

Farmers Market Marketing

and beyond



WARNING

This presentation is only about food products. Though some of it is transferrable, non-food folks might as well go to the bathroom, get coffee, read the paper, etc.

- Raise your hand if you are a

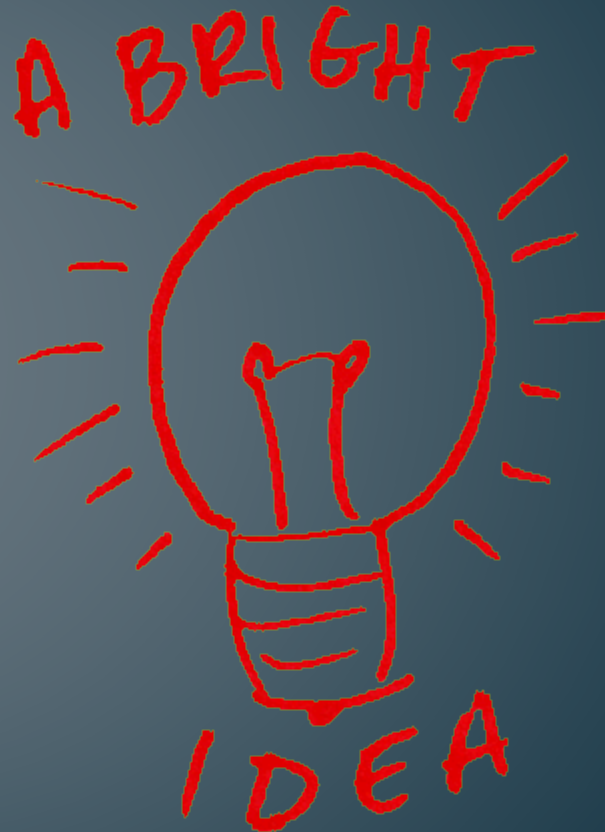
For those of
you left...

Tell me about
yourselves.

Grower
or
Manufacturer

of food products

Let's start with farmers market marketing



I do not claim to know everything. I don't. I bet you know more than I do about this.
I was suckered in with promises of fame and glory.

Some tips...

- Give consumers a sense of urgency to buy your products
 - Weekly specials
 - First of the season
 - Last of the season



Some tips...(cont.)

**Buy One,
Get One**

Free

*No Limit! Hurry!
Offer Expires Soon!*

- Get customers to buy in larger quantities
 - 2 for the price of 1
 - BOGO
 - Bundling
- **That is, if you don't already sell out every week!**

Get customers to
come specifically
to see you

Gather emails and send
them a weekly
invitation, highlighting
your specials or
products



Get them to
“friend” you

Shameless plugs work

facebook

Search



Add to My Page's Favorites

Suggest to Friends

Welcome to ALL of our NEW FANS!!
Here's a special offer just for you...
<http://bit.ly/LgwnA>

Information

Founded:
1982

5,040 People Like This

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Wall

Info

Welcome!

Free Quote...

