

Fact Sheet #26 Marketing Options



Direct marketing is a common strategy for beginning and small farmers. The main attraction compared to selling through traditional wholesale markets is that you receive the full share of the consumer dollar and have more control over the price you receive for your products. With direct marketing, however, you will also incur extra costs – not the least of which is your time. It involves personally connecting with consumers and producing products that meet their needs. There are a number of ways to reach consumers directly. Be sure to evaluate each option carefully as part of a farm business plan.

MDAR's Agricultural Markets Program supports the farm community in its marketing efforts. See their [website](#) for details or contact Mary Jordan (Mary.Jordan@state.ma.us; [617] 626-1750).

Farmers' Markets

The Massachusetts Department of Agricultural Resources (MDAR) has a helpful [website](#) with resources on finding and selling at farmers' markets in the state.

Farmers' markets are a good place to develop your marketing skills. Start by visiting markets in your area. Inventory what is available and note what does not sell out by the end of the day. Do not grow what does not sell unless you can differentiate your product – for example, selling heirloom tomatoes instead of just 'tomatoes'.



Study the customers at different markets. How many are there? What is their ethnicity? Are they young or old? Families or single buyers? Affluent or bargain shoppers? Ask shoppers and vendors what they like and do not like about the market and get a copy of the market rules.

To be successful, you need to enjoy interacting with people and be willing to invest the time it takes to pick, pack, transport, set up, sell, and break down/unpack. To maximize potential returns you need to sell for as long a season as possible. For produce vendors, this means growing a wide variety of crops. Farmers' market sales alone may not generate enough money to make a living, requiring you to look at additional marketing strategies, but they are a good way to build relationships and gain visibility in your community.

Some tips for success at farmers' markets

- Use multi-level display containers to showcase your products.
- Set up a tent to protect your produce and customers from the weather.
- Have signs that are colorful yet simple and easy to read.
- Make sure prices are marked clearly.
- Display a large amount of each product you offer.
- Be competitive with pricing without undercutting other growers.
- Offer recipes or cooking tips, especially for less common products.
- For more tips, see New Entry's "[10 Ways to Increase Sales at Markets](#)"

To find farmers' markets in Massachusetts, see the listing on MDAR's [website](#), browse the [Farmers' Market Directory](#), check out [MassFarmersMarkets.org](#), or contact David Webber [david.webber@state.ma.us; (617) 626-1754] or Sarah Ryan [sarah.ryan@state.ma.us; (617) 626-1728].

On-Farm Sales

On-farm sales methods range from simple, self-serve stands to multi-department, year-round farm stores that may include pick-your-own or agritourism enterprises. The higher the overhead, the slimmer the profit margins will be. If done right, a successful farm market will attract many regular customers and offer good returns. On farm sales tend to work best where there is busy street traffic and the farm is visible and attractive from the road.



Self-Serve Stands

Self-serve stands are a good way to assess the potential draw from drive-by traffic. Strawberries, sweet corn, tomatoes, peaches, and pumpkins are crops that stop traffic. Consumers learn about local farms primarily through word-of-mouth. Build a product line based on what customers want and pay attention to quality. Sufficient traffic may generate enough sales to warrant investment in facilities and staffing.

Pick-your-own

Pick-your-own (PYO) operations require advertising and staffing. They can be very profitable, but risky if it rains every weekend during narrow harvest seasons. PYO can complement agritourism activities where it is one of several activities families can enjoy. MDAR provides [online listings of PYO](#) and [agritourism farms](#) in the Commonwealth. Also, [Massachusetts Association of Roadside Stands and Pick-Your-Own](#) offers comprehensive information on local farming, fresh food and Massachusetts-grown farm products.



To be successful at either method, you need to enjoy having lots of people at your farm – and in your fields, in the case of PYO. Building loyal clientele is key and may take many years. Your business plan must be based on realistic customer numbers and sales projections.

Risk management and liability insurance are also extremely important for on-farm sales. See Fact Sheets #6 on Managing Risk and #8 on Insuring Your Farm Products for details.

Internet and Mail Order

If you develop unique, high-value products that are easy to ship, this strategy can complement your other direct marketing efforts. While you'll want to consider packaging and shipping costs, this can be a profitable strategy for products that are high-value and non-perishable, often value-added products like jam or soap. One easy option for getting started with internet marketing is to list your farm on one or more of the following sites:

- [Community Involved in Sustaining Agriculture](#) offers technical assistance in [online marketing](#).
- [Local Harvest](#) advertises organic food growers and vendors around the country.
- [Massachusetts Grown](#) promotes farm products, specialty foods, and fun ag-tivities in Massachusetts.
- ATTRA Local and Regional Food Systems [website](#) offers listings for local food directories and promotional programs, searchable by state.
- USDA's [How To Market Farm Products on the Internet](#) helps you create and initiate an internet-based marketing plan.
- Penn State Extension provides resources on [online marketing](#).

Community Supported Agriculture (CSA)

[CSA](#) operations typically provide a weekly 'share' (box) of produce to customers who pay for their shares at the beginning of the season – \$300 to \$600 per household. The up-front money reduces financial and marketing risks for farmers and customers share in production

risks. Sometimes customers help harvest and pack shares in return for a discount. Depending on the operation, customers pick up shares at the farm, a central distribution point, or pay extra for home delivery. In Massachusetts, produce CSAs typically operate from June to October and cost between \$400 and \$800 per share based on the season length and produce quantity and value. A typical acre of land in New England can support 25-30 CSA shares. There are many variants of the CSA model and it is a good idea to diversify.

One challenge is to have enough different crops each week so customers feel like they are getting their money's worth. CSA farmers often grow more than what their customers need and have additional outlets for surplus produce. Sometimes several farms collaborate to offer a wider range of products including fruit, eggs, meat, and more. Starting small and keeping customer turnover low is a good way to grow the business while minimizing risks.

A key advantage to a CSA is that you know how many customers you have early in the season, have