

# Multifunctional Agriculture and Its Relationship to Improving Farm Profitability

Dr. Kathleen Liang

[cliang@ncat.edu](mailto:cliang@ncat.edu) 336 285 4683

Kellogg Distinguished Professor of Sustainable Agriculture  
Director, Center for Environmental Farming Systems  
North Carolina A&T State University

Project Funded by USDA AFRI Program No 2011-67023-30106

# Multifunctional Agriculture

How is it different from **diversification**?

Is it a good strategy for me to improve  
**profitability**?


# **Why is it important to understand Multifunctional Agriculture?**

- **Find new evidence of increasing number of small farms participating in multifunctional agriculture.**
- **Need to understand strategies, challenges, needs, and implications for rural development and entrepreneurship linking to multifunctional agriculture.**

# Diversification versus Multifunction

- **Diversification**
  - Production oriented
  - Vertical diversification
  - Horizontal diversification
- **Multifunctional Agriculture**
  - Production, management, and marketing
  - Resource oriented
  - Service and benefit beyond offering traditional food and fiber

# Definition of Multifunctional Agriculture in Our Research Funded by USDA NIFA 2011-2015

 **Agritourism (Broadening)** – pick your own, recreation service, entertainment, bed and breakfast, tour, and educational workshop.

 **Value added production (Broadening)**

 **Direct and intermediary sales (Deepening)**

- institutions (schools, hospitals, government agencies)
- Community Supported Agriculture (CSA)
- farmers' markets and farm stands
- wholesale venues, large grocery chain stores (Wal-Mart, Kroger, Price Chopper, etc.), and producer/consumer cooperatives.

 **Off farm income (Re-grounding)**





# Production Diversification



# Vertical Diversification



Farm → Harvest → Handling → Distribution



# Horizontal Diversification





# Multifunctional Agriculture



# Commitment to the MFA

## contribution to People, Place, and Prosperity

- *“I had a full time job and I am still a farmer. It is a great way to build my retirement life style to be a farmer.”*
- *“Our farm is a farm, but we focus more on teaching people how to grow certain things. We want to educate others and help other farmers to succeed.”*
- *“I want to work with other farmers to build a stronger network for farmers to link with other people and organizations in our community. Our farm is very small, but we have a bigger vision to contribute to our community.”*
- *“We do not sell much of our farm products. But our farm offers seed and pollination services to others. We also give away compost to others. Our services count more than farm income.”*

# What is Best for Me?

- **Balance life style, personal and family satisfaction, profitability, and sustainability.**
- **Access to labor**
  - Skill and knowledge training for labor
  - Immigrant labor
- **Access to financing and capital**
  - Borrowing power
  - Cash reserves and savings
  - Investment planning
- **Access to market and customers**
  - Location
  - Advertising and promotion

# Creative Strategies

- **Work with other farmers and partners**
  - Treat competitors as friends, not enemies
  - Focus on win-win-win attitude

**Are we all selling the same things?**

**Can we differentiate our products?**

**Is it really bad to lose money?**

**What makes me and my products special?**

**Are we setting price against larger groceries?**

**What can we do to showcase quality?**

**Can our customers count on us?**

**Let's teach people something new → Education and Promotion**





**Large sign and clear label**  
**Attractive display**  
**Convenience for shopping**  
**Explain how to use/cook**  
**Explain how to care**  
**Sample and feedback**

**Happy and positive**  
**Be Interactive**  
**Be patient**  
**Be strategic**  
**Be diplomatic**  
**Tell your story**

**Keep clear, consistent, and meaningful records of everything!**