cooperatives; and
- ✓ Organic markets.

### **IMPACTS — FARMERS RATED IMPROVEMENTS RESULTING FROM PARTICIPATION IN THE FFF PROGRAM WELL. THE HIGHEST RATED IMPACTS ARE SHORT AND LONG-TERM FINANCIAL IMPACTS.**

- Farmers rated the extent to which their farm has improved overall as a result of their participation in the FFF program very well – mean = 4.08 out of 5. Respondents also indicated that their business practices, mean = 3.89, and marketing, mean = 3.81, have improved as a result of participation in the FFF program.
- When asked to indicate in which of five areas the FFF program has made the biggest contribution to the success of their farm's operations, 37.5% of respondents answered short-term financial impact and 32.8% said the long-term financial impact.
- When totaling the answers given for the top three contributions, 79.7% of farmers named long-term financial impacts and 73.4% named short-term financial impacts.
- In addition to the positive financial impacts of the program, participants also cited significant impacts resulting from the business planning process employed in Phase 1 of the program.
- Other positive impacts reported include:
  - ✓ Improvements in productivity / production;
  - ✓ Increased sales, profit, income, or revenue;
  - ✓ Marketing improvements;
  - ✓ Efficiency improvements;
  - ✓ New equipment; and
  - ✓ Structural improvements.
- The principal positive impacts that farmers **anticipate** experiencing in the future are:
  - ✓ Increased profits and sales;
  - ✓ Marketing;

## I.1 EXECUTIVE SUMMARY

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- ✓ Introducing new products;
- ✓ Decreased costs / expenses;
- ✓ Farm growth / expansion;
- ✓ Increases or change in employment; and
- ✓ Stability.

**FARMERS REPORTED FAR FEWER NEGATIVE IMPACTS AS A RESULT OF PARTICIPATING IN THE FARMS FOR THE FUTURE PROGRAM. ONLY ONE THIRD OF FARMERS OFFERED ANY FEEDBACK ON THIS QUESTION.**

- The key negative impacts cited were associated with:
  - ✓ Business planning;
  - ✓ Challenges keeping up with expansion;
  - ✓ Paperwork; and
  - ✓ Problems with their team or technical assistance.

**RATINGS — RATINGS PROVIDED ON THE PROGRAM AND ITS ADMINISTRATION WERE VERY HIGH, AND ALMOST ALL PARTICIPANTS SAID THEY WOULD RECOMMEND IT TO OTHER FARMERS.**

- Respondents were asked to rate five aspects of the FFF program. While all five aspects of the FFF program received extremely high overall ratings, the component of the program that rated highest was “the value of the services offered to the farming community” with a mean of 4.84 out of 5. This was closely followed by “the professionalism and courtesy of the FFF staff” – mean = 4.81. The FFF program overall also rated very highly with a mean rating of 4.73.
- Nearly all participants indicated that they would be likely to recommend the FFF program to another farmer – both for Phase 1 (96.9%) and Phase 2 (96.9%). Not one respondent reported being unlikely to recommend the program, while two respondents did not answer the question.

### **STRENGTHS — PARTICIPANTS CITED SEVERAL KEY PERCEIVED STRENGTHS AND ONLY A COUPLE OF PERCEIVED WEAKNESSES OF THE PROGRAM.**

#### **1. Business Planning and Staff Support**

The business planning provided in Phase 1 of the FFF program was cited as a key program strength by many participants. For many farmers, this was their first time conducting business planning. As a result of participation, most appear to have embraced the need for ongoing business planning.

- Aspects of the planning process which were cited as being particularly helpful include:
  - ✓ Access to and consultation with a team of experts over an extended time period;
  - ✓ The opportunity for farmers to adjust their views, and consider the operation of their farms as business enterprises;
  - ✓ The service and strong support received from the FFF staff on an ongoing basis; and
  - ✓ The opportunity to examine the feasibility of new projects under consideration.

#### **2. Financial Support/Grant**

The grant assistance provided is perceived to be another key program strength. Many farmers also said that the FFF grant provided the impetus needed to kick start a long-planned project.

#### **3. Support for Building Sustainable Agriculture in Maine**

Another perceived key strength of the program is its contribution to building sustainable farming in Maine, and development of recognition of the importance of farming to the Maine economy.

#### **4. Development of Technological and Productive Capacity**

The program assists farmers in improving their technological and productive capacities.

#### **5. Marketing**

Many farmers discussed the role that improved marketing skills have played in their success. These skills have been honed as a result of engagement in the business planning process, engagement with a team of experts, and increased opportunities to learn new marketing skills as a result of networking with other farmers who have participated in the program.

## I.1 EXECUTIVE SUMMARY

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### 6. Development of Computer Skills

Many of those interviewed also cited the acquisition of new or better computer skills during the business planning process as a strength of the program. These include bookkeeping, website development, and overall farm business planning and management skills.

### **WEAKNESSES — THE BIGGEST FFF PROGRAM WEAKNESS CITED REVOLVES AROUND ISSUES OF FUNDING OR RESOURCES. THESE ARE:**

- ✓ The grant cap of \$25,000 is perceived to be too low by some farmers.
- ✓ The grant match level of 25% is perceived to be too low.
- ✓ The overall level of state funding is deemed to be inadequate for the number of Maine farms who would be well served to engage in the FFF program.
- ✓ FFF staff is limited in terms of resources.

### **The Business Team**

Six of the participating farms felt that there was some weakness with regard to the business advisory team. Specifics cited in this regard revolved around perceptions of a lack of understanding of a farmer's business, a poor personality fit, or lack of a team member's availability to meet with the farmer.

### **Phase 1 Program Length**

A couple of farmers cited the perceived need for more time to complete Phase 1 of the program as a weakness. An example is the need for more time to develop a new concept if the feasibility of an original idea turns out to be negative. Greater flexibility with regard to the timing of Phase 2 entry is recommended.

## **I.2 ANALYSIS OF ACHIEVEMENT OF EVALUATION CRITERIA**

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### **Revenues**

Approximately half of the participating farms commenced Phase 2 of the Farms for the Future program since 2005. Therefore, it is difficult to fully evaluate changes in revenues that have been experienced to date as a result of the program. For many farms, increases in sales will occur over the next couple of years.

However, we estimate that sales have increased an average of 37.3% across all farms from the year in which they received the grant through the end of 2006. This amounts to close to \$3 million in increased sales.

Of the farms that entered Phase 2 of the program prior to 2007, 70% reported increased sales since commencing this phase of the project.

### **Net Income**

It should be noted that farmers have not provided details of net profit since the execution of Phase 2 of their projects.

However, approximately two-thirds of farmers reported that net profit from farming has increased since the execution of Phase 2 of the project, while one in ten farmers reported that profits have declined.

It was noted during interviews that many farmers expect to realize the increase in net profits from farming operations over the next two to three years.

Many of them also pointed out that they will be in a better financial position once FFF matching capital expenditures have been completed.

### **Acres of Farmland Protected**

Based on the objective of protecting farmland, our analysis is that this criterion has been well satisfied with approximately 18,000 acres of farmland being protected.

### **Farm Employment**

We estimate that across all farms (Phase 2 participants), 71 new persons have been employed with an anticipated 59 further people to be employed over the next three years, for a total of 130 new employees on these farms as a result of participation in the FFF program.

The mean number of employees per farm at entry was 4.1. This has increased by approximately one new employee per farm. It is anticipated that the average number of employees per farm will be approximately six people within three years.

This level of increase is very good, especially given the typical size of farms participating in the program.

## **I.2 ANALYSIS OF ACHIEVEMENT OF EVALUATION CRITERIA**

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### **Capital Investment / Leveraging of FFF Grant Money**

It was estimated that farms would match \$1.57 million of FFF grant money with \$4.87 million of their own funds, for a total estimated spend of \$6.42 million on FFF projects. However, farmers reported that they have spent approximately \$7.57 million. Thus, they have spent an additional **\$1.15 million** of their own money over that originally anticipated. In addition to this, farmers have spent a further **\$1.72 million** on capital investments that go beyond the scope of their projects.

**Thus, there is a strong overall leverage factor for the FFF program of approximately five to one.**

### **Technology**

Two-thirds of farmers reported that they have introduced a wide-variety of new technologies to their farms. Close to six in ten participating farmers plan to introduce other new technologies in the near future. As a result of the Farms for the Future program, there have been high levels of technological improvements. We believe that this evaluation factor has been well satisfied.

### **Production and Efficiency**

More than eight in ten farmers reported that production on their farms has increased since participating in this program. Additionally, more than three-quarters of farmers reported that farm efficiency has improved. Changes have resulted with regard to:

- The number of acres being farmed;
- The amount of product being produced; and
- New products being introduced to the farm.

Thus, these criteria have been strongly met.

### **New Products and Marketing Initiatives**

More than one-half of respondents reported that they have introduced new products as a result of their participation in this program, with a broad span of products being introduced.

Almost two-thirds of farmers indicated that they have entered new marketing channels as a result of their participation in this program. Thus, these criteria have been met.

## **I.2 ANALYSIS OF ACHIEVEMENT OF EVALUATION CRITERIA**

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### **Level of Engagement in Ongoing Business Planning**

The business planning component is a highlight of this program. Farmers indicated very strongly that the acquisition of business planning skills has had a very positive impact on their farms.

With more than three-fourths of farmers indicating that they have changed their internal business practices as a result of participation in the Farms for the Future program, this evaluation criterion has been met.

### **Levels of Other Technical Assistance Utilized**

More than four in ten farmers indicated that they have received free external business, technical, or production assistance since commencing Phase 2 of their projects, while more than three in ten farmers reported paying for further technical assistance.

Farmers who have participated in this program are likely utilizing more technical assistance than if they had not participated in the program. Nevertheless, an opportunity exists for farmers to take advantage of further assistance beyond what is provided through Phase 1 of the Farms for the Future program.

### **Other Impacts**

The strengths of the program cited by farmers far outweigh the weaknesses. Additionally, farmers reported experiencing significantly more positive than negative impacts as a result of program participation. The key positive impacts that have been experienced are:

- Increased sales and profits;
- Acquisition of business planning skills;
- Improvements in productivity;
- Marketing improvements;
- Efficiency improvements; and
- New equipment / structural improvements.

## II. RECOMMENDATIONS

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### 1. We recommend that the Farms for the Future program be continued and that the level of grant support be maintained at least at the current level.

- We believe that the program has demonstrated strong success with the current level of grant funding. The program provides a great impetus for agricultural development and land conservation, especially for small and medium size farms. The current level of funding (\$25,000 per project) and fund-matching (75%) appears to be adequate to get farmers interested in participating in the program.
- Program participants cited the financial assistance as a key strength of the program, serving as the financial and psychological boost needed to set projects in motion.
- The majority of farmers (60.9%) indicated that they would have spent approximately the same amount on their projects if the grant funds were not limited to \$25,000.

### 2. Maintain Phase 1 business planning and technical assistance as a core component of the program.

- Program participants greatly value the assistance they received from the Farms for the Future staff, expert consultants, and the interaction with other farmers on their teams.
- Although some participants were initially hesitant to create a business plan, nearly all participants indicated that they gained significantly from this process. As a result of developing a business plan, participants stated that they have gained the ability to:
  - View their farms as businesses
  - Make significant changes to their operations
  - Examine the feasibility of new projects
- The technical assistance provided in business planning, production, and marketing were cited by farmers as key strengths of the program.
- Farmers acquired new / improved computer skills as a result of their participation in this program. This appears to have improved overall business planning, bookkeeping, and website creation and maintenance (marketing).

## II. RECOMMENDATIONS

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### 3. Ensure that the technical assistance provided meets the needs of the participating farms / farmers.

- A small number of participating farms noted that the degree of technical assistance received in Phase 1 of the program was not adequate for their needs.

#### The Business Plan

- We recommend providing a more structured introduction to writing a business plan, as this is the first time many of the participating farmers have undertaken such a process.
- We believe that CEI, as a program administrator, should study the issue further to examine, for example, the feasibility of providing a class on business planning prior to farmers' participation in Phase 1 team exercises.

#### The Team Design

- It is also important that Farms for the Future work to ensure that team members are dedicated and committed to being active throughout Phase 1 of the program. It is important that every member of the team is a contributing member.
- We suggest that Farms for the Future work to use technical experts with knowledge of farming and agriculture whenever possible. Another suggestion made by some farmers is that they, themselves, would like to be involved in the selection of team members, if possible.

### 4. Introduce further technical assistance after Phase 2 of the program.

- A key suggestion from some participating farmers is that continued technical assistance after Phase 2 of the program should be provided; in other words, introducing a third phase to the program which would include some structured follow-up and technical assistance.
- Suggested follow-up technical assistance might include formal reviews of progress and assistance with business planning, bookkeeping, website design, etc.
- It has been suggested that such follow-up technical assistance occur approximately twelve months after the grant monies have been awarded.
- We recommend that further funds be allocated to this follow-up. If such funds are not available, we recommend that Farms for the Future explore the possibility of reserving some of the funding provided during Phase 1 of the program for a third phase of the program.

## II. RECOMMENDATIONS

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### 5. Maintain flexibility with regard to timelines.

- A limited number of farmers recommended that Farms for the Future be flexible with the time allowed between Phase 1 and Phase 2 of the program. Such participants include those who may have needed more time, for example, to investigate an alternative project in Phase 1.
- We recommend that Farms for the Future be cognizant of cases where farms may need a bit more time between phases due to unforeseen obstacles, such as the need to investigate an alternative business project. Doing so may aid in the creation of a more valuable business plan, as well as increase the percentage of participants who move from Phase 1 of the program to Phase 2.

### III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA

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#### III.1 Background

"Farms for the Future is a statewide **economic development program** targeting Maine farms. This program of the Maine Department of Agriculture, Food and Rural Resources is administered by Coastal Enterprises Incorporated (CEI), a non-profit community development corporation based in Wiscasset. The two-phase program provides selected farms with:

- **Assistance in developing new business plans** aimed at increasing farm viability (Phase 1), and
- **A grant of 25% of the funds needed to implement the plan**, up to \$25,000 (Phase 2).

In exchange for this support, farms participating in Phase 2 enter into a **farmland protection agreement** that prevents their land from being developed for non-agricultural purposes for five years. The farmland protection agreement may be terminated by paying back the grant.

The program responds directly to one of the primary needs within the farming community: specialized business assistance. Many farmers have an idea for a new product, a new market, or improved efficiency in production, but lack the resources to develop the idea into a viable business plan. Business assistance is:

- Provided by people with extensive farming knowledge, and
- Individualized to each client farm's particular needs and opportunities"<sup>1</sup>

The Farms for the Future (FFF) program is now in its seventh year of operation. More than 140 farms have participated in the initial business planning process (Phase 1) since 2001. The Phase 1 business planning process is a requirement for participation in the Phase 2 implementation phase. A short description of the Phase 1 FFF planning process is attached in Appendix A.

Nearly 90 of those farms have completed business plans and applied for Phase 2 grant funding; 75 farms have been awarded FFF grant funding (for implementation purposes). The 75 farms participating in Phase 2 to date have been funded in six rounds of grants, commencing in 2001 – 2002 through 2006 – 2007. Farms agree to share economic data with the Maine Department of Agriculture, Food and Rural Resources and CEI for 3 years after receiving their grants. Implementation grants (Phase 2) are capped at \$25,000 and max out at 25% of project cost.

**In October of 2007, the Maine Department of Agriculture, Food and Rural Resources commissioned Pan Atlantic SMS Group, a leading Maine-based marketing research and consulting firm, to conduct an evaluation of the principal impacts of this program.**

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<sup>1</sup> Source: CEI/DOAFRR information sheet on Farms for the Future Program

### **III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA**

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#### **III.1 Background (continued)**

The report which follows analyzes these impacts against selected success criteria. These criteria are outlined later in this section.

It should be noted that our consulting brief was to evaluate and report on the impacts of the Phase 2 FFF grant program in which 75 Maine farms have participated to date.

### III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA

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#### III.2 Project Objectives

**The key objective of this project was to conduct an evaluation of the degree of success of the program to date.**

**Additionally, Pan Atlantic SMS Group was charged with making strategic recommendations on improvements to the program.**

In conducting research on this project, Pan Atlantic SMS Group gathered data and information from FFF program participants on the following issues:

- Farm sales and profitability since commencing Phase 2 of the program;
- Changes in farm jobs retained or created
- Level of owner investment in farm businesses
- Changes in farm products and marketing channels entered
- Changes in production methods, farm ownership, condition of assets
- Changes in quality of life
- Attitudes towards the value of business planning
- Impact of the program on agricultural sustainability in Maine
- Development of new, innovative technologies and value-added improvements which have helped to reduce costs and improve efficiency
- Other agricultural technical assistance which is desired by program participants
- Lessons learned from the program
- The overall degree to which the program has assisted participants with growth/expansion
- Grantee attitudes to the grant program
- Perceived strengths and weaknesses of the program
- Recommended improvements to the program

### III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA

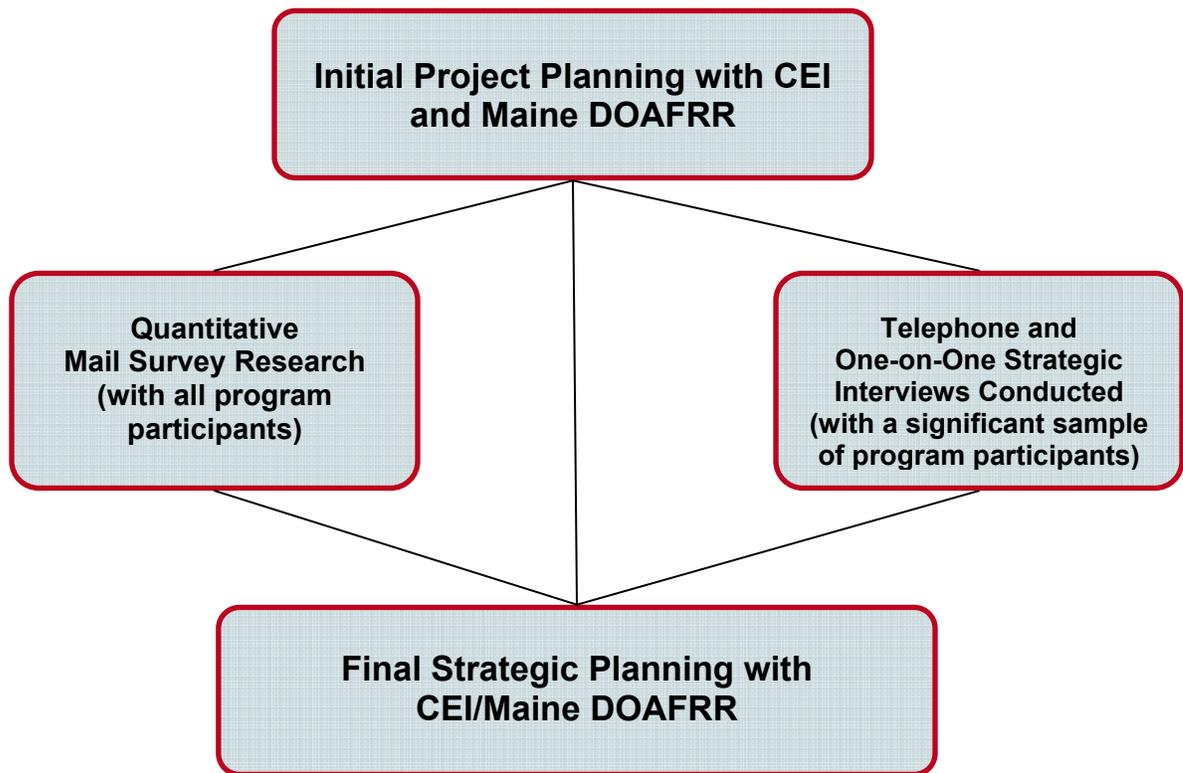
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#### III.3 Methodology

Pan Atlantic SMS Group used a three-tiered methodology to achieve project objectives, as follows:

- Initial strategic planning and project definition with CEI and the Maine Department of Agriculture, Food and Rural Resources;
- Quantitative and qualitative market research; and
- Strategic planning at the conclusion of research.

#### PROJECT FLOWCHART



### III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA

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#### III.3 Methodology (continued)

Pan Atlantic SMS Group reviewed FFF files and consulted various other secondary research sources prior to commencing primary research.

Following on initial planning with the Maine Department of Agriculture, Food and Rural Resources and CEI, Pan Atlantic SMS Group developed a draft survey instrument which was submitted to our client for review and editing (see Appendix B).

Upon approval of the final survey instrument, Pan Atlantic SMS Group mailed the survey instrument to all 75 FFF Phase 2 program participants. Intensive telephone and further mail follow up was executed to ensure a high level of cooperation in completing the survey, by participating farmers. It should be noted that all participants were guaranteed confidentiality of their individual responses.

A total of 64 of 75 program participants responded to the survey. This represents a very high response level of 85.3%.\* (See Appendix C for a list of farms which responded to the survey.)

For purposes of reporting on the statistical validity of responses to quantitative issues, this level of survey participation allows us to report overall FFF program participant population data with a margin of error factor of  $\pm 4.72$  at the 95% confidence level.\*

In a second phase of research (following on completion of Phase 1 of research), Pan Atlantic SMS Group conducted strategic qualitative field (on-site) and phone research interviews with approximately half of all program participants (35). A total of 18 interviews were conducted on site, and 17 by phone. (See Appendix D for a list of those interviewed.)

Those interviewed in the second phase of research were selected to ensure a good representation of FFF program participants by size (acreage), geographic region of the state, and type of farming engaged in.

Conducting qualitative on-site and telephone interviews allowed Pan Atlantic SMS Group to explore key issues in depth. The key objectives of conducting this additional phase of research were to:

1. Build on the data collected in the first phase of research; and
2. Gain strong qualitative insights from program participants on non-quantitative success criteria, which would aid in the development of strategic recommendations for the FFF program.

Interviewee quotes are used throughout this report to illustrate farmer sentiment on various issues.

### III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA

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#### III.3 Methodology (continued)

\* We reviewed the FFF files and information previously provided to CEI by the eleven farms who did not participate in the survey. This analysis indicates that about half of these farms (five farms) have achieved positive results to date as a result of FFF Phase 2 grant program participation, while the remainder have either 1) seen no overall change to date (three farms) or 2) have seen conditions worsen somewhat (two farms) – a total of five farms.

Based on 1) the low margin of error resulting from high participation levels in our research process and 2) our belief that outcomes for the non-participating farms do not skew overall results, we are confident that the results of the research presented in this report have a high degree of integrity and validity.

