

Marketing 101 for farmers
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Marketing is an essential part of any farm where income is derived from farm product. There are those who feel that marketing is, in fact, more important than growing or producing product when it comes to the viability of the farm.

There is an ever-increasing demand for food raised on small local farms as consumers demand better quality and taste and also embrace the social and environmental justice issues associated with farming and food production. However, most of them still want convenience and aesthetically pleasing product and these priorities must be considered whether you are selling farm-gate, through wholesalers, at the farmers market, to restaurants or retailers.

The Basics

- Don't go to a buyer cold – always call ahead and set up an appointment when first introducing your product and farm to a new buyer.
- Investigate the competition and larger markets (including chain grocers): what is selling, what are people willing to pay, how does it look, how is it packaged.
- Be aware of any regulations that can affect your product – marketing boards, food safety regulations, certification. Don't underestimate the importance of food safety – a sick customer will never buy anything from you again!
- Be aware of the packaging needs of your buyer: this can range from waxed boxes to sticker and bar codes to labelled plastic bags to no packaging at all – know what your market wants.
- A personal relationship with whomever buys your food is important for the return customer, especially if that person will also be the one eating it. This is how you develop loyalty.
- Word of mouth is the most effective and least expensive way of getting new customers which means you have to keep your established customers happy.
- Factor in the time and skills needed to do your marketing; it is labour intensive and demanding, requires creativity and people skills. If you don't have what it takes to do your own marketing, consider having someone else do it either – payment options can include a percentage of sales, barter, cash or food trade.
- And don't ever forget: the two things that will most effectively kill a market are inconsistent supply and poor quality product – we all know what mother nature can do for and to a product but the consumer won't tend to take that into account unless it is for the better!

Access and Availability

- Once you have set up a connection or contract with a buyer, make sure you contact them well in advance of your growing/production season (if you aren't year round) and then regularly (weekly if appropriate) through the season to ensure that they have all the product they can move
- Make sure the buyer knows how and when they can get a hold of you. If there isn't someone who can answer the phone during the hours your buyers usually work (this will vary depending on if it is a restaurant, retail outlet or wholesaler), make sure you have an answering machine and that you check it regularly (at least daily!)

- Have a regular delivery schedule that works for both you and the buyer.

Education and Promotion

- Don't forget promotional materials. Urban people love images of farms. Associate great product with your farm name and images. Consumers can then start to ask for your product by name, encouraging the buyer to carry more.
- Be prepared to educate those who buy your product – from wholesalers to the walk-by traffic at the farmers market. Education will help ensure a long-term commitment to buying from local farmers. Know that some of your consumers will be well educated so don't try to fool them – when they ask if the sugar has come on in the cherries yet, make sure you know. You will also build loyalty if you let the buyer know how you raise your product and why you make those choices, the impact of weather on crops and other realities of farming.

Product Characteristics

- The appearance of a product is the first thing a customer notices. For “aesthetically challenged” products education and taste tests can help; if your buyer is just going to be processing your product the look will not matter so much.
- Taste can only sell your product if people get to try it – do samples where you can and be able to describe the taste yourself (i.e. juicy, sweet, crispy, bright, tart, melt in your mouth etc. – be enthusiastic but always truthful)
- Size can matter: a single person will never make it through a 5 pound cabbage while the family of 6 will happily use it for borsch or coleslaw!

Pricing & Getting Paid: while the Kit includes suggested wholesale prices (based on 2003 local stats) it is important to know how to set prices. Some factors to consider.

- Know how much it costs you to produce a product: these costs include field prep, seeds and amendment costs, harvesting, packaging, marketing and shipping costs as well as general farm overhead such as **your salary (!)**, equipment maintenance and depreciation, property taxes, mortgages etc.
- Once you know the cost of production, factor in the profit needed beyond the break-even point. This profit margin then needs to be examined in the context of your specific market and what it will bear. Direct sales to consumers generally means that you can mark the price up higher as they would normally be buying it from a retailer with a markup of up to 100% who in turn may have bought it from a wholesaler with a markup of 50%. A 40% markup is common among those who direct market – hence the appeal for the consumer.
- Try not to get into price wars with other farmers – no one wins a war. Some farmers deliberately try to have the most expensive produce at a market and while this may discourage some it also conveys the message that your product is worth it.
- Consistent prices encourage consistent consumers. If they know from year to year and throughout the season that your prices will always be reliable, your buyers can factor that into their own budgeting, whether they are a restaurant or an individual.
- When working with wholesalers or retailers (larger markets) have a clear contract and understanding of delivery, volume, quality, packaging and payment arrangements.
- If you contract grow for a business of any sort, make sure the contract is with the business and not with individual staff members (such as chefs) who may leave.
- Don't forget that you may have returns – have a policy for dealing with this.

Market Specifics

- Restaurants are most interested in fresh produce, followed by dairy, eggs and then fruit (some demand will depend on changing menus through the seasons). Restaurants that

actively support locally produced food are generally willing to pay a 10% premium over imported goods but price is a big factor for their profitability as well. Build a direct and personal relationship with the restaurant chef and/or owners in order to create the willingness to pay what you need for your product.

- Farmers Markets: make sure that your display is abundant, colourful and creative; have clear farm and price signage. Offer samples.
- Wholesalers will need consistent packaging and supply and tend to work better with less perishable products. Properly sized and graded products are essential.
- Retailers: packaging and label requirements can often be the most stringent and may require bar codes on some products. For the so-called staples such as potatoes, onions, carrots etc, visually appealing, properly sized and graded products sell a lot better. Consistent and high quality supply is necessary to foster a long-term relationship.