

# University of Vermont



Since 1791

# EXPLORING VERMONT DAIRY

## DIVERSIFICATION AND VALUE ADDED



THE UNIVERSITY OF VERMONT  
**EXTENSION**



**Martha EdwardsManning**  
4-H Educator, Franklin & Grand Isle Counties  
[martha.manning@uvm.edu](mailto:martha.manning@uvm.edu)

**Martha Seifert**  
4-H Educator, Addison County  
[martha.seifert@uvm.edu](mailto:martha.seifert@uvm.edu)



**Melinda Birch**  
4-H Educator, Orleans & Essex Counties  
[Melinda.birch@uvm.edu](mailto:Melinda.birch@uvm.edu)

**Liz Kenton**  
4-H Youth Agriculture Project Coordinator  
[liz.kenton@uvm.edu](mailto:liz.kenton@uvm.edu)



**Wendy Sorrell**  
4-H Livestock Educator



# Our social code:

- Please remain muted unless you are talking.
- Click “Raise Your Hand” if you would like to speak, then unmute yourself when called on.
- Share on-topic thoughts & questions in Chat. (Remember that private and public chat are recorded and are visible to the presenters.)
- Be courteous, respectful & brave!
- Manage your video and sound to be present and minimize distractions
- Ask questions and share your ideas!



# Diversification and Value Added

- What are they? How are they different? How are they similar?
- Why do farms choose to diversify or do value added?
- Do any of you live on farms that are diversified or that sell value added products?



# What is Diversification/Added Value?



## Diversification

Diversification is a technique that reduces the risk to maximize returns by investing in different areas.

**In other words: diversification is doing a variety of different things or having more than one source of income.**



## Value Added

Value-added is the additional features or economic value that a company adds to its products and services before offering them to customers.

**In other words: value added is taking a product and making it into another product to make it worth more. An example would be for a dairy farm to use milk produced on the farm and make it into cheese for a higher return.**



Agritourism is the business of **establishing farms as destinations for education, recreation, and the purchase of farm products**; giving visitors the opportunity to connect with the working landscape and 'farm experience' and creating an additional source of revenue for the host farm. *From:* <https://www.uvm.edu/extension/vtagritourism>



<https://youtu.be/BNNvBTy2DUo>



THE UNIVERSITY OF VERMONT  
**EXTENSION**

# Diversification or Value Added: You be the judge

Pick your own pumpkin patch

Cheese curds

Farm fresh eggs

Butter

Dairy grass-fed beef

Strawberries

Firewood



Corn maze

Maple sap sold to a neighboring sugar maker

Maple syrup

Compost

Agri-tourism

Sunflowers for bird seed

Raw milk



# What's Growing?

Top Agricultural Products in **VERMONT**

**DAIRY PRODUCTS**  
**\$493M**



**Farm Fact:** A dairy cow produces about 6.3 gallons of milk each day and 350,000 glasses of milk in a lifetime.

**Farm Fact:** A steer typically weighs about 1,000 pounds and yields about 450 pounds of edible meat.



**CATTLE & CALVES**  
**\$88.7M**

**MAPLE PRODUCTS**  
**\$46.5M**



**Farm Fact:** It takes roughly 40 gallons of tree sap to make 1 gallon of maple syrup, which weighs 11 pounds.

**Farm Fact:** About 675 million pounds of turkey are consumed during Thanksgiving every year in the United States.



**TURKEYS**  
**\$35.9M**

**APPLES**  
**\$15.5M**



**Farm Fact:** Apple trees take up to four to five years to produce their first fruit.

**Farm Fact:** Sheep and goats refuse to eat trampled hay, but cows and horses will gobble it up.



**HAY**  
**\$13M**

**CHICKEN EGGS**  
**\$5.26M**



**Farm Fact:** U.S. poultry farms provide about 10 percent of the world's egg supply, or 75 billion eggs each year.

**Farm Fact:** Unlike field corn, sweet corn kernels are soft, sweet and perfect for eating right off the cob.



**SWEET CORN**  
**\$2.7M**

**HONEY**  
**\$1.1M**



**Farm Fact:** Honeybees tap 2 million flowers to make 1 pound of honey. The average American consumes about 1.3 pounds of honey in a year.

**Farm Fact:** Pork is the most widely eaten meat. It represents about 42 percent of all meat eaten in the world.



**HOGS**  
**\$813K**

Based on 2015 cash receipts according to the U.S. Department of Agriculture Economic Research Service. Excludes sales for "non-dairy animal products" and "all other animal products".



Visit [FarmFlavor.com](http://FarmFlavor.com) to learn your state's top agriculture products.

# Things to consider: Planning

## Step One

Choose something you are passionate about.

- Include your family in the discussion as unity will lead to acceptance
- Will you need help?

## Step Two

Develop a Business Plan

- identify potential customers
- costs & profits (estimates & potentials)
- cash flow & changing climates

## Step Three

Who is your Business Team

- Lawyer (filing for a name, land purchasing)
- Insurance Agent (coverage)
- Accountant
- Mentor
- You & your Family



## SWOT ANALYSIS

Another way to Plan:

SWOT Analysis

S – Strengths

W -Weaknesses

O - Opportunities

T - Threats

	Helpful to achieving the objective	Harmful to achieving the objective
Internal Origin attribution of the organization	<b>S</b> Strengths	<b>W</b> Weaknesses
External Origin attribution of the environment	<b>O</b> Opportunities	<b>T</b> Threats



## Step Five

What kind of Business should it be?

- Sole Proprietorship
- Partnership
- Corporation
- LLC (Limited Liability Company)



## Step Six

Marketing & Advertising

## Step Seven

Financial Management

- Create a budget
- Funding



# Small or large: Diversification comes in all sizes

If you were the farm manager what type of diversification or value-added would you like to make part of your farm?



THE GREAT VERMONT CORN MAZE

I did it!



---

---

Resources:

<https://www.sare.org/wp-content/uploads/Guide-to-Financing-the-Community-Supported-Farm.pdf>

<https://www.farmanddairy.com/top-stories/10-questions-to-ask-before-expanding-the-farm/475439.html>

<https://farms.extension.wisc.edu/articles/three-questions-to-ask-yourself-when-planning-the-future-of-a-farm-business/>

<https://extension.psu.edu/starting-or-diversifying-an-agricultural-business>

<https://agfax.com/2017/11/06/farm-business-management-what-are-my-options-to-grow/>

[https://nofavt.org/sites/default/files/files/resources/understanding\\_land\\_use\\_regulations\\_for\\_farm\\_businesses.pdf](https://nofavt.org/sites/default/files/files/resources/understanding_land_use_regulations_for_farm_businesses.pdf)