### **III. BACKGROUND, PROJECT OBJECTIVES, METHODOLOGY AND EVALUATION CRITERIA**

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#### **III.4 Evaluation Criteria**

Working with the Maine Department of Agriculture, Food and Rural Resources and CEI, a list of program evaluation criteria was developed. These are:

- Increase in sales (since farmer commenced Phase 2 of the FFF program)
- Increase in net income
- Acres of farmland protected
- Increased farm employment
- Total amount of capital invested by farmers, and the degree of leveraging of FFF grant funds
- Improvements in technology
- Improvements in productivity and farm efficiency
- Marketing improvements (new products, value-added products, and marketing initiatives)
- Farmers' level of engagement in ongoing business planning
- Levels of other (non-FFF program) technical assistance utilized
- Other impacts

#### **Acknowledgements**

We wish to thank Ms. Kerri Sands, Program Administrator, FFF, and Ms. Gray Harris-Shamel, Program Intern, for their tremendous support and assistance to our staff during the execution of this project.

#### IV. KEY RESEARCH FINDINGS: EMPLOYMENT

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##### Effect of FFF Grant Program on Employment

*Please indicate the number of employees and/or apprentices working on your farm: 1) when you applied to the FFF Phase 2 grant program, and 2) currently. Also, please indicate any anticipated increases in the number of employees and/or apprentices working on your farm due to your participation in the FFF Phase 2 grant program within the next three years.*

N = 64	Mean Number of Employees		
	At Grant Program Entry	Currently	Anticipated Number of Employees in 3 Years Due to Program Participation
Family members (including yourself)	2.32	2.47	2.52
Other employees	1.44	2.19	2.63
Apprentices	0.34	0.39	0.66
<b>TOTAL</b>	<b>4.10</b>	<b>5.05</b>	<b>5.84</b>

FFF farms had an average of 4.10 employees (including family members, other employees, and apprentices) at their respective times of grant award (between 2001/02 and 2006/07). Extrapolating this average to the entire FFF population (75 farms), there were approximately 308 employees at these farms at the time of receiving grants.

Currently, FFF farms have an average of 5.05 employees. Extrapolating this figure to the entire FFF farm population, there are now approximately 379 people employed by farms participating in the FFF program. **Thus, there are approximately 71 additional employees at FFF Phase 2 grant farms: eleven family members, fifty-six other employees, and four apprentices.**

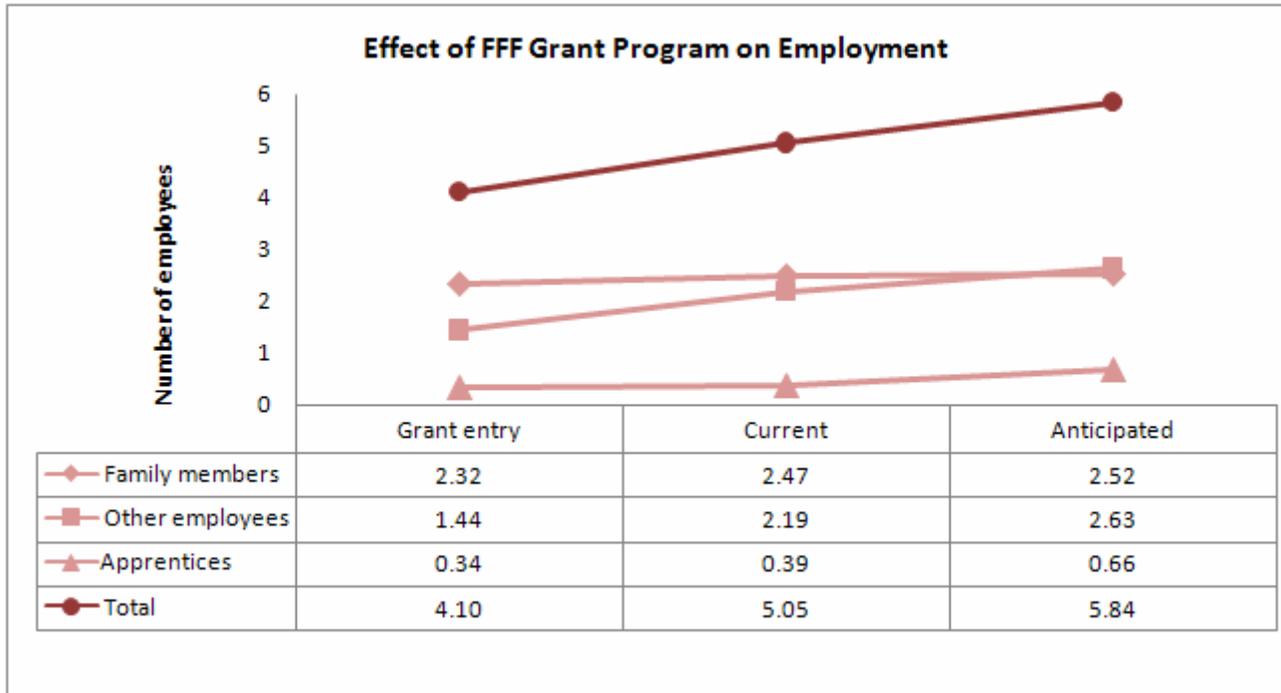
The number of employees anticipated in three years (from now) as a result of FFF program participation is 5.84, averaged across all of the farms who participated in the quantitative survey. Extrapolating this average to the entire FFF population, there will be approximately 438 employees three years from now. This represents a further additional 59 employees and an overall increase of 130 employees than the farms had at the point of grant award.

**The total anticipated increase in employees since grant award (130) can be broken down as follows: 15 family members, 89 other employees, and 24 apprentices.**

*\* Please note that the number of employees includes both full-time and part-time employees and extrapolated numbers are estimates which may not add up exactly due to rounding.*

**IV. KEY RESEARCH FINDINGS: EMPLOYMENT**

**Effect of FFF Grant Program on Employment (continued)**



#### IV. KEY RESEARCH FINDINGS: EMPLOYMENT

##### Family Members Leaving Off-farm Jobs Due to FFF Grant Program

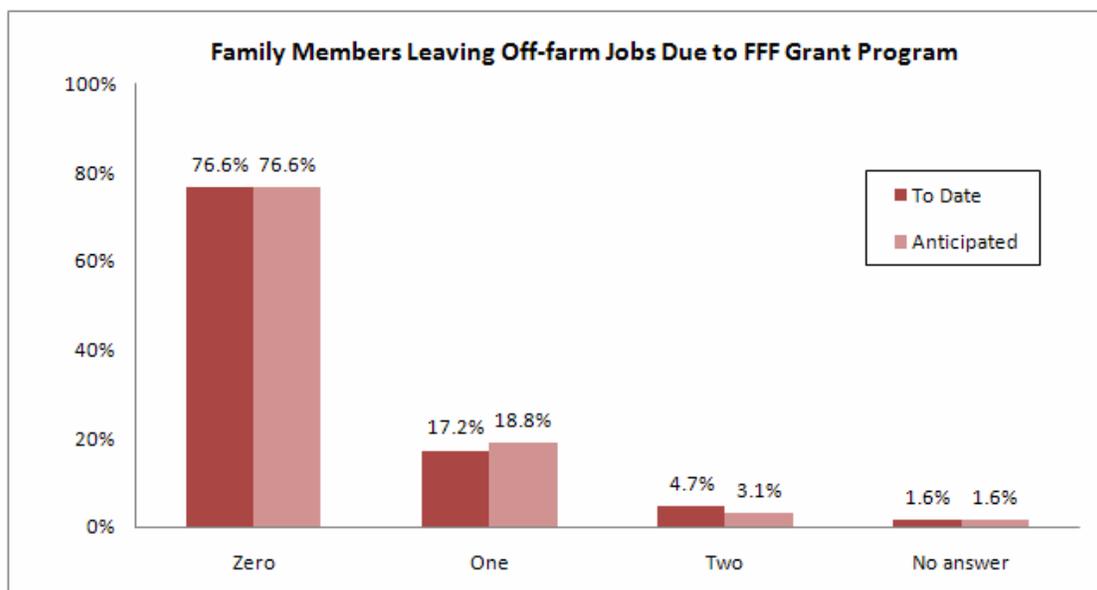
*How many family members, if any, have been able to leave an off-farm job and work on the farm due to your participation in the FFF Phase 2 grant program?*

*How many additional family members, if any, do you anticipate being able to leave an off-farm job and work on the farm due to your participation in the FFF Phase 2 grant program within the next three years?*

N = 64	To Date	Anticipated
Zero	76.6%	76.6%
One	17.2%	18.8%
Two	4.7%	3.1%
No answer	1.6%	1.6%
Mean	0.27	0.25

Approximately three-fourths of FFF farmers indicated that no family members have been able to leave an off-farm job and work on their farm due to their participation in the FFF Phase 2 grant program or are expected to do so within the next three years.

The number of family members that have been able to leave an off-farm job and work on the farm due to FFF program participation averaged across all farms participating in the survey is 0.27. **Extrapolating this average to the entire FFF population (75 farms), approximately 20 family members have been able to leave an off-farm job and work on their family’s farm due to the FFF grant. In addition, it is anticipated that a further 19 will be able to do so within the next three years.**



#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

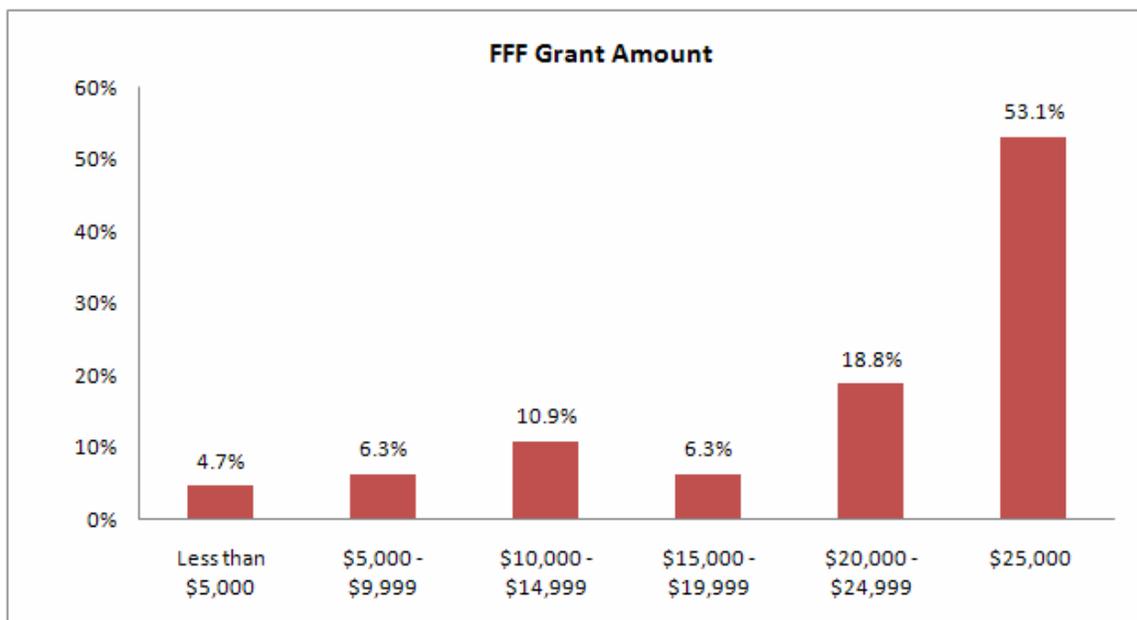
##### FFF Grant Amount and Farm Financial Contribution

*Please verify the grant amount.*

N = 64	FFF Grant Award
Less than \$5,000	4.7%
\$5,000 to \$9,999	6.3%
\$10,000 to \$14,999	10.9%
\$15,000 to \$19,999	6.3%
\$20,000 to \$24,999	18.8%
\$25,000	53.1%
No answer	0.0%
Mean	\$20,687.58

More than one-half of farmers (53.1%) indicated that they received \$25,000 in grant money for participation in Phase 2 of the FFF program. A total of 71.9% of survey respondents received at least \$20,000 in FFF grant funds.

**Respondents indicated an average of \$20,687.58 in FFF Phase 2 grant money. When this average is extrapolated to the entire FFF population (75 farms), it totals approximately \$1.55 million in FFF grant funds.**



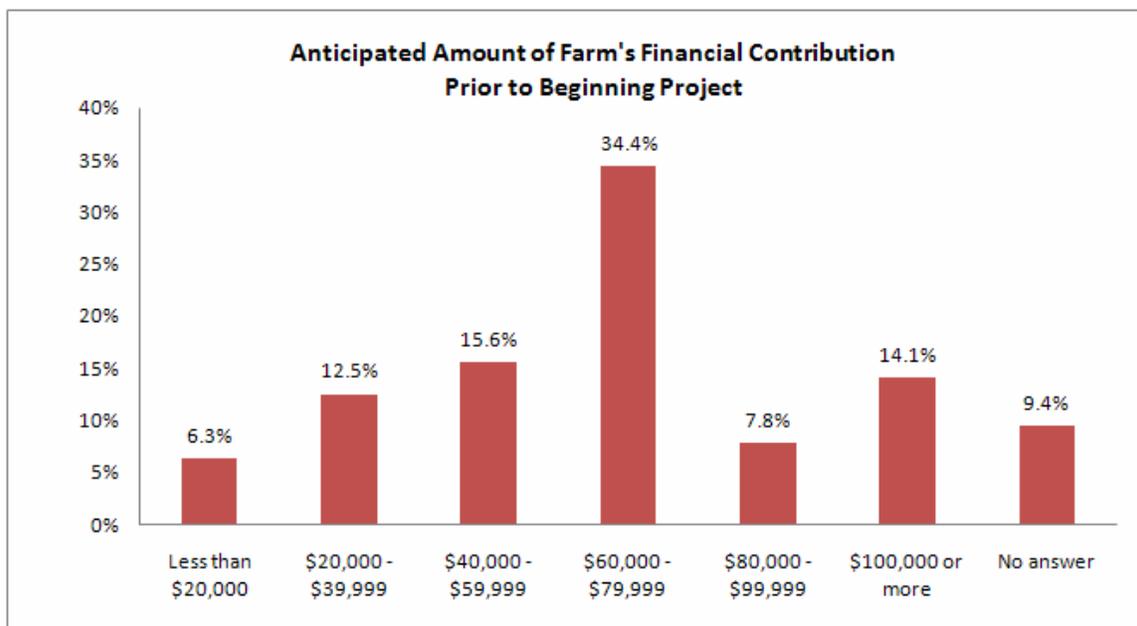
#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

##### FFF Grant Amount and Farm Financial Contribution (continued)

According to your FFF Phase 2 grant application, you were awarded \$ \_\_\_\_\_ for your FFF grant. When you began the grant phase of your project, what was the anticipated amount of your farm's financial contribution to your project? (Please include the total of personal funds, loans, and in-kind contributions.)

N = 64	Anticipated Personal Contribution
Less than \$20,000	6.3%
\$20,000 to \$39,999	12.5%
\$40,000 to \$59,999	15.6%
\$60,000 to \$79,999	34.4%
\$80,000 to \$99,999	7.8%
\$100,000 or more	14.1%
No answer	9.4%
Mean	\$64,937.37

The mean amount of farms' originally anticipated financial contribution to their respective FFF projects was \$64,937.37. When extrapolated to the total FFF population (75 farms), this totals approximately \$4.87 million.



#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

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##### FFF Grant Amount and Farm Financial Contribution (continued)

*Including the FFF Phase 2 grant and your own personal financial contribution (including the total of personal funds, loans, and in-kind contributions), how much have you spent to date on your project?*

<b>N = 64</b>	<b>Total Spent to Date</b>
Less than \$25,000	12.5%
\$25,000 to \$49,999	14.1%
\$50,000 to \$74,999	23.4%
\$75,000 to \$99,999	4.7%
\$100,000 to \$149,999	20.3%
\$150,000 to \$199,999	4.7%
\$200,000 or more	12.5%
No answer	7.8%
Mean	\$100,920.81

The average amount of money that farmers have spent on projects to date (including the total of personal funds, loans, and in-kind contributions) is \$100,920.81. **When extrapolated to the total FFF population (75 farms), this totals approximately \$7.57 million.**

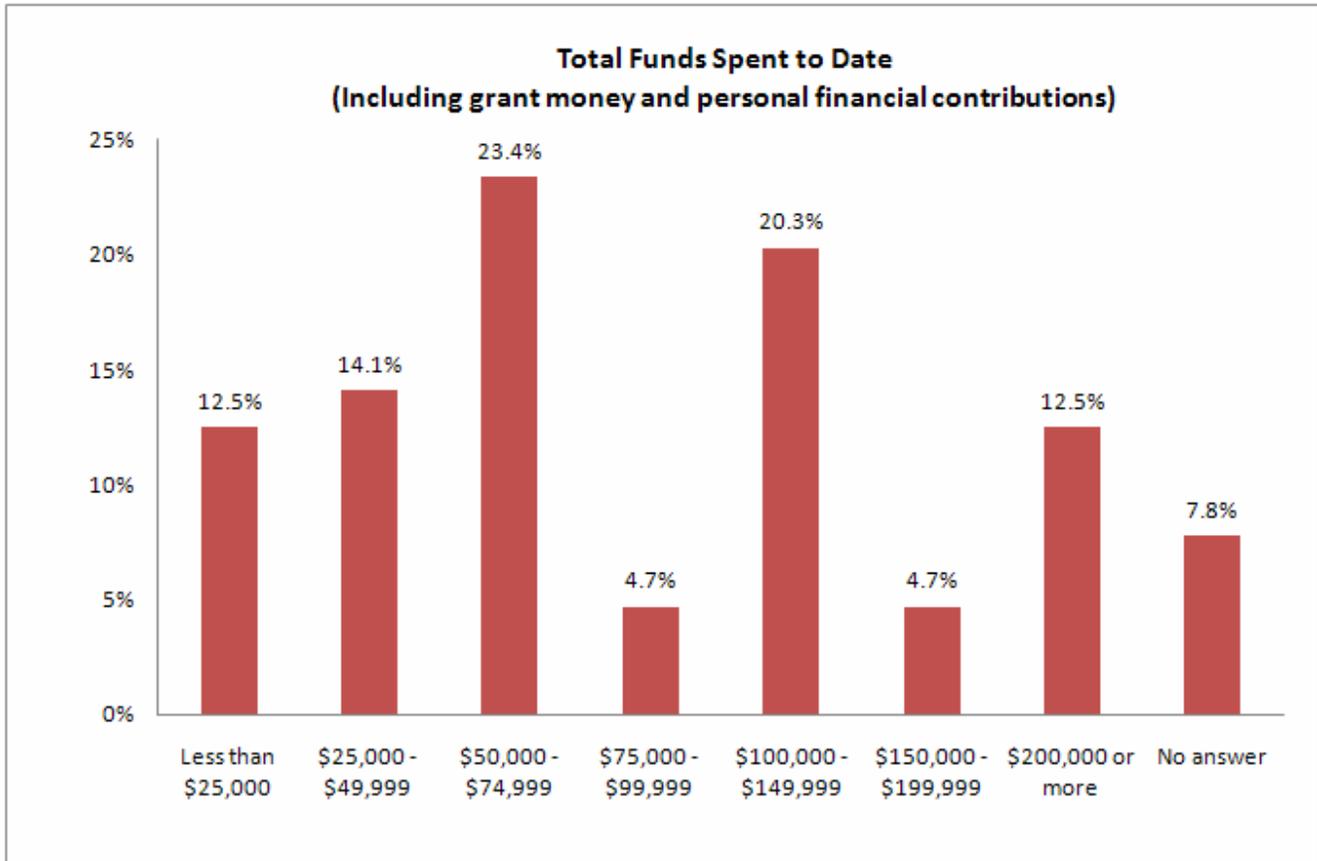
If one adds the approximate total of FFF grant funds (\$1.55 million) and the amount of farms' originally anticipated financial contributions to their respective FFF projects (\$4.87 million), the total amount farmers originally anticipated spending on their respective Phase 2 projects was **\$6.42** million.

**Therefore, this suggests that farmers have spent more on their projects than originally anticipated (\$7.57 versus \$6.42 million). This represents an additional \$1.15 million of farmer capital expenditures above the anticipated amount.**

#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

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##### FFF Grant Amount and Farm Financial Contribution (continued)



#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

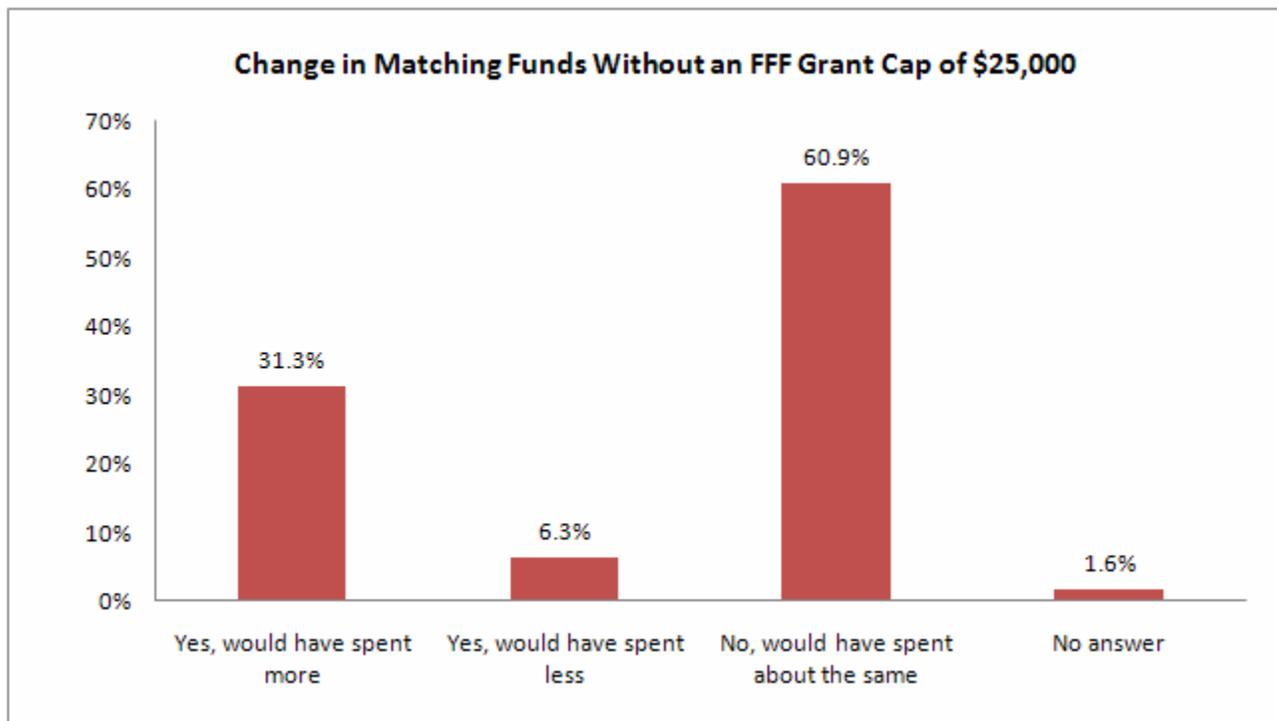
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##### Change in Matching Funds without an FFF Grant Cap of \$25,000

*If FFF grants still provided 25% of the project costs but were NOT limited to \$25,000, would your farm have spent matching funds differently? (Please select the answer that is most applicable to your situation.)*

	<b>N = 64</b>
Yes, we would have spent <u>more</u>	31.3%
Yes, we would have spent <u>less</u>	6.3%
No, we would have spent <u>about the same</u>	60.9%
No answer	1.6%

Six in ten respondents (60.9%) indicated that they would have spent about the same amount on their project even if the FFF grant contribution had not been limited to \$25,000. However, it is important to note that nearly one-third of farmers (31.3%) reported that they would have spent more on their project had the FFF grant contribution not been limited to \$25,000.



