

**VALUE-ADDED PRODUCER ALLIANCES: MEMBERSHIP PERSPECTIVES ON
ECONOMIC AND COMMUNITY DEVELOPMENT IN RURAL ILLINOIS**

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ABSTRACT

Economic stress that farmers and rural communities have faced in recent decades has led to new approaches in farming and community development. In order to increase farm profits and security, some farmers and communities have been investing in value-added agricultural enterprises. Producer alliances and farmer-owned processing firms such as New Generation Cooperatives, which take advantage of economies of scale, are common approaches in these ventures. Successful value-added alliances contribute not only to farmers' incomes but also to rural economic development by creating new jobs and generating taxes.

The potential benefits of such ventures have encouraged more farmers and communities to investigate value-added opportunities. Investments of time and money have been made, despite of risks of failure and loss. This thesis analyzes attitudes producers have towards their value-added groups to determine if they believe their investments and risks have been worthwhile as part of a regional economic and community development strategy.

Six value-added agriculture groups were surveyed by the Illinois Value-added Rural Development Center (IVARDC). These groups participated in a strategic visioning process and are in various stages of development. Several statistical procedures, including cross-tabulation, chi-square and analysis of variance were conducted to determine whether survey responses reflected the objectives of specific producer groups or the satisfaction of the individual members.

The producers surveyed in this study recognized benefits of participation in value-added groups beyond their own profits, indicating non-monetary and broader community

benefits. The research also suggested that the needs of these groups change as they develop. The recognition that producers must take action and risks to enhance their own future was identified as the greatest benefit from participating in their venture. A significant difference was found between the groups and their respective levels of satisfaction. The results supported the hypothesis that there is a relationship between the level of the group's development and the level of member satisfaction.