



Western SARE

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Western SARE Grant Categories

- Research & Education
- Professional Development
- Farmer/Rancher
- Professional + Producer
- Graduate Student
- Sustainable Farm Tours

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ADDING VALUE TO UTAH WHEAT

Situation

Grain growers in northern Utah suffered low prices for their grain crops in 2002.

"The problem we as farmers face," said project coordinator Wes Roundy, "is getting a profitable price for the wheat we produce to sustain us so that we don't have to go out and find another job to help support the family farm."

The Roundy family has farmed full time for three generations – more than 80 years – currently on 1,900

acres owned and 1,500 acres leased. They grow wheat, barley, safflower and alfalfa hay in rotation. The only market for their wheat is to store it in an elevator or in their bins, waiting to sell at market highs. And the owners of the leased land are selling their land bit by bit for development, which brings a higher return than leasing.

Developing a value-added grain product to sell from their farm could potentially sustain their operation without the need for finding off-farm employment.

Objectives

1. Conduct a market analysis to assess the feasibility of developing a value-added product from the wheat produced on a family farm
2. Develop a value-added product
3. Market the product
4. Analyze the economics of the value-added project
5. Develop a "roadmap" of the entire process and disseminate information about it to agricultural producers



Wes and Jean Roundy of Cache Junction, Utah.

Actions

The project was conducted in two parts, Phase I, Marketing Analysis, and Phase II, Production.

These activities were conducted in Phase I:

- Analyze the market
- Determine regulations
- Identify labeling and packaging requirements
- Test nutrients to put on the label
- Refine the logo, print materials, brochures and forms

Farmer/Rancher Grant

Title: The Original Cache Junction Families Popped Wheat

Project Number: FW00-117

Project Coordinators:

Wes and Jean Roundy
Owners, C.R.O.P.S.
5670 North Highway 23
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Technical Advisor:

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Western SARE Grant: \$2,801



Western SARE, a USDA organization, funds grants for research and education that develop or promote some aspect of agricultural sustainability, which embraces

- *profitable farms and ranches*
- *a healthy environment*
- *strong families and communities.*

The Western Region, one of four SARE regions nationwide, is administered through Utah State University.

Western SARE:
<http://wsare.usu.edu>

National SARE
www.sare.org

ADDING VALUE TO UTAH WHEAT

- Look for start-up funding
- Phase II activities included:
- Develop or rent an appropriate facility
 - Purchase product inputs, salt, spices, oil and bacon bits
 - Print materials for labels, brochures, business cards, etc.
 - Make the product
 - Travel to food trade shows and regional chambers of commerce to market and sell the product

The project team anticipated that sales would start slowly but begin to grow as customers become more familiar with the product.

Results

The successful result of this project was to be measured as bags of the "Original Cache Junction Family Popped Wheat Snack" in stores, markets, gift baskets and consumer's homes.

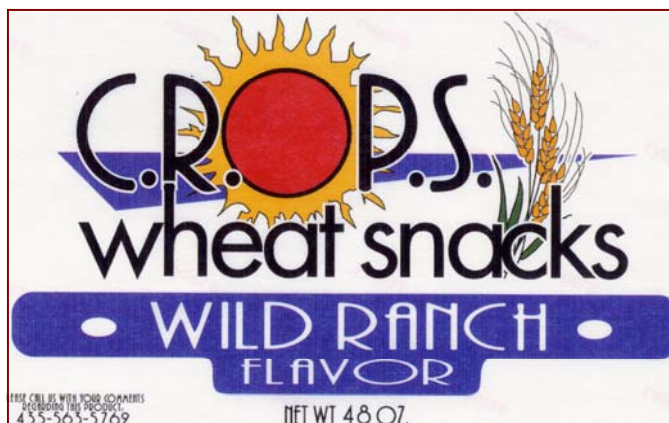
At the time of the project's final report in 2002, 900 pounds of the popped wheat snack had been sold. The Roundy family had developed Christmas and gift packaging and sales were increasing.

The gross revenues generated by the equivalent amount of wheat, at \$3.50 a bushel, is \$52.50 for the 900 pounds. By adding value to the wheat, gross revenues generated, at 35 cents per ounce, totaled \$5,040. This increased income by \$5.54 per pound of product.

Potential Benefits

The project successfully demonstrated that producing a value added product can:

- increase a farm



family's income

- allow them to stay on the farm and conduct a business in their extra time
- increase revenue from a product they already grow

The experience enabled the Roundy family to plot a roadmap that future farm entrepreneurs can follow to make their own experiences less frustrating.

While communicating the message of this project is important, it is equally important to protect the Roundy's hard work and proprietary interest in bringing this product to market. Instead of farm tours or demonstrating the production process, the project team developed information sheets with generic value



-added product information.

In addition, project coordinators Wes and Jean Roundy and technical advisor Penny Trinca have presented the experiences to more than 40 participants at small farm workshops in Utah and Idaho and at national SARE meeting in Washington DC.

The grant also stimulated establishment of a nonprofit corporation, Sustainable Agriculture Association of the Bear River Area (SAABRA), designed to promote sustainable agriculture and wise resource use.

With secured funding, SAABRA developed a shared-use commercial kitchen that allows people like the Roundy family to rent space during start-up years instead of paying the full capitalization cost of a regulation kitchen.



An array of product packaging.