

# How Do I Sell this Stuff?

You will probably use a combination of markets for your product(s). Each has its own positive and negative aspects. You will have to see what works for you. Each farm operation is different. You really have to think about you, your goals, and consider how your family feels about each option. You do not want people coming to your farm, for example, if you or your wife value privacy and do not like people showing up at all hours of the day. You may also reconsider Farmer's Markets if you do not like people.

**Farm Store** – There is an excellent resource out of Canada for people considering a farm store. It is appropriate for American farmers to consider if you can find a copy of this. Very well done.

Direct Marketing: A Handbook for Farm Producers, Prepared by Patricia G. Davidson for Canadian Farm Business Management Council, Province of British Columbia, Ministries of Agriculture, Fisheries and Food, 1994 ISBN 0-7726-2265-5

You will need to consider if you will open a:

- Roadside stand;
- Farm Market;
- Fridge on porch.

You will probably need to consider a marketing plan. This marketing plan will have to take into consideration local ordinances. For example, if you plan to draw customers with a sign at the end of your road, you will need to make sure you are allowed to have that sign at the end of the road. You may have to present the size and designs before a planning or other committee if the road is busy enough to justify a sign at the end of the road.

Along with local ordinances you will also have to consider:

- **Health regulations.** This is not just with the people inspecting your dairy plant. This can include a local license to sample products, a separate license for a kitchen, etc.
- **Labeling.** You need to meet federal as well as state laws. See labeling section of the workbook. For point of purchase material, always tell the truth. Customers may want to hear that the animals are grass-fed and heritage breeds, but if they are not, you will have at least one educated customer and they may tell others that you are not truthful. If you have your opinions, educate your customer, don't just tell them what you think they want to hear.
- **Insurance.** Always check with homeowners insurance before opening a stand. See that you are covered and if having the stand voids the rest of the policy. You may want liability insurance even if not considering farm markets or wholesaling.
- **Employees.** Keep them legal. You do not want fines for employees that are not “on the books”. If they get hurt, you not only have a big liability, but a big fine.
- **Location.** Where is the farm? Are you 50 miles for nowhere or are you on a rather well-traveled road. Do people stop on this road?
- **Cleanliness.** Is the farmstead tidy? Would you stop and buy something from your place? Be honest. Many people think that being a farm is an excuse to be messy. This is not acceptable if you are processing and selling food on the farm. Word will spread that you are not the place to buy from. If your farm looks worn and cluttered, but you are clean in the processing room, never invite people to the farm. Sell at markets and wholesale.

- **Visibility and Accessibility.** If you are on a dirt road that is closed for six months of the year, you may not be a candidate for selling ice cream or fluid milk.
- **Volume of traffic.** This is very important for fluid milk and frozen desserts. If cheese, they may travel more, but the more convenient the food (fluid milk in particular), the more you need to be convenient to the customer. Even ¼ of a mile off a traveled route makes a difference.
- **Proximity to other markets** is important. If you plan to sell the same thing, you do not want to be next door. If you have a product that compliments the neighbor, then the more the merrier. Cheesemakers in a region may combine marketing efforts to have cheese tours, fliers for self-guided tours, and the like.

The store itself does not have to be fancy, only clean, well lit, and easy to access. It is up to you to decide what works for you and the types of coolers you need to sell your product. There are people that can help you with merchandising. Often walking around a Farmer's Market you will find those people that are masters. Hire them to coach you and you too will learn how to be a master.

**Sales/Distributor** - It is popular in some market areas for people to become distributors. They come and they go. This seems to be more common for people reselling cheese. Because it is a limiting factor for some people, extension agencies and other NGO's will often start such an enterprise.

Things to consider when looking for a distributor are:

- How long have they been in business?
- What is their history of paying people?
- Do they have adequate cash flow to pay you on time?
- How long before they pay you?
- What hoops do you have to jump through to become an account?
- Do they have workman's comp so that your product can get into larger accounts like universities and hospitals?
- How are they insured?
- Do you need a rider on your insurance for them?
- Are they a distributor to the account that you dream of your product being (chef on Food Channel for example may have a specific distributor and if you have contract with another distributor, you are out of luck)
- Do they want exclusive marketing and distribution rights to your products?
- Are they carrying your competitors' cheese? If yes, is this a main product and are they then asking for exclusive rights to your product? Always be suspicious, especially if they carry other product like yours and you are taking more of their accounts. It may be a way to end your sales in a certain area. Some exclusive rights are to prevent you from going to every distributor, fine, but be clear and have an attorney review contracts, or you may be out of a market area you worked hard to get, yet have a person supposedly selling and distributing there.
- Who does sales? Some people do just sales, you ship.
- Who does distribution? Some just distribute and take calls from accounts, you or someone else does sales.
- How will they transport your product?
- How will they store your product?
- Are you going to know where your product is? You will need to visit product on shelf to make sure it is placed properly, a competitor has not moved your product to a lesser location, it is not

on the loading dock slowly dying before they bring into coolers, etc.

