



UNIVERSITY OF ILLINOIS
EXTENSION

GROWING A NEW GENERATION
OF ILLINOIS FRUIT AND VEGETABLE FARMERS

SELL WHAT YOU GROW: MARKETING OPTIONS FOR SMALL FARMS

Deborah Cavanaugh-Grant
December 2014



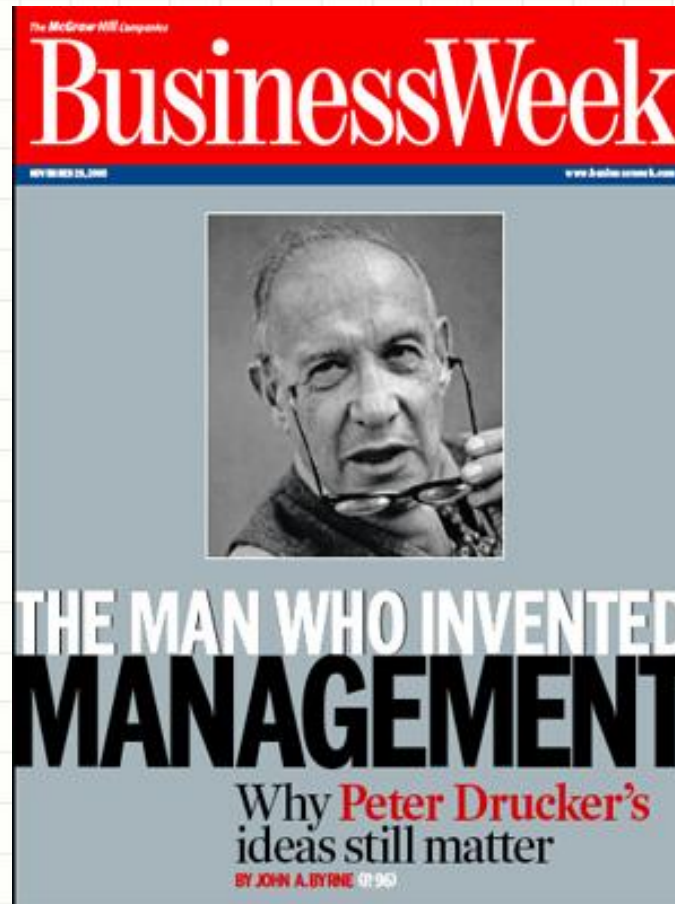
Today's Objectives

- Gain an understanding of marketing concepts and methods
- Gain an understanding of how to determine your target market
- Explore creative enterprise ideas for your farm
- Increase awareness of resources that provide marketing information and support

What We'll Cover

- How to begin your market analysis
- Brief discussion about marketing concepts
- Short discussion of available marketing options
- A closer look at direct marketing options

“The purpose of business is to create and keep a customer”



