

Agribusiness Incubator Project

November 10, 2003

Meeting Summary

1. Review of October 14 meeting. There were no suggested changes to the results of the October 14 meeting.
2. List the attributes of an Agribusiness Incubator
 - a. Because of the diverse ideas that exist on what form any kind of a business incubator might take the group was asked to list the attributes that an agribusiness incubator would need in order to be successful. The following thirty four different attributes were listed:
 - 1) An individual and network mentoring system
 - 2) A learning place
 - 3) Equity building (for eventual down payment, etc.)
 - 4) Business plan development for enterprise
 - 5) Screening process for both entrants and exits with criteria including such things as plans and personality profiles.
 - 6) Viable market for product
 - 7) Entrants actively involved in management decisions
 - 8) Incentives for those exiting and mentors
 - 9) Adequate facilities so profits can go back into business
 - a) Buildings
 - b) Soils
 - c) Housing
 - 10) Website where people involved in project can communicate.
 - a) Links to sites/resources
 - b) FAQ's
 - c) Chat rooms
 - 11) Location that lends support
 - 12) Privately owned
 - 13) Streamlining access to capital
 - 14) Value for taxpayer dollars
 - 15) Meets environmental compliance
 - 16) OSHA – labor vs. owner issues
 - 17) Legal resources to deal with various issues
 - a) Transition
 - b) Personnel
 - 18) Need to have adequate acres available
 - 19) Volunteer Pool
 - a) Planning
 - b) Financial analysis
 - c) Technical information
 - 20) Nutrient management plans
 - 21) Promotion of concept
 - 22) Land resources match the production system
 - 23) Listing of available farms

- 24) Financial resources for transition type farm
- 25) Supply of mentors
- 26) Assessment process for measuring success
- 27) Equipment is adequately accounted for
- 28) Utilizes existing business resources for planning and assessment
- 29) Simple enough to have several of these
- 30) Health issues (insurance, etc.)
- 31) Discussion groups for both mentors and apprentices
- 32) Discovery farms connection
- 33) Diverse ethnic/cultural appeal
- 34) Ability to develop some kind of educational credits

b. The attributes were then divided up into the three general categories of: the overall project; screening for apprentices, mentors and exiting farmers; and screening for farm sites. Although there is likely some overlap it at least organizes the ideas into some project areas.

1) The Overall Project should:

- a) Provide a learning environment by:
 - i. Providing a centralized resource for mentors, exiting and apprentice farmers for everything from production to business to personnel management in regards to transitioning farms.
 - ii. Providing ongoing discussion groups for mentors and apprentices.
 - iii. Allowing for the participants to earn CCA or equivalent credits.
 - iv. Being involved in the Discovery Farms and Agricultural Research Station networks.
- b) Build financial equity and business management skills by:
 - i. Requiring and assisting in business plan development.
 - ii. Providing resources for assessing product market viability.
 - iii. Developing a volunteer pool for planning, financial analysis and technical information.
 - iv. Utilizing existing business resources for planning and assessment to allow participants a smooth transition after the apprentice period.
 - v. Provide streamlined access to capital for those who demonstrate potential.
- c) Provide an incentive for mentors and exiting farmers to be involved.
- d) Provide a contact point for potential farms and mentors.
- e) Develop benchmarks for assessing success.
- f) A system simple enough to allow for several models running.
- g) Reach out to those from diverse ethnic and cultural backgrounds
- h) Promote community support for the incubator concept as a way of preserving agricultural capacity.
- i) Demonstrate how it adds value to the taxpayer's investment.

- j) Provide support and guidance in dealing with:
 - i. OSHA and other labor related issues that may arise in regards to apprentice/mentor or farm owner relationships.
 - ii. The legal aspects surrounding various farm transition issues.
 - iii. Health insurance and safety.
 - iv. Nutrient management planning.

- 2) The screening process for mentors, exiting farmer and apprentices should:
 - a) Have candidates identify how involvement in the process fit into their personal and business goals.
 - b) Do personality assessments where close working relationships may exist in an attempt to identify assets that may complement or conflict.
 - c) Identify situations where apprentices are actively involved in management decisions.
 - d) Look for farms that are either privately or even cooperatively owned.
 - e) Make sure apprentices and exiting farmers have financial histories that will not hinder their success during their involvement in the project.
 - f) Evaluate intermediate assets to assure that they properly correspond to the type of production system involved and that a system is in place to fairly account for them.
 - g) Make sure people from diverse ethnic and cultural backgrounds are given equal opportunity to be involved.

- 3) The screening process for farm sites should look for sites that:
 - a) Have adequate fixed resources for the type of commodity and production system being proposed, e.g. buildings, soils, housing.
 - b) Have enough land resources to match production system.
 - c) Meet environmental standards and are insurable.
 - d) Are not overcapitalized.