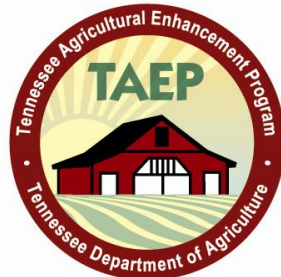


Current Impacts and Future Directions for the Tennessee Agricultural Enhancement Program (TAEP)



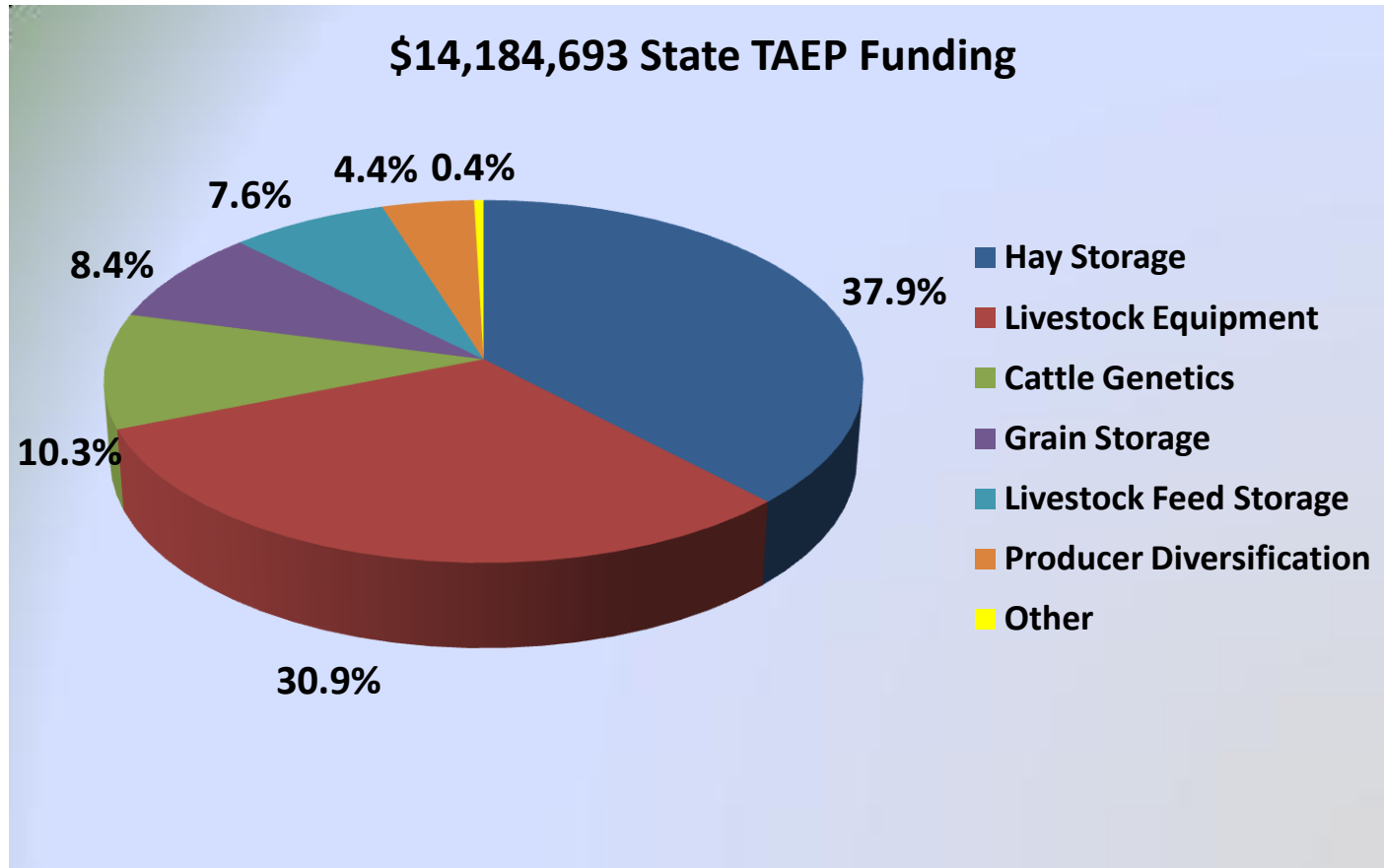
www.TN.gov/agriculture/enhancement

Study Conducted by Tennessee Department of Agriculture (TDA) in cooperation with the Agri-Industry Modeling & Analysis Group (AIM-AG), The University of Tennessee, Department of Agricultural & Resource Economics.