#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

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##### **Likelihood of Undertaking the Project without the FFF Program**

*If not for the FFF Program (Phase 1 and Phase 2), how likely would you have been to undertake the project and invest your money?*

<b>N = 64</b>	<b>Phase 1</b>	<b>Phase 2</b>
1 – Definitely would <u>not</u> have undertaken the project	21.9%	12.5%
2 – Unlikely to have undertaken the project	23.4%	17.2%
3 – Somewhat unlikely to have undertaken the project	14.1%	21.9%
4 – Somewhat likely to have undertaken the project	14.1%	14.1%
5 – Likely to have undertaken the project	9.4%	9.4%
6 – Definitely <u>would</u> have undertaken the project	15.6%	18.8%
No answer	1.6%	6.3%
Not likely to have undertaken the project (1 to 3)	59.4%	51.6%
Likely to have undertaken the project (4 to 6)	39.1%	42.2%
Mean (1 to 6)	3.13	3.50

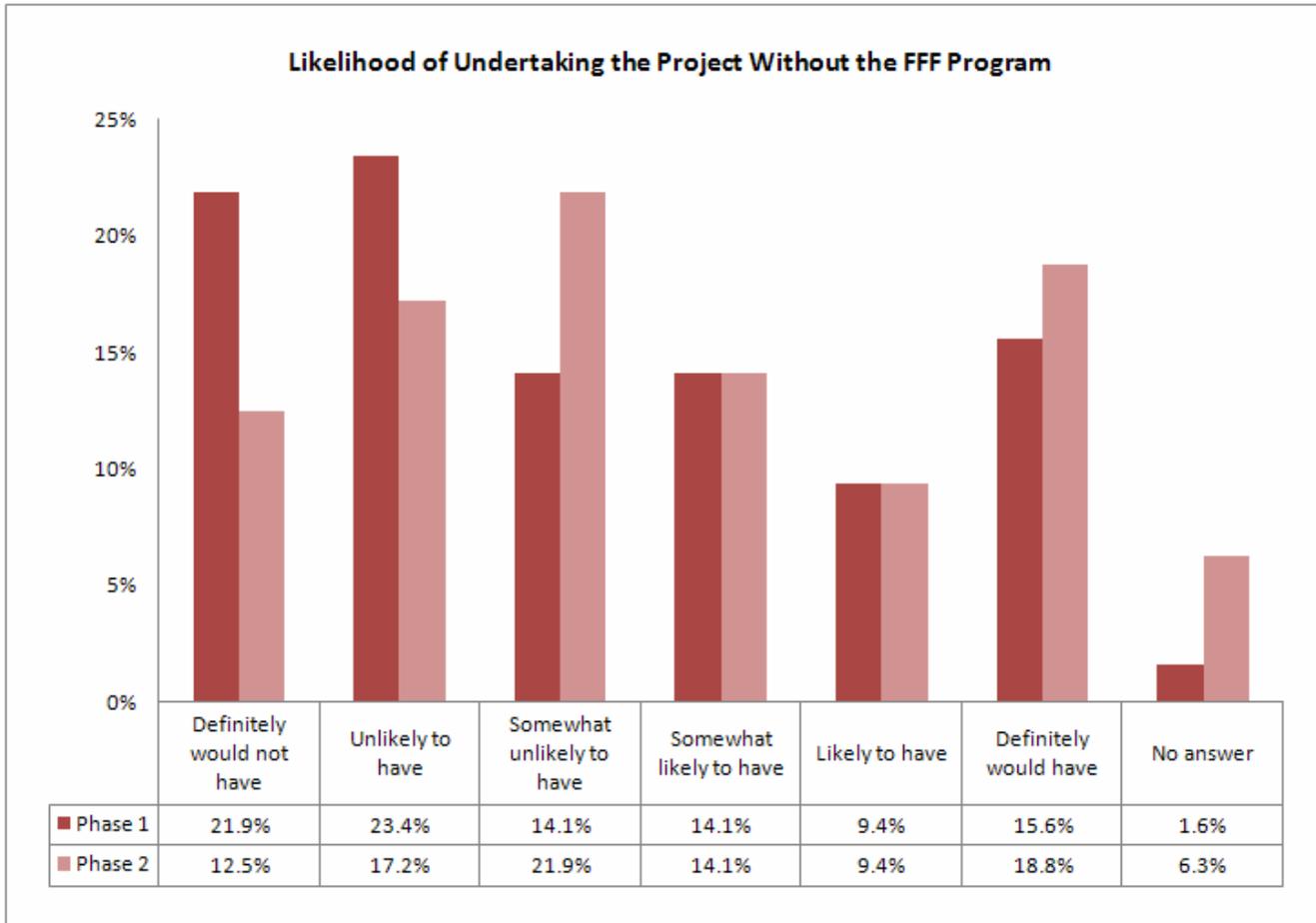
**Six in ten farmers (59.4%) reported that they would have been unlikely to have undertaken their respective projects if not for Phase 1 of the FFF program.**

Just over one-half of respondents (51.6%) indicated that they would have been unlikely to have undertaken their respective projects if not for Phase 2 of the FFF program.

**Thus, the FFF grant money was an important impetus for farmers to undertake their respective projects. This finding is supported by feedback obtained in conducting further research with farmers (second phase of Pan Atlantic SMS Group research on this project).**

**IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT**

**Likelihood of Undertaking the Project without the FFF Program (continued)**



Farmers who say that they would not likely have undertaken Phase 2 of the project without the grant and invested their own money cited the principal reasons as being:

**1) The FFF grant provided some funding as well as the stimulus to engage in the project.**

*“The Phase 2 project was out of reach without the financial assistance.”*

*“The Phase 2 grant allowed us to significantly accelerate the project.”*

*“The financial contribution gave us the impetus for the project.  
It’s like a jump start.”*

#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

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##### Likelihood of Undertaking the Project without the FFF Program (continued)

**2) Being able to avail of the FFF grant allowed farmers to move up the timing of project execution.**

*“Without the grant, the scale and timescale would have differed drastically.”*

*“It would have required much more time if we had not got the grant.”*

**3) The grant money itself was the missing piece in financing the project.**

*“Without the grant money and a structured planning process, it just would not have been possible.”*

*“Without FFF money, we could not have built the new facility.”*

*“We might have built the barn, but we would not have done the irrigation system.”*

Those who say that they would have undertaken the project even without Phase 2 FFF funding were more likely to cite rationale such as:

**1) Engaging in Phase 1 business planning had convinced them of the need to invest in any event.**

*“Doing Phase 1 convinced us to do Phase 2 with or without the grant money.”*

*“We’ve been anticipating the project for a long time, but the Phase 1 really motivated us.”*

**2) They would have conducted the planned project on a smaller scale.**

*“We would have gone ahead in any event, but would have built a smaller processing facility.”*

*“We would have done the project but on a smaller scale.”*

*“I’d probably just have done the project on a lesser scale.”*

#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

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##### Likelihood of Undertaking the Project without the FFF Program (continued)

##### 3) They would have financed the project in another way.

*“I badly needed the equipment. I’d have had to find another way to finance the whole thing.”*

*“We would still have done the project and found a way to finance it – that said, I think we would have been less successful (than we would have been with FFF funds).”*

#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

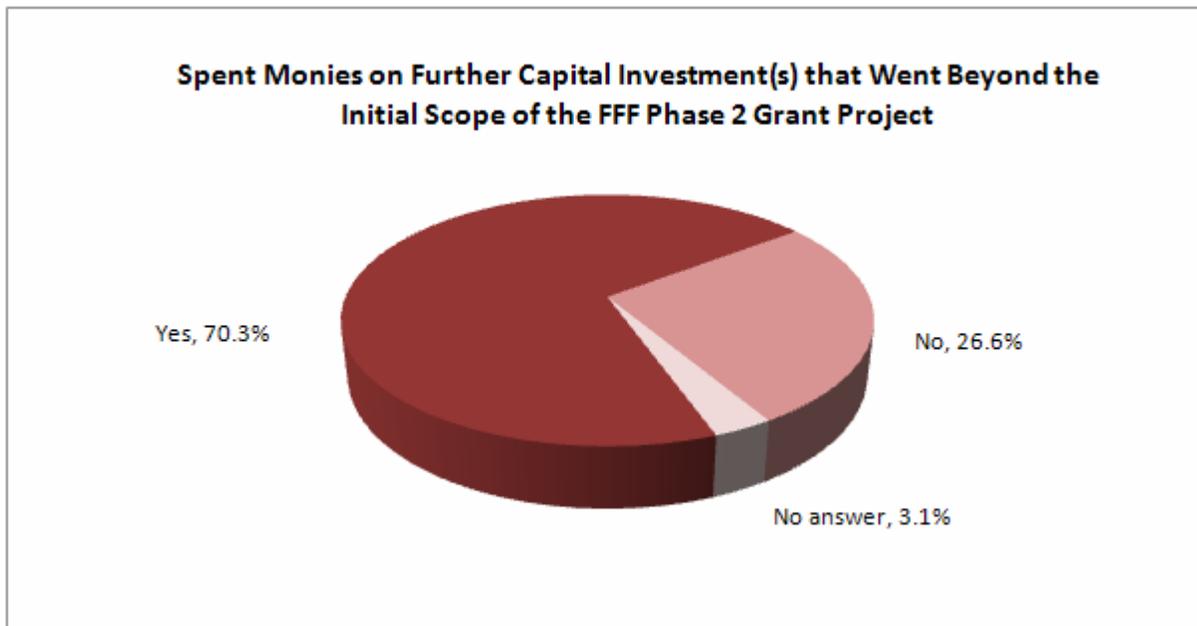
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##### Further Capital Investment(s)

*Have you spent monies on further capital investment(s) for your farm that went beyond the initial scope of the FFF Phase 2 grant project?*

	<b>N = 64</b>
No	26.6%
Yes	70.3%
No answer	3.1%

Seven in ten farmers (70.3%) reported that they have spent monies on further capital investment(s) that went beyond the initial scope of the FFF Phase 2 grant program



#### IV. KEY RESEARCH FINDINGS: FINANCIAL INVESTMENT

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##### Further Capital Investment(s) (continued)

*If yes, how much more did you spend?*

	<b>N = 45</b>
Less than \$20,000	48.9%
\$20,000 to \$39,999	13.3%
\$40,000 to \$59,999	8.9%
\$60,000 to \$79,999	4.4%
\$80,000 to \$99,999	2.2%
\$100,000 or more	8.9%
No answer	13.3%
Mean	\$32,464.36

The average amount of additional capital spent by the 45 (70.3% of the sample) farmers that went beyond the initial scope of the FFF Phase 2 project was \$32,464.36.

When extrapolated to the total farm population (53 farms [70.3% of 75]), the total amount that farms spent on further capital improvement(s) that went beyond the initial scope of the FFF Phase 2 grant project was approximately \$1.72 million.

Thus, FFF farms have spent approximately \$6.02 million of their own money on FFF projects plus an additional \$1.72 million in further capital improvement(s) that went beyond the initial scope of the FFF Phase 2 grant, for a total spent of **\$7.74** million.

The overall leverage factor for the FFF program has been approximately five to one (\$7.74 million of their own money spent by farmers to \$1.57 million in FFF grant money). For every dollar spent by FFF on grants, farmers have spent five.

Thus, the FFF Phase 2 grant program had a high leverage factor.

#### IV. KEY RESEARCH FINDINGS: BUSINESS PRACTICES

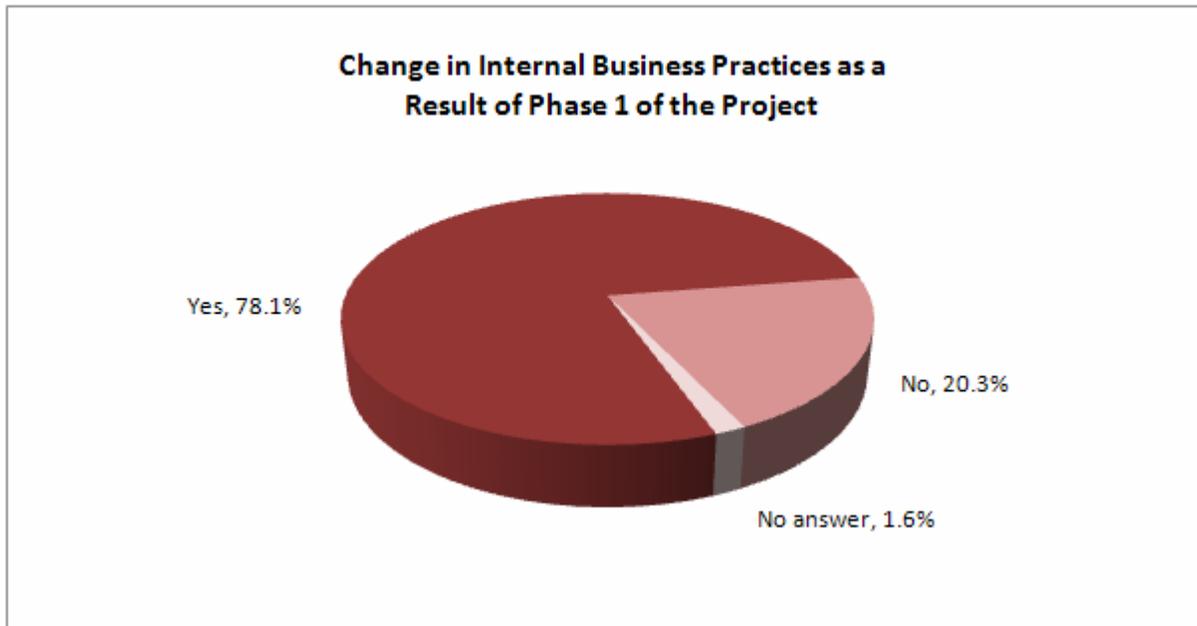
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##### Changes in Internal Business Practices Due to Phase 1 of the Project

*Have you changed any of your internal business practices as a result of Phase 1 of the project? (Examples could include annually reviewing and/or revising your business plan, taking business classes, increasing your skills in QuickBooks, changing the ways in which you make business decisions, etc.)*

	<b>N = 64</b>
No	20.3%
Yes	78.1%
No answer	1.6%

**More than three-fourths of farmers (78.1%) indicated that they have changed their internal business practices as a result of participation in Phase 1 of the FFF project (Business Planning).**



#### IV. KEY RESEARCH FINDINGS: BUSINESS PRACTICES

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##### Changes in Internal Business Practices Due to Phase 1 of the Project (continued)

Forty-five farmers mentioned specific ways in which they have changed their internal business practices. Many farmers have:

- Improved their business planning and decision-making practices;
- Made a concerted effort to continuously update and revise their business plans;
- Improved budgeting, bookkeeping, and/or financial management; and
- Improved marketing practices.

*“I looked at my business plan just yesterday. It’s like my owner’s manual to farming. It helps in developing a list of questions you have to answer in order to get a meaningful result. It is rudimentary, and perhaps underestimated, how necessary a business plan is to farmers and the agricultural industry.”*

*“Growing our own grain. To the point that we probably wouldn’t be there without that. Because I did the first [business plan], it made sense and made me do other business plans. Yes, the business planning is a big deal. [I’ve done] it with other ideas since then.”*

*“Better record-keeping that we’re doing because of Phase 1. Cash flow has increased, both in terms of what’s coming in and what’s going out.”*

Farmers say that they have acquired a number of specific skills as a result of their participation in Phase 1 of the Farms for the Future program, including a variety of computer skills, such as Internet proficiency, website development, and familiarity with software programs like Intuit QuickBooks and Microsoft Excel.

#### IV. KEY RESEARCH FINDINGS: BUSINESS PRACTICES

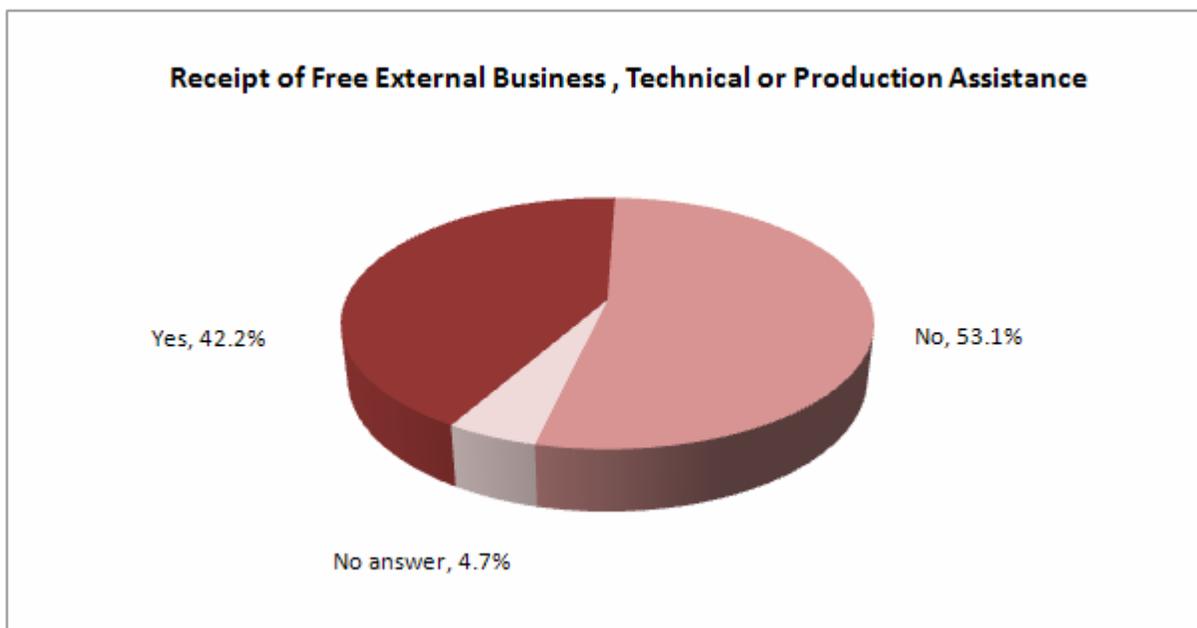
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##### Receipt of Free External Business, Technical, or Production Assistance

*Have you received any free external business, technical, or production assistance since starting Phase 2 of the project?*

	<b>N = 64</b>
No	53.1%
Yes	42.2%
No answer	4.7%

Approximately four in ten respondents (42.2%) reported that they have received free external business, technical, or production assistance since starting Phase 2 of the project.



#### IV. KEY RESEARCH FINDINGS: BUSINESS PRACTICES

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##### **Receipt of Free External Business, Technical, or Production Assistance (continued)**

Twenty-five farmers described the type of free external business, technical, or production assistance they received since commencing Phase 2 of the project. Responses cited referred to the type of assistance received or the specific organization that offered the assistance; top answers include:

- Marketing and graphic design (7)
- Business planning (4)
- Miscellaneous workshops (3)
- MOFGA assistance (3)
- NRCS assistance (2)
- CEI assistance (2)

*“Gabe McPhail’s assistance with logo and promotional / marketing [information].”*

*“The harvester company has made production recommendations to improve quality.  
The nursery company has visited to make recommendations of new varieties to use.”*

*“Production workshops, networking, and technical consulting from contractors bidding on the job.”*

*“We have gotten graphic artwork from CEI’s Image Building Concepts.”*

#### IV. KEY RESEARCH FINDINGS: BUSINESS PRACTICES

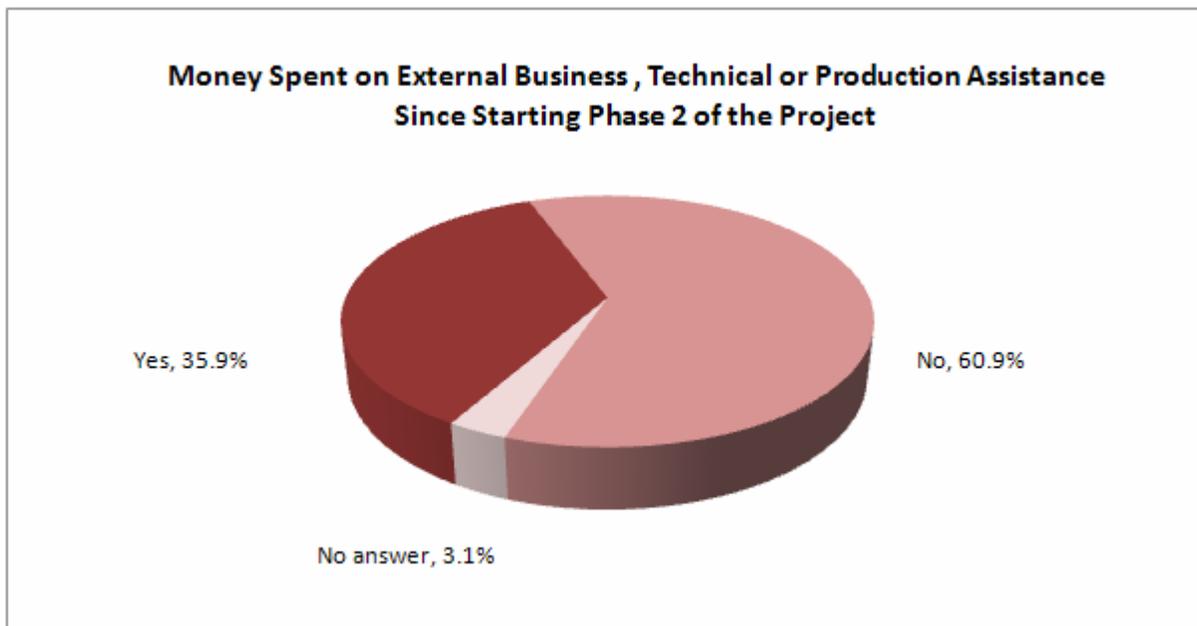
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##### Money Spent on External Business, Technical, or Production Assistance

*Have you spent any money on external business, technical, or production assistance since starting Phase 2 of the project?*

	<b>N = 64</b>
No	60.9%
Yes	35.9%
No answer	3.1%

**Just over one-third of farmers (35.9%) indicated that they have spent money on external business, technical or production assistance since commencing Phase 2 of the project.**



#### IV. KEY RESEARCH FINDINGS: BUSINESS PRACTICES

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##### **Money Spent on External Business, Technical, or Production Assistance** (continued)

*If yes, approximately how much money did you spend?*

	<b>N = 23</b>
Less than \$1,000	7 (30.4%)
\$1,000 to \$2,999	6 (26.1%)
\$3,000 to \$4,999	2 (8.7%)
\$5,000 or more	5 (21.7%)
No answer	3 (13.0%)
Mean	\$4,262.50

The average amount of money spent by the 23 farmers (35.9% of the sample) who spent money on external business, technical, or production assistance was \$4,262.50.