Importance of Marketing

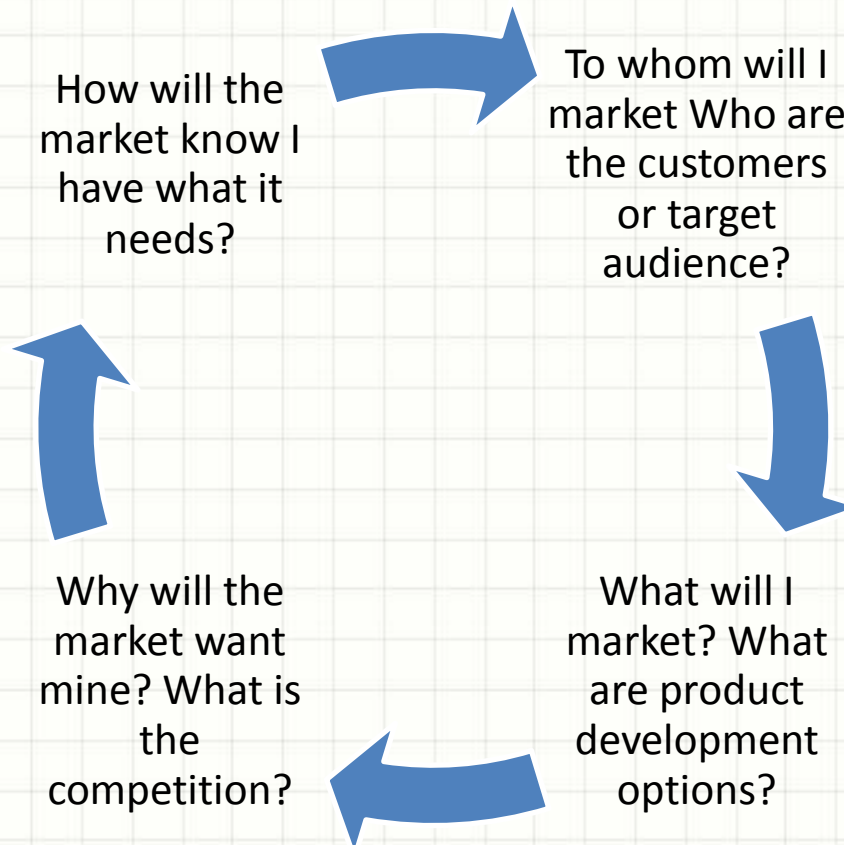


CC-BY Peter Prehn

Marketing does not begin *after* production, but well *before* the first seed is planted

Marketing Strategies

THE MARKETING CIRCLE



Market Development

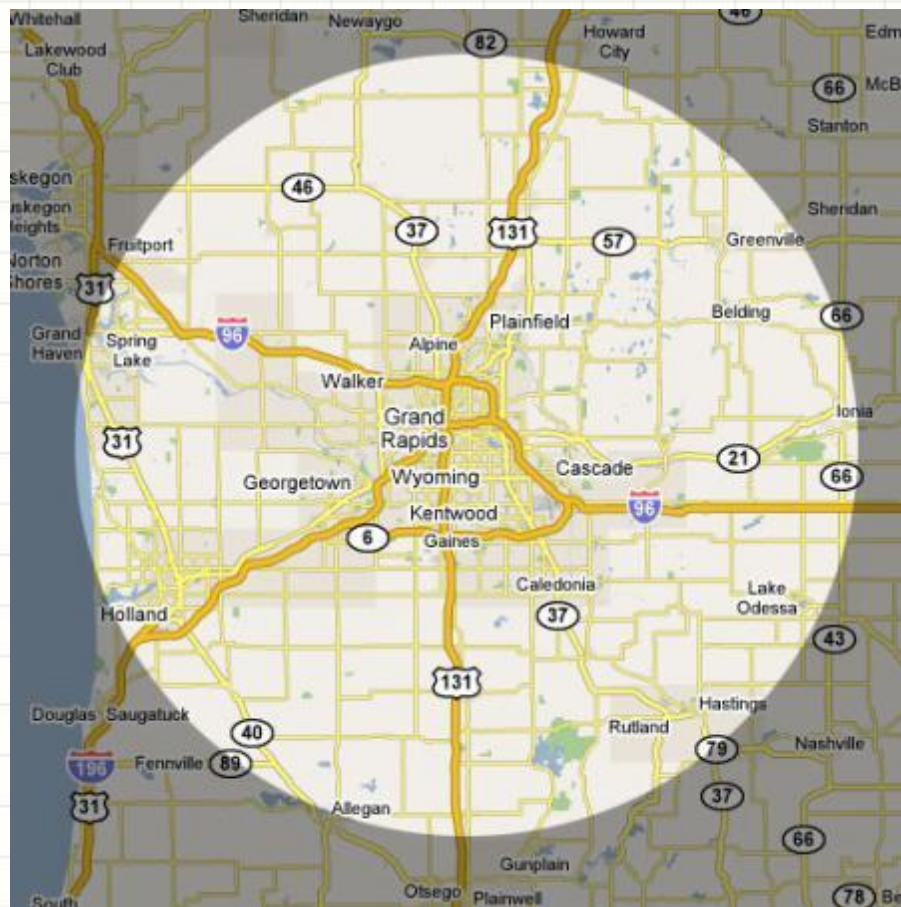
- Four ways to create a market
 - ✓ Market Penetration
 - ✓ Market Development
 - ✓ Product Development
 - ✓ Diversification

Market Research

- What kind of information do I need to know to make a specific business decision?
- How am I going to use the information when I am done?