TAEF

- The Tennessee Agricultural Enhancement Program (TAEF) is administered by the Tennessee Department of Agriculture. The TAEF provides cost share funds for long term investments in livestock and farming operations.
- The major program areas of the TAEF are **Cattle Genetics, Livestock Equipment, Hay Storage, Livestock Feed Storage, Grain Storage, and Producer Diversification.**

Figure 1. TAEF Funding for Producer Programs in Fiscal Year 2010-2011



Study Purpose

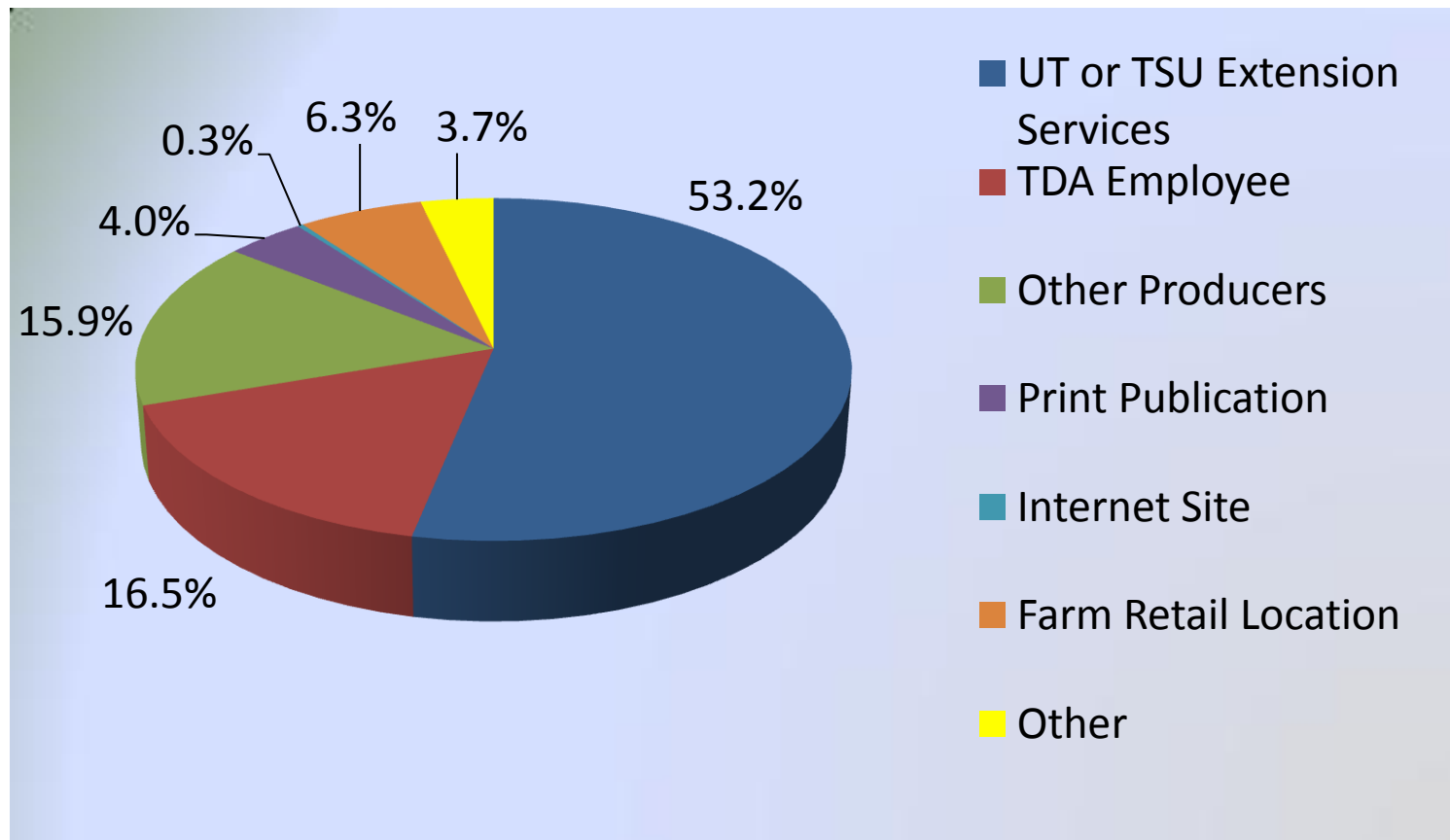
- The purpose of this study is to obtain information from farmers who have applied for and/or participated in the TAEF to assist Tennessee Department of Agriculture in planning future directions for the TAEF and improving procedures for applying and distributing TAEF cost share funds.