- Do the products have to be in cases and how do they want those cases?
- When are sales calls made to accounts?
- When do they let you know what accounts want?
- When do they pick up?
- What is their history of losing items and delivering your product in poor shape?

You may also want to carry other local products for people to round out your product list. If you are selling fluid milk, in particular, it is handy to get certain accounts if you go in with eggs, cheese, butter, and other traditional dairy route products. Look for local as much as you can. Also make sure you pay people as quickly as the money comes in. The longer you go out on those accounts, the harder it is to pay and then you become mud.

To get into larger grocery stores, it is often helpful to approach another person already selling a complimentary product into the store. This is especially true if the account is far away for them. Carry their product for a bit and leave off samples. Be consistent and friendly with the sales person. With persistence and consistency, you may get that account and learn a lot about servicing a large grocery store.

**Farmer's Markets/Flea Markets and Events** - Flea Markets are more common in some areas. They may be good for some products, but not others. Do your homework. Events and festivals can become quite profitable. If you make a garlic cheese, look into a garlic festival. If you make a fresh mozzarella, look at Italian festivals. If you have Irish cattle, go to a Celtic festival.

NGO's love Buy Local events. They can be either a great marketing tool or a big nightmare. Talk to people who have done them in the past. Be realistic about traffic and sales volumes. It is always great to support local. Remember, your neighbor may not buy your cheese, but someone on the other side of the county may become the most loyal person after coming to your farm or meeting you at a Buy Local type event. Also look into Slow Food and other local foodie type groups to promote your product.

Farmer's Markets are popular, and the number of markets in the U.S. are increasing each year. In some areas, these markets are quite lucrative. In rural areas and where there is not a lot of education about local food, you will have a harder time making a living from a Farmer's Market.

Reasons to market at a Farmer's Market:

- Obtain retail price for product;
- Educate consumer about your product, this is especially important for a product that is unique to an area;
- Introduce your product to a new market area;
- You like Farmer's Markets;
- You can try a new product or flavor on people before you introduce it wholesale;
- You can get rid of cheeses that do not meet the quality standards that you have for a particular label. Tricky, and it must taste very good or excellent, but call is something different and reduce inventory;
- You want to try a number of products and see what sells;
- It is a great way to meet people in the community.

Reasons not to market at a Farmer's Market:

- You have a lot to do at home and labor issues mean they have to be done by you when you get

home;

- You are uncomfortable selling product to people;
- You do not like people. Understand that part of the process of selling, customers ask “those” questions to get a reaction from you. If you react in a way they find unpleasant, they will not buy. Don't lose your temper;
- You do not have reliable transportation. Some markets have a fine for showing up late or not showing up;
- You are not going to be there consistently.

To do Farmer's Markets well, you have to understand the sales process and merchandising product. If you are not great at any of these things, look at the Farmer's Market for the person that does these things extremely well and become their friend (or at least hire them to straighten you out).

Always have a “Market Box” with things in it like:

- Tape
- Tent stakes
- Weights for tent
- Markers
- Index cards for quick signs
- Paper towels
- Dish soap
- First aid kit
- Point of purchase materials
- Extra table cloth or covering
- Shade for sides of tents
- Photo book of farm
- Knives and spoons, toothpicks and other tools to help people taste your product
- Rubbish bags – always keep your place tidy
- Notebook to keep notes, like an order to bring the next week, suspicious people, hints for other vendors, etc.
- Recipe cards for customers to learn how to use your stuff
- etc.

You will have things unique to your business to throw in that box. Make a check-off list for those items and always repack when you get home, not just before a market. You will NEVER do it before the market.

Be friendly and courteous to your neighbor. Many sales leads come from that neighbor. They may also become a great account for you as well. Clean up, show up on time and remember to have fun!