

Assessing Utah's Agricultural Producer and Small Processor Interest in Value-Added Food Production

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Introduction

Respondent Categories Defined

Farmers:

Farmers include agricultural operations involved in crop-based food and fiber production.

Ranchers:

Ranchers include agricultural operations involved in livestock production, including milk.

Food processor:

Food makers include operations involved in processing food or food products for human consumption.

To identify the educational, funding, and resource needs of Utah's agricultural producers and food processors related to value-added food production, Utah State University (USU) conducted a study using data collected via two online surveys in early 2024. The first survey targeted Utah farmers and ranchers who currently produce or are considering producing value-added foods. A total of 426 farmers and ranchers completed the survey, of which 134 farmers and 69 ranchers were involved in or planning to engage in food processing activities. The second survey, distributed to small food processors across Utah, received

89 responses, with 50 participants currently producing or planning to produce value-added foods.

While the two surveys were customized for each audience, they were largely the same. Questions focused on operational characteristics such as location, years in business, number of employees, and annual sales. Respondents were also asked about their operation's current products and markets, reasons for adding processed or value-added products, and—if applicable—their processed products, sales goals, timelines, and use of market or specialty labeling programs. Additional questions explored which tools and resources were most useful to their operations, which were difficult to access, and the main challenges or obstacles they faced in their food processing operation.

This fact sheet provides an overview of the study's results on respondents' operational details, including years in business, number of employees, and annual sales, as well as their interest in and rationale for expanding into value-added food production. It also discusses their current or planned timeframe for processing operation implementation, the types of products and markets involved, processing locations, and sales projections. Finally, it highlights the resources, tools, information, and services respondents identified as most useful for their processing operations. These results will assist Extension faculty, policymakers, agricultural organizations, and local economic development agencies to more effectively target programs and resources that support value-added food production across Utah. By understanding producers' needs, challenges, and resource gaps, these groups can develop tailored training, funding opportunities, and infrastructure investments that strengthen local food systems, enhance farm profitability, and promote rural economic growth.

Results Overview

Operation Details

As shown in Table 1, most of the survey respondents were the owner/operator of the operation or involved in administration or management at a minimum. The average number of employees across all respondent groups was two to five, but processors were more likely to have more than 20 employees, while farmers were more likely to have one or fewer employees.

Although at least half of all three groups reported their operation was supported by off-farm income, ranchers had the highest annual gross sales across the three

groups, with over half (52%) of the ranchers reporting sales of \$100,000 or more, compared to 34% of the processors and 26% of the farmers. Processors had a greater proportion with annual sales under \$10,000. Additional survey respondent demographics and operation details can be found in the fact sheet titled "Agricultural Producer and Food Maker Food Processing Operation Needs Assessment Overview."

Table 1. Operation Details by Operation Type

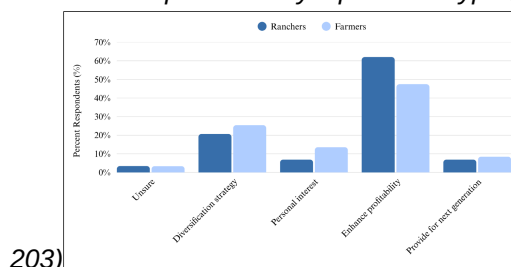
Character	Category	Processor (n = 50)	Ranchers (n = 69)	Farmers (n = 134)
Years in operation	None/still planning	18%	-	-
	Less than 1 year	4%	1.5%	8.2%
	1–5 years	36%	13%	30.6%
	6–10 years	10%	7.3%	9%
	11–20 years	14%	10.1%	11.9%
	More than 20 years	18%	68.1%	40.3%
Number of employees	Not applicable	20%	-	-
	still planning	26%	29.4%	33.6%
	1 or less	34%	55.9%	41%
	2–5	2%	13.2%	13.9%
	6–10	8%	0%	4.1%
	11–20	10%	1.5%	7.4%
	More than 20			
Annual gross sales	Not applicable	18%	8.9%	7.5%
	\$10,000 or less	28%	10.5%	24.2%
	\$10,001–\$25,000	8%	10.5%	18.3%
	\$25,001–\$50,000	2%	6%	7.5%
	\$50,001–\$100,000	10%	11.9%	16.7%
	\$100,001–\$200,000	12%	13.4%	8.3%
	\$200,001–\$500,000	8%	17.9%	6.7%
		14%	20.9%	10.8%