Survey

- October 2011 survey by TDA and researchers at the University of Tennessee .
- A total of 1,200 surveys were mailed to farmers across the state who had participated or applied for TAEP funds. The survey was mailed on October 7, 2011, with a reminder postcard mailed one week thereafter.
- As of November 8, 2011, 673 farmers returned completed surveys. Therefore, the overall response rate as of that date was 56.08%.

Sources of Information About the TAEP

Figure 2. Sources from Which First Learned of TAEP



Sources of Information About the **TAEP**

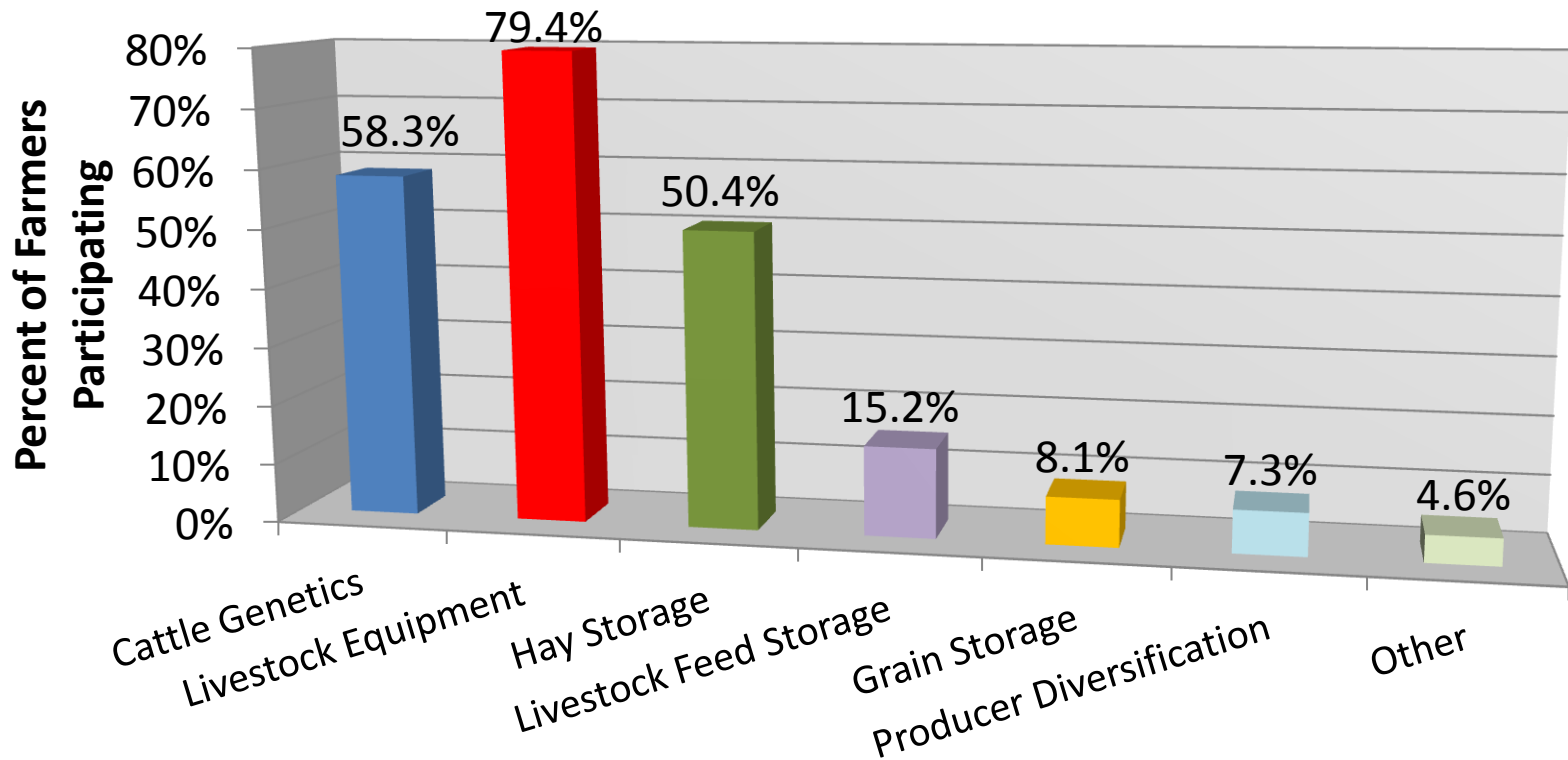
- Print media sources included local news papers, Farm Bureau publications, cooperative publications, and commodity organization publications.
- Cooperatives, commodity organizations, USDA offices, and word of mouth in the community were also sources of information.