**When extrapolated to the total farm population (27 farms [35.9% of 75]), the amount that farms spent on external business, technical or production assistance is approximately \$115,000.**

Eighteen farmers provided details of how they have spent funds on external business, technical, or production assistance since starting Phase 2 of the project. In general, answers provided described the specific type of assistance received; top answers include:

- Attending workshops or conferences (5)
- Miscellaneous consultations (5)
- Marketing and graphic design (4)
- Accountants and financial advisors (3)

#### IV. KEY RESEARCH FINDINGS: SALES AND PROFIT

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##### Change in Gross Sales

*Please verify your gross sales at Phase 2 entry.*

*What were your gross sales from farming operations in 2006?*

<b>N = 56*</b>	<b>Gross Sales at Phase 2 Entry</b>	<b>Gross Sales in 2006</b>
Less than \$25,000	42.9%	32.1%
\$25,000 to \$100,000	25.0%	35.7%
More than \$100,000	32.1%	32.1%
Mean	\$104,411.70	\$143,347.25

*\* Eight respondents did not answer the second question "What were your gross sales from farming operations in 2006?". Thus, in order to have comparable results, the first question ("Please verify your gross sales at Phase 2 entry") was recalculated to only include the 56 valid responses that were included in the second question.*

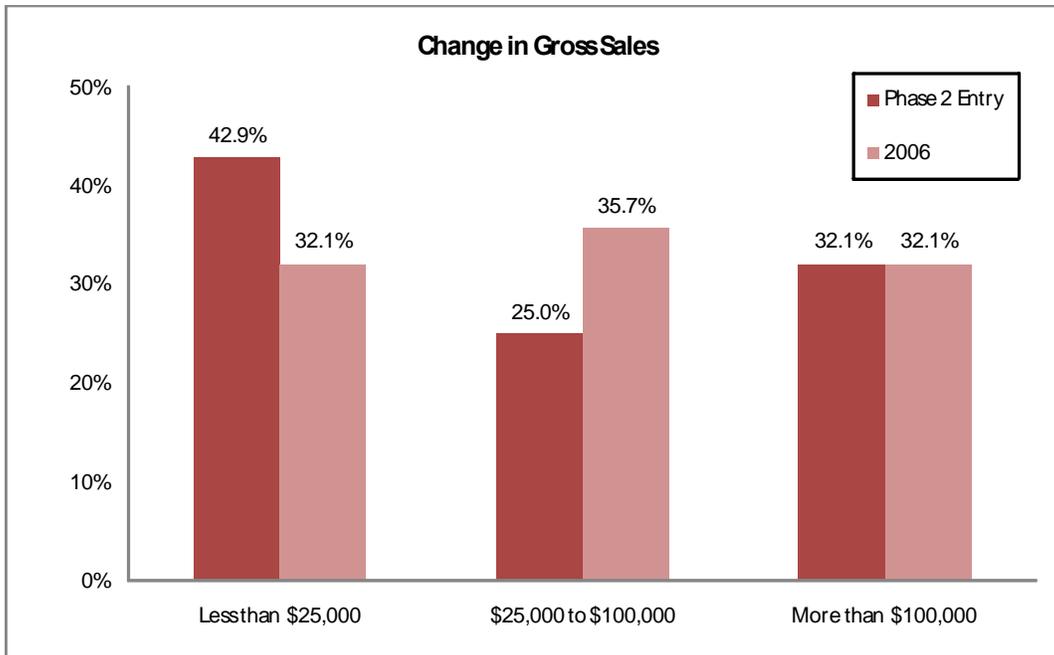
The average amount of gross sales among FFF program farmers increased from \$104,411.70 at the time of entry to FFF Phase 2 to \$143,347.25 in 2006. When extrapolated to the entire FFF farm population (75 farms), the total gross sales increased from \$7.83 million at Phase 2 entry to \$10.75 million for the year 2006. Thus, there has been an overall estimated increase of \$2.92 million in gross sales for FFF participants. This represents an increase of 37.3% when comparing sales for the year of Phase 2 grant award versus 2006 sales.

It should be noted that much of the increase in sales will likely be recorded over the next few years, as a good percentage of participants in the program have only implemented a project in the past two to three years.

#### IV. KEY RESEARCH FINDINGS: SALES AND PROFIT

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##### Change in Gross Sales (continued)



#### IV. KEY RESEARCH FINDINGS: SALES AND PROFIT

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##### Perceived Change in Net Profit

**Please indicate to what extent, if any, the net profit from your farming operations has changed since your project was implemented.**

	<b>N = 64</b>
1 – Decreased significantly	1.6%
2 – Decreased somewhat	3.1%
3 – Decreased slightly	4.7%
4 – Stayed the same	17.2%
5 – Increased slightly	25.0%
6 – Increased somewhat	20.3%
7 – Increased significantly	20.3%
No answer	7.8%
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Decreased (1 to 3)	9.4%
Increased (5 to 7)	65.6%
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Mean (1 to 7)	5.20

**Approximately two-thirds of respondents (65.6%) reported that net profit from farming operations has increased (either “slightly”, “somewhat”, or “significantly”) since the implementation of their FFF project.**

**Even though respondents were asked to provide specifics relating to their farm’s net profit, the vast majority of farmers did not provide detailed information regarding this issue.**

**It should be noted that quite a number of farmers have only recently implemented or are still in the process of implementation of Phase 2. Thus increases in net income are as yet unrealized for many.**

*“Right now on paper the change is not as dramatic, but next year is the year it will dramatically go up. We more than doubled sales this year [compared] to last year. Income-wise, there’s been a dramatic increase” (63).*

#### IV. KEY RESEARCH FINDINGS: SALES AND PROFIT

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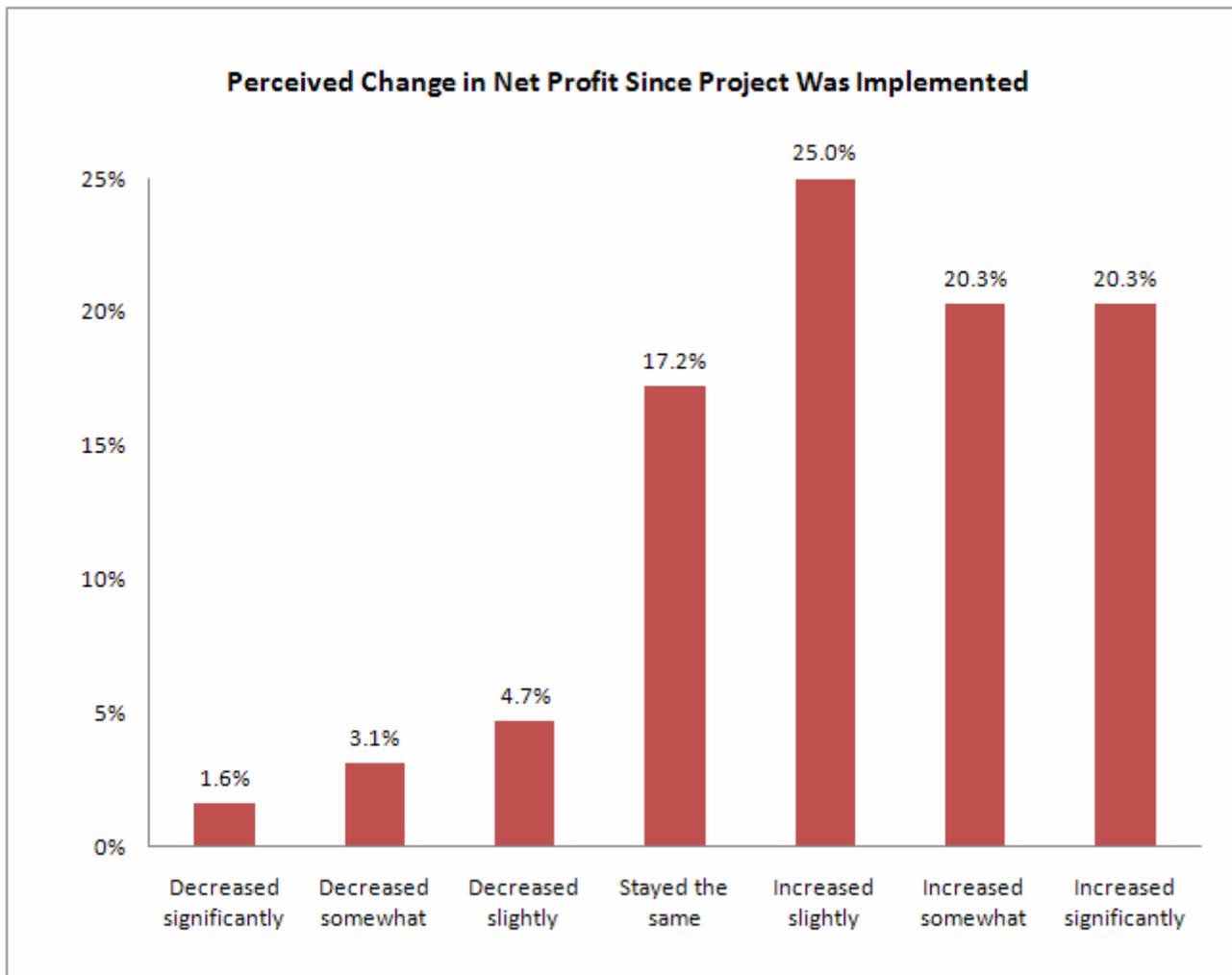
##### Perceived Change in Net Profit (continued)

*“Net profit has improved since we did that, probably because of the business plan, just being able to look at the numbers better” (60).*

*“Well, it’s a lot more than it was. And now it’s slowly growing. We’re still putting money into the farm, but we get more and more [out of it] each year” (56).*

*“It’s increased, but we’ve had some really tough growing seasons... and the weather factors have been a little off. But I wouldn’t have made as much if I hadn’t gone through the program” (34).*

*“We have expanded a lot. From \$1400 in 2004 to \$25,000 in 2007....We were able to get in a position where we could do a CSA” (69).*



#### IV. KEY RESEARCH FINDINGS: SALES AND PROFIT

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##### Perceived Change in Net Profit (continued)

Many of the farmers surveyed cited specific examples of how their net revenues had increased as a result of participation in the FFF program.

*“Able to store more potatoes longer, get more for them. For example, last year russets made an extra \$15,000 because I could store them and sell when McCain's needed them.”*

*“Although we are just now turning a profit, gross revenue is way up, especially in 2007.”*

*“Because of the greenhouse enlarging, and going with organics, our revenue has probably gone up by a quarter.”*

*“Profits have more than doubled; taken over new fields – sell the hay – that's added a lot.”*

*There was no net profit in 2003; for 2004, our net profit was \$24,473.”*

*“We were in start up for vegetable production; gross income has doubled annually with net closely correlated.”*

*“Our profitability has increased threefold, and our credit status is much better. Also, my asset to liability has increased so my debt is a lot less than it was three or four years ago.”*

A small minority of farmers reported that they had actually seen a decline in profits, usually due to some specific event, such as crop disease, a decline in commodity prices, or increased fuel and feed costs.

*“2006 and 2007 were bad crop years due to disease (2006) and winter kill (2007). We are approximately 50% below 7 years average.”*

*“Fence expenses and feed expenses [increased]; have offset anticipated profit.”*

*“It went up until the harvest cost kicked in. We are in an income dip for 2007 and likely 2008, then profit will increase.”*

*“Hay sales were down in 2006, but we well passed that this year, so it wasn't that dramatic.”*

*“Still not making an actual profit, but income has increased so there's less loss.”*

#### IV. KEY RESEARCH FINDINGS: SALES AND PROFIT

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##### **Perceived Change in Net Profit** (continued)

A small number of farmers also reported that profit had not yet occurred due to the fact that monies had been expended on capital costs to match FFF grant funds or that they were relative newcomers to Phase 2 of the program.

*“Capital expenditures have delayed profit taking.”*

*“Loan payment has increased expenses.”*

*“We really just planted it (crop) for the first time this summer, so it won't show up yet, but we anticipate it really increasing next year.”*

#### IV. KEY RESEARCH FINDINGS: NEW TECHNOLOGIES

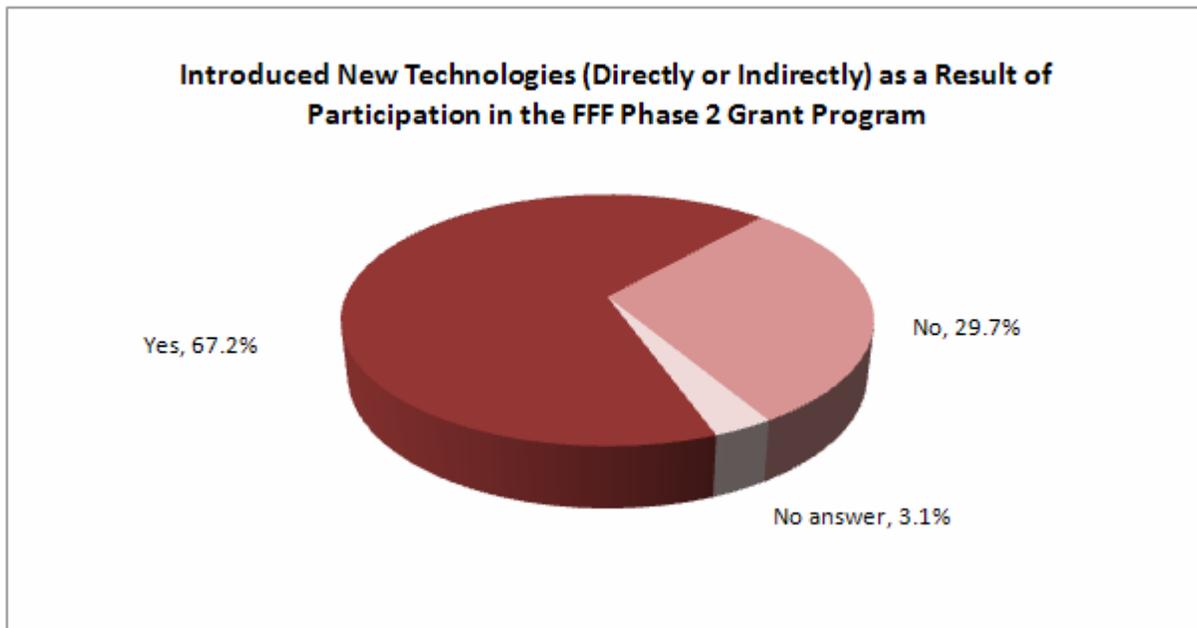
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##### Introduction of New Technologies

*Have you introduced any new technologies (directly or indirectly) to your farm as a result of your participation in the FFF Phase 2 grant program?*

	<b>N = 64</b>
No	29.7%
Yes	67.2%
No answer	3.1%

**Two-thirds of farmers (67.2%) reported that they have introduced new technologies (directly and/or indirectly) to their farms as a result of their participation in Phase 2 of the FFF program.**



#### IV. KEY RESEARCH FINDINGS: NEW TECHNOLOGIES

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##### Introduction of New Technologies (continued)

Generally, the technologies that farmers have introduced to their farm fall into either the farm or office technology categories. It was also noted by farmers that they have introduced labor-saving devices that allow employees of the farm to put in fewer man hours while producing the same or greater amount of products.

The principal technologies that have been introduced as a result of farmers' participation in the Phase 2 grant program are:

- Computers and computer programs (6);
- Improved irrigation systems (5);
- Greenhouses (4);
- Coolers / Cooling systems (3);
- Haying equipment (3);
- Bulk tanks (2);
- Barns (2);
- Plastic layers (for heat) (2);
- Dairy pipeline milking systems (2);
- Packing machinery / lines (2);
- Mechanical harvesters (2); and
- Cultivation equipment (2).

#### IV. KEY RESEARCH FINDINGS: NEW TECHNOLOGIES

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##### Introduction of New Technologies (continued)

Other specific technological improvements cited include:

Automatic barn cleaning system	Jam and jelly kettle machine	Spader
Bagger	Mulch lifter	Straw mulcher
Conversion to organic	New marketing	Tractor
Conveyor	Nutrient management system	Vacuum pumps
Dish washer for bottles	Planting technology	Vacuum-packaging for meats
Farm equipment repair	Pumping station	Water tables
Grain production	Rotational grazing	Woodland composting
Greenhouse automation	Screener	Yogurt-making equipment
Improved seed cleaning	Solar pumping	

*“We built a milk room and a cheese facility. And we rebuilt the barn to get it up to code. And because of FFF we went with NCRS [who helped] with fencing. Because of [FFF] we found out about a lot of what we could do.”*

*“We invested in hay baling equipment, as part of our in-kind contribution. Root crop business in cellar, we hope to put money into a conveyance system. Have a farm utility vehicle that we use constantly. And more chicken pens.”*

*“Marketing with website and brochures, trail construction and repair, as well as general guidance from the technical assistance.”*

*“The building of a barn and the digging of a pond. The irrigation became less of a priority because it was so wet last year. We were lucky to be able to house the cows in the barn.”*

*“We purchased a place to sell berries from, and purchased a new machine to process berries. We benefited by having the capacity to expand by having the new machine and owning the building.”*

#### IV. KEY RESEARCH FINDINGS: NEW TECHNOLOGIES

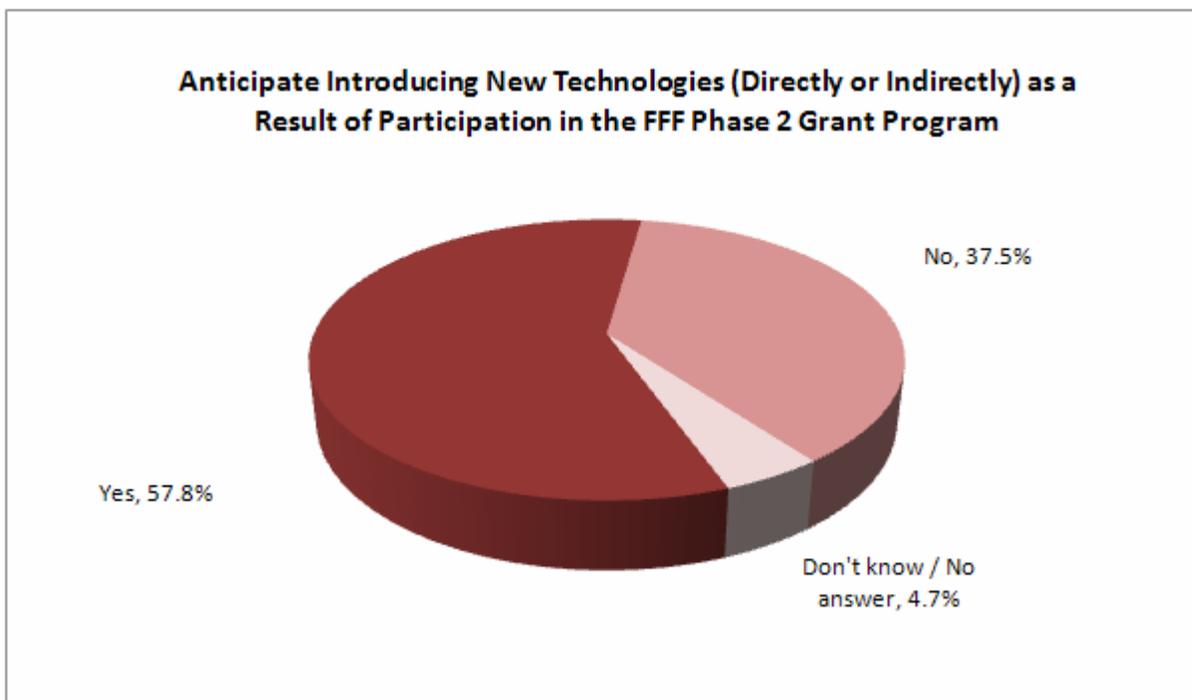
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##### Anticipated Introduction of New Technologies

*Do you **anticipate** introducing any new technologies (directly or indirectly) to your farm as a result of your participation in the FFF Phase 2 grant program within the next three years?*

	<b>N = 64</b>
No	37.5%
Yes	57.8%
Don't know	3.1%
No answer	1.6%

Nearly six in ten respondents (57.8%) anticipate introducing new technologies to their farms within the next three years as a direct or indirect result of the FFF program.



#### IV. KEY RESEARCH FINDINGS: NEW TECHNOLOGIES

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##### Anticipated Introduction of New Technologies (continued)

In addition to those technologies that farms have already introduced, respondents reported a variety of new technologies that they anticipate introducing to their farms in the next three years. The top anticipated new technologies to be introduced are:

- Improved irrigation (4);
- Improved storage (3);
- Greenhouse (3);
- Website (3);
- Computers and software (2); and
- Haying / bailing equipment (2).