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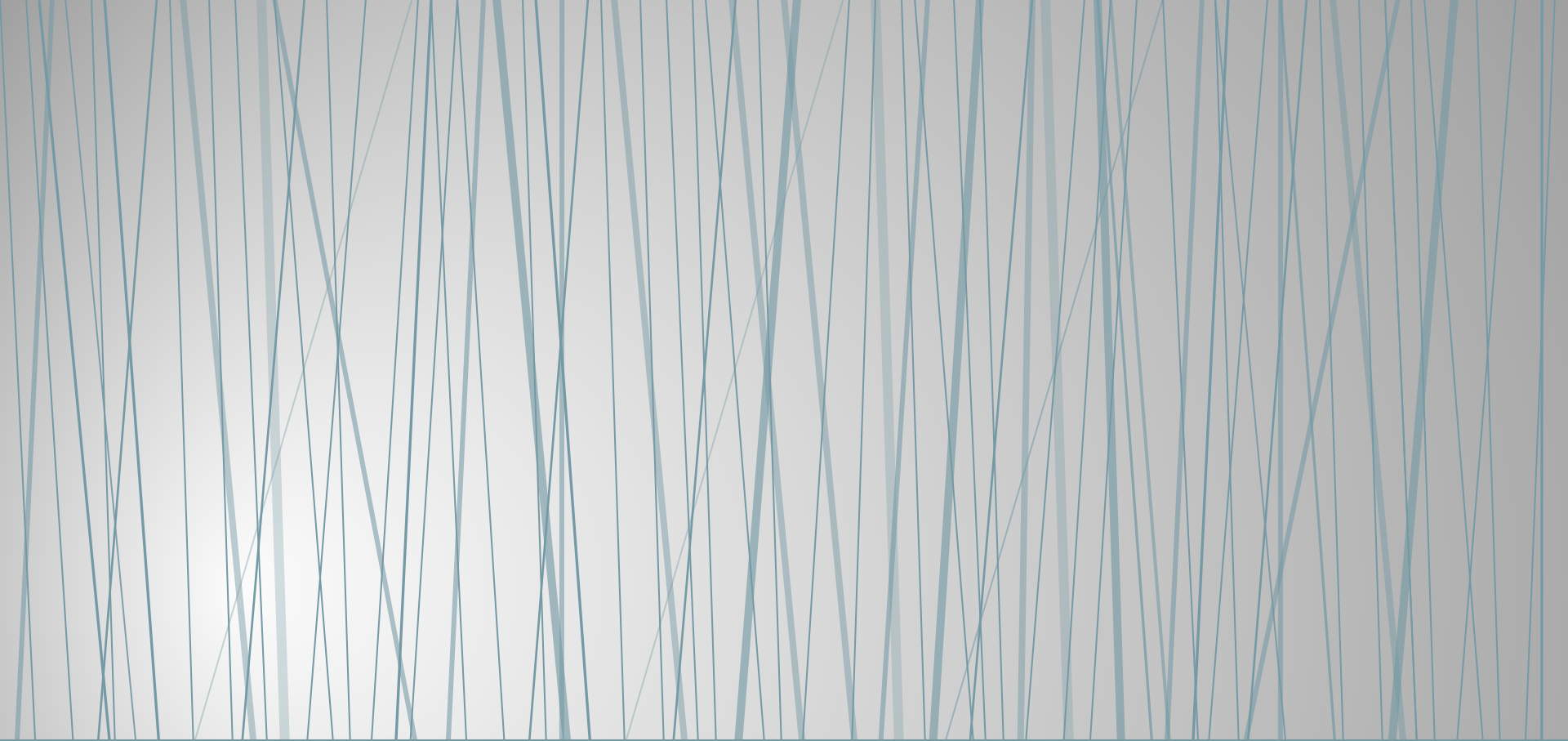
SteelMaster Buildings - Prefabricated Steel Buildings Last day to play!



Spot the Difference | SteelMaster Buildings

bit.ly

Find the difference between the two photos and you will be entered to win a \$25 VISA gift card!

The background of the slide features a series of vertical lines in various shades of blue and grey, creating a textured, rain-like effect. These lines are of varying heights and thicknesses, some appearing as thin streaks and others as thicker, more prominent bands.

Now that I've solved all of your farmers
market marketing problems...

Let me tell you everything else I know.

Are you ready to
move beyond
farmers markets?

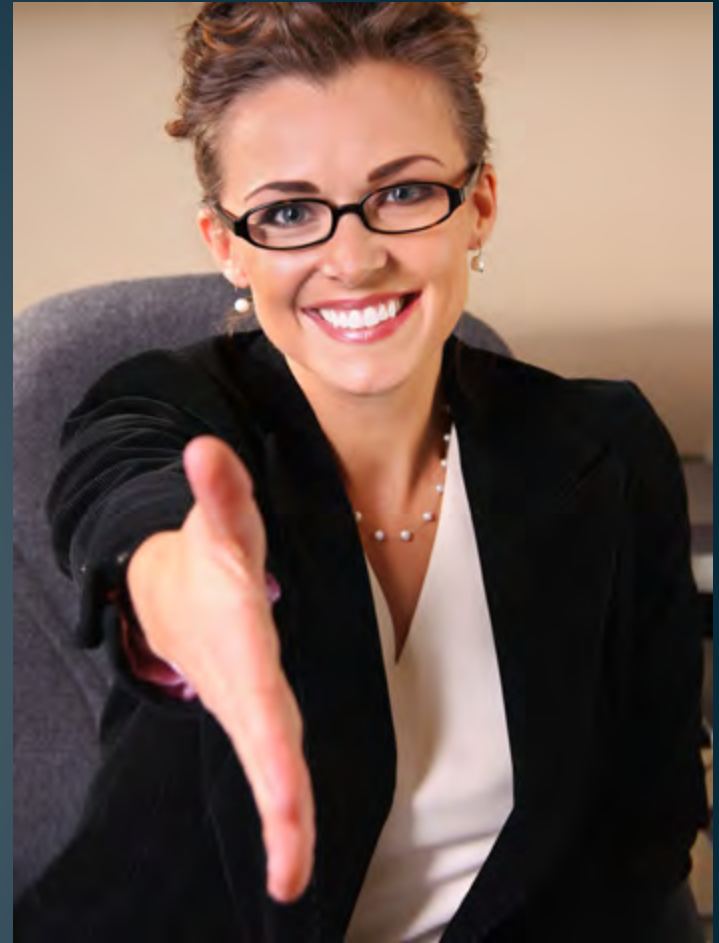
You have lots of
choices.