Participation in the TAEP

- Among the farmers surveyed, 95.7% had applied for TAEP funds and received them in the past, while 3.1% had applied but not received them, while 1.2% had both received and not received TAEP funding (N=657).
- Among those who had participated, on average they had participated for 3.1 years (N=630). About 81.1% had participated for more than one year.

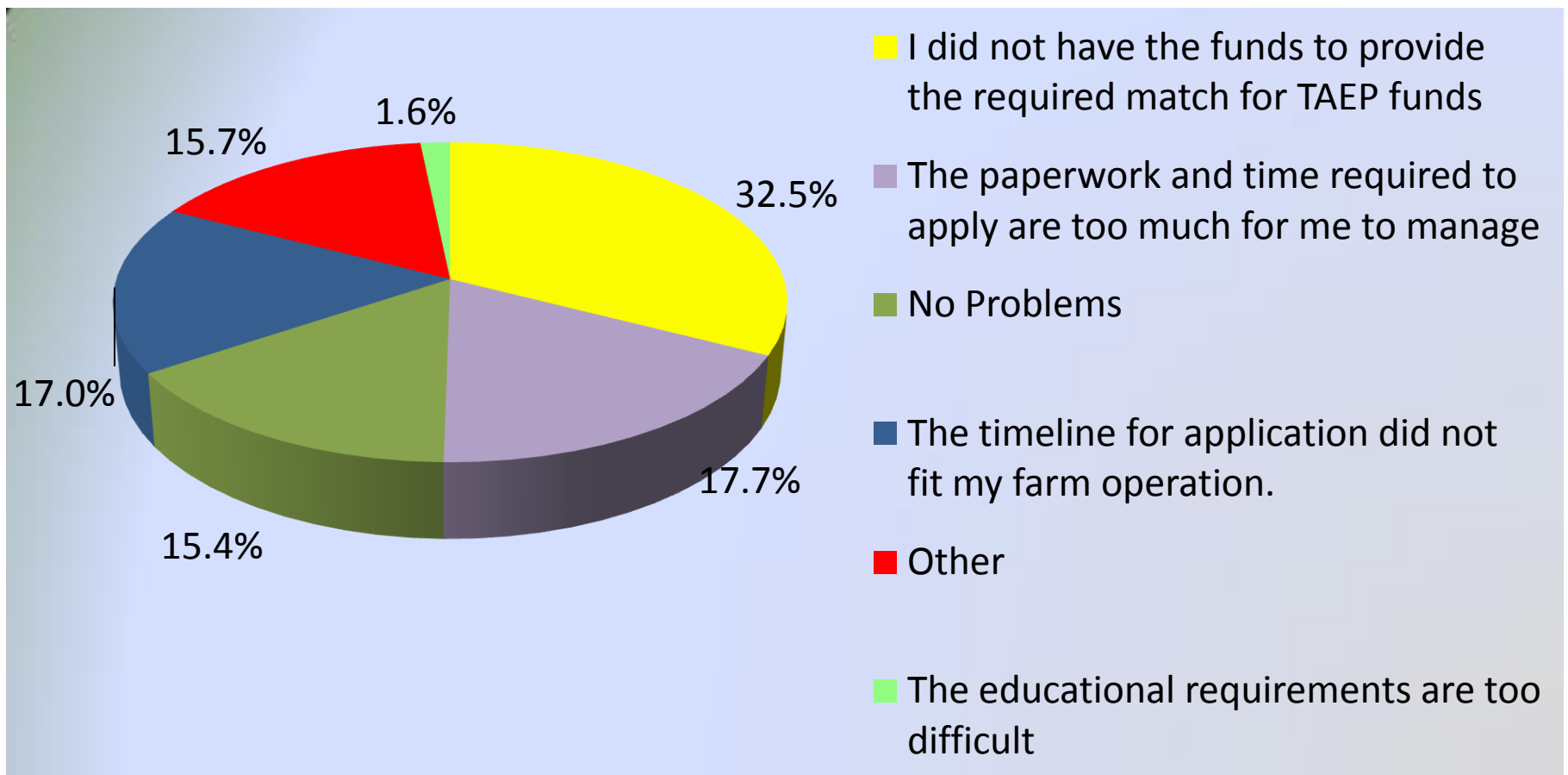
Participation in the TAEP

Figure 3. Farmer Participation in TAEP Program Areas



Challenges and Benefits of Participation

Figure 4. Most Challenging Aspect of Participating in the TAEP