*“Well, I’m growing a few different varieties of things. And I don’t have my storage facility done yet, but as soon as I do, that’ll help. I’ll be able to grow winter crops and store them and have income over the winter.”*

*“Probably more so in the processing of meats than in the marketing end. We’ll need some new equipment so it’s less hands and more mechanized.”*

*“We intend to maintain organic statutes, find innovative ways to break even, and incorporate agricultural programs into our school curriculum.”*

*“We should finish installing irrigation system next summer.”*

*“Anticipate better packing line once they have the building space; website for farm; commercial kitchen.”*

*“Better inventory control program with options on how to handle a potential recall.”*

*“More drip irrigation and more water tables.”*

#### IV. KEY RESEARCH FINDINGS: FARM PRODUCTION AND EFFICIENCY

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##### Change in Farm Production and Efficiency

*To what extent do you think that the FFF Phase 2 grant program has affected your farm's production? (Examples could include changes in the amount of product(s) produced, acres farmed, etc.)*

*To what extent do you think that the FFF Phase 2 grant program has affected your farm's efficiency? (Examples could include changes in process(es), lowered costs due to more efficient practices, etc.)*

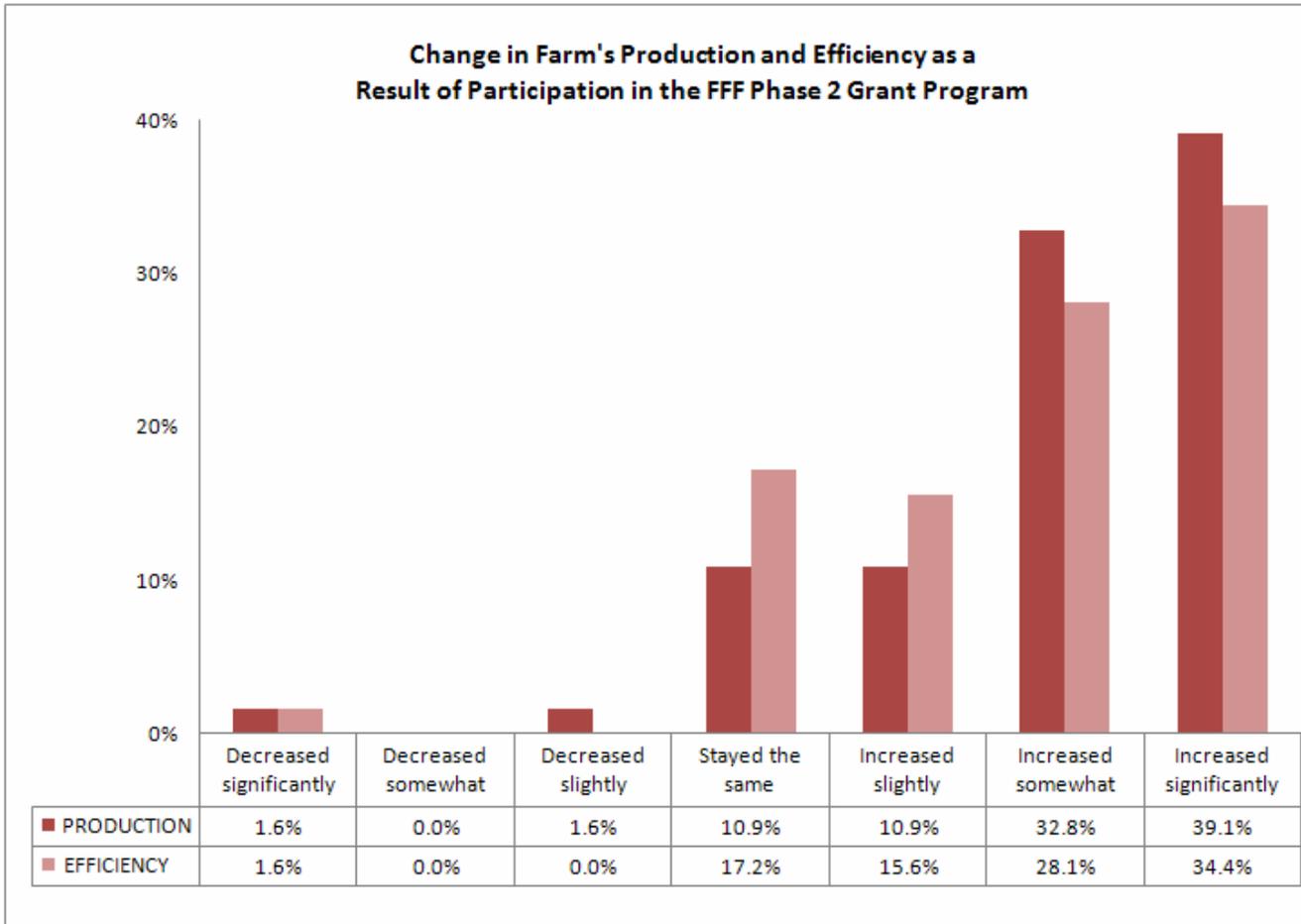
<b>N = 64</b>	<b>PRODUCTION</b>	<b>EFFICIENCY</b>
1 – Decreased significantly	1.6%	1.6%
2 – Decreased somewhat	0.0%	0.0%
3 – Decreased slightly	1.6%	0.0%
4 – Stayed the same	10.9%	17.2%
5 – Increased slightly	10.9%	15.6%
6 – Increased somewhat	32.8%	28.1%
7 – Increased significantly	39.1%	34.4%
No answer	3.1%	3.1%
Decreased (1 to 3)	3.1%	1.6%
Increased (5 to 7)	82.8%	78.1%
Mean (1 to 7)	5.94	5.76

The vast majority of farmers (82.8%) reported that their farm's production has increased (either “slightly”, “somewhat” or “significantly”) due to their participation in the FFF Phase 2 grant program.

More than three-fourths of respondents (78.1%) indicated that their farm's efficiency has increased (either “slightly”, “somewhat” or “significantly”) due to their participation in Phase 2 of the FFF program.

#### IV. KEY RESEARCH FINDINGS: FARM PRODUCTION AND EFFICIENCY

##### Change in Farm Production and Efficiency (continued)



#### IV. KEY RESEARCH FINDINGS: FARM PRODUCTION AND EFFICIENCY

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##### **Change in Farm Production and Efficiency (continued)**

The feedback received from the mail survey, field interviews, and telephone interviews suggests that production has increased significantly for many of the farmers who have participated in the Farms for the Future program.

Thirty-eight of the farmers (59.4% of the total) who returned the mail survey mentioned specific ways that production has increased on their farm. Farmers have seen a change in production mainly due to:

- **An increased number of acres are being farmed (as a result of having more and better equipment);**
- **An increase in the amount of products produced; and**
- **The introduction of new products to their farm.**

Farmers also cited improved production levels due to increased efficiencies on the farm; the addition of new equipment or technology on the farm; a change in the main product that is produced on the farm; better products being produced; as a result of entering new markets; and increased sales.

Six respondents reported that they have not seen an increase in production. Twenty respondents did not provide a specific answer to this question.

*“There’s a big difference in both efficiency and production, and this is our first year. We learned a lot, and next year will be even more remarkable. We were unaware how much this would impact our farm, and we were pleasantly surprised. We’ll be better prepared next year to take advantage to the fullest extent.”*

*“The production has changed. We used to only milk one cow [for our family], and now we milk five or six [cows] and sell milk in seven or eight places. We bottle the milk and sell some retail here, but mostly wholesale in the area.”*

*“We have built up sheep and cheese – value-added products. We’re using two neighbor fields, too.”*

*“[We] bought a cheese vat, [which aids in] durable production.”*

#### IV. KEY RESEARCH FINDINGS: FARM PRODUCTION AND EFFICIENCY

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##### Change in Farm Production and Efficiency (continued)

As a result of participation in the Farms for the Future program, many farms have experienced increased efficiency in their processes and procedures.

Thirty-three of the farmers surveyed (51.6%) cited specific ways in which efficiency has improved. Farmers have seen changes in efficiency mainly due to:

- Newly introduced technology;
- New equipment;
- A change in the products produced (amount or type);
- The addition of a barn or storage; and
- A change in office systems and/or bookkeeping.

Farmers also mentioned a change in efficiency due to more efficient farm production; an increased number of employees; business planning; and change in sales and/or prices.

Eight respondents reported that they have not seen an increase in efficiency or that they do anticipate an increase in efficiency in future years. Twenty-three respondents did not provide a specific answer to this question.

*“We upped the efficiency a lot this year. We’ll increase the CSA and decrease the more stressful marketing. Don’t have to truck stuff to town [anymore, so my] time is better spent. Now we self serve, so nothing goes to waste. [We earn] more money for less effort.”*

*“The vacuum packaging is easier, quicker, nicer. People like it.”*

*“It makes the farm more efficient. After sheep are weaned at three months, they’re then on the farm being fed, just getting fat and happy. Now with the dairy, rather than freeloading, those sheep are making product.”*

*“We feed fifty families for twenty weeks on one acre of land. I challenge anyone to be more efficient than that.”*

*“It has made our farm more attractive to younger generations. My son likes it. With the tractor, the work is not as laborious; it’s easier.”*

#### IV. KEY RESEARCH FINDINGS: NEW PRODUCTS

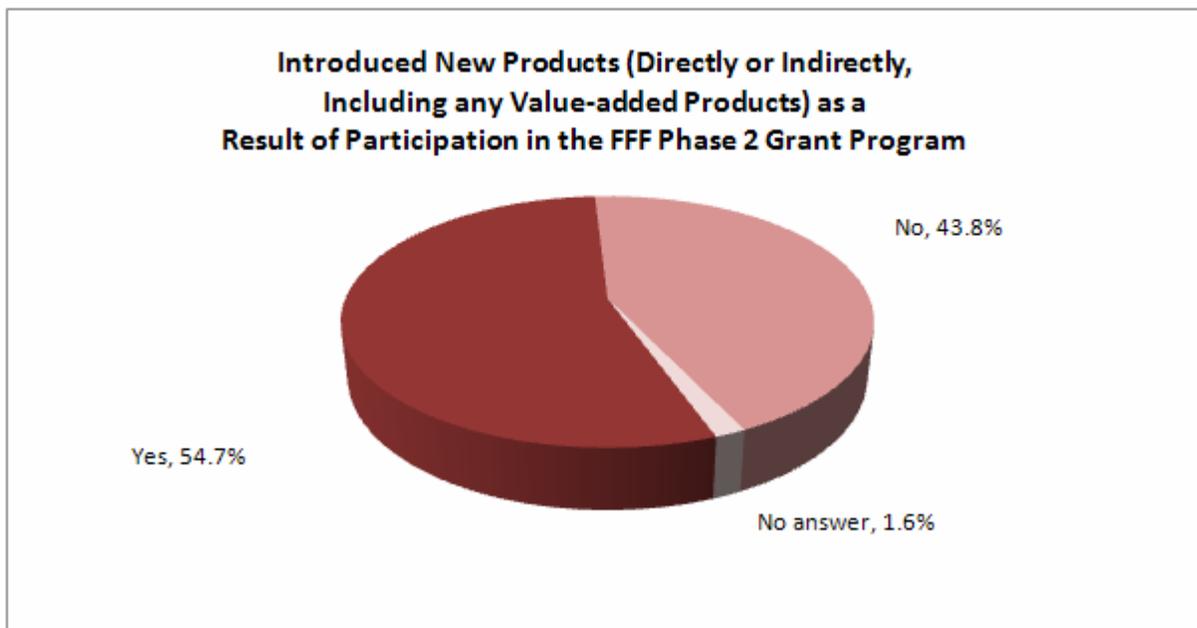
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##### Introduction of New Products

*Have you introduced any new products (directly or indirectly, including any value-added products) to your farm as a result of your participation in the FFF Phase 2 grant program?*

	<b>N = 64</b>
No	43.8%
Yes	54.7%
No answer	1.6%

More than one-half of respondents (54.7%) reported that they have introduced new products (directly and/or indirectly and including value-added products) to their farms as a result of their participation in Phase 2 of the FFF program.



## IV. KEY RESEARCH FINDINGS: NEW PRODUCTS

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### Introduction of New Products (continued)

Twenty-nine farmers said that they had introduced new products to their farms as a result of their participation in the Farms for the Future Phase 2 grant program. These new products include horticulture products, dairy products, baked goods, and meat products; the specific new products include:

- Horticultural Products (8 total farmers)
  - Fruit (5)
    - Jams and jellies (3)
    - Wine (1)
  - Vegetables (2)
  - Ornaments (2)
- Dairy Products (7 total farmers)
  - Milk (6)
  - Cheeses (4)
  - Butter (1)
  - Yogurt (1)
- Baked goods (5 total farmers)
- Meat products (3 total farmers)
  - Beef (1)
  - Poultry (1)

#### IV. KEY RESEARCH FINDINGS: NEW PRODUCTS

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##### Introduction of New Products (continued)

Other specific new products introduced include:

- Beeswax candles
- Wool products
- Specialty loam
- Forages
- Barley

Three farmers offered general remarks regarding product line diversification, and that the number of products has increased.

*“It allowed me to branch into an entirely new product line. I was strictly meat and wool, and I was able to diversify into dairy for the first time.”*

*“Expanded wool products (wool dyed with our own dye plants; hand spun wool); raise field-raised perennials; pick-your-own vegetables....”*

*“The first year we did five wines, sold down to one, and had very little left. The second year (this year) we did eight wines, sold down to three, rebottled one, and still only have a small amount left.”*

*“We have a bakery because of the grant. We do jams, jellies, and pies.”*

*“Fresh and aged organic cow’s milk cheeses [and] butter.”*

#### IV. KEY RESEARCH FINDINGS: NEW PRODUCTS

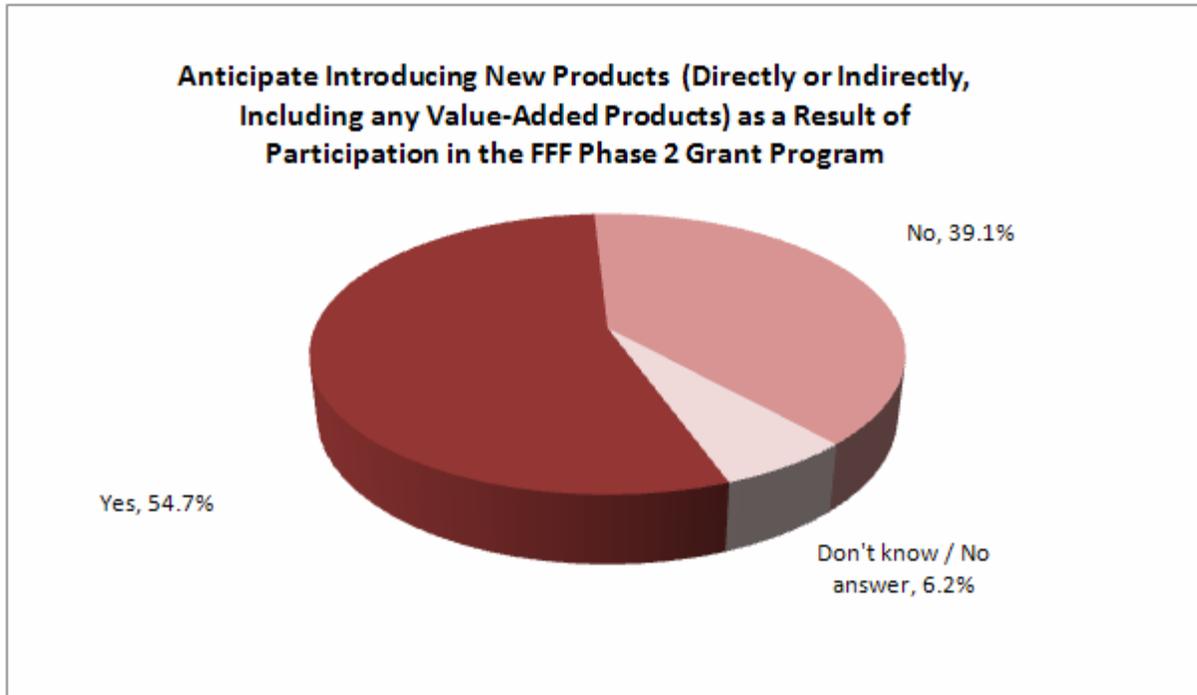
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##### Anticipated Introduction of New Products

*Do you **anticipate** introducing any new products (directly or indirectly, including any value-added products) to your farm as a result of your participation in the FFF Phase 2 grant program within the next three years?*

	<b>N = 64</b>
No	39.1%
Yes	54.7%
Don't know	3.1%
No answer	3.1%

**Fifty-five percent of farmers (54.7%) anticipate introducing new products to their farms within the next three years as a direct or indirect result of the FFF program.**



#### IV. KEY RESEARCH FINDINGS: NEW PRODUCTS

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##### Anticipated Introduction of New Products (continued)

In addition to the new products already introduced to the farms, twenty-six respondents reported the anticipated introduction of a variety of new products within the next three years. The top anticipated new products are horticultural products, dairy products, meat products, and baked goods; the specific products mentioned include:

- Horticultural products (7 total farmers)
  - Fruit (5)
    - Jams and jellies (2)
    - Apples / apple products (2)
    - Blueberries / blueberry products (2)
    - Raspberries / raspberry products (1)
  - Vegetables (2)
  - Ornamentals (1)
- Dairy products (6 total farmers)
  - Cheeses (5)
  - Milk (3)
- Meat products (3 total farmers)
  - Beef (2)
  - Pork (1)
- Baked goods (1 total farmer)

#### IV. KEY RESEARCH FINDINGS: NEW PRODUCTS

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##### Anticipated Introduction of New Products (continued)

Other specific anticipated new products include:

- Hay (2)
- Forages
- Hand-spun yarn
- Photography
- Hiking trails

Some farmers offered general remarks about how they anticipate their product line will expand.

*“[Pick your own] blueberries and blueberry products.”*

*“Continued additions to bakery; pickles, jams, and jellies.”*

*“Jam, more frozen products as yield increases. Also growing camelina for oil, biodiesel.”*

*“Raspberry juice, frozen raspberries, and frozen blueberries.”*

*“We’ve just started to feed whey cheese to pigs, so we’ll start pork production as well.”*

#### IV. KEY RESEARCH FINDINGS: NEW MARKETING CHANNELS

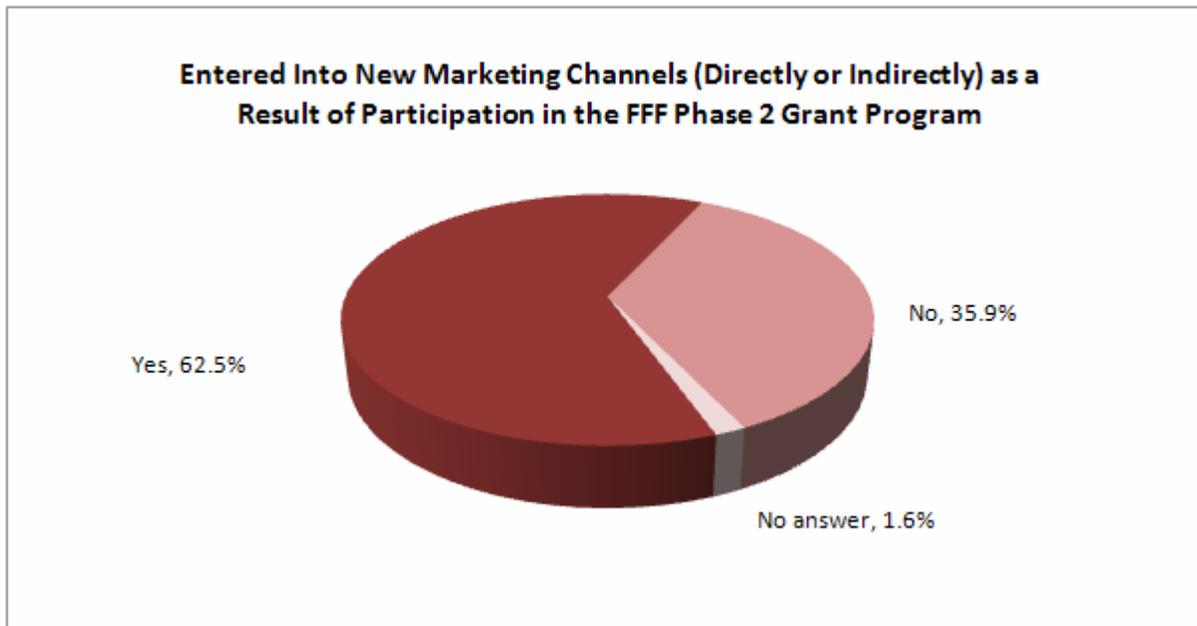
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##### Introduction of New Marketing Channels

*Have you entered into any new marketing channels (directly or indirectly) as a result of your participation in the FFF Phase 2 grant program? (Examples could include entering into the retail and/or wholesale market, participating in farmers markets, expanding into a different geographic region, etc.)*

	<b>N = 64</b>
No	35.9%
Yes	62.5%
No answer	1.6%

Approximately two-thirds of farmers (62.5%) indicated that they have entered into new marketing channels (directly and/or indirectly) as a result of their participation in Phase 2 of the FFF program.



#### IV. KEY RESEARCH FINDINGS: NEW MARKETING CHANNELS

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##### Introduction of New Marketing Channels (continued)

Thirty-four farmers described entering new market channels as a result of their participation in the Farms for the Future Phase 2 grant program. Generally, farmers have focused their marketing efforts on transitioning from one marketing channel to another or expanding previously employed marketing channels. These new marketing channels include transitioning from retail to wholesale markets, transitioning from wholesale to retail markets, entering or expanding farmers' markets, entering or expanding CSA (community supported agriculture) shares, and broadening direct purchasing options, such as through Internet sales; the top answers provided include:

- Wholesale markets (10)
- Retail markets (9)
- CSA shares (5)
- Direct farm sales / Internet sales (3)
- Farmers' markets (4)
- Food cooperatives (3)
- Restaurants (2)

Other new marketing channels mentioned include:

- Home delivery service
- Overnight delivery to stores nationwide
- Participation in farming associations
- Agri-tourism

A few farmers offered remarks about how their new and/or increased product lines have necessitated similar expansions in terms of marketing channels.