- Direct to consumer
- Gift stores
- Grocery stores
- Restaurants



First question...is this your side job, or will it be your day job?



Second question...
do you want to keep
growing products, OR...

are you willing to move into sales and
let someone else grow for you?

To move beyond, have you thought about...

- Scaling up your recipe?
- Increasing your production?
 - Can you grow enough?
 - Can you source enough ingredients?
- Hiring employees?
 - Workers comp?
 - Payroll?



No, I haven't, but it's not that bad...



- Getting licensed for wholesale food manufacturing?
- Getting product liability insurance?
- Renting a certified facility?
- Food safety training?

What was I thinking?

- A formal business structure?
- Writing a business plan?
- Getting financing?



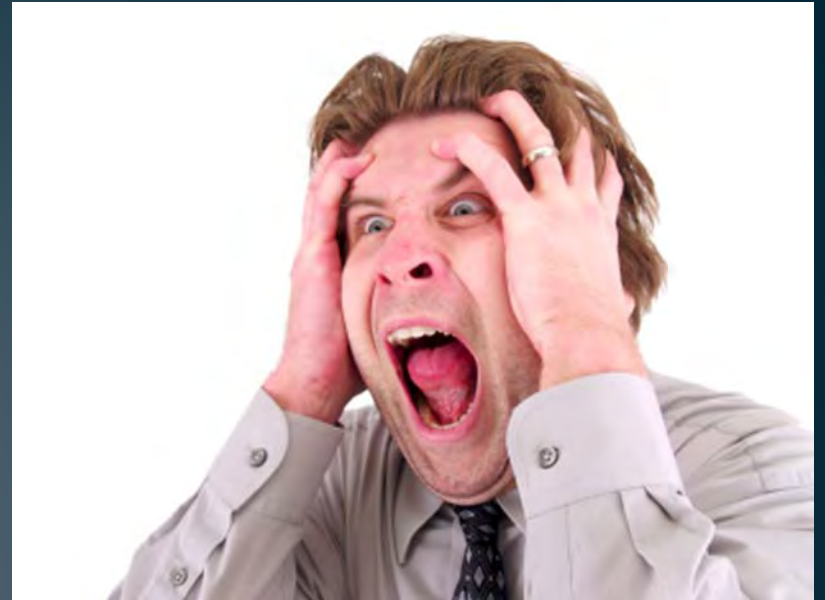
Last one, I promise...



- Marketing?
- Pricing?
- Distribution?
- Packaging and labeling?

Scary, right?

Daunting? Terrifying?
Exhausted just thinking
about it?



The background of the slide features a series of thin, vertical, light blue lines of varying heights and positions, creating a textured, rain-like effect. A solid teal horizontal band spans the width of the slide, serving as a backdrop for the text.

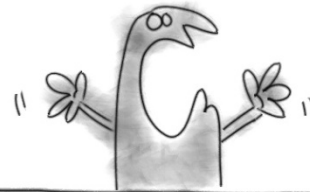
It's ok! It can – it HAS – been done!

There is help!

But just to make
sure you're
serious...

Let's go on scaring you.

Now What?!!





So I ask you again...is this your side job (or hobby), or will it be your day job?

It's ok for this to be your side job or hobby. There's nothing wrong with that. However, if you want to grow, I want to help you.