Challenges and Benefits of Participation

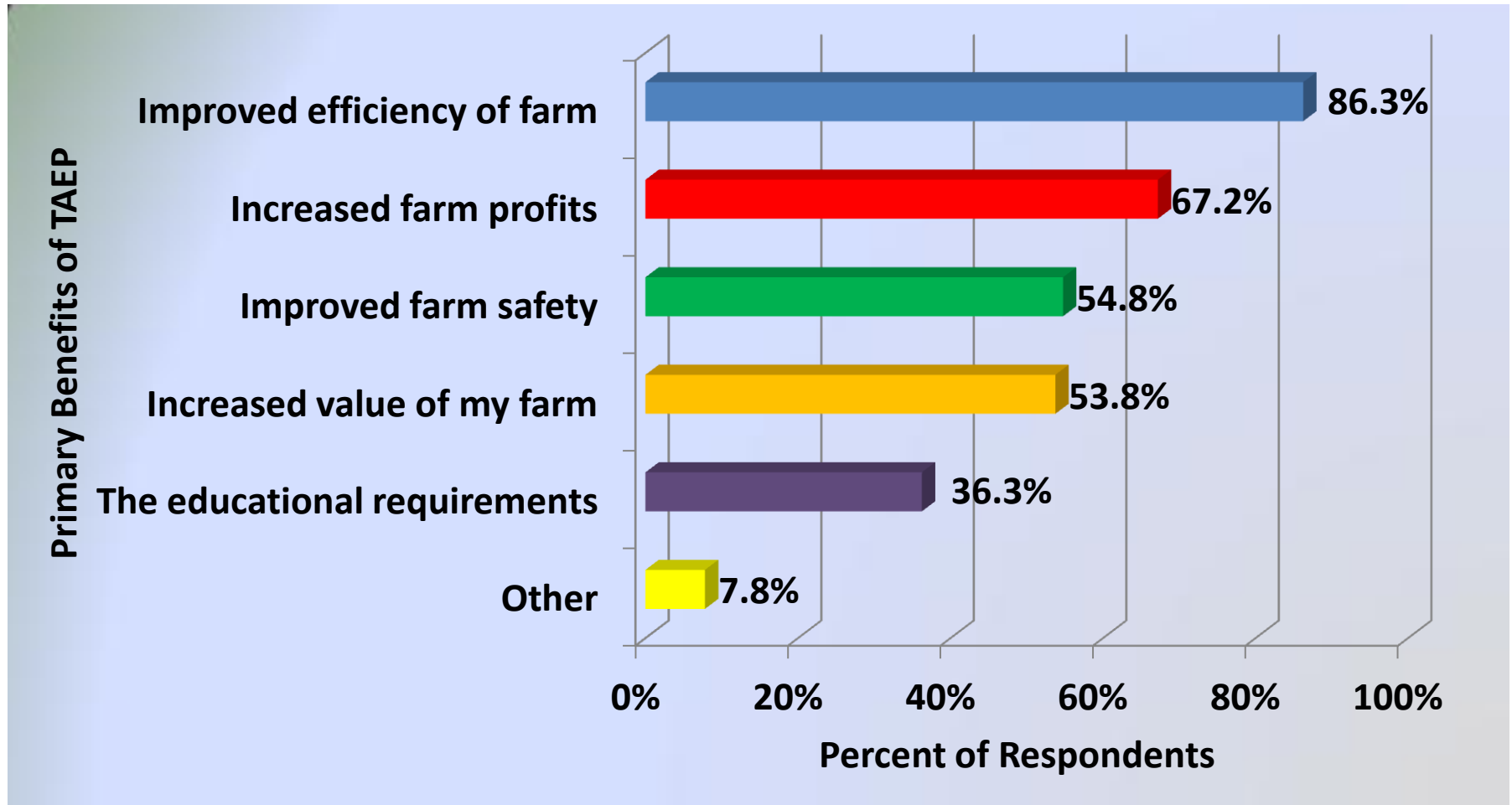
- The respondents also cited a variety of other challenges (15.7%)
- Among the other reasons cited were getting paperwork done on time, time to complete the project, and small size of operation.

Challenges and Benefits of Participation

- Among the respondents, about 21.4% (N=644) were not sure they would still be farming or indicated they would not still be farming without TAEP funds.
- Farmers were then asked what the primary benefits from participating in the TAEP were to their farming operations.