*"The CSA model, it's our favorite way of marketing. Having the grant pushed us in that direction. [We've also entered] farmers' markets."*

*"FFF helped in marketing and transitioning from wholesale to retail (beef, blueberries, and wine)."*

*"Used to be more wholesale, now directing business towards agri-tourism: hayrides, sleigh rides, shopping, kids' visits."*

#### IV. KEY RESEARCH FINDINGS: NEW MARKETING CHANNELS

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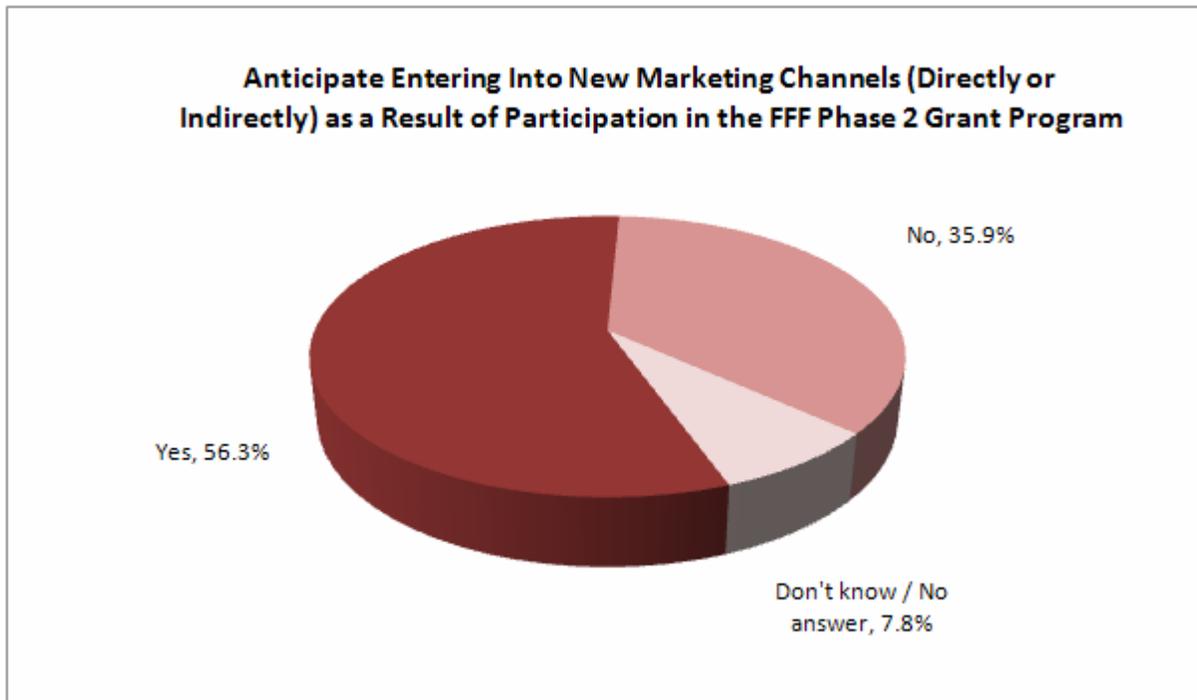
##### Anticipated Introduction of New Marketing Channels

*Do you **anticipate** entering into any new marketing channels (directly or indirectly) as a result of your participation in the FFF Phase 2 grant program within the next three years?*

*(Examples could include entering into the retail and/or wholesale market, participating in farmers markets, expanding into a different geographic region, etc.)*

	<b>N = 64</b>
No	35.9%
Yes	56.3%
Don't know	4.7%
No answer	3.1%

**Fifty-six percent of respondents (56.3%) anticipate entering into new marketing channels within the next three years as a direct or indirect result of the FFF program.**



#### IV. KEY RESEARCH FINDINGS: NEW MARKETING CHANNELS

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##### **Anticipated Introduction of New Marketing Channels (continued)**

In addition to the new marketing channels farmers have already entered, thirty respondents reported anticipated entry into a number of other new marketing channels within the next three years. The top anticipated new marketing channels include:

- Direct farm sales / Internet sales (7)
- Expansion into a different geographic region (5)
- Wholesale markets (5)
- Retail markets (4)
- Farmers' markets / farm stands (4)
- Food cooperatives (2)
- Organic market (2)

Other anticipated new marketing channels include:

- Various community entities, such as schools (1)
- CSA shares (1)

A few farmers offered general remarks about how they anticipate entering new marketing channels as their product lines continue to grow and expand.

*“Adding more wholesale accounts [through] distribution with Crown of Maine.”*

*“Direct fresh and possibly frozen into different geographic regions.”*

*“Thinking of farmers' markets [and] marketing from the Internet.”*

*“On the hay end, expand the market as we get new product. Retail sales of beef will expand dramatically once we get our inspection.”*

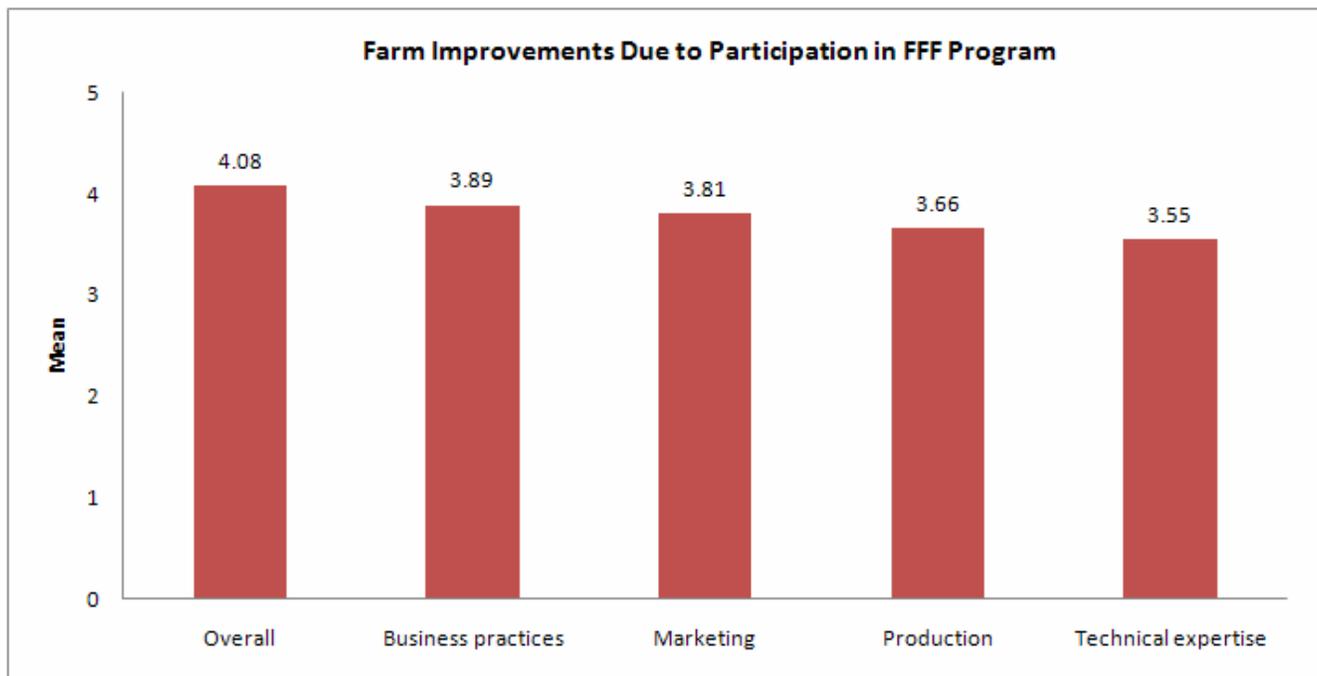
#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

##### Farm Improvements Due to Participation in FFF Program

Using a scale from 1 to 5, where 1 is “not at all” and 5 is “significantly,” please rate the extent to which your farm has improved as a result of your participation in the FFF Program (Phase 1 and/or Phase 2):

N = 64	1	2	3	4	5	No answer	Mean (1 to 5)
	Not at all	Very little	Some	A fair amount	Significantly		
Overall	0.0%	7.8%	4.7%	56.3%	28.1%	3.1%	4.08
Business practices	3.1%	7.8%	12.5%	48.4%	26.6%	1.6%	3.89
Marketing	3.1%	10.9%	17.2%	35.9%	29.7%	3.1%	3.81
Production	7.8%	9.4%	15.6%	39.1%	25.0%	3.1%	3.66
Technical expertise	1.6%	12.5%	31.3%	34.4%	17.2%	3.1%	3.55

Farmers rated the extent to which their farm has improved overall as a result of their participation in the FFF program very well – mean = 4.08 out of 5. Respondents also indicated that their business practices, mean = 3.89 and marketing mean = 3.81 have improved a fair amount as a result of participation in the FFF program.



#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### Positive Impacts of the FFF Program

***Please describe any other positive impacts you have experienced or anticipate experiencing within the next three years as a result of your participation in the FFF Program (Phase 1 and/or Phase 2):***

The farmers who have participated in the Farms for the Future program have experienced many positive impacts as a result of their participation in this program. A total of fifty-seven of the sixty-four farmers (89.1% of the sample) cited positive impacts that they have experienced as a result of their participation; several farmers listed multiple positive impacts which they have experienced. Two of the most frequently listed positive impacts are:

- **Business planning / Have a business framework (13); and**
- **Market understanding / Feasibility (8).**

These farmers expressed sincere appreciation for having gone through the planning process in Phase 1 of the Farms for the Future program. Understanding their markets more clearly, being able to determine the feasibility of business ideas, and having a framework for operating their farms as businesses have been invaluable tools for many of the farmers who have participated in this program.

*“Well, the Phase 1 was the most valuable because it gave us a basis to look at it from a business standpoint that we wouldn’t have otherwise done, at least not in such an organized, formalized fashion. It gives you the information to make an objective decision. Business, without a plan, is often an emotional idea, rather than a pragmatic one.”*

*“I expected the business plan to be worthwhile, but it ended up being so much more helpful than I even imagined. I’ve referred to the business plan at least once a month.”*

*“Believing in business plans. I never really did a business plan, and I thought they were a bunch of hoey. Since [Phase 1], I’ve done two other [business plans].”*

*“The business plan opened our eyes to what we want for the future. When you’re so busy, you don’t take the time to think that way.”*

*“FFF has provided a framework that has kept me motivated through some very negative and extreme weather conditions.”*

*“It gave me insight into what investments I should make, and even more important, what investments I shouldn’t make.”*

*“The biggest thing we learned was about what products will actually work and what won’t and we never would have known that and we would have wasted so much money if not for the business plan.”*

#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### **Positive Impacts of the FFF Program (continued)**

The support, resources, and technical assistance available to farmers were also reported as important positive impacts experienced as a result of FFF participation:

- **Availability of resources (e.g. experts, educational, staff) (9);**
- **Networking (e.g. experts, farmers, customers) (5); and**
- **Technical information / assistance (3).**

*“The technical assistance is a very, very strong part [of the FFF program]. I think the farmer needs to realize [the technical assistance] is a time commitment, and I think CEI makes that clear. I think it’s great that CEI puts a team together, and the people they can get, it’s impressive. The opportunity of having experts come to your farm and talk amongst themselves about your work, it’s rich. Money is hard to get, but expertise is even [more difficult]. So that said, some technical assistance in Phase 2 would also be helpful.”*

*“The people no doubt, particularly Kerri Sands. [We also had] a refrigeration consultant come out to [our] property.”*

*“The people we were brought into contact with, from Kerri to the team, the people who were selected to work with us were wonderful. We’re in contact with one or two of them all the time. Networking, that’s one of the things I think agriculture is benefited by, I think there are many resources available. Many people are willing to share their successes and failures with you, and I don’t think that’s the case with a lot of other businesses. So this whole enterprise has made us come into contact with people and think about things that we wouldn’t have otherwise considered.”*

*“Kerri was great, and I think she does a really good job. Her personality is really conducive to the program.”*

Other positive impacts cited by respondents include:

- Improvements in productivity / production (8);
- Increased sales, profit, income, or revenue (7);
- Marketing improvements (7);
- Efficiency improvements (6);
- New equipment (e.g., tractor) (5); and
- Structural improvements (e.g., barn) (5).

#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### Positive Impacts of the FFF Program (continued)

*“We increased revenue and profit. Direct retail sales increased from 0% to 90+%.”*

*“It brought our own business to professional level in efficiency, planning production, marketing.”*

*“It kind of gave me a brand so to speak. [And] tools to manage the business with.”*

*“I can market my product in a better package and make more profit.”*

*“Efficiency due to improved space and equipment.”*

*“Increased marketing, drive, and production.”*

*“Learned a lot about accounting, marketing, and running a successful business.”*

Additionally, some farmers mentioned that they have experienced positive impacts as a result of the grant money received (4); because they now have more land (4); because they introduced new animals or products to the farm (3); because they are in new markets (3); because they have more confidence or drive (3); and because of an improved quality of life due to participation (3).

*“It jumped us ahead in many ways. As farmers, you tend to be conservative in your spending. We weren’t interested in taking out tons of loans.”*

*“We used money to buy the farm next door. We grow corn for grain – for feed. This has had a major impact because of the price of corn. If we didn’t grow our own corn, it’d [cost] close to \$12,000 per month.”*

*“Farm operation is clean, enjoyable, less labor and more attractive to younger [generations].”*

*“Our business has expanded and continues to grow significantly. We would not have dared to go this far without the help (financially) and expert knowledge to get it going.”*

#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### Positive Impacts of the FFF Program (continued)

The positive impacts that farmers **anticipate** experiencing are somewhat different from those which they have already experienced. The main positive impact that farmers anticipate experiencing is:

- **Increased profits and income (10).**

*“Income increase, additional diversity and full-time employment for both of us.”*

*“Increase sales, increase bottom line, increase sustainability.”*

*“Our income will go up greatly once the barn is complete; we'll be boarding horses.”*

Respondents also indicated that they anticipate positive impacts with regard to:

- **Marketing (5);**
- **Introducing new products (4);**
- **Decreased costs / expenses (3);**
- **Farm growth / expansion (3);**
- **Increases or change in employment (3); and**
- **Stability (3).**

*“We expect to continue to grow and expand. We re-invest all income back into the business.”*

*“Will expand supply and continue to expand markets [and] add new products.”*

*“Once we get the house situated what I think will happen is that we'll have a really great summer. Now that we have our own land, we have the potential to do a lot more.”*

#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### Positive Impacts of the FFF Program (continued)

Other anticipated positive impacts mentioned by a lesser number of respondents are listed below:

Better food for animals	Expand supply / yields	Increased networking
Consolidate farm	Grow / expand markets	Maintain organic status
Continued business planning	Have business running	More land / space
Decrease labor	Have on-farm income	Move farm into a trust
Easement on farm	Improved management	Production
Education for customers	Improved record-keeping	Reduce purchased energy
Efficiency	Increased agri-tourism	Structural improvements / Barn
Equipment (e.g. tractor, haying)	Increased knowledge	Sustainability

**It is important to note that twenty-three of the responding farmers did not provide an answer to this particular question.**

#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### Negative Impacts of the FFF Program

*Please describe any other negative impacts you have experienced or anticipate experiencing within the next three years as a result of your participation in the FFF Program (Phase 1 and/or Phase 2):*

Farmers reported incurring far fewer negative than positive impacts as a result of participating in the Farms for the Future program. Twenty-one of the sixty-four respondents answered this question.

The principal negative impacts incurred were associated with:

- **Business planning (3);**
- **Challenges keeping up with expansion (3);**
- **Paperwork (3); and**
- **Problems with team or technical assistance (3).**

Respondents also mentioned negative impacts associated with increased debt (2); meeting the grant match (2); the FFF staff being overworked (1); financial problems associated with how grant money was spent (1); funding (1); involvement with government (1); lack of follow-up from team, technical assistance (1); problems with FAME (1); repairs to farm (1); and the time commitment (1).

*“Business planning is very daunting for many farmers. It’s time consuming for year-round farmers. It’s hard not to run in all sorts of directions.”*

*“I did have some difficulty getting my team members to edit my business plan, and I really had to hunt them down.”*

*“It’s taken so much time and effort to handle the sales. It’s taken a lot away from our quality of life. That’s something we could actually use some technical help addressing, how to handle the increased sales.”*

*“Some of the consultants could be stronger and more available. They need to have the time to spare, [they need to have] time to offer to the program.”*

*“The [75%] match was difficult, and we were fortunate that we were older. I know there should be some match, but more money would be very helpful.”*

*“After we got our check, we were pretty much on our own. We file three separate tax returns. Bookkeeping gets expensive to pay to have someone.”*

#### IV. KEY RESEARCH FINDINGS: OVERALL IMPACT OF THE FFF PROGRAM

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##### Negative Impacts of the FFF Program (continued)

It is important to note that twenty-six respondents said that they have not experienced any negative impacts as a result of their participation, and seventeen respondents did not provide an answer to this question, for a total of 43 of the respondents (67.2% of the total sample).

Only seven farmers (1.1% of sample) reported that they **anticipate** incurring negative impacts in the future as a result of their participation in the Farms for the Future program. Five of the responses are related to financial indebtedness and / or the cost of doing business as a farmer. The other two responses are:

*“Changing outlook for future.”*

*“We anticipate health insurance to be a hurdle.”*

#### IV. KEY RESEARCH FINDINGS: RATINGS OF THE FFF PROGRAM

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##### **Biggest Contributions the FFF Program Has Made**

*We are interested in finding out how the FFF Program (Phase 1 and/or Phase 2) has been most helpful to farmers. Which of the following five areas has the FFF Program made the **biggest contribution** to the success of your farm operation? Which of the areas has made the **second biggest contribution**? Finally, which of the areas has made the **third biggest contribution**?*

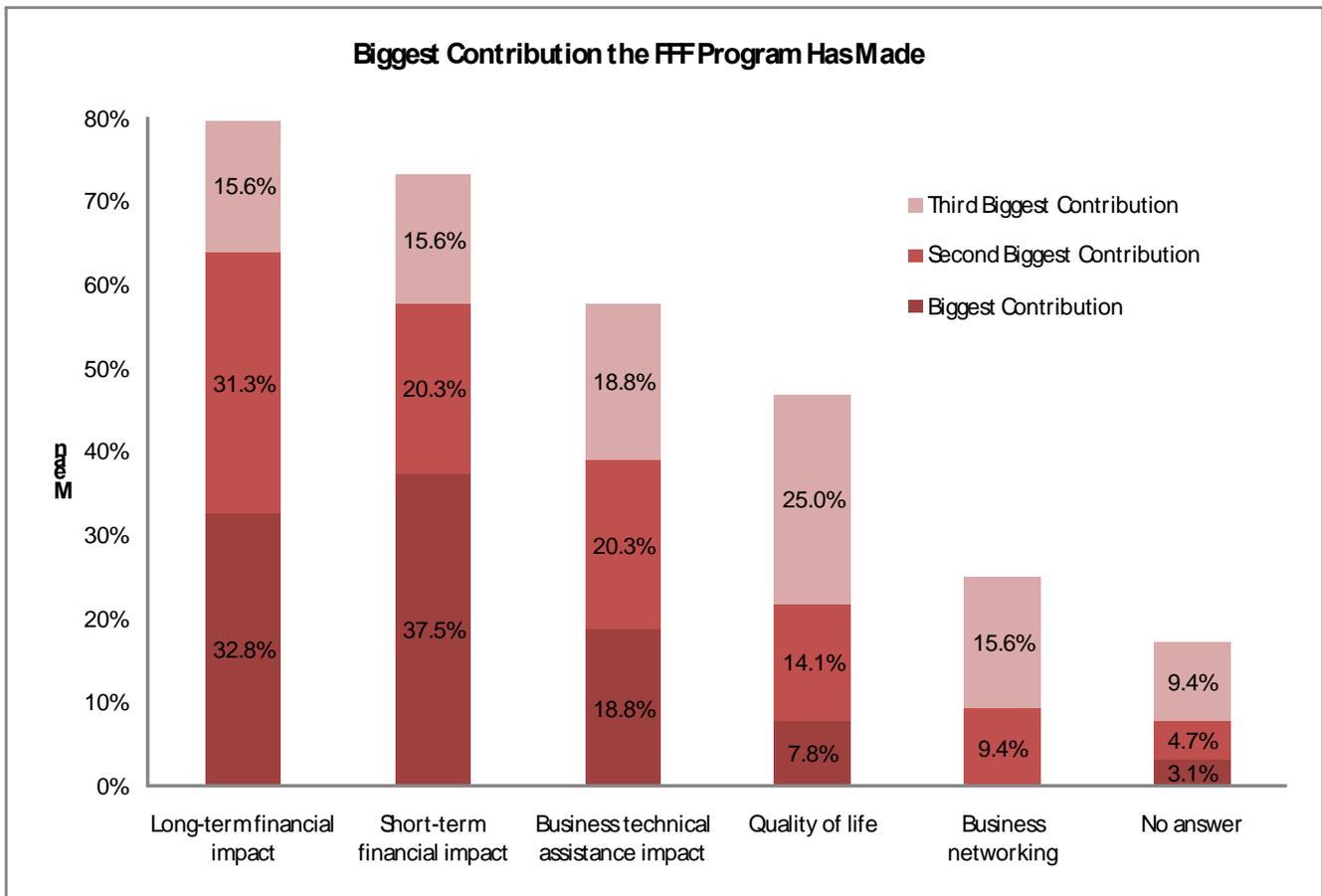
<b>N = 64</b>	<b>Biggest Contribution</b>	<b>Second Biggest Contribution</b>	<b>Third Biggest Contribution</b>	<b>Total</b>
Long-term financial impact	32.8%	31.3%	15.6%	79.7%
Short-term financial impact	37.5%	20.3%	15.6%	73.4%
Business technical assistance impact	18.8%	20.3%	18.8%	57.8%
Quality of life	7.8%	14.1%	25.0%	46.9%
Business networking	0.0%	9.4%	15.6%	25.0%
No answer	3.1%	4.7%	9.4%	17.2%

**When asked to indicate in which of five areas the FFF program has made the biggest contribution to the success of their farm's operation, 37.5% of respondents answered short-term financial impact and 32.8% answered long-term financial impact.**

**When totaling the answers given for the top three contributions, 79.7% of farmers named long-term financial impacts and 73.4% named short-term financial impacts.**

**IV. KEY RESEARCH FINDINGS: RATINGS OF THE FFF PROGRAM**

**Biggest Contributions the FFF Program Has Made (continued)**



#### IV. KEY RESEARCH FINDINGS: RATINGS OF THE FFF PROGRAM

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##### Ratings of the FFF Program

*On a scale from 1 to 5, with 1 being low and 5 being high, how would you rate the Farms for the Future Program on the following issues?*

