



Every Silver Lining has a Cloud Marketing Webinar for Direct Marketing Farmers 2/12/13 and 2/13/13 Presenter: Marty Butts, Small Potatoes Marketing

Webinar Questions and Answers

- 1. One way to think of fads versus trends is “A fad is people going to diners. A trend is people building diners.**
- 2. Is www.bealocalist.org competition for www.localharvest.org ?**

Local Harvest is food specific and is basically a listing service. Balle is about more than just food, it is all local businesses, but thinks of food as the entry point for getting consumers to buy local. Balle is more the “feet on the ground” within communities helping to build the buy local movement.

- 3. I looked into Balle and saw that it is expensive to contribute. If it’s not in my area, how do we get involved without spending big bucks?**

Many local Balle organizations use sliding fee scales or will accept trades for membership. For example, Small Potatoes Marketing gives free one hour consultations to members of the Syracuse First (local member of Balle) in exchange for its membership fee. If there is no local affiliate, contact the one nearest you and ask them what is involved in getting one started. Develop an organizational steering committee to help, but make sure the committee has a diversity of backgrounds, including promotions and advertising.

- 4. What kinds of things do we trade with to get assistance from creative people?**

Food! Whatever it is you are producing, that’s what you use to trade. So it could be eggs, baked goods, a discount on a CSA share or a discount off product at your farmers market booth. Some people will even do it for free, but it is better to offer something, so that if you go back to them, they are more willing to give you service again.

- 5. When inviting a film crew on to the farm, what parameters should I establish for copyright, unused footage, etc?**

This is really up to you and what you are comfortable with. Some people will have an open-door policy, while others are much more protective, such as not wanting their children to be filmed and placed on the internet. So have the conversation with the filmmaker up front. Learn what the plans are for unused footage or outtakes, how the film will be used and distributed. Let them know your thoughts and how

you want the film used. Come to terms up front. But if you are not comfortable with a “gentleman’s handshake” or verbal agreement, then ask them to put things in writing. This is especially important if they have made the initial contact rather than you seeking them out.

6. How do you explain the market saturation in farmers markets in the entire state of Maine?

In terms of saturation in numbers of markets, that would come from a recognition of the value that a market brings to a community. Many community leaders and local governments find farmers markets are an inexpensive and effective way to build community and a local economy. They are also looking for ways to preserve a local agriculture base and bring healthy food choices to their residents. They are promoting the creation of farmers markets in communities all across the US to reap these benefits.

In terms of saturation within each market, it might be that you have to seek out other market venues to sell your products. That might mean farmers markets in other communities, but it also might mean finding other avenues, such as direct to restaurants, grocers, or adding value to your products to differentiate them from others and finding markets for your products that way.

7. What about over-saturation of products? Some of our farmers market members say let the free market and customers decide. Others say, too many tomatoes drowns out the market. What’s your opinion?

This is where you need to find a way to differentiate yourself from others. What can you do to set yourself apart – raising new varieties of the same product, changing to heirloom varieties or heritage breeds. You can process your foods into added-value products.

8. Additional weaknesses: transient populations, such as summer tourists, army bases; where people come and go. Another is trying to get traffic to a rural farmers market.

This would be a tough customer base to build long term relationships with. It’s as if you will need to start each season from scratch. Outreach for you will be key – look into opportunities to get your farm out there; i.e. farm fairs, open farm days. Also reach out to local businesses where you may be able to promote your farm or business to their employees.

For the rural farmers market, it is difficult to grow when you are constantly seeing the same faces, with few new ones to reach out to. You might want to consider a satellite market at a new location where your farmers will be able to reach a whole new customer base.

9. Another weakness is farmers market management that is slow to catch onto using professional management.

This goes back to the comment that you should use professional services whenever possible. You could look into farmers market grants through USDA to help pay a market manager. Also, look into farmers market associations that provide training for market managers. Many states have a statewide

association. The Farmers Market Federation of NY, serves New York State's farmers markets. You could also look into trainings given by the Farmers Market Coalition, a national farmers market association.

10. Any proven strategies to increase your prices without annoying your regular customers?

If you are selling to a grocer or other wholesale account, give them advance notice on the increase and tell them why. Give them the opportunity to buy extra quantities before the price goes up. It will be much harder in a direct marketing setting, such as a farmers market. You can't promote a price hike. But talk to your customers one on one. Let them know why you had to increase and they may understand. If they are upset or concerned, you can give them a one-time break, either hold the old price for this time only, or offer a discount this one time. I would not, however, put up a sign announcing the price hike, even if it is based on a weather calamity. If others in the market experienced the same weather issues but are not advertising a price hike, consumers will think you are the only one and taking advantage of the issue to raise your prices. Also, in this case you want to talk about the price hike with your customers, you don't want a sign to do that for you and leave questions and concerns on your customers' mind that you could have alleviated with a discussion.

11. How do you find the non-Walmart customers that don't mind paying a higher price?

These customers do exist in your community, but it can be hard to find them. Can you find where they are buying now? Understand what they are purchasing and how they are buying. You may want to look into a farmers market or adopt a CSA program for your farm.