Challenges and Benefits of Participation

Figure 5. Primary Benefits of Participating



Challenges and Benefits of Participation

Other

- Examples of benefits included greater ease and safety when handling cattle and ability to purchase equipment.

Future Directions for the TAEP

Table 1. Importance of Potential Future Improvements to TAEP

Statements	Priority Level for Future					Mean Rating*
	None	Low	Moderate	High	Extremely High	
	Percent of Responses					
Add additional eligible items to existing programs (N=628)	5.6	5.9	24.8	36.9	26.8	3.7
Shorten the time necessary to notify producers of approval/disapproval (N=636)	7.3	12.0	38.8	31.8	10.2	3.3
Allow more time to complete projects (N=615)	9.8	18.1	34.8	24.1	13.3	3.1
Move application period to Jan./Feb. with reimbursement deadline Oct./Nov. 1 (N=607)	16.1	17.5	26.7	23.7	16.0	3.0
Make application process easier (N=616)	10.6	21.1	36.0	18.3	14.0	3.0
Ability to apply for TAEP funds online (N=612)	22.7	27.1	24.2	16.9	9.2	2.6

*None=1, Low=2, Moderate =3, High =4, and Extremely High=5

Future Directions for the TAEP

Table 2. Preferences for TAEP Application Approval Process

	(1=Best, ...6=Worst)
Full time farmers get highest priority (N=504)	2.6
First time applicants get highest priority (N=472)	3.3
Fund all with lower cost share maximum (N=479)	3.5
Random selection of projects (N=467)	4.0
Random selection of applicants (N=473)	4.0

Future Directions for the TAEP

Examples of other ideas:

- keep the procedures as they are now
- give priority to beginning farmers
- first come first serve

Future Directions for the TAEP

Table 3. Importance of TAEP Program Areas for Future Growth of Tennessee Agriculture

TAEP Program Area	Priority Level for Future					Mean Rating*
	None	Low	Moderate	High	Extremely High	
	Percent of Responses					
Livestock Equipment (N=618)	0.7	1.1	11.0	41.6	45.6	4.3
Cattle Genetics (N=611)	0.8	2.8	13.9	39.8	42.7	4.2
Hay Storage (N=618)	0.5	1.8	14.1	43.4	40.3	4.2
Livestock Feed Storage (N=603)	1.7	4.5	26.8	40.5	26.5	3.9
Grain Storage (N=584)	4.8	9.9	30.1	35.3	19.9	3.6
Producer Diversification (N=591)	8.6	15.2	29.6	23.4	23.2	3.4

*None=1, Low=2, Moderate =3, High =4, and Extremely High=5

Future Directions for the TAEP

Additional Priority Areas

- Pasture management,
- Sheep, goat, swine, and poultry programs,
- Hay equipment,
- Fencing,
- Locally grown produce programs, and
- Young/beginning farmer programs.