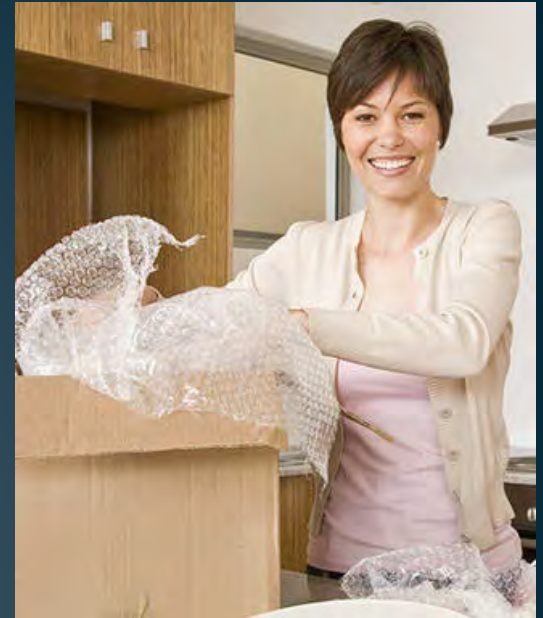
Let's go over
your options
and what to expect



Direct to consumer

Pros

- Capture 100% of the profit
- Develop relationships
- Works for part-timers*



Cons

- Time consuming
- Not large quantities
- Seasonality

*Most full-timers say this isn't enough business for them – they need wholesale accounts.

Gift stores

Pros

- Distinctive selection
- On-site management
- Develop relationships*
- Easier re-orders in case quantities



Cons

- No mass distribution
- Order small quantities
- Little to no perishable product shelf space

*This is where most new manufacturers first learn how to make their products work for the retailer and the consumer.

Restaurants

Pros

- Order in larger quantities
- Bulk packaging and labeling
- Mostly owner-operators
- Established distribution system
- Low entry cost*



Cons

- Distribution system hard to enter
- Chefs want processed products
- Dealing with “foodies”

*Restaurants are a good starting point, too.
Sell to just one, and you know how to get into others.

Dealing with “foodies”...



Selling to restaurants

Considerations:

- | | | |
|---------------------|----|---------------------------|
| • Independent | OR | • Chain (not likely) |
| • Produce: raw | OR | • Processed (preferred) |
| • Mfg'd: retail pkg | OR | • Bulk (preferred) |
| • Personal sales | OR | • Broker |
| • Self distribution | OR | • Foodservice distributor |
| • COD | OR | • Offer payment terms |



Most start here,

BUT



move here eventually.

Other considerations for restaurants

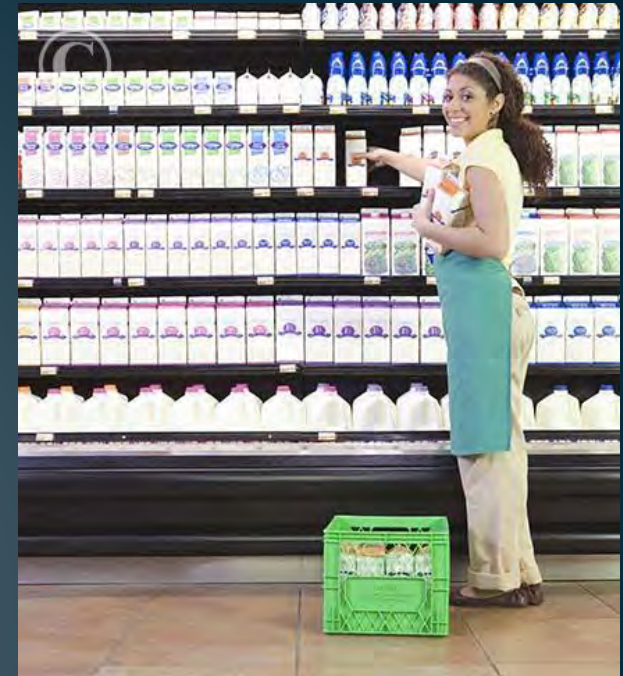
- Chefs are busy
- Wholesale pricing
- Chefs change often
- Handling re-orders



Grocery stores

Pros

- Large quantity buyer
- Established distribution system
- Regional (even national) distribution possible
- Year-round sales (for most)



Cons

- Purchase decisions made regionally (not locally)
- High cost of entry*

*Anyone with grocery experience will tell you this is a tough business. Low margins, high expectations.