12. Sometimes the backs of farmers trucks at farmers markets is unattractive, but also the coolers and boxes don't look very appealing. How would you improve on that?

You need to build displays that are appealing and invite people in. So incorporate those coolers and boxes into a well-designed display. Your table could be tipped at a slight angle toward the consumer. One big way to draw attention is to separate your product colors. Don't have red peppers next to red tomatoes. Separate them with other colors. When products are grouped together by color, the consumers eye is drawn over the top and on to something that is different and stops their eye. Some with food groups. You don't want all your greens piled together. Break them up to keep the consumer's eye from wandering and instead stopping at each and every product on your table. You might think about how you can dress up your coolers. Photos of your farm and the animals that produced the foods in your coolers would help draw attention to your booth and help drive sales.

13. I have trouble getting farmers to focus on their marketing strategy. Advice?

First, ask them who their target audience is. Get beyond the initial response that it is everyone, because everyone eats. But drill down to who the ideal target is. Then help them to find ways to connect to that consumer community. You may have to show them the depth of the consumer group they have chosen to emphasize the opportunity that they represent.

14. Additional threats:

- a. uncontrolled costs, like grain for animals, utilities, gas and oil.
- b. Government subsidies
- c. An historical perception that local/ farm direct is really supposed to be cheap

15. You talk about various consumer groups, can you prioritize these groups in terms of impact on sales, visitation to farmers markets?

This will be different for every community, but in Syracuse, NY, which is considered representational of the US, the order would be New parents, Latinos, Southeast Asian, then Africans. You will need to look into the demographics of your community to determine what is most important in your community. The webinar “People Sure are Strange”, archived at www.nyfarmersmarket.com, goes into how to find the consumer groups in your community in depth. Another source would be to look up Cornell University’s Department of Applied Demographics. They have county profiles on each county in New York State.

16. Additional opportunities:

- a. Niche markets, like heirloom vegetables, heritage breed meats, free range or grass fed meats.
- b. Another opportunity for dairy farmers is milking A2A2 milk or family cows. A2A2 milk from cows carrying those genes are better than those cows with A1A1 milk genetics, which has been linked to diabetes and autism in kids. This is from studies done in New Zealand and Australia.

17. Please share information on the new Vermont Cottage Industry regulations.

This regulation opens up food processing in home kitchens. It’s a low cost/low risk way of helping producers get started in food processing. You can learn more at <http://cottagefoodlaws.com/state-regulations/vermont-cottage-food-law/>

18. From DC, local food movements are associated with Gentrification and that maps onto race lines. Very touchy. Sometimes prices are assumed to be higher even when they aren't Have photographed prices in supermarket to show, but that's defensive.

Product comparison is a great technique to use to break the price misconceptions that many people have toward local food. Another idea is to offer some type of specials, like buy 5, get 1 free, that give the illusion of cheaper prices.

19. I raise goats in rural Northeast, PA. How is the ethnic market reached in urban areas?

Again, the webinar “People Sure Are Strange” covers this indepth. But you need to understand who the ethnic groups are in the urban areas you are looking at. Then find ways to connect with that community.

One great way is through community centers within the ethnic community. Another way is through ethnic grocers. You can learn what products, pricing constructs, you need to match. You may also find the grocer a willing buyer. If you are in the NYC area, look up Just Food. They can help connect you with urban and ethnic CSAs or farmers markets.

20. We are hoping to start a SNAP incentive program (a \$4 spent= \$4 match).... have heard we need a letter of approval from the state in order to do this? Have you heard this? We're in Oregon.

USDA regulation for the SNAP program states that you cannot treat SNAP consumers any differently than cash paying consumers, even if you are treating them better. To do an incentive program, it was required to apply for a waiver. However, as SNAP incentive programs began to expand across the country at farmers markets, USDA gave a blanket waiver, allowing incentive programs. This may be a requirement of the state agency that operates the SNAP program in Oregon. You should contact your state's EBT director. Before you do, go to the USDA FNS website to learn more about the waivers. Then you are armed with information before you have that discussion.

21. Should we expect heightened health regulation oversight, especially with these facilitated marketplaces? I see traditional grocers stores emphasizing food safety first. Whole foods is a recent example.

Definitely the larger the grocer, the greater the scrutiny for food safety will be. Most larger supermarkets, at least in NY, are requiring farms be GAP certified and have a 3rd party audit done. This kind of scrutiny would be very hard for the smaller farms to handle. But it is not always the case with smaller grocers. They may be concerned about food safety, but are not putting the requirements on their farmers that the big stores are.

22. In CT, three of the largest supermarkets will only buy from state GAP certified farms. Do you foresee these regulations forced on the small farmer? The problem with GAP is that it is quite costly for the small farmer to comply.

At this time, the Food Safety Modernization Act is exempting small scale, direct marketing farmers. This will allow you to continue to sell at your farm stand, CSA and farmers market without having to be GAP certified or go through any other 3rd party audit. However, as small farms begin to scale up and look for larger buyers, you should scale up your efforts toward GAPs standards so that when the time comes that it becomes a requirement, you are prepared.