



Newsletter of the National Sustainable Agriculture Information Service: A project of the National Center for Appropriate Technology (NCAT)

Planning and Planting for Your Markets

Until recently, most farmers and ranchers just raised food and animals. Someone else did the marketing. Now many producers sell their own products, hoping to capture more of the consumer dollars. Growers are also adding value to what they raise and creating new products. In this issue of *ATTRAnews* we offer tips and share guidelines for some of the best ways to market what you produce.

Golden Rules of Marketing

Adapted from ATTRA's Agricultural Risk Management Guides, which are available in English and in Spanish.

Know what you are selling. It is more than just the product. It's a bundle of valuable things that are appreciated by your target customers.

Know who you are selling to. Each group of customers has a different set of characteristics and needs. You have to adapt your sales approach to meet these demands.

Know your own story. Your business's story adds value to your product and you should emphasize it. You need to be able to tell your story in the time it would take you to ride an elevator to the top of a building with a potential business investor.

Don't make assumptions. Don't guess about the viability of your business plan or the behavior of your customers. Find some way to prove what you think is true.

Be customer oriented, not product oriented. Think, "My customers want lettuce. How can I get it to them the way they like it?" Don't think, "How can I find someone to buy my lettuce?"

Sell features and benefits. Say, "This red lettuce contains more vitamins to keep you healthy," not just, "I have red lettuce to sell." Each feature has a benefit that your customers value. Point these out to make a sale.



Photo by Jim Lukens

Flowers enliven the busy farmers' market in Fayetteville, Ark.

Be a price maker, not a price taker. Don't sell commodities. When you're selling something that can't be distinguished from another farmer's product, you can't control the price. If the other farmer has more to sell, you will lose.

To manage risk, diversify carefully in all directions. Growing many crops for many kinds of customers will reduce your risk of loss. But your management job can become overwhelming and then your quality and service will slip. You must strike a balance between diversity to manage risk and management time to maintain quality.

Start as small as possible and learn the market. Find the smallest way you can enter the market in order to minimize your risk. Once you learn how it works, you can increase your production.

Plan Ahead for New Products

It's a chicken-or-egg situation. How do you know you can produce something until you try? And how do you know you can sell a new product until you have it in hand to show people? The

answer to both questions is: produce a small amount of product the first time. This way, any mistakes will be small and less costly. If you produce a large supply of a product without first securing

your market, you may not be able to sell it, no matter how well it turns out. The take-home message is: experiment on a small scale this season to line up your market for next season.

Inside:

 www.attra.ncat.org

Marketing Resources Page 2
ATTRA Marketing Publications Page 2

Pros & Cons of Selling Page 3
Evaluating Your Resources Page 3

Pros & Cons of Selling, cont. Page 4
New from ATTRA Page 4

Marketing Resources

National Agriculture Library's Alternative Farming Systems Information Center (AFSIC) offers extensive lists of resources on practical topics such as direct marketing, on-farm enterprises, value-added products, farm business planning, farm animal welfare audits, certification programs, and alternative crops.

www.nal.usda.gov/afsic, telephone 301-504-6559.

Agricultural Marketing Resource Center is a national information resource for value-added agriculture. The center is a national partnership of land grant institutions and state departments of agriculture. www.agmrc.org

Localharvest.org is a comprehensive national self-listing directory of producers who sell to the public.

www.localharvest.org

Eat Wild is an online marketplace for pasture-based farms and ranches. www.eatwild.com

North American Farmers' Direct Marketing Association provides networking about all kinds of farmer direct marketing, concentrating on farmers' markets and agrotourism. www.nafdma.com; www.farmersmarketcoalition.org

Sheepgoatmarketing.info is a national resource for sheep and goat marketing. www.sheepgoatmarketing.info

Price reports are available from several online directories such as those of the Rodale Institute and the Maine Organic Farmers & Gardeners Association. Both organizations offer an abundance of information about good farming and marketing practices.

www.rodaleinstitute.org/Organic-Price-Report;

www.mofga.org/Default.aspx?tabid=260

Online farmers' markets may be informative: www.co.rockingham.nc.us/ofm/farmlist.htm; www.locallygrown.net; www.discoverfrederickmd.com/farmersmarket

Access e-Commerce, from the University of Minnesota Extension, works to enhance rural development through electronic commerce. www.access-ecom.info/index.cfm?xid=MN

Market Maker helps producers in more than a dozen states promote their operations and products.