Selling to grocery stores

Considerations:

- | | | |
|---------------------|----|-----------------------|
| • Independent | OR | • Chain |
| • Personal sales | OR | • Broker |
| • Self distribution | OR | • Distribution system |
| • COD | OR | • Payment terms |



Most start here,

BUT



move here eventually.



Other considerations* for grocery stores

- Regional buyers
- Regional suppliers
- Retail packaging and labeling
- Slotting fees
- Nutrition facts
- Wholesale pricing
- Paperwork
- Merchandising
- Specials, promotions
- Sampling
- Brand loyalty
- Buy backs
- Scheduling re-orders
- Payment 90 days out

*These cost prohibitive or time consuming considerations are why more local products are not in chain grocery stores right now.

Grocery headquarters

- Albertson's — Boise, ID
- Safeway — Pleasanton, CA
- SuperValu — Eden Prairie, MN
- Whole Foods — Austin, TX



Do me a favor,



...please

Instead of...

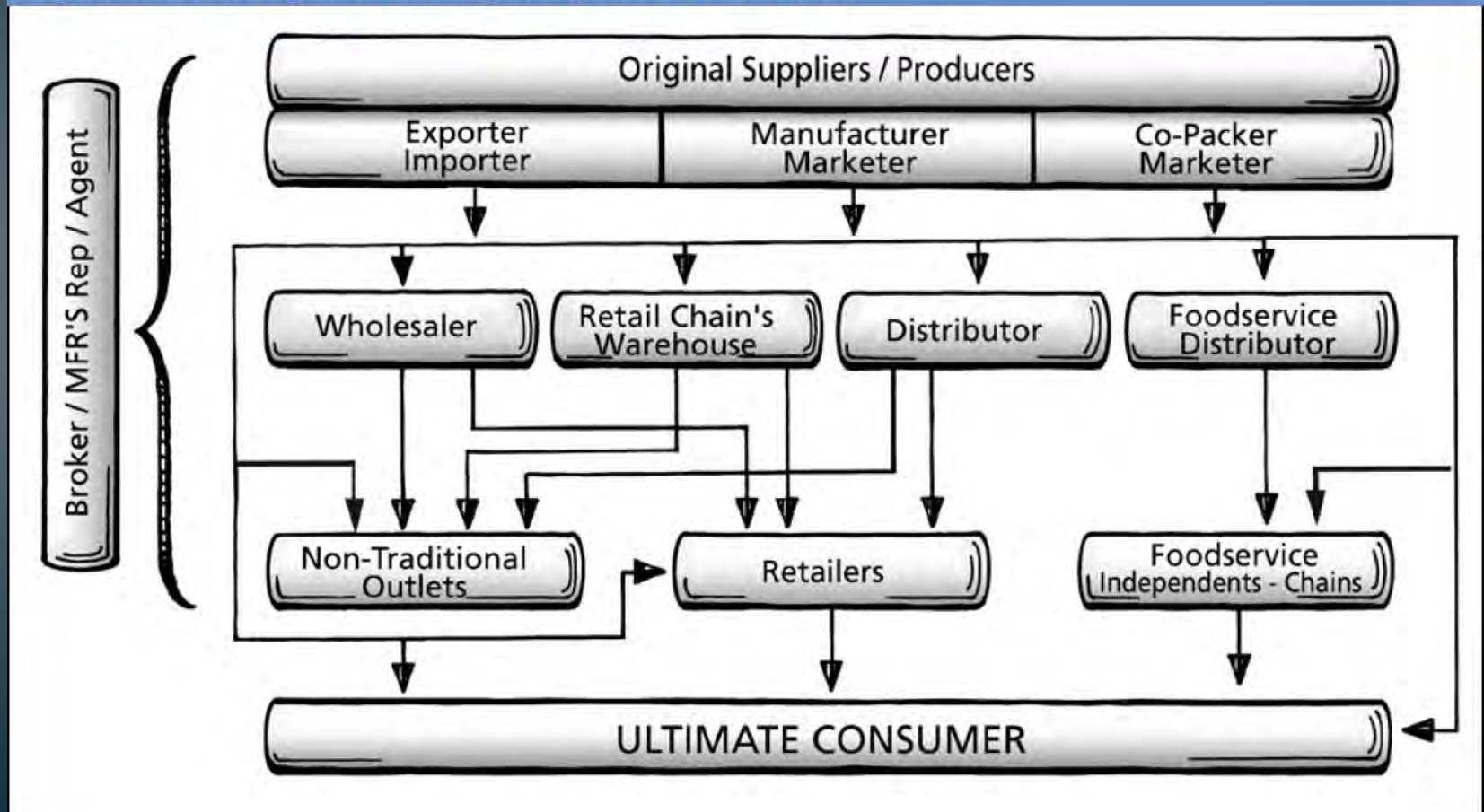
- Processing and packaging your own (produce, honey, beef, etc.)
- Building your own commercial kitchen
- Making it yourself
- Buying a refrigerated truck
- Trying to go nationally