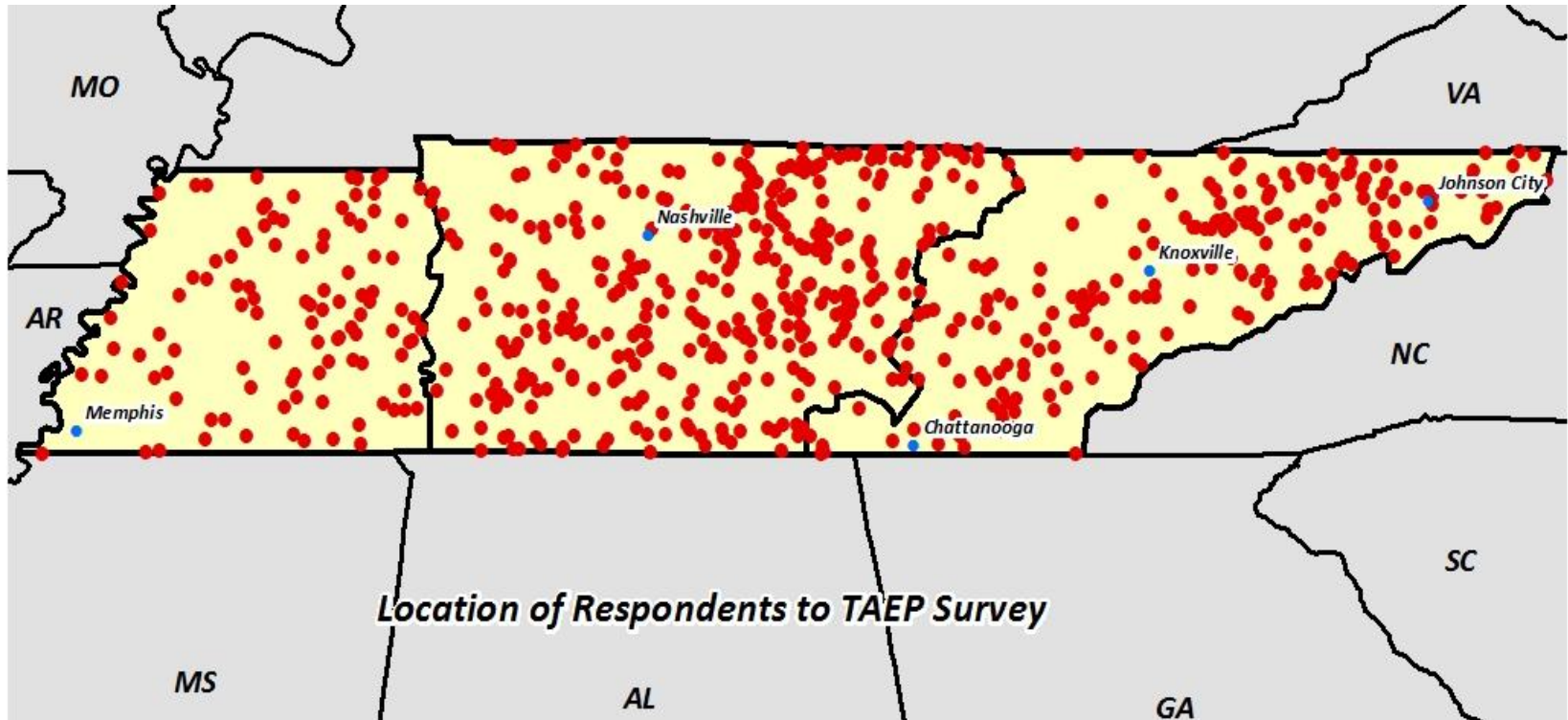
Farmer and Farm Characteristics

Table 4. Farm and Farmer Characteristics Among Survey Respondents

Characteristic	<u>Percent</u>
Full-time farmers (N=657)	57.1
Sales Category for 2010 (N=619)	
<\$10,000	18.4
\$10,000-\$19,999	19.9
\$20,000-\$29,999	13.2
\$30,000-\$49,999	10.0
\$50,000-\$99,999	11.2
\$100,000-\$249,999	11.8
\$250,000 or greater	15.5
Farmers with 10 or Fewer Years Experience (N=651)	16.1
% of Farms with Less than 200 Acres (N=653)	42.6
	<u>Mean</u>
Years Farming (N=651)	30.3
Acres Farmed (N=653)	403.8