<http://national.marketmaker.uiuc.edu>

Southwest Marketing Network provides extensive resources for producers. www.swmarketingnetwork.org

Publications

Growing for Market magazine publishes practical in-depth articles about how to make a living on a small farm. www.growingformarket.com, telephone 1-800-307-8949

Sell What You Sow! The Grower's Guide to Successful Produce Marketing

The New Agritourism: Hosting Community and Tourists on Your Farm

The New Farmers' Market: Farm-Fresh Ideas for Producers, Managers and Communities

All three books are available from:

New World Publishing

11543 Quartz Dr. #1, Auburn, CA 95602

www.nwpub.net, telephone 530-823-3886

Publications about Marketing from ATTRA

Looking for products to add to your farm's output? In addition to this list of publications about marketing, ATTRA has hundreds of publications about specific crops, livestock, processing techniques, and organic and sustainable production methods that can diversify your operation and add to your bottom line. These are all available for free. You can see and download them at www.attra.ncat.org. Call 1-800-346-9140 to order a paper copy.

Adding Value to Farm Products: An Overview IP141

Adding Value through Sustainable Agriculture – online only

Agricultural Marketing in the U.S. Southwest IP251

Beef Marketing Alternatives IP290

Bringing Local Food to Local Institutions IP242

Community Supported Agriculture IP289

Direct Marketing IP113

Economics of Grass-based Dairying IP210

Entertainment Farming and Agrotourism IP109

Entrepreneurship: Overview & Resources – online only

Enterprise Budgets and Production Costs for Organic Production RL041

Evaluating a Rural Enterprise IP041

Farmers' Markets: Marketing and Business Guide IP146

Food Miles: Background and Marketing IP312

Grazing Contracts for Livestock IP247

Green Markets for Farm Products CT140

Keys to Success in Value-Added Agriculture IP172

Local Food Directories – online only

Market Gardening: A Start-up Guide IP195/201

Marketing Organic Grains CT154

Marketing Strategies for Farmers and Ranchers IP181

Moving Beyond Conventional Cash Cropping IP201

Natural Livestock Feasibility Study IP347

New Markets for Your Crops IP328

Nuevos Mercados para Su Cosecha SP309 – papel o audio

Organic Marketing Resources IP124

Pork: Marketing Alternatives IP153

Selling to Restaurants IP255

Start a Farm in the City IP350



Pros & Cons of Selling Directly to Consumers

Farmers' Markets

PRO	CON
Highest margin—full retail	High selling cost per unit sold
Can sell a little or a lot	Hard to move large volumes
No standard pack or grade	You may not like selling face-to-face
Good market intelligence	Market schedule is grueling

Roadside Stands

PRO	CON
High margin—full retail	Highest overhead expense
Very high profit per unit after break-even	Have to keep it staffed
No standard pack or grade	High regulatory risk exposure
No transport cost	Location is critical
Steady cash flow	Must keep a clean farm
	Management is intense

Community-Supported Agriculture - CSA

PRO	CON
High margin—full retail	Requires very heavy, skilled marketing management
Best risk management with constant buyers	Requires superb growing skills
Shares production risk with CSA community	Requires very careful planning
Reduces the need for operating capital	Positioning must be unrelenting
Can farm more ecologically	You are selling your story more than you are selling produce
No standard pack or grade, light post-harvest needs	
Emotionally gratifying; you see your product from seed to plate – and build a community in the process	

These pros, cons and tips are adapted from ATTRA's *Agricultural Risk Management Guides*, available in English and Spanish, www.attra.ncat.org/risk_management/rmgateway.html.

Pros & Cons of Selling Directly to Restaurants

PRO	CON
Easy first sale	Small order size/frequent delivery
High margin	Picky—require top quality
Purchase by the carton	Slow pay
May buy a little or a lot	Require personal attention
Good market intelligence	High turnover of buyers
Local	Must have a harvest schedule in advance
Reliable customers	Require a specific delivery time window, such as 9 to 11 a.m.
Do not require a standard pack	

TIPS

- Sell with samples to the executive chef, but build a relationship with the sous chef in case the executive moves on.
- Make sales calls from 9 - 11 a.m. and 2 - 5 p.m.
- Give the chef a schedule of what you will harvest and when, and keep them informed of changes and upcoming new products.
- Ask constantly about their needs, including pack, size, variety, post-harvest preferences and new items.
- Take orders by fax, but also use the phone.
- NEVER miss a delivery.
- Don't change your prices often.
- Try to always have something to sell them, so that you never break the pattern of delivery. Always bring in something new for the chef to taste. For insight, see www.chefscollaborative.org.
- Figure out what your minimum average order size is and decide how long you will give the customer to reach it.
- Use the chef as your best source of market information. They will know what the next big thing is before you do.
- Know how the chef is using your product and be prepared to talk about other ways to use it.
- Make sure that you, your delivery person, your label, your prices, your pack, and your attitude all tell the same story.

