

Appendix 5: Enterprise Diversification – Additional Survey and Interview Data

Case study producers had substantially diversified their enterprises even within broad categories. Fifty-three percent sold grain for multiple end uses: food, feed, malting, biofuel, cooking oil, seed – one even sold his peas for wildlife food plots. Since farmers often didn't have to decide which of these markets to sell into before planting, this diversity of options provided a price floor for higher value markets and an alternative if their crop didn't meet quality requirements for a particular end user. Similarly, one couple maintained three distinct community supported agriculture operations (grain, livestock, vegetable).

In another form of enterprise diversification, one farm household described three different types of arrangements they have with buyers. They sell 40-50% of their crop by accepting prices offered by processors, 30% through contracts they negotiate, and 30% through loose arrangements to plant a particular number of acres, with final terms specified at harvest. This diversity of contract relationships provides a balance of stability and flexibility that helps buffer against the volatility of ecological and economic conditions to which these farmers are subject.