...do this.

- Sell it to someone else who is already selling their own “Branded” product
- Rent
- Hire a co-packer
- Hire a distributor
- Start locally, then regionally, then nationally...export?

Random graphic to confuse you and make me feel smart

Figure 3.1: How Segments of the Specialty Food Trade Interact



Simplified graphic

Figure 3.3: Most Common Segments of the Specialty Food Trade

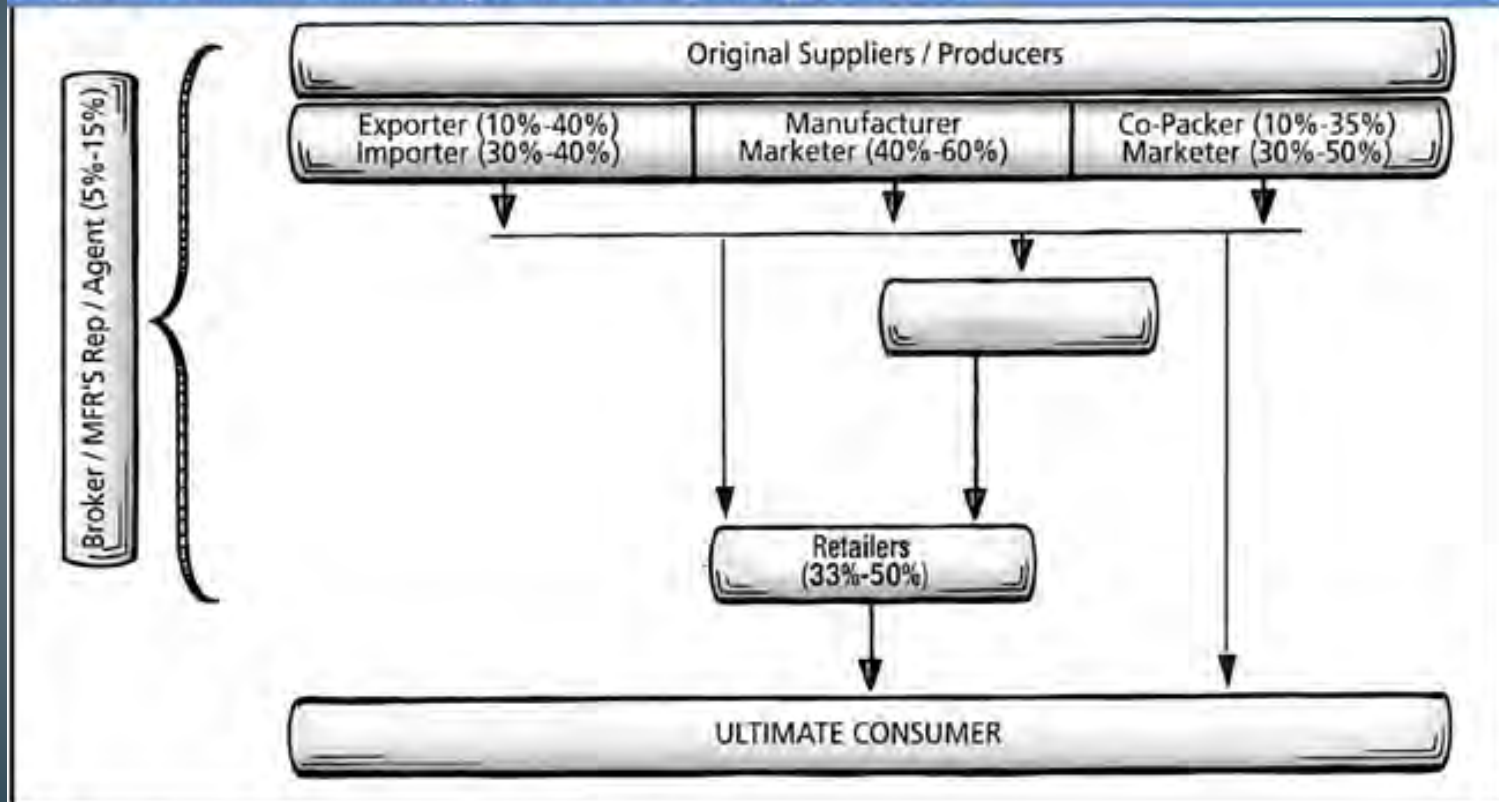


Figure 3.3 shows the segments of the specialty food trade that are most essential for a specialty food supplier to understand. The usual gross profit margins as a percentage of selling price are also indicated.

Pricing

Based on the needs of your company, not on what retailers, etc. tell you to do

Figure 8.7: Figuring Retail Price

What Will The "Retail" Price Be?	