Ask Yourself These Questions Before Starting a New Enterprise

Marketing

- Where am I going to sell the products? Who is the customer?
- What is the size of the potential customer base?
- Where do the customers live?
- How will their location influence my selling to them?
- What are the customers' needs and desires?
- Am I going to sell directly to consumers?
- Am I going to sell wholesale to the commodity market?
- What seasonal price fluctuations can I expect?
- What quality standards must I meet?
- How much time and fuel will it take to reach my markets?
- Are there legal or food-safety considerations?

Personal

- Do I have time to devote to this new enterprise?
- Does the workload correspond to the season I want to work?
- Will the new enterprise complement my current enterprise?
- Do I have written objectives describing the desired outcome?
- Do I have the skills and experience necessary to do this?
- Do I like to supervise people?
- Have I managed a business before?
- Do I have enough personal energy to do this?
- Can I count on my family members for support?
- Do I care what the neighbors think about my new enterprise?
- Why do I want this enterprise?

For Land-Based Enterprises

After you have determined that the enterprise is something you really want to do, consider these additional questions.

Land

- What is the water drainage like?
- Are the soils suitable?
- What is the seasonal rainfall pattern?
- What will happen to my enterprises during a flood or drought?
- Are these plants or animals adapted to this region?
- Is water available for irrigation or watering livestock?
- Do I want concurrent uses for the land, such as wildlife conservation, fishing or hunting?

Buildings and Machinery

- Do I have adequate facilities?
- What additional machinery will I need?
- Can I rent or borrow machinery or storage facilities?

Labor Needs

- How much labor will be required?
- What is the source of labor?
- How much will it cost?
- Is seasonal labor available?
- Will I need housing for my workers?
- Does this enterprise use existing labor in off seasons?



Non Profit Org
US Postage
PAID
Permit No. 381
Butte, MT 59701

Return Service Requested

Pros & Cons of Selling to Independent & Small Grocery Stores

PRO	CON
Large order size/frequent delivery	Hard first sale; slow pay
Fair margin	Few customers
Buys by the box, pallet, or bin	Potential bureaucratic barriers
Sometimes local	Insists on standard pack
Potential for co-marketing	Must have good post-harvest practices, keep produce clean and cold
Will buy a range of products once you have introduced the first	Price sensitive

TIPS

- Be professional, reliable, and on time. Find the decision maker, but build relationships with everyone who handles your product.
- Take advantage of what makes you valuable to the store: you are local; your product can be more ripe (true vine-ripe tomatoes can be brought right from the field); you are entertainment for the buyers and put them in touch with the farming side of their business; you are a marketing opportunity to them.
- Provide waterproof point-of-purchase cards about your farm to fit the store's displays.
- Choose a signature product, and then piggyback other products to broaden your line. Be the produce buyer's *tomato guy*, but sell a few boxes of peppers and cilantro and basil with each delivery.
- Ask when to make sales calls and deliveries, and then try to develop a steady routine.
- Give the buyer a schedule of what you will harvest and when, and then keep them informed of changes and upcoming new products.
- Ask constantly about their needs, including pack, size, variety, post-harvest preferences, and new items.
- Don't change your price and try to get an agreement for regular deliveries.
- Try to always have something to sell them so that you never break the pattern of delivery.
- Figure out what your minimum average order size is and decide how long you will give the customer to reach it.
- Make sure that you, your delivery person, your label, your prices, your pack, your point-of-purchase cards, and your attitude are all telling the same story.

New & Updated Publications from ATTRA

Procesamiento de Aves a Pequeña Escala (Small-Scale Poultry Processing, in Spanish) SP231
Natural Livestock Feasibility Study (information on marketing alternative, grass-finished or organic beef) IP347

New Value-Added Guide from ATTRA

Farm Made: A Guide to On-Farm Processing for Organic Producers
– An Overview and Four Example Enterprises: Sorghum Syrup; Packaged Fresh Salad Greens; Jams, Jellies and Spreads; Table Eggs – IP351
by George Kuepper, Holly Born, and Anne Fanatico, Kerr Center for Sustainable Agriculture, 2009

Want to subscribe to ATTRAnews by e-mail? Send a message to karenv@ncat.org. Thank you for helping us conserve resources!

ATTRAnews

Teresa Maurer, Project Manager
Karen Van Epen, Editor
Amy Smith, Production
October 2009 • www.attra.ncat.org

ATTRAnews is the newsletter of the National Sustainable Agriculture Information Service. The newsletter is distributed free throughout the United States to farmers, ranchers, Cooperative Extension agents, educators, and others interested in sustainable agriculture. ATTRA is funded through the USDA Rural Business-Cooperative Service and is a project of the National Center for Appropriate Technology (NCAT), a private, nonprofit organization that since 1976 has helped people by championing small-scale, local, and sustainable solutions to reduce poverty, promote healthy communities, and protect natural resources.



Printed on recycled paper