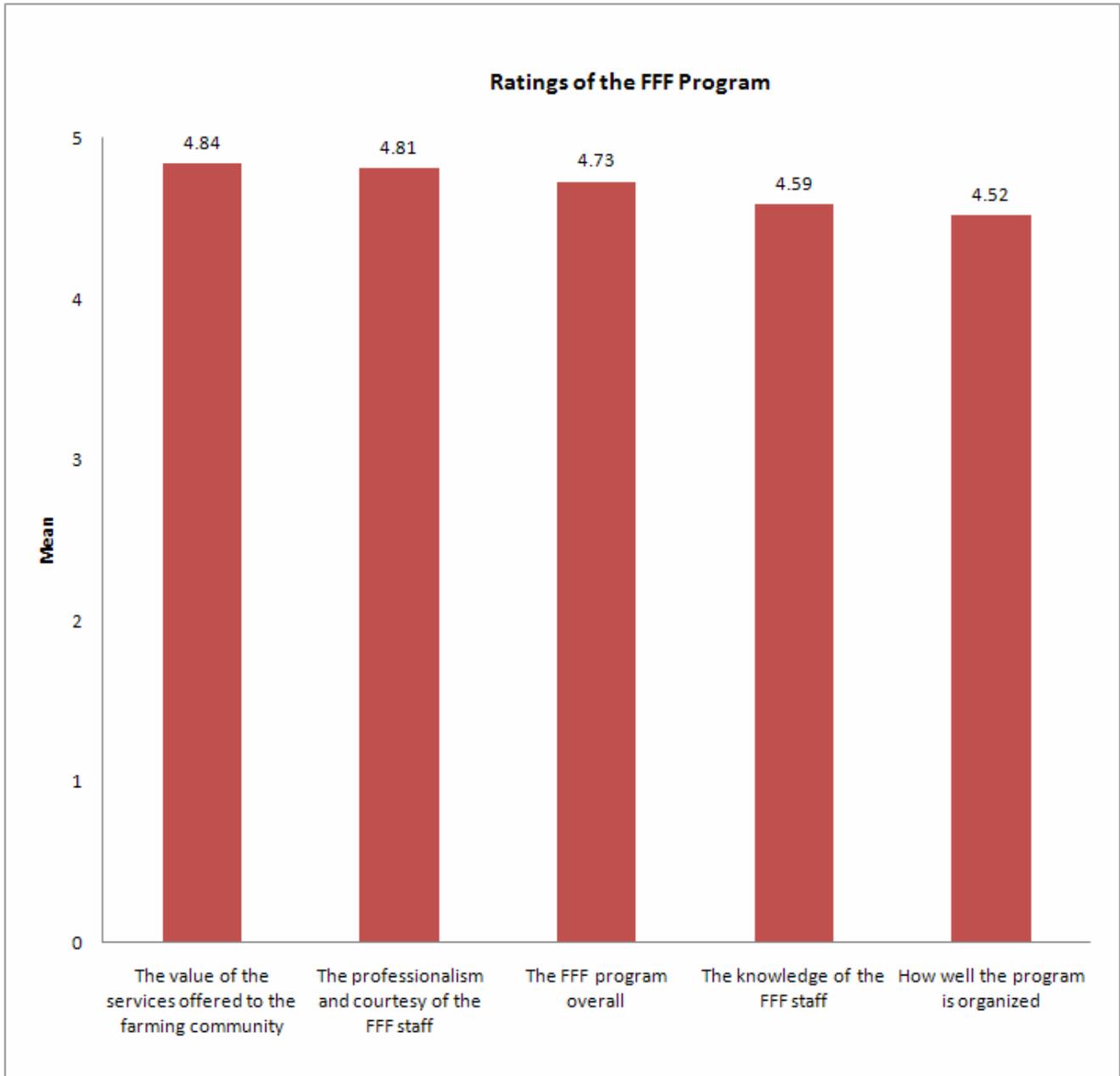
N = 64	1	2	3	4	5	Not sure / No answer	Mean (1 to 5)
	Low				High		
The value of the services offered to the farming community	0.0%	0.0%	0.0%	15.6%	81.3%	3.1%	4.84
The professionalism and courtesy of the FFF staff	0.0%	1.6%	1.6%	10.9%	82.8%	3.1%	4.81
The FFF program overall	0.0%	0.0%	1.6%	23.4%	71.9%	3.1%	4.73
The knowledge of the FFF staff	0.0%	0.0%	3.1%	32.8%	59.4%	4.7%	4.59
How well the program is organized	0.0%	0.0%	3.1%	39.1%	51.6%	6.3%	4.52

Respondents were asked to rate five aspects of the FFF program. While all five aspects of the FFF program received extremely high overall ratings, the component of the program that rated highest was the value of the services offered to the farming community with a mean of 4.84 out of 5. This was closely followed by the professionalism and courtesy of the FFF staff – mean = 4.81. The FFF program overall also rated very highly with a mean of 4.73.

#### IV. KEY RESEARCH FINDINGS: RATINGS OF THE FFF PROGRAM

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##### Ratings of the FFF Program (continued)



#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### Perceived Strengths of the FFF Program

##### *What do you view as the major strengths of the FFF Program (Phase 1 and/or Phase 2)?*

A total of sixty respondents (93.8% of the sample) answered this question. FFF grant recipients identified numerous strengths of the program.

##### Business Planning and Staff Support

The business planning provided in Phase 1 of the FFF program was cited as a key strength by many program participants. For many farmers, this was their first time conducting business planning. Most appear to have embraced the need for ongoing business planning. Aspects of the planning process which were cited as being particularly helpful include:

- ✓ Access to and consultation with a team of experts over an extended time period
- ✓ The opportunity for farmers to adjust their views, and consider the operation of their farms as business enterprises
- ✓ Services and strong support received from the FFF staff on an ongoing basis
- ✓ The opportunity to examine the feasibility of new projects under consideration

*“Business analysis opportunities, resources, guidance, networking, and the ability to recognize unique and non-traditional practices.”*

*“Cultivating sustainable farming business through engendering strong decision-making skills and providing structure and financing.”*

*“There were enthusiastic and knowledgeable people on the team. Team leaders were dedicated to success of project and plan.”*

*“It was farmer driven and a huge help in getting you to take an idea you may have and really look at it critically and thoroughly to see if it's feasible or not for you.”*

*“I think the strength is helping the farming community create a more viable business by expanding marketing channels. Just doing it by yourself, I don't think it can be done.”*

#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### **Perceived Strengths of the FFF Program (continued)**

*“Kerri Sands, the lady who runs it, is top notch. The technical support is great. They (CEI/FFF) also have a pretty good outreach to find people.”*

*“One thing that Kerri is so good at is if Kerri doesn't know the answer, she knows who to call. The accumulated knowledge of what they know and that combined with the knowledge levels of the people they know, they can hook you up with everything.”*

*“Phase 1 provided the T.A. team. It is very unlikely we would have invested resources or time into organizing a T.A. team for our farm.”*

##### **Financial Support/Grant**

The financial assistance provided via the (25% of project cost) grant is also perceived to be a key strength. Many farmers also said that the grant provided the impetus needed to kick start a long-planned project.

*“Phase 1: In terms of just making you sit down and think about your farm and your business. Phase 2: Kick starts you for things you might want to do but are unable to do.”*

*“It provided technical and monetary assistance with an organized plan to achieve growth.”*

*“The money was key. It gave us the encouragement needed to implement a business plan.”*

*“Phase 2 provided significant financial help in reaching our goals/dreams.”*

##### **Support for Building Sustainable Agriculture in Maine**

Another perceived key strength of the program is its contribution to building sustainable farming in Maine, and development of recognition of the importance of farming to the Maine economy.

*“This helps support farming for the long term.”*

*“I think just that they're working for the agriculturalists. I think we need a wake up call about the importance of agriculture.”*

*“The process helps farmers get aimed in the right business direction. Increases long-term farm and agricultural viability.”*

#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### **Perceived Strengths of the FFF Program (continued)**

*“The support of small farms to make them financially viable and sustainable as well as farm preservation.”*

**The program assists farmers in improving their technological and productive capacities.**

*“Farmers are looking at their operation from a different technological perspective.”*

*“It helps small farmers – not much is set up for us. It brings people together to help us at our farms, and makes money available for purchase of equipment.”*

*“The willingness to provide technological advice and consultation is a strength of the program.”*

In this context, some farmers also mentioned that technological advances and new equipment had helped not only in terms of improved productivity, but also in reducing the drudge factor in everyday farming operations.

##### **Marketing**

Many farmers discussed the role that improved marketing skills has played in their success. These skills have been honed as a result of engagement in the business planning process with a team of experts, and increased opportunities to learn new marketing skills as a result of networking with other farmers who have participated in the program.

*“Working with FFF Staff and networking with other farmers is a real plus”.*

*“It gives you the tools needed to develop and market a new idea.”*

##### **Development of Computer Skills**

Many of those interviewed also cited the acquisition of new or better computer skills during the business planning process as a strength of the program. These include bookkeeping, website development, and overall farm business planning and management skills.

##### **Team of Experts**

Another perceived strength of the program is that it has assisted in the development of a large, statewide team of farm business and agricultural experts who are available to help Maine farmers.

#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### Perceived Weaknesses of the FFF Program

##### *What do you view as the major weaknesses of the FFF Program (Phase 1 and/or Phase 2)?*

Forty-eight respondents provided a response to this question.

##### FFF Funding Levels/Resources

The biggest FFF program weakness cited revolved around issues of funding or resources. These are:

1. The grant cap of \$25,000 is too low.
2. The grant match level of 25% is too low.
3. The overall level of state funding is inadequate for the number of Maine farms who would be well served to engage in the FFF program.
4. FFF staff is limited in terms of resources.

*“25% grant is only worthwhile if the project is big so this encourages farmers to spend as much as possible.”*

*“The 25% match still puts some farmers at financial risk.”*

*“The 3–1 match would have been difficult to achieve without off-farm income.”*

*“I just wish it had funds to help more farms – so many people could really benefit from this program.”*

*“I think the major weakness is lacking the type of support we need from the state and the legislature. I think Maine could be a great state for agriculture if we had that state support. I'm convinced this is a good program and the state of Maine needs it.”*

*“The Phase 2 required match portion was high and the maximum grant was quite low. This weakness did not impede our farm project. However, there are few grant programs available for farmers who often need more capital.”*

*“There is not enough overall funding to reach a larger segment of farms or have a larger impact per farm.”*

*“Kerri Sands is overworked.”*

#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### Perceived Weaknesses of the FFF Program (continued)

##### The Business Team

Six of the participating farms felt that there was some weakness with regard to their own business advisory team. Specifics cited in this regard revolved around perceptions of lack of understanding of a farmer's business, a poor personality fit, or lack of availability to meet with the farmer.

*"I had problems with my team. I really only had one good helper with my team. My team really fell apart, insofar as helping with the business plan."*

*"It's important to choose your Phase 1 team wisely. Make sure they have the experience to advise you well."*

*"Many team members in Phase 1 never even attended a meeting, – but I realize people are busy."*

*"We need better coordination of people who offer assistance [in Phase 2]. Some did not work out."*

*"Our business advisor was busy/ill a huge portion of the time during Phase 1."*

*"Our team could have been a bit larger, and structured better for us and our project. Having two farmers involved would be better."*

*"Phase 1 – the business expert I had for writing my business plan had no concept of how a farm works."*

##### Phase 1 Program Length

A couple of farmers cited the perceived need for more time to complete Phase 1 of the program as a weakness. An example is the need for more time to develop a new concept if the feasibility of an original idea turns out to be negative. Greater flexibility with regard to the timing of Phase 2 entry is recommended.

#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### Suggestions for Improving the FFF Program / Other Comments

##### *Do you have any suggestions for how the FFF Program (Phase 1 and/or Phase 2) could be improved?*

A total of thirty-two farmers offered suggestions as to how the Farms for the Future program could be improved. Generally these suggestions related to the extension or expansion of services currently provided by the program. Another suggestion offered was that more stable funding be put in place, to ensure the continuation of the Farms for the Future program. The most common suggestions made include:

- **Provide follow up technical assistance, upon implementation of the project (9)**

*“We would like follow-up with technical assistance. Some kind of follow-up a year or two later because we now have the numbers to back up. A full cycle later – 18 months or two years.”*

*“I think it’s in the state’s and CEI’s best interest to see what these people have done with the money, so there needs to be follow up to make sure the money is being spent wisely. And if it becomes a requirement, or part of a Phase 3 follow up technical assistance piece, it would be beneficial to both the grantor and the grantee.”*

*“It wouldn’t hurt to have sort of an annual audit, where someone checks back in with you a year later about your business plan. A review of that information on an annual basis, by a person from the outside with a more objective standpoint, who looks at the financials.”*

*“If teams had been effective, have your team come back and follow up with you after Phase 2. After the money has been granted, and in acknowledgement of how plans change, check in before [the project] is implemented and while it is being implemented.”*

*“I just wish there could have been more follow up. It could be that I just missed the guys, because it’s pretty intense, and then boom, it’s done. I can see that it’s been a few years and they have a lot of farms, but follow up technical assistance would be helpful.”*

- **Expand teams / ensure commitment of team members (6)**

*“I think the participation of the team is vital. Having a financial person on the team was invaluable. I’m not sure how team members are compensated, but I would recommend that at least one person is a financial wizard. And I’m not sure if the compensation is enough, in terms of ensuring [team members’] commitment to the project.”*

*“Carefully choose consultants, particularly for farming. I didn’t get as much help on the farming side, I could have used more. [FFF] may need to offer a bigger stipend to make it worthwhile, so farmers can offer more constructive help.”*

#### IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS

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##### Suggestions for Improving the FFF Program / Other Comments (continued)

*“You could put additional people on the team, unrelated to the sole economic aspect of the project, such as alternative energy people. Or, maybe in Phase 2, there could be small forums, discussions, or meetings, with a small group of farmers attending, about a series of diverse topics. Such as a workshop on eco-tourism that focuses on access and liability.”*

- **Increase match of funds / increase grant amounts (5)**

*“Twenty-five percent is too little. Up it to fifty percent. A lot of work goes into the business planning and time is [money].”*

*“FFF should be able to fund up to fifty percent of some projects.”*

- **Secure funding to ensure permanency of Farms for the Future (4)**

*“The funding issue, I wish they had more stable funding. Kerri has to take time to secure funding and it would be helpful if that were guaranteed, so she could focus on other things. Because if she were to leave the program [CEI] would be hard-pressed to find anyone who would do so much in so little time.”*

*“FFF is one of the bright spots of support for farmers by Maine government. It succeeds in its goal of significantly enhancing long-term viability of Maine farmers. It would be a foolish blunder to delete funding for the program.”*

*“The biggest effect on Maine’s landscape would be if farming could be successful. That would protect the most land, so I definitely want the program to stay around.”*

*“The more farms eligible the better. The more funding for this program the better! Especially to maximize [the] number of farms participating.”*

- **Adjust Phase 1 and/or Phase 2 timelines (3)**

*“Adjust timeframe, or give a slow option for those who want to evaluate options and a fast track for those who know what they’re doing.”*

**It is important to note that seven respondents offered only positive remarks about the Farms for the Future program, five did not have any suggestions as to how the program could be improved, and an additional twenty-two respondents did not provide an answer to this question, for a total of thirty-two respondents who did not have any suggested improvements (50.0% of the total sample).**

**IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS**

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**Likelihood of Recommending the FFF Program to Another Farmer**

***How likely would you be to recommend the FFF Phase 1 program to another farmer? What about Phase 2?***

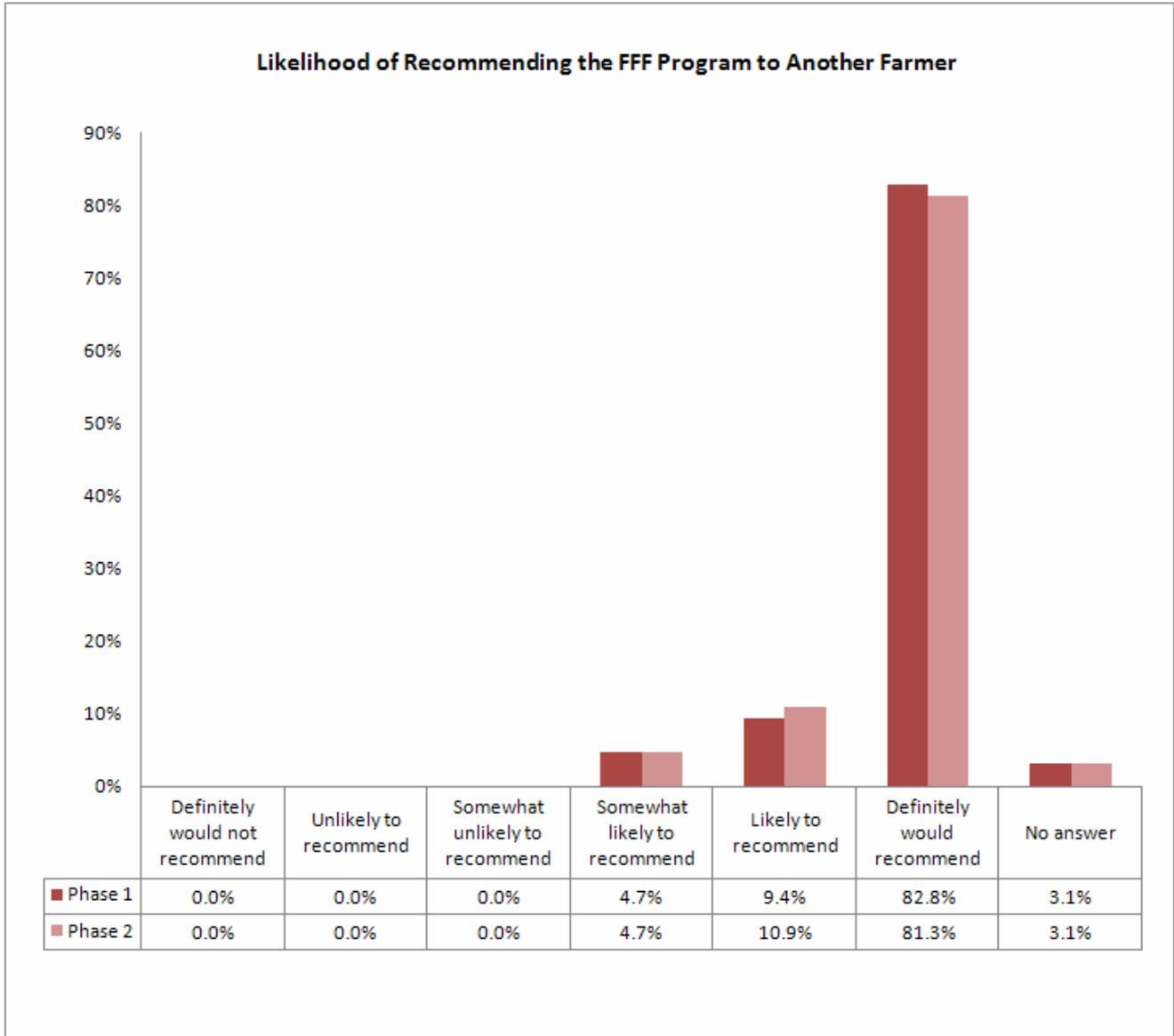
<b>N = 64</b>	<b>Phase 1</b>	<b>Phase 2</b>
1 – Definitely would <u>not</u> recommend	0.0%	0.0%
2 – Unlikely to recommend	0.0%	0.0%
3 – Somewhat unlikely to recommend	0.0%	0.0%
4 – Somewhat likely to recommend	4.7%	4.7%
5 – Likely to recommend	9.4%	10.9%
6 – Definitely <u>would</u> recommend	82.8%	81.3%
No answer	3.1%	3.1%
<hr/>		
Unlikely to recommend (1 to 3)	0.0%	0.0%
Likely to recommend (4 to 6)	96.9%	96.9%
<hr/>		
Mean (1 to 6)	5.81	5.79

**Nearly all of the participants indicated that they would be likely to recommend the FFF program to another farmer – both for Phase 1 (96.9%) and Phase 2 (96.9%). Not one respondent reported being unlikely to recommend the program – the remaining 2 respondents did not answer the question. This level of likely recommendation is a very high testament to the success of the FFF program.**

**IV. KEY RESEARCH FINDINGS: STRENGTHS, WEAKNESSES & SUGGESTED IMPROVEMENTS**

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**Likelihood of Recommending the FFF Program to Another Farmer (continued)**



#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### County

	<b>N = 64</b>
Androscoggin	6.3%
Aroostook	12.5%
Cumberland	7.8%
Franklin	1.6%
Hancock	7.8%
Kennebec	15.6%
Knox	6.3%
Lincoln	7.8%
Oxford	1.6%
Penobscot	6.3%
Piscataquis	6.3%
Sagadahoc	1.6%
Somerset	3.1%
Waldo	12.5%
Washington	1.6%
York	1.6%

#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### Phase 2 Project Begin and End Dates

*Please verify the Phase 2 Project begin date and (projected) end date.*

<b>N = 64</b>	<b>Project Begin Date</b>	<b>Project End Date</b>
2001	1.6%	0.0%
2002	9.4%	6.3%
2003	15.6%	1.6%
2004	29.7%	10.9%
2005	20.3%	23.4%
2006	17.2%	15.6%
2007	6.3%	18.8%
2008	N/A	9.4%
2009	N/A	7.8%
2010	N/A	4.7%
2012	N/A	1.6%

#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### Percentage of Project Completed to Date

*Approximately what percentage of your project has been completed to date?*

	<b>N = 64</b>
Less than 25%	7.8%
25% to 49%	7.8%
50% to 74%	10.9%
75% to 99%	37.5%
100%	31.3%
No answer	4.7%
Mean	77.5%

#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### Acres Owned

	<b>N = 64</b>
Less than 50 acres	28.1%
50 to 200 acres	35.9%
More than 200 acres	35.9%
Mean	180.5

##### Acres in Production

	<b>N = 64</b>
Less than 50 acres	56.3%
50 to 200 acres	31.3%
More than 200 acres	12.5%
Mean	101.0

##### Acres Protected as Part of Participation in FFF Phase 2 Grant Program

*What is the total number of acres that was protected as part of your participation in the FFF Phase 2 grant program?*

	<b>N = 64</b>
Less than 50 acres	34.4%
50 to 200 acres	37.5%
More than 200 acres	17.2%
No answer	10.9%
Mean	236.8

**According to survey respondents, the mean number of acres protected due to participation in the FFF program is 236.8. When this number is extrapolated to the total FFF population (75 farms), it is estimated that 17,760 acres have been protected due to the FFF program. This is very close to the figure (18,840) originally estimated by CEI.**

#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### Age

*Into which of the following categories does your age fall?*

	<b>N = 64</b>
Under 35	10.9%
35 to 44	17.2%
45 to 54	39.1%
55 to 64	31.3%
65 or older	1.6%

##### Number of Generations Farm has been in Family

*For how many generations has your farm been in your family? (Please include yourself as one generation.)*

	<b>N = 64</b>
One	62.5%
Two	10.9%
Three	7.8%
Four	4.7%
Five	9.4%
Seven	3.1%
No answer	1.6%
Mean	1.98

#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### Succession Plan for Farm

*Do you have a succession plan in place for your farm?*

	<b>N = 64</b>
No	51.6%
Yes	40.6%
No answer	7.8%

It is important to note that only four in ten farmers (40.6%) has a succession plan in place for their farm.