Character	Category	Processor (n = 50)	Ranchers (n = 69)	Farmers (n = 134)
	More than \$500,000			
Role in operation	Owner/partner	88%	79.7%	76.6%
	General manager/CEO	2%	5.8%	2.9%
	Marketing manager	2%	3%	4.4%
	Distribution/logistics manager	0%	0%	0%
	Production manager	0%	1.5%	2.9%
	Administration	0%	4.4%	4.4%
	Other	8%	5.8%	8.8%

Value-Added Food Production Interest

To understand why the operation had chosen or planned to produce processed/value-added foods, the survey asked that they describe their reasoning (see Figure 1). For both farmers and ranchers, the most common reason for expanding into value-added products was to enhance profitability, followed by a diversification strategy. For both food processors and ranchers, the most common timeframe for expansion was within the next year. None of the farmers indicated that expansion into processed foods had begun, but significantly more farmers than food processors or ranchers reported that expansion would begin within the next six months.

Figure 1. Rationale for Adding Value-Added Food Production Operations by Operation Type (n =



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As shown in Table 2, the most common value-added operations farmers planned to introduce were agritourism activities (28%), such as farm tours, classes, corn mazes, etc., followed by dried fruits and vegetables and canned or bottled fruits. Food processors commonly produced canned or bottled fruits such as jams and jellies, which were selected by 38% of the food processors, followed by bread, pastry, and nut products. The majority (80%) of the ranchers produced or planned to produce meat and poultry products, including fresh or frozen meat cuts and jerky products, followed by agritourism activities.

For all groups, at least half (50%) of the respondents reported that the value-added products were or would be produced at their current business location. A significant proportion of ranchers also indicated that their products were processed at a contractor location, likely due to the equipment and tools required as well as the safety inspections needed for processing meat and poultry products.

Across all three groups, a large proportion of respondents were unsure of the annual sales target for the new value-added products. Because so many respondents were unsure of their sales goals, operations may benefit from training related to market and sales planning.

Table 2. Value-Added Food Production Details by Operation Type

Character	Category	Processor (n = 50)	Ranchers (n = 69)	Farmers (n = 134)
Value-added production timeline	Unsure	27%	20.7%	23.7%
	Expansion	23%	3.5%	0%
	already begun	10%	27.6%	33.9%
	Begin within the next 6 months	30%	41.4%	27.1%
		10%	6.9%	3.4%
		0%	0%	11.9%

Character	Category	Processor (n = 50)	Ranchers (n = 69)	Farmers (n = 134)
	Begin within the next year Begin within 2–3 years Still more than 3 years out			
Value-added products produced/planned	Unsure	8%	7.3%	8.2%
	Juice	20%	0%	17.9%
	products	38%	4.4%	23.1%
	Canned or bottled fruits	-	1.5%	18.7%
	or bottled fruits	24%	0%	10.5%
	Canned or bottled vegetables	16%	1.5%	27.6%
	Canned or bottled vegetables	34%	0%	7.5%
	or bottled vegetables	6%	79.7%	16.4%
	vegetables	30%	3%	11.2%
	Frozen foods	10%	6%	5.2%
	foods	22%	7.3%	13.4%
	Dried fruits and vegetables	14%	1.5%	7.5%
	fruits and vegetables	26%	1.5%	18.7%
	vegetables	12%	0%	5.2%
	Nut products	16%	4.4%	12.7%
	products	28%	10.1%	34.3%
	Meat and poultry products	10%	3%	3%
	products	18%	7.3%	20.2%
	Bread and pastry products			
	Dairy products			
	Honey or honey-based products			
	Sauces			
	Seasonings			
	Candy			
	products			
	Candles, soaps, or cosmetics			
	Agritourism opportunities			
	Pet food			
	Other			

Character	Category	Processors (n = 50)	Ranchers (n = 69)	Farmers (n = 134)
Processing location	Unsure	14%	18.2%	11%
	Current business location	74%	57.6%	76.3%
	Rented or leased location	8%	0%	5.9%
	Contractor location	2%	22.7%	5.9%
	Other	2%	1.5%	0.9%
Annual sales targets	Unsure	43%	41.4%	20.7%
	\$10,000 or less	17%	3.5%	20.7%
	\$10,001–\$25,000	10%	13.8%	29.3%
	\$25,001–\$50,000	3%	10.3%	10.3%
	\$50,001–\$75,000	3%	10.3%	3.5%
	\$75,001–\$100,000	7%	3.5%	7%
	More than \$100,000	17%	17.2%	8.6%

Figure 2. Product Markets Utilized or Planned by Operation Type (n = 253)