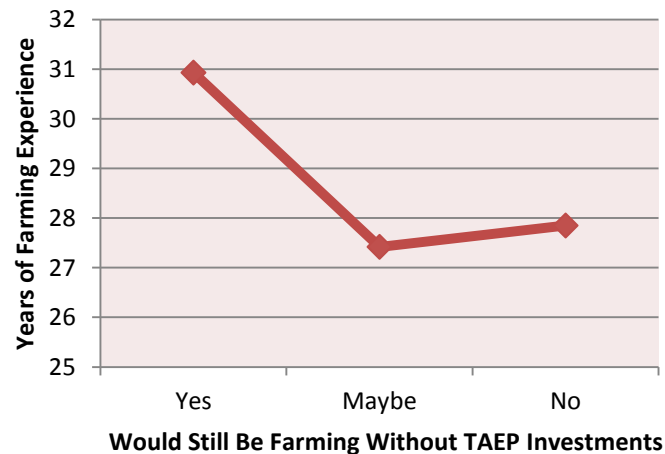
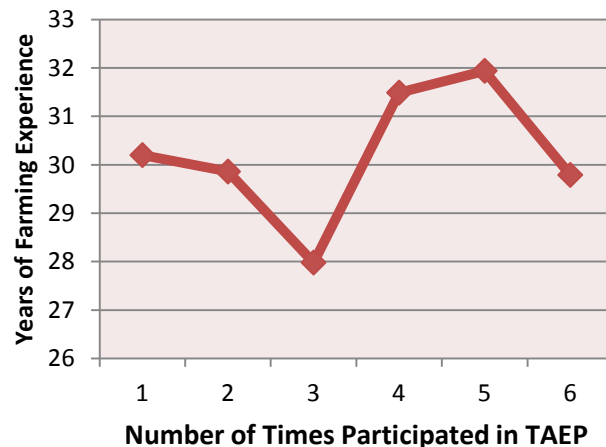
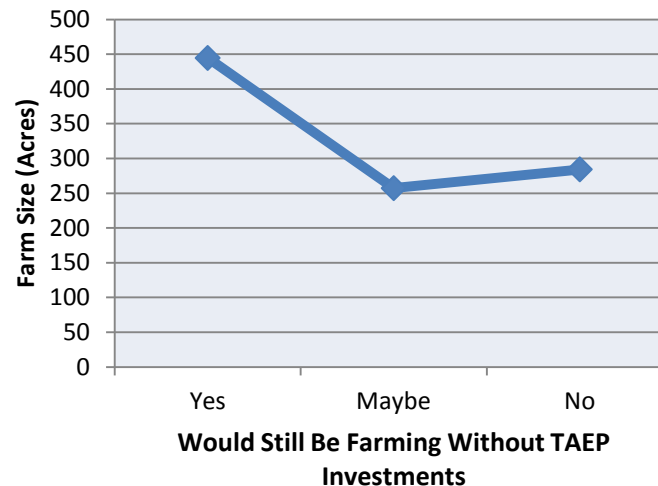
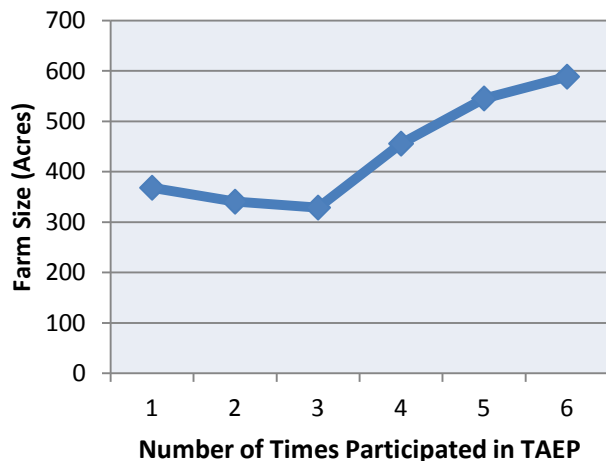
Farmer and Farm Characteristics

Figure 6. Geographic Distribution of Responses Across Tennessee



Farmer and Farm Characteristics

Figure 7. Farm Size and Farmer Experience Compared Across TAEP Participation and Attitudes Toward TAEP



Conclusions

- A key contributor to the success of the TAEP is farmer awareness of the program.
- Results reflect an ongoing partnership between TDA and UT and TSU Extension services to let farmers know about the program.
- Many farmers indicated they had no major problems participating in the TAEP. However, some challenges of participation in the TAEP included difficulties of farmers being able to obtain funds to match the TAEP funds and also the paperwork and time required to apply.

Conclusions

- Most farmers believed their participation in the TAEP increased their farm efficiency and farm profits; these benefits likely positive influenced the majority of respondents to have participated in the TAEP for more than one year.
- In terms of the future direction of the TAEP, some suggestions were to add additional eligible items to existing programs, for example more types of equipment, and also shortening the time necessary to notify producers of approval/disapproval.

Conclusions

- If the procedures for approving TAEP applications were changed, the most commonly cited change that could be made was to give full time farmers or first time applicants the highest priority.
- Livestock equipment, cattle genetics, and hay storage programs were rated as having the highest priority for the future. This is not surprising since over 80% of the farmers had participated in the Livestock Equipment program, followed by Cattle Genetics, and Hay Storage. Many ideas were offered by the farmers as areas for the TAEP to diversify. Examples included pasture management, sheep, goat, swine, and poultry programs, hay equipment, fencing, locally grown produce programs, and young/beginning farmer programs.

Conclusions

- Many of the general comments made by farmers were in appreciation of the program and noting its benefits, such as adding facilities and equipment that otherwise they would not have been able to add, improving farm safety, and improving farm efficiency.
- Some made suggestions, such as focusing on young or beginning farmers, that full-time farmers should receive priority, adding fencing programs, adding programs for goats and sheep, verification of proper use of funds after cost shares are made, limitations on number of times recipients can receive cost shares, adding more types of eligible equipment, and allowing used equipment.

Conclusions

- Results from the survey suggest TAEP funds may be especially helpful for retaining smaller farms. In addition, farmers who were less certain they would be able to stay in business without TAEP tended to have fewer years experience farming. This could indicate TAEP funds may be especially helpful for retaining younger or newer farmers.