Entrepreneurial Network Development Linked to a Regional Food System:

Building Innovation Capacity in Limited Resource Rural Households

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Award No. 2011-67023-30061
Context

• Local food movement is providing opportunities for small-scale farmers

• Landowners who are members of disadvantaged communities have not benefited as much as others

• NC’s Ag assistance organizations encourage these landowners to form farmer cooperatives; success rate has been low

• What factors contribute to or detract from success for these disadvantaged, small-scale farmers? How can we do a more effective job of assisting this population?
Sustainable Livelihoods Framework
Initial Hypotheses

• Lack of connections to business and knowledge networks outside of limited social networks limits the groups’ capacity to adapt and innovate.

• Connections are built through interactions; capacity-building interactions can be fostered through facilitated investment planning.

• Trust is critical – both among group members and between the group and assistance organizations. Trust takes time to earn, but can be ‘borrowed’ by approaching groups through trusted contacts.
Approach

- Background information and identification of suitable groups obtained through key informant interviews with relevant assistance providers
- Baseline interviews with participant group members
- Research team assisted groups to collectively develop plans for investment of $20,000 award per team
- Research team connects groups with people/groups that have useful information/business connections
- Among other metrics, we will be looking for evidence of network expansion
<table>
<thead>
<tr>
<th></th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year group formed</td>
<td>2009</td>
<td>2010</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Number of group members (farms)</td>
<td>6; 5 with active farms</td>
<td>9</td>
<td>3 core members, coordinating 18 others</td>
<td>5</td>
</tr>
<tr>
<td>Age range</td>
<td>mid-50s to early 70s</td>
<td>mid-60s to early 70s</td>
<td>[mid-40s to mid-50s]</td>
<td>[mid-50s to mid-60s]</td>
</tr>
<tr>
<td>Composition</td>
<td>All are African-Americans</td>
<td>7 African-Americans, 1 White, 1 Hispanic</td>
<td>All are white</td>
<td>All are African-Americans</td>
</tr>
<tr>
<td>Farm size range (Farmed acreage owned by household)</td>
<td>32 - 80 acres (avg = 46)</td>
<td>1 - 80 acres (avg of all but 80 acre farm = 4)</td>
<td>[&lt;10 acres per farm]</td>
<td>[2-22 acres] [(avg = 12)]</td>
</tr>
<tr>
<td>Number of members with past farming experience</td>
<td>2 have farmed all their lives (row cropping); 2 others from farming families</td>
<td>2 have farmed all their lives; 5 others from farming families</td>
<td>None have more than a few years experience</td>
<td>2 have extensive experience on small farms</td>
</tr>
<tr>
<td>Portion of income from farming</td>
<td>0%, 0%, 0%, 25%, 50%, 100%</td>
<td>Only 1 currently selling produce</td>
<td>[100%]</td>
<td>[3 get little, 2 depend more on farming]</td>
</tr>
<tr>
<td>Cooperative Project</td>
<td>Commercial-scale production of specialty products</td>
<td>Chicken hatching, refrigerated trailer</td>
<td>Farmers market</td>
<td>Joint farmstand in nearby urban area</td>
</tr>
</tbody>
</table>
Accomplishments

• 2 groups have fully implemented their projects; the other two groups are finalizing the 2nd half of their plans

• Project meeting in October. Groups met each other for the first time; they initiated conversations about joint projects

• Research Team has connected groups with needed process assistance and business contacts

• Research Team has assisted 2 groups apply for additional funds. One was successful; second is still in prep

• First paper ready to be submitted to peer-reviewed journal
Preliminary Findings

• The groups did not form on their own as a result of self-organization; group formation was catalyzed from outside

• Assets are necessary but not *sufficient* to trigger action

• Trust – among group members and between groups and assistance providers – is also necessary but not sufficient

• Leadership is important, but strong leadership can be counter-productive
Preliminary Findings

• The groups do have limited business and informational networks. The interesting question is why this is true.

• These groups present opportunities for other people and organizations whose goals may not be fully congruent with the groups’ best interests. The groups resist being pushed, and have learned to move slowly when urged to take on new projects. Recent experience exacerbates risk aversion derived from cultural and personal histories.

• Building group capacity takes time. The groups need partners rather than consultants in order to make progress.
Remaining Work

• Submit first paper to peer-reviewed journal

• Work with 2 of the groups to implement the rest of their investment plan

• Complete business plans for all groups

• Continue to help groups write grant/loan applications and implement projects

• Conduct final interviews and business/information network change assessment

• Prepare final report and publish additional papers
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