	PRICING
Your Cost (Your margin is 1.20 or 50%)*	\$1.20
Your Selling Price	\$2.40
Distributor Cost (Distributor's margin is 1.30 or 35%)*	\$2.40
Distributor's Selling Price	\$3.70
Retailer's Cost (Retailer's margin is 269 or 42%)*	\$3.70
Retailer's Selling Price	\$6.39

Pricing considerations

- Research your competitors
- Price now with room for:
 - Marketing
 - Brokers
 - Distribution
 - A paycheck?



Remember...

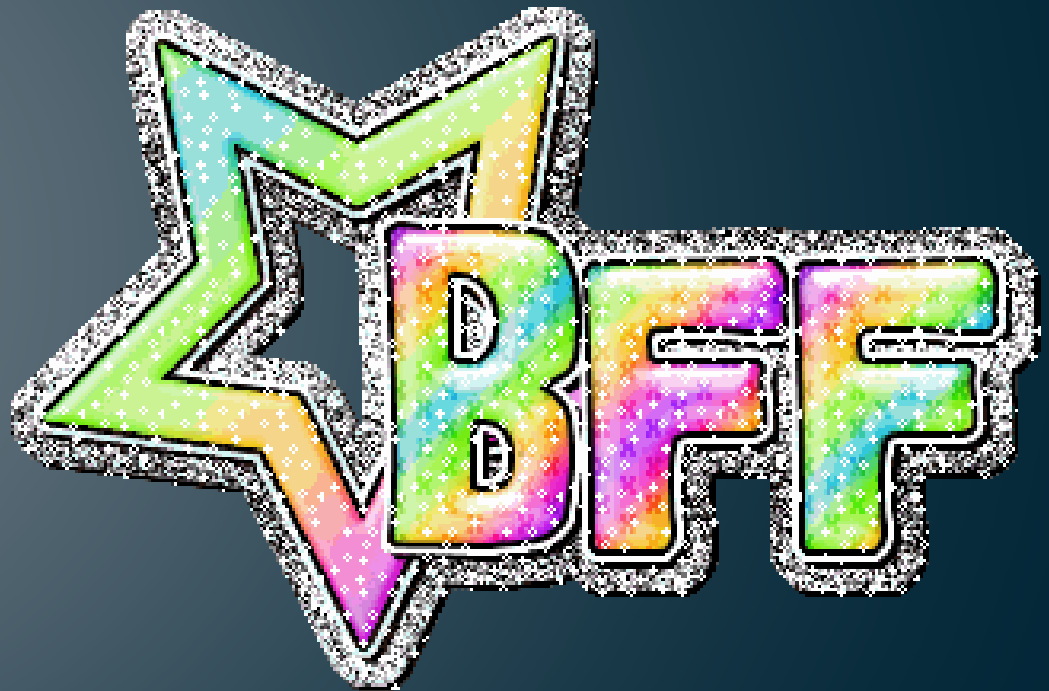
"Work smarter not harder"
-Scrooge McDuck

If I haven't scared you off, let's talk!



Your new best friends:

- Food & Ag Development Centers
- Small Business Development Center
- County Sanitarian
- Grant programs
- Made in Montana
- MMEC
- Me



Angelyn DeYoung

Montana Department of Agriculture

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