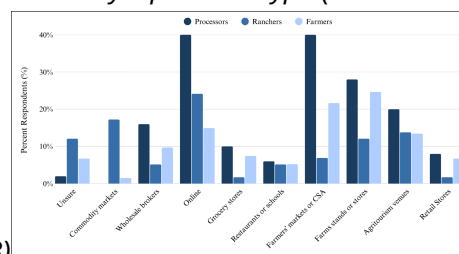
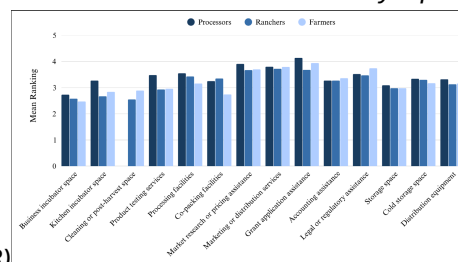


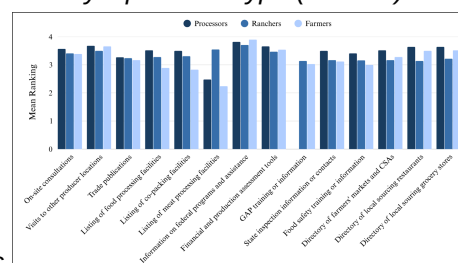
Figure 3. Perceived Useful Services by Operation Type (n = 253)



Notes. The mean ranking is on a scale of 1 to 5 (not at all useful to very useful). For example, a mean ranking of 4 for “accounting assistance” would indicate that, on average, respondents felt that accounting assistance would be relatively useful to their processing operation.

In terms of useful tools and resources (see Figure 4), financial and production assessment tools, as well as visits to other producer locations, ranked highly. Processors and farmers indicated that directories of local-sourcing grocery stores, restaurants, and farmers markets/CSA programs, as well as listings of processing and co-packing facilities would be very helpful to them. The ranchers felt that Good Agricultural Practices (GAP) training would be the least beneficial to their operation. Farmers and food processors indicated that a listing of meat processing facilities would be least useful, while ranchers felt the opposite.

Figure 4. Perceived Useful Tools and Resources by Operation Type (n = 253)



Notes. The mean ranking is on a scale of 1 to 5 (not at all useful to very useful). For example, a mean ranking of 3 for “GAP training” would indicate that, on average, respondents felt GAP training would be somewhat useful to their processing operation.



When queried about the current or planned markets for their processing operation, the two most common markets for food processors were online sales and farmers markets or consumer-supported agriculture (CSA) programs, followed by farm stands or stores (see Figure 2). Ranchers indicated they would likely market products online or through commodity markets. Finally, farmers favored farm stands and stores, as well as farmers markets, CSA programs, and online outlets.

Conclusions

Based on study findings, Utah's farmers, ranchers, and small food processors demonstrate strong and growing interest in value-added food production to enhance profitability and diversify their operations. While the types of products and processing approaches vary—ranging from agritourism and baked goods to meat/poultry products—most respondents intend to expand production within one year. However, many are uncertain about sales targets and lack access to key tools such as market planning resources, processing facilities, and business development support. These findings suggest that while enthusiasm for value-added enterprises is high, producers need additional guidance and infrastructure to fully realize these opportunities.

Overall, the study highlights significant potential for expanding Utah's value-added agriculture sector through targeted support and coordinated resource development. The consistent demand for grant assistance, financial planning, and information on federal programs points to an opportunity for Extension, policymakers, and economic development agencies to strengthen producer capacity through accessible training, grant-writing support, and improved information sharing. By addressing these gaps and building stronger local networks and technical assistance programs, Utah can foster a more resilient and diversified agricultural economy that better supports producers and rural communities statewide.

Recommendations

- **Expand funding support.** Provide grant-writing workshops and simplified guides to help producers access federal and state funding programs.
- **Increase processing access.** Develop shared-use and mobile processing facilities and create a statewide directory of co-packers and processors.
- **Enhance business and financial training.** Offer tools and workshops on business planning, pricing, and financial management.
- **Improve marketing assistance.** Provide market research, branding, and labeling support to strengthen local and regional food sales.
- **Simplify regulatory guidance.** Create clear, accessible resources on licensing, labeling, and food safety compliance.
- **Build peer learning networks.** Facilitate mentorships, producer tours, and networking events to share best practices.

- **Support agritourism and direct sales.** Offer technical assistance for on-farm retail, agritourism activities, and online marketing.
- **Promote awareness of federal programs.** Coordinate outreach to connect producers with USDA and state-level assistance opportunities.

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