30 –mile market technique



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MarketMaker

The screenshot shows the homepage of the Illinois MarketMaker website. At the top, there's a browser address bar with 'il.foodmarketmaker.com' and a navigation bar with links like Home, About Us, News, Resources, Contact Us, and Login. The main header features the 'ILLINOIS MARKETMAKER' logo with the tagline 'Linking Agricultural and Seafood Markets'. Below this, there are two main sections: 'Search MarketMaker' and 'Business Spotlight'. The search section includes a dropdown menu for 'Farmer/Rancher', a text input for 'by product i.e. apple', and a location filter set to 'IL' with a radius of '50 miles of ZIP'. A 'Search' button and a link to 'Advanced Search' are also present. The 'Business Spotlight' section features a 'QUINCY DREAM SWEET CORN' product image and a description of Brian Severson Farms. Below these, there's a 'Buy/Sell Forum' section with a table of listings: Buy (7), Sell (110), Services/Equipment (8), Transport (0), and Other (3). At the bottom, there are three columns: 'Taste of Illinois' with a 'Darn Hot' link, 'Market Research' with a description of the research tool, and 'News' with a link to an annual hop acreage survey.

il.foodmarketmaker.com

Bookmarks by ... www.greatplain... Google Calendar Reference Gmail SARE Website Illinois Associati... SARE

Home About Us News Resources Contact Us Login

ILLINOIS MARKETMAKER™
Linking Agricultural and Seafood Markets

Register Search Why Marketmaker Partner States Buy/Sell Forum

Search MarketMaker

Farmer/Rancher

by product i.e. apple

IL 50 miles of ZIP

Search

Advanced Search

Business Spotlight

Quincy Dream Sweet Corn

Brian Severson Farms
Enjoy the taste of summer all year with our delicious, certified organic sweet corn! It's harvested at the peak of freshness & quickly cooled at the farm for the best flavor. Enjoy it fresh or frozen, all year long! It's available for wholesale purchase in both retail & bulk packaging. We are interested in connecting with Farm to School programs.

Learn More >

Directories In Season Events

Business Directory
Search our business directory for registered MarketMaker members.
View Directory >

Affiliation Directory
To view a directory of members in your state, click an affiliation.
F.I.T. City, Buy Fresh Buy Local Central Illinois, Quad City Food Hub

Buy/Sell Forum

Buy	Sell	Services/Equipment	Transport	Other
7 Listings	110 Listings	8 Listings	0 Listings	3 Listings

Taste of Illinois

Darn Hot

Market Research

The MarketMaker research tool is an interactive mapping resource for identifying target markets.

News

Annual hop acreage survey underway
Jan 4, 2014 - The USDA National Agriculture Statistics Service

<http://il.foodmarketmaker.com/>



Marketing Plan



"That's your big marketing plan?"

Images ©Cartoonstock.com /Ron Therien

- “No matter how much money and time you have to spend on your business marketing, you should spend at least some time on a marketing plan.”

Starting and Running your Own Small Farm Business, Sarah Beth Aubrey

How to begin your marketing plan

- Decide what your message is
- Decide what vehicles you'll use
- Decide the timeline for your message
- Research expenses
- Keep the marketing going

Enterprise Evaluation



Images ©Shutterstock.com/ Brian A Jackson

Marketing Options for Small Farms



Steve Ayers

Non-Direct (Wholesale) Marketing



Ginny Lee

Direct Marketing

Non-Direct Marketing

- Non-direct markets involve producer interaction with market intermediaries. The non-direct markets include terminal market firms, shipping point firms, processors, grower cooperatives, brokers and retail outlets.

Types of non-direct marketing

- Terminal Markets
- Shipping Point Firms
- Brokers
- Cooperatives
- Retail Outlets
 - Restaurants
 - Grocery Stores

Types of non-direct marketing

Terminal Markets

- Assembly & distribution centers
- Producers truck their commodities (in large amounts) where buyers purchase and then redistribute



Andrew Jameson, CC-SA

South Water Market, Chicago, IL

Types of non-direct marketing

Shipping Point Firms

- Packinghouses, produce distributors or buying offices for large chain stores



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Capital City Fruit, Des Moines, IA

Types of non-direct marketing

Brokers

- Individual or firms that neither take title or possession but serve as agents to negotiate sales contracts between buyers and sellers.



Central Illinois Produce, Urbana, IL

Types of non-direct marketing

Cooperatives

- Individual or firms that neither take title or possession but serve as agents to negotiate sales contracts between buyers and sellers.



