Selling on the Internet and Through Wholesale Produce Distributors

Farmers and ranchers can reduce their risk by diversifying how and where they sell, rather than relying on a single marketing channel. This issue of ATTRAnews looks at the advantages and disadvantages of selling on the Internet and through produce distributors.

Marketing Your Farm Products on the Internet

The Internet is an effective communication and marketing tool that can introduce your farm or ranch to a large number of potential customers. You can advertise your farm with pictures and maps, take orders online, show product availability, keep in touch with your existing customers, and support other ways of selling, such as CSAs or farmers markets. Farmers can create an Internet presence through their own website or by using a website run by a third party.

Advantages

• You can let a lot of people know about your farm, its history, product line, location, and events.
• You save time marketing and selling, since your website or web presence is always available to customers.
• A basic website can be developed with minimal instruction.
• Third-party websites can be used to provide web presence with minimal investment of your time or resources.

Considerations

• There is less personal connection between customer and producer over the Internet.
• An Internet presence requires regular maintenance and current material, such as an up-to-date blog.
• The Internet can be used to take and process orders, but this requires a more sophisticated website than one that simply advertises your farm and products.
• See page 4 for more tips about selling on the Internet.

Key Questions to Ask Yourself

• What is my experience and comfort level with computers? If it is limited, who can help me with my computer and Internet work on a regular (weekly) or as-needed basis?
• How will I keep my site or web presence up to date in order to keep attracting customers to it?
• How much time will it take to maintain an electronic list of customers for e-newsletters and updates?
• How might Internet marketing fit and perhaps support other marketing channels, such as CSA, agritourism and institutional markets?
Resources for Selling on the Internet

- **Buy Fresh Buy Local chapters** promote locally produced food. See a nearby chapter to find potential customers for your farm products and to learn more about local and Internet marketing. www.foodroutes.org

- **Foodzie** helps small food producers and farmers across the U.S. reach new customers and connect directly to customers searching for food and gifts. The cost of using this service is tied to product sales. www.foodzie.com

- **Local Harvest** is a nationwide directory of small farms, farmers markets, and other local food sources. The site helps consumers buy what they want directly from the farmers and ranchers who produce it. www.localharvest.org

- **CSAware** is a customizable, user-friendly Community Supported Agriculture software program. It allows your CSA members to sign up for your program online, let you know when they’ll be out of town, and order any special items you offer. You can see and manage all that information, set what goes into the boxes each week, and manage your drop-off site information. www.csaware.com

- **Small Farm Central** was started by an ex-farmer who ran a CSA. The company provides, for a price, support to farmers to develop their own website as part of their marketing strategy. www.smallfarmcentral.com

- **How to Direct Market Farm Products on the Internet** is an excellent guide to developing internet marketing goals, finding Internet consumers, and setting up and marketing a website. The publication uses the experience of a variety of farmers who use the internet to support their sales. Good resources section with links to relevant software, articles and publications. Download the 50-page PDF at http://agmarketing.extension.psu.edu/retail/howdrcmtmrktioninternet.html

Resources for Selling to Produce Distributors

- **The Packer** is a weekly newspaper that covers fruit and vegetable news, produce shipping, distribution, packing, marketing, and trends in fresh produce. An annual guide lists buyers by commodity and location. www.thepacker.com

- **Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce** is a 255-page manual for the produce wholesale industry. It covers food safety, post-harvest handling, packing and grading, fulfilling orders, record keeping, and billing. With harvesting, cooling, storing, packing information for 103 different fruits and vegetables. Phone 708-763-9920. www.familyfarmed.org/wholesale-success

- **AMS Fresh Fruit, Vegetable, Nut and Specialty Crop Grade Standards** lists the U.S. Agricultural Marketing Service grade (quality) standards for each fruit, vegetable and nut sold as commodities. http://tinyurl.com/ams-grade-standards

- **Food Safety and Liability Insurance for Small-Scale and Limited Resource Farmers** gives a brief overview of food safety and liability insurance. This is published by the Community Food Security Coalition. www.foodsecurity.org/insurance.htm

- **Como Proteger Su Negocio Agrícola y Producir Alimentos Seguros en Su Granja** is a Spanish audio version of the above brochure. You can request a CD of this recording by contacting publications@foodsecurity.org, (503) 954-2970. Or go to www.foodsecurity.org and listen to the mp3 recording on your computer.

- **USDA Terminal Market Report** lists current wholesale prices online at http://tinyurl.com/3znaeuf

- **Rodale Institute Organic Price Report** can show organic prices only or compare organic and conventional wholesale prices at the current market rates. Prices of fruit, vegetables and grains are listed for six wholesale terminals across the U.S. www.rodaleinstitute.org/Organic-Price-Report


The following ATTRA publications include useful information for marketing farm products. These can be downloaded from ATTRA’s website, www.attra.ncat.org. Or call 800-346-9140 for a printed copy. Prices vary. Many publications are free to view or download.

