

Proposal: Development Of An Economic Modeling Tool To Evaluate Proposed Food Processing Facilities

Project Summary

The long-term goal of this project is to expand direct market sales opportunities for fruit and vegetable producers targeting local and regional markets. Over several decades, growth in direct sales has created opportunities for small and entry-level farmers to establish businesses nationally and locally, yet market and consumer preference shifts have created a need to augment this marketing model.

This project directly responds to ongoing direct market trends and explicit producer needs. It will do so by designing an interactive, transferrable economic decision-making tool, and test it employing an inclusive community process utilizing supply, demand and facility operations data collected through qualitative and quantitative research in the south Puget Sound region. We hypothesize there is considerable (potentially greater than \$3 million) unmet demand for processed vegetables, and sufficient production potential to meet that demand in the south Puget Sound region.

This project will advance rural economic opportunity by providing farmers, entrepreneurs, investors and decision-makers with an economic tool to evaluate the potential of mid-scale, regional food processing facilities to expand local food markets. Economic factors do affect the willingness of decision-makers to invest in food processing infrastructure, yet these economics are often poorly understood at the local level. Without this information, efforts to invest in economic opportunities in rural communities are difficult to initiate and sustain.

This project transforms the traditional enterprise budget of extension bulletins into an interactive web application, in which users adjust figures to conduct optimization, sensitivity and break-even analyses.