*Does the succession plan allow for continued ownership of the farm by a family member?*

	<b>N = 26</b>
No	2 (7.7%)
Yes	24 (92.3%)

#### IV. KEY RESEARCH FINDINGS: DEMOGRAPHICS

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##### Type of Farm

*Which of the following categories best describes your farm? (Please choose just one response.)*

	<b>N = 64</b>
Apples	0.0%
Beef	6.3%
Berries / Cranberries	6.3%
Dairy / Cows	14.1%
Diversified Livestock	3.1%
Diversified Vegetables and Livestock	10.9%
Diversified Vegetables and Ornamentals	4.7%
Goats	1.6%
Hay / Grain	3.1%
Herbs / Medicinal	0.0%
Maple Syrup / Honey	1.6%
Ornamentals	1.6%
Potatoes	3.1%
Sheep	1.6%
Vegetables	1.6%
Multiple answers / Diversified Other	39.1%
No answer	1.6%

**APPENDIX A**  
**FFF BUSINESS PLANNING PROCESS DESCRIPTOR**  
**(PHASE 1)**

## Farms for the Future

### Suggested Steps and Benchmarks towards Completing the Business Plan

The following document outlines CEI's suggested timeline for farmers' completion of the business plan, prior to submitting an application for the Phase 2 grant program.

<b>November and December</b>	<ul style="list-style-type: none"> <li>• Farmers meet with Kerri and receive program orientation.</li> <li>• Farmers meet with team members, either as a group or individually.</li> <li>• With help of team, each farm assesses current farm situation and establishes goals &amp; ideas for team to explore.</li> <li>• A team leader is selected who will help keep the process moving.</li> <li>• Business planner on each team assesses <b>current</b> farm financials and provides guidance in gathering necessary data.</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>• Write the parts of the plan that have to do with describing <b>current</b> and <b>historical</b> situation: Vision/Mission Statement, Farm Business Description, Brief Sector Profile and Trends, Current Market Strategy, Current Management, Other Personnel, Location and Physical Resources.</li> <li>• Continue discussing your goals and project. Gut check - is the project looking <b>feasible initially</b>? Consult with team.</li> <li>• Figure out the <b>production costs</b> for your current products.</li> <li>• Decide if a <b>market analysis</b> must be done and how to do it.</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>• Analyze market and write first draft of <b>sales forecast and strategies</b>.</li> <li>• Continue work on <b>financials</b> with business planner (make note of quotes, estimates, and assumptions along the way).</li> <li>• Figure out the <b>production costs</b> for your future products.</li> <li>• Any <b>special needs</b> identified and course of action adopted.</li> <li>• Visit with other farmers or consultants.</li> <li>• Evaluate your competition.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>• <b>Financials</b>: deeper analysis, including: risk, sensitivity</li> <li>• Compile all required <b>financials</b>.</li> <li>• Begin collecting drawings, equipment lists, or estimates on any <b>projects</b> that must be done.</li> <li>• Visit with other farmers or consultants.</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>• <b>Financials</b>: specialists on team review budgets for realistic assumptions.</li> <li>• Complete the <b>Production/Operational Plan</b>, including anticipated changes.</li> <li>• Complete the <b>Marketing Plan</b>, including anticipated changes.</li> <li>• Complete <b>Management Plan</b>: describe any new aspects.</li> <li>• Describe the <b>project</b> you wish to complete, and its <b>impact</b>.</li> <li>• Make the <b>Sources and Uses of Funds</b> chart.</li> <li>• Send out to team for comments.</li> </ul>
<b>Early April</b>	<ul style="list-style-type: none"> <li>• Seek information on loans if a loan will be necessary. What are the requirements?</li> <li>• <b>Summary</b>: written</li> <li>• <b>Exit Plan</b>: written</li> <li>• Final draft sent to team for review</li> <li>• Team's comments incorporated into plan</li> </ul>
<b>End of April</b>	<ul style="list-style-type: none"> <li>• First deadline to submit business plan for potential Phase 2 funding</li> </ul>
<b>End of September</b>	<ul style="list-style-type: none"> <li>• Second deadline to submit business plan for potential Phase 2 funding</li> </ul>

**APPENDIX B**  
**SURVEY INSTRUMENT**

## Farms for the Future Grant Program Evaluation Survey

The Farms for the Future (FFF) Program is conducting a survey of participants in the FFF Phase 2 grant program in order to measure the impact of the program and learn how the program can be improved. Your opinion is very important to us. We would very much appreciate your completing this survey and returning it to us no later than November 16, 2007 in the pre-paid envelope provided. **It is important to note that your individual responses will be kept strictly confidential from the FFF program staff.**

If you have any questions about this survey, you may contact:

- Kerri Sands at Farms for the Future (phone: (207) 772-5356 x114 or email: [kcs@ceimaine.org](mailto:kcs@ceimaine.org))
- Kristina Record at Pan Atlantic SMS Group (phone: (207) 871-8622 or email: [krecord@panatlanticsmsgroup.com](mailto:krecord@panatlanticsmsgroup.com))
- Patrick Murphy at Pan Atlantic SMS Group (phone: (207) 871-8622 or email: [pmurphy@panatlanticsmsgroup.com](mailto:pmurphy@panatlanticsmsgroup.com))

**Thank you very much for your participation.**

### EXPERIENCE WITH THE FFF GRANT PROGRAM:

1. The following information was included with your FFF Phase 2 grant application. Please verify the following information and make any necessary corrections, as applicable.

Farm name:	«Farm_Name»	Gross sales at Phase 2 entry:	«Gross_sales_at_Phase_2_grant_ei»
County:	«County»	Grant amount:	«Amount_Granted»
Acres owned:	«Acres_Owned»	Phase 2 project begin date:	«Phase_2_Project_begin_date»
Acres in production:	«Acres_in_production»	Phase 2 project end date:	«Phase_2_Project_end_date»

2. Please indicate the number of employees and/or apprentices working on your farm: 1) when you applied to the FFF Phase 2 grant program in «Phase\_2\_grant», and 2) currently. Also, please indicate any anticipated increases in the number of employees and/or apprentices working on your farm due to your participation in the FFF Phase 2 grant program within the next three years.

	«Phase_2_grant»	Current	Anticipated increase(s) due to FFF grant
Family members (including yourself)			
Other employees			
Apprentices			
<b>TOTAL NUMBER OF EMPLOYEES</b>			

3. How many family members, if any, **have been able** to leave an off-farm job and work on the farm due to your participation in the FFF Phase 2 grant program?

\_\_\_\_\_

4. How many additional family members, if any, do you **anticipate** being able to leave an off-farm job and work on the farm due to your participation in the FFF Phase 2 grant program within the next three years?

\_\_\_\_\_

5. According to your FFF Phase 2 grant application, you were awarded \$«Granted\_Phase\_II» for your FFF grant. When you began the grant phase of your project, what was the anticipated amount of your farm's financial contribution to your project? (Please include the total of personal funds, loans, and in-kind contributions.)

\$ \_\_\_\_\_

6. If FFF grants still provided 25% of the project costs but were NOT limited to \$25,000, would your farm have spent matching funds differently? (Please select the answer that is most applicable to your situation.)

1. Yes, we would have spent more
2. Yes, we would have spent less
3. No, we would have spent about the same

7. If not for the FFF Program (Phase 1 and Phase 2), how likely would you have been to undertake the project and invest your money?

	Definitely would <u>not</u> have undertaken the project	Unlikely to have undertaken the project	Somewhat unlikely to have undertaken the project	Somewhat likely to have undertaken the project	Likely to have undertaken the project	Definitely <u>would</u> have undertaken the project
Phase 1	1	2	3	4	5	6
Phase 2	1	2	3	4	5	6

Please provide specifics: \_\_\_\_\_

8. Including the FFF Phase 2 grant and your own personal financial contribution (including the total of personal funds, loans, and in-kind contributions), how much have you spent to date on your project?

\$ \_\_\_\_\_

9. Have you spent monies on further capital investment(s) for your farm that went beyond the initial scope of the FFF Phase 2 grant project?

1. No
2. Yes → How much more did you spend? \$ \_\_\_\_\_

10. What is the total number of acres that was protected as part of your participation in the FFF Phase 2 grant program?

\_\_\_\_\_

11. Approximately what percentage of your project has been completed to date? \_\_\_\_\_ %

12. Have you changed any of your **internal** business practices as a result of Phase 1 of the project? (Examples could include annually reviewing and/or revising your business plan, taking business classes, increasing your skills in QuickBooks, changing the ways in which you make business decisions, etc.)

1. No
2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

13. Have you received any free **external** business, technical, or production assistance since starting Phase 2 of the project?

1. No
2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

14. Have you spent any money on **external** business, technical, or production assistance since starting Phase 2 of the project?

1. No
2. Yes → Approximately how much money did you spend? \$ \_\_\_\_\_  
→ Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

15. What were your **gross** sales from farming operations in 2006?

\$ \_\_\_\_\_

16. Please indicate to what extent, if any, the **net** profit from your farming operations has changed since your project was implemented.

NET PROFIT FROM FARMING OPERATIONS HAS...						
Decreased Significantly	Decreased Somewhat	Decreased Slightly	Stayed the same	Increased Slightly	Increased Somewhat	Increased Significantly
1	2	3	4	5	6	7

Please provide specifics: \_\_\_\_\_

17. Have you introduced any **new technologies** (directly or indirectly) to your farm as a result of your participation in the FFF Phase 2 grant program?

- 1. No
- 2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

18. Do you anticipate introducing any **new technologies** (directly or indirectly) to your farm as a result of your participation in the FFF Phase 2 grant program within the next three years?

- 1. No
- 2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

19. Have you introduced any **new products** (directly or indirectly, including any value-added products) to your farm as a result of your participation in the FFF Phase 2 grant program?

- 1. No
- 2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

20. Do you anticipate introducing any **new products** (directly or indirectly, including any value-added products) to your farm as a result of your participation in the FFF Phase 2 grant program within the next three years?

- 1. No
- 2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

21. Have you entered into any **new marketing channels** (directly or indirectly) as a result of your participation in the FFF Phase 2 grant program? (Examples could include entering into the retail and/or wholesale market, participating in farmers markets, expanding into a different geographic region, etc.)

- 1. No
- 2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

22. Do you anticipate entering into any **new marketing channels** (directly or indirectly) as a result of your participation in the FFF Phase 2 grant program within the next three years? (Examples could include entering into the retail and/or wholesale market, participating in farmers markets, expanding into a different geographic region, etc.)

- 1. No
- 2. Yes → Please provide specifics: \_\_\_\_\_  
\_\_\_\_\_

23. To what extent do you think that the FFF Phase 2 grant program has affected your farm's production? (Examples could include changes in the amount of product(s) produced, acres farmed, etc.)

PRODUCTION ON THE FARM HAS...						
Decreased Significantly	Decreased Somewhat	Decreased Slightly	Stayed the same	Increased Slightly	Increased Somewhat	Increased Significantly
1	2	3	4	5	6	7

Please provide specifics: \_\_\_\_\_

24. To what extent do you think that the FFF Phase 2 grant program has affected your farm's efficiency? (Examples could include changes in process(es), lowered costs due to more efficient practices, etc.)

EFFICIENCY ON THE FARM HAS...						
Decreased Significantly	Decreased Somewhat	Decreased Slightly	Stayed the same	Increased Slightly	Increased Somewhat	Increased Significantly
1	2	3	4	5	6	7

Please provide specifics: \_\_\_\_\_

25. Using a scale from 1 to 5, where 1 is "not at all" and 5 is "significantly," please rate the extent to which your farm has improved as a result of your participation in the FFF Program (Phase 1 and/or Phase 2):

	Not at all	Very little	Some	A fair amount	Significantly
Business practices	1	2	3	4	5
Technical expertise	1	2	3	4	5
Production	1	2	3	4	5
Marketing	1	2	3	4	5
Overall	1	2	3	4	5

26. Please describe any other positive or negative impacts you have experienced or anticipate experiencing within the next three years as a result of your participation in the FFF Program (Phase 1 and/or Phase 2):

	Have Experienced	Anticipate Experiencing
Positive Impacts		
Negative Impacts		

**RATINGS OF THE FARMS FOR THE FUTURE PROGRAM:**

27. We are interested in finding out how the FFF Program (Phase 1 and/or Phase 2) has been most helpful to farmers. Which of the following five areas has the FFF Program made the biggest contribution to the success of your farm operation? Which of the areas has made the second biggest contribution? Finally, which of the areas has made the third biggest contribution? (Please write in the numbers that correspond to the applicable area in the spaces below.)

- |                             |       |   |                                      |
|-----------------------------|-------|---|--------------------------------------|
| Biggest contribution        | _____ | 1 | Short-term financial impact          |
|                             |       | 2 | Long-term financial impact           |
| Second biggest contribution | _____ | 3 | Quality of life                      |
|                             |       | 4 | Business technical assistance impact |
| Third biggest contribution  | _____ | 5 | Business networking                  |

28. On a scale from 1 to 5, with 1 being low and 5 being high, how would you rate the Farms for the Future Program on the following issues?

	Low				High	
How well the program is organized	1	2	3	4	5	Not sure
The knowledge of the FFF staff	1	2	3	4	5	Not sure
The professionalism and courtesy of the FFF staff	1	2	3	4	5	Not sure
The value of the services offered to the farming community	1	2	3	4	5	Not sure
The FFF program overall	1	2	3	4	5	Not sure

29. What do you view as the major **strengths** of the FFF Program (Phase 1 and/or Phase 2)?

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30. What do you view as the major **weaknesses** of the FFF Program (Phase 1 and/or Phase 2)?

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31. Do you have any suggestions for how the FFF Program (Phase 1 and/or Phase 2) could be improved? Please be as specific as possible in your response.

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32. How likely would you be to recommend the FFF Phase 1 program to another farmer? What about Phase 2?

	Definitely would <u>not</u> recommend	Unlikely to recommend	Somewhat unlikely to recommend	Somewhat likely to recommend	Likely to recommend	Definitely would <u>would</u> recommend
Phase 1	1	2	3	4	5	6
Phase 2	1	2	3	4	5	6

33. If applicable, what are the reasons why you **would not** be likely to recommend the FFF Program (Phase 1 and/or Phase 2)?

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DEMOGRAPHICS

34. Into which of the following categories does your age fall?

- 1. Under 35
- 2. 35 to 44
- 3. 45 to 54
- 4. 55 to 64
- 5. 65 or older

35. For how many generations has your farm been in your family? (Please include yourself as one generation.)

\_\_\_\_\_ generation(s)

36. Do you have a succession plan in place for your farm?

- 1. No → Skip to Question 38
- 2. Yes → Continue with Question 37

37. Does the succession plan allow for continued ownership of the farm by a family member?

- 1. No
- 2. Yes

38. Which of the following categories **best** describes your farm? (Please choose just one response)

- |   |                              |
|---|------------------------------|
| 1. Apples                                 | 9. Hay / Grain               |
| 2. Beef                                   | 10. Herbs / Medicinal        |
| 3. Berries / Cranberries                  | 11. Maple Syrup / Honey      |
| 4. Dairy / Cows                           | 12. Ornamentals              |
| 5. Diversified Livestock                  | 13. Potatoes                 |
| 6. Diversified Vegetables and Livestock   | 14. Sheep                    |
| 7. Diversified Vegetables and Ornamentals | 15. Vegetables               |
| 8. Goats                                  | Other (please specify) _____ |

39. After considering the various issues discussed in this survey, please use the following space to provide any further information or comments that you feel would be useful to our evaluation of the FFF Program. If you would like someone to contact you regarding your comments, please include your name and telephone number below.

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*Thank you very much for taking the time to complete this survey. Your opinions are very important to us. Please return your survey in the enclosed pre-paid envelope no later than November 16, 2007 to:*

*Pan Atlantic SMS Group  
5 Milk Street  
Portland, ME 04101*

**APPENDIX C**  
**LIST OF SURVEY RESPONDENTS**

## Quantitative Survey Respondents

<b>ID Number</b>	<b>Farmers</b>	<b>Farm Name</b>
1	Kathren, Catherine, and Ben Albert	Jalko Farm
2	David and Vicky Barker	Barker Farm, Inc.
4	Katherine, Edward and Rebekah Benson	Kay-Ben Holsteins
5	Sam Blackstone	Circle B Farms
6	Kevin & Kristi Brannen	Spring Break Maple & Honey
7	Jean Hay Bright & David Bright	Bright Berry Farm
8	Barbara Brooks	Seal Cove Farm
9	Mark and Xandy Brown	Long Meadow's Farm
10	Amy and Jeff Burchstead	Buckwheat Blossom Farm
11	Barry and Debbie Campbell	
12	John Carter	Middle Intervale Farm
13	Chris & Sue Caswell	Twin Maple Farm
14	Robin Chase	Chase Farm
15	Ginger Dermott and Daniel Price	Freedom Farm
16	Perry and Nate Ells	Ellsfarm
17	Paula and Stephen Farrar	Done Roving Farm & Carding Mill
19	Jim & Megan Gerritsen	Wood Prairie Farm
20	Monica Russo, Donor Relations/Fundraising	Good Will-Hinckley Farm
21	Eric Goodenough	Raven Hill Farm
22	Walter and Sharon Goss	Goss Berry Farm
23	Gloria & Mark Goughan	Goughan's Berry Farm
24	James Greager	F & A Farm
25	David Greeley	Common Hill Farm
26	Kathleen Haigh-Trodden and Liam Trodden	Second Chance Farm, LLC
27	Beth Haines and Rose, Joe & Dennis Fisher	Fisher Farm
28	Doug and Linda Hartkopf	Hart to Hart Farm
29	Brady Hatch and Brendan McQuillen	Morning Dew Farm
30	Eric and Libby Healy	Healy Farm
31	William and Carol Hegstrom	Roaring Acres
32	Barry Higgins	Maple Lane Farms
33	Stephen and Diana Hobart	Breakneck Ridge Farm
34	Glenn Jackson	Dei Gratia Organic Farm
35	Edward and Patricia Jillson	Jillson's Farm
37	Jason and Barbara Kafka	Checkerberry Farm
38	Shaun Keenan & Benji Knisley	Sand Hill Farm
41	Dennis King, Jo Barrett, Laura Millay	King Hill Farm
42	Warren A. Knight	Smiling Hill Farm, Inc.
44	Frank and Karen Lambert	Lucky Star Farm
45	Richard and Debra Lemieux	Lemieux's Orchards
46	Nicolas Lindholm & Ruth Fiske	Hackmatack Farm
47	Arnold and Elaine Luce	Luce's Meats and Maple Farm
48	Mark and Linda McBrine	Vine & Branch Farm
49	Marilyn and Stephen Meyerhans	The Apple Farm/Lakeside Orchards
50	Wayne and Jo Ann Myers	Beau Chemin Farm
51	John O'Donnell	O'Donnell's Farm
52	John & Christine O'Meara	O'Meara Family Farm
53	Donna and Steven Palmer	Plainview Farm, Inc.
54	Mary Perry	Winterberry
55	Todd Pierce	Spring Fever Farm
56	Jonathan Pierce & Deborah Dik	Harmony Mill Farm

57	Brian and Marie Powers	Hart's Clary Hill Farm
60	Paula and Sumner Roberts	Meadowsweet Farm
61	Gale and Peter Robinson	Leaves & Blooms
62	Elmer L. Savage	Barrett Hill Farm
63	Nancy and Ivan Smith	Snafu Acres
64	Jim Stampone & Kate LeRoy	Winter Hill Farm
67	Lorraine and Sidney Stutzman	Stutzmans Farm
68	Denis Thoet and Michele Roy	Long Meadow Farm
69	Ralph and Lisa Turner	Laughing Stock Farm
70	Daniel and Gail VanWart	Peaked Mountain Farm
71	Gloria Varney	Nezinscot Farm
72	Suzanne T. White	Little Dove Farm
73	Paul and Sherry Wilson	Echo Valley Farm
74	Dean Zoulamis & Clay Theberge	Sweet Fern Farm

**APPENDIX D**  
**LIST OF PROGRAM PARTICIPANTS INTERVIEWED**  
**ON SITE OR BY PHONE**

## Qualitative Survey Respondents

<b>ID Number</b>	<b>Farmers</b>	<b>Farm Name</b>
2	David and Vicky Barker	Barker Farm, Inc.
4	Katherine, Edward and Rebekah Benson	Kay-Ben Holsteins
9	Mark and Xandy Brown	Long Meadow's Farm
10	Amy and Jeff Burchstead	Buckwheat Blossom Farm
12	John Carter	Middle Intervale Farm
13	Chris & Sue Caswell	Twin Maple Farm
16	Perry and Nate Ells	Ellsfarm
22	Walter and Sharon Goss	Goss Berry Farm
25	David Greeley	Common Hill Farm
26	Kathleen Haigh-Trodden and Liam Trodden	Second Chance Farm, LLC
28	Doug and Linda Hartkopf	Hart to Hart Farm
30	Eric and Libby Healy	Healy Farm
32	Barry Higgins	Maple Lane Farms
34	Glenn Jackson	Dei Gratia Organic Farm
38	Shaun Keenan & Benji Knisley	Sand Hill Farm
41	Dennis King, Jo Barrett, Laura Millay	King Hill Farm
42	Warren A. Knight	Smiling Hill Farm, Inc.
43	Jean and Peter Koons	Koons Farm
45	Richard and Debra Lemieux	Lemieux's Orchards
49	Marilyn and Stephen Meyerhans	The Apple Farm/Lakeside Orchards
50	Wayne and Jo Ann Myers	Beau Chemin Farm
55	Todd Pierce	Spring Fever Farm
56	Jonathan Pierce & Deborah Dik	Harmony Mill Farm
57	Brian and Marie Powers	Hart's Clary Hill Farm
60	Paula and Sumner Roberts	Meadowsweet Farm
63	Elmer L. Savage	Barrett Hill Farm
67	Jim Stampone & Kate LeRoyer	Winter Hill Farm
68	Loraine and Sidney Stutzman	Stutzmans Farm
69	Denis Thoet and Michele Roy	Long Meadow Farm
70	Ralph and Lisa Turner	Laughing Stock Farm
73	Suzanne T. White	Little Dove Farm
74	Paul and Sherry Wilson	Echo Valley Farm
75	Dean Zoulamis & Clay Theberge	Sweet Fern Farm