Organic Valley/CROPP Cooperative Vegetable Producer Pool

Types of non-direct marketing

Retail Outlets

- Restaurants
- Small Independent Grocery Stores
- Hotels

Farm-to-Retail Connections

Sales to Restaurants

Established in 1884, Maldaner's Restaurant and Catering is one of Springfield's finest restaurants. Chef Higgins features seasonal local and regional ingredients influenced by Mediterranean composition and preparation. Heirloom vegetables, humanely raised meats and Slow Food all artistically prepared and presented.

Located in Historical Downtown Springfield



Extensive Wine List

Steaks • Seafoods • Pastas • Salads • Soups • Desserts

Supporter of Local Farming & Springfield Farmer's Market

Casual Lunch 11-2:30pm Mon-Fri
Contemporary Dining
5-9pm Tues-Thurs 5-10pm Fri-Sat
Seasonal Sidewalk Dining Available

Maldaner's Since 1884

Banquets • Catering

217.522.4313  

222 S. 6th Street Springfield
2 Blocks South From The
Abraham Lincoln Presidential Museum On 6th St.

Gift Certificates Available
Seasonal Menu

Website - www.maldaners.com

Farm-to-Retail Connections

Sales to Grocery Stores

- Many mid and larger sized communities have grocery stores that will buy directly from farmers
- In Fairbury:
 - **Dave's Super Market**



CC-NC, via LocalWiki

Direct Marketing

- Direct markets involve producer interaction with consumers on a one-on-one basis, and include pick-your-own operations, roadside stands and farmers' markets.

Direct Marketing Requirements

- Requires the personality & patience to work with people
- Equivalent to starting an additional small business
- Eliminates “middle person” but the farmer takes on new roles
- Must deal with marketing, retailing, advertising, customer relations, regulations, and so on
- No free lunch -- long hours and additional sources of stress

Common Types of Direct Marketing

- Roadside stands/markets
- U-Pick farms
- Farmers' markets
- Community Supported Agriculture (CSA)
- Agritourism/Entertainment farms
- Internet, Certifications, Value-added labels
- Social Media

Types of farm direct marketing

Roadside Stand/Market

- Can be a stand or a building
- “Honor system” coffee can to several employees
- Access is a key factor
- Seasonal or all year



Public Domain, via [google.com/+Pumpkinsweekly](https://www.google.com/+Pumpkinsweekly)

Types of farm direct marketing

Roadside Stand/Market

- One product or full line
- Retail or higher prices
- Some liability and building regulations



Selena N. B. H. , CC-BY, via flickr

Types of farm direct marketing

Roadside Stand/Market

- Individual stand or a cooperative stand of several farmers



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South Pork Ranch, Chatsworth, IL

Types of Farm Direct Marketing

U-Pick

- You grow the product, customers do the harvesting
- Higher than wholesale prices



RosieTulips, CC-BY, via flickr

Types of Farm Direct Marketing

U-Pick

- Management intensive during season--both plants and customers
- Gain base of committed customers
- Liability issues



CC-BY Hans Peter Meyer

Types of Farm Direct Marketing

Farmers' Markets

- Inexpensive to start up
- Retail prices or higher
- Builds customer base-
can advertise your
other activities
- Can operate at 1 or
many

**According to IDOA, there are 284
(registered) farmers' markets in Illinois
(November 2014)**



Carrie Edgar

Farmers' Markets



Ginny Lee

Illinois Farmers Market Association
<http://ilfarmersmarkets.org>



Farmers' Markets

Fresh Food...



Ginny Lee



Ginny Lee



Ginny Lee

Farmers' Markets

...Direct from the Farmer



Ginny Lee

Farmers' Markets

Support Small Farms



Images ©iStockphoto.com/ParkerDeen

Farmers' Markets

Build Communities



Carrie Edgar

Fruits



Deborah Cavanaugh-Grant



Terra Brockman

Vegetables



Ginny Lee

Cut Flowers



Terra Brockman

Plants



Ginny Lee

Cheese



Terra Brockman

Meat



Ginny Lee

Breads and Pastries



Ginny Lee

Types of Direct Marketing

Community Supported Agriculture

- Recent innovation
- Provides financial security for farmer and quality food for consumers
- Customers pay in advance



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Types of Direct Marketing

Farm-to-Institution Connections

- An emerging area for farm direct sales is to institutions that serve food to large “captive” groups



www.farmtoschool.org



<http://web.extension.illinois.edu/farmtoschool>

- Examples:
 - Schools (grade schools to universities)
 - Hospitals
 - Prisons



Types of Direct Marketing

Agritourism



John Pike

- Often appeals to customer desire to experience a farm and its activities
- Variety of approaches:
 - Pumpkin patches
 - Berry farms
 - Orchards
 - Wineries
 - Corn mazes
 - Bed and breakfasts
 - Farm markets
 - Hunting clubs (Outfitters)
 - And more!