- **Agricultural Business Planning Templates and Resources RL042**

- **Enterprise Budgets and Production Costs for Organic Production RL041**

- **Evaluating a Farming Enterprise IP041**

- **Illustrated Guide to Growing Safe Produce on Your Farm: GAPs SP382. Also available in Spanish:**

- **Guía Ilustrada para Producir Alimentos Seguros en su Granja SP382**

- **Keys to Success in Value-Added Agriculture IP172**

- **New Markets for Your Crops IP328. Also available in Spanish:**

- **Nuevos Mercados para Su Cosecha SP328**

- **Pork: Marketing Alternatives IP153**

- **Postharvest Handling of Fruits and Vegetables IP116**

- **Season Extension Techniques for Market Gardeners IP035**

- **Selling to Restaurants IP255**

- **Scheduling Vegetable Plantings for Continuous Harvest IP323**

- **Specialty Cut Flower Production and Marketing IP025**

- **Sustainable Season Extension: Considerations for Design IP416**
Selling to Produce Distributors

Produce distributors are businesses that aggregate product and resell it in small or large quantities to their customers. A distributor may be an individual with a van or a company with a fleet of eighteen-wheelers. Distributors can purchase from individual farmers, brokers, wholesale buyers, or packing houses.

Distributors sell to a range of customers, including individual restaurants, grocery stores, and institutions such as hospitals and schools. Since local food has come into higher demand, some distributors have made the effort to focus their business on providing local produce to their customers.

**Advantages**

- Distributors can handle large volumes of product.
- Distributors can contract for a particular product for the whole season.
- Farm product identity could be retained in this wholesale market if the distributor focuses on local products.

**Considerations**

- While you can sell a larger quantity, you should expect a lower price per unit.
- Some distributors may not pay for 30 to 60 days. Make sure to keep organized records of money owed to you, and be clear about when you want to be paid.
- Distributors have USDA standard pack and grade requirements that you will need to follow, including clean, new boxes.
- Selling to distributors requires a well organized invoicing and recordkeeping system.

**Key Questions to Ask Yourself**

- How do these buyers want my produce packed and delivered? What quantities do they want? How often?
- Do I have liability insurance or a GAPs plan? Do these buyers require either of these items, and how much coverage do I need?

Tips for Selling to Produce Distributors

🎯 Contact the distributor to see what products they are looking for as well as volume, price, pack and grade preferences, delivery or pickup schedule, and liability insurance and GAPs (Good Agricultural Practices) requirements.

- Ensure quality by pre-cooling and careful post-harvest handling.
- Consider specialty products that may bring a higher price, such as green garlic, squash blossoms or pea tendrils that are variations on conventional items.

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**ATTRA’s New Series of Marketing Tip Sheets**

The series will include tips for marketing various livestock products and for selling at livestock auctions. All the tip sheets will also be published in Spanish. See page 4 or [https://attra.ncat.org/marketing.html#direct](https://attra.ncat.org/marketing.html#direct) for a complete list of titles.

The marketing tip sheets were developed with funding from the USDA Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (OASDFR) program.
More Tips for Selling on the Internet

Outline your goals for your farm’s Internet presence. This process will allow you to determine what resources (labor, expertise, software, hardware) you need.

Guide people to your site.
- Create and trade links to related websites.
- List your website in Buy Fresh Buy Local, other farm guides.
- Use an e-newsletter that links to your website.
- Put your website and email address on all your farm’s printed material.
- Sign up with websites that point to local produce such as www.localharvest.org.

Diversify your marketing strategies. Don’t rely on your website as your only marketing channel for your business.
- Consider using Facebook and Twitter to connect with a large number of potential customers.
- Keep a blog and use other social media to keep customers interested in what is happening on your farm.

Make your website easy to use and easy to find. Ask for feedback from friends and customers.
- Select a website address (“domain name”) that is short, meaningful, easy to spell, and easy to remember.

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- Keep a blog and use other social media to keep customers interested in what is happening on your farm.

Updated Publications from ATTRA
- Agroforestry Overview IP155
- Apples: Organic Production IP20
- Biodiesel: Do-it-yourself Production Basics IP263
- Documentation Forms for Organic Crop and Livestock Producers IP412
- Organic & Grass-Finished Beef Cattle Production IP305
- Organic System Plan Template for Crop and/or Livestock Production IP409
- Pears: Organic Production IP167
- Pressure-Treated Wood: Organic and Natural Alternatives IP362
- Raising Organic Pigs IP185
- Resource Guide to Organic and Sustainable Vegetable Production IP188

New Publications from ATTRA
- Tools for Managing Internal Parasites in Small Ruminants: Animal Selection IP400
- Tips for Selling through CSAs — Community-Supported Agriculture IP422
- Consejos para Vender a través de CSAs — Agricultura Apoyada por la Comunidad SP422
- Tips for Selling at Farmers Markets IP423
- Consejos para Vender en Mercados de Productores SP423
- Tips for Selling to Grocery Stores IP424
- Consejos para Vender a Tiendas de Abarrotes SP424
- Tips for Selling to Restaurants IP425
- Tips for Selling at Roadside Stands IP426
- Consejos para Vender a Restaurantes SP425
- Consejos para Vender en Puestos en el Borde de la Carretera SP426
- Tips for Selling with Agritourism and “Pick-Your-Own” IP429
- Tips for Selling to Institutional Markets (schools, colleges, etc) IP427
- Tips for Selling on the Internet IP428
- Tips for Selling to Aggregators/ Grower Marketing Co-ops IP434
- Tips for Selling to Packing Houses IP433
- Tips for Selling to Produce Distributors IP431
- Tips for Selling to Wholesale Buyers at Terminal Markets IP432

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