What is the definition of value added?

Any step in the production process that improves the product for the customer and results in a higher net worth.

Many options exist for adding value to commodities or specialty crops and are limited only by ones imagination. Some examples include goat milk to goat milk soap or cheese, strawberries to preserves or pies, a farm to a pick-your-own operation or farm tours, tomatoes to salsa or pasta sauce and wood products into handcrafted bowls or furniture.

Most commonly, value-added products derive from fruit or vegetables that are transformed into gourmet food items. Typical value-added products include jams, jellies, preserves, fruit sauces and spreads, pickles, preserved vegetables, tapenades, hot chili sauces, extra virgin appellation olive oils, herb-flavored olive oils and vinegars, and salsas.

Value-added can also include other types of products: cut flowers, dried flower arrangements, wreaths and wall swatches, braided garlic, painted gourds, dried herbs, sachets, soaps made from home-grown herbs, and herbs grown and sold for medicinal properties.

Any product can be considered value-added if it is originally grown by the farmer and increased in value "by labor and creativity." Value-added products are now being developed by small- to medium-scale farmers who do their own processing and sell direct to customers through farmers markets, individual and direct wholesale orders, or a Web site. Growers also typically sell wholesale to specialty outlets, such as high-end grocery stores or to exclusive catalogue businesses. The common factor is that the farmers develop and process the end product themselves (or collaborate with someone who has access to a certified kitchen) and do not work through a distributor or middle person to distribute.

Value-added products significantly enhance farmers' businesses, affording them a steady income throughout the year when their sales of fresh produce tend to dip. Farmers also emphasize that real satisfaction has come from the knowledge they have developed a high quality, distinctive and unique product that garners loyal customers and consistent positive feedback.

About 90 percent of value-added products are sold at farmers markets (farmers market sales account for about 25 to 80 percent of total sales.) The other 10 percent of their value-added products are sold to specialty stores and over the internet.

To help farmers with the over-supply problem and generate year-round income, many see the opportunities available in value-added products that have shelf life of 6 months or longer.
Designing a label and finding the right packaging for each product takes time and research unless the product is being outsourced to a manufacturer who provides some of those components. Components such as the recipes, and the bottles, along with the farmer providing the fruit or vegetable.

Pre-testing products is an important part when creating a value added product. Taste, flavor, texture, appearance are all-important to the final product that is developed.

Developing the value-added products, emphasizes that a value-added enterprise is not static and is continually evolving-and in order to be successful, a farmer must be flexible and inventive.

Farmers saw the opportunity for expanding their direct farm marketing business by using their products in innovative and lucrative ways. Doing so allowed them both to develop outlets for their creativity and stabilize their farm income all through value added.