Types of Direct Marketing

Internet Sales



www.roppcheese.com/shop

LUDWIG FARMSTEAD
CREAMERY



<http://ludwigfarmsteadcreamery.com/farm-store-info>

Swisher, M. E. and J. Sterns. "An Overview of Small Farm Direct Marketing." Department of Family, Youth and Community Sciences, Florida Cooperative Extension Service, UF/IFAS. #FCS7211, June 2003. Available at <http://edis.ifas.ufl.edu>.



Certification & Eco-Labels

- Certification and eco-labels assist in sales to consumers who want assurance food meets specific standards



*Meets the Humane Farm Animal Care Program standards, which include nutritious diet without antibiotics, or hormones, animals raised with shelter, resting areas, sufficient space and the ability to engage in natural behaviors.



Certification & Eco-Labels



Certification & Eco-Label



Your Own Label/Value-added

- Market a product under its own label/identity
- Basic or extensive processing (value added)
- As family farm or cooperative of growers
- Local Examples:
 - Mint Creek Farm —lamb
 - Prairie Fruits Farm and Creamery —goat cheese

Social Media

Pinterest



Like

Follow us on
twitter



What We Covered

- How to begin your market analysis
- Marketing concepts and some basic principles
- Available marketing options- both direct and non-direct, with much of our time spent on direct marketing options

Keys to Success: Short Run

- Start small and grown naturally
- Make decisions based on good records
- Produce high quality products
- Let demand drive production
- Involve whole family or partners
- Keep informed
- Plan for the future
- Evaluate continuously
- Persevere
- Pay attention to capital requirements

*Source: Keys to Success in Value –Added Agriculture
by Holly Born, ATTRA, January 2001*



CC-BY, via flickr

Keys to Success: Long Run



CC-BY, via flickr

- Focus
- Establish and maintain a loyal customer base
- Choose something that you love to do & something that fits your personality and goals

Words of Wisdom....

“Profitable entrepreneurial farming is 80% marketing and 20% farming.”

--Joel Salatin, farmer and author



CC-BY Ann Marie Michaels

Resources

Is Your Agricultural Project Feasible?

http://www.caes.uga.edu/publications/pubDetail.cfm?pk_id=6181

Direct Marketing, Katherine L. Adam, Radhika Balasubrahmanyam and Holly Born, National Center for Appropriate Technology, November 1999

<https://attra.ncat.org/attra-pub/summaries/summary.php?pub=263>

Marketing Strategies for Farmers and Ranchers

<http://www.sare.org/Learning-Center/Bulletins/National-SARE-Bulletins/Marketing-Strategies-for-Farmers-and-Ranchers>

Micro Eco-Farming Prospering from Backyard to Small Acreage in Partnership with the Earth

<http://www.localharvest.org/micro-eco-farmng-C22871>

The New Agritourism Hosting Community and Tourism on Your Farm

<http://www.localharvest.org/the-new-agritourism-C22879>



Resources

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

<http://www.localharvest.org/the-new-farmers-market-C22877>

The Organic Farmer's Business Handbook A Complete Guide to Managing Finances, Crops, and Staff – and Making a Profit, Richard Wiswall

http://www.chelseagreen.com/bookstore/item/the_organic_farmers_business_handbook:paperback%20with%20cd-rom

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

<http://www.localharvest.org/sell-what-you-sow-C22878>

Starting and Running Your Own Small Farm Business, Sarah Beth Aubrey

http://www.storey.com/book_detail.php?isbn=9781580176972



To reach us

Contacts

Contact information

Deborah
Cavanaugh-Grant

cvnghgrn@illinois.edu
217-782-4617

Rick Weinzierl

weinzier@illinois.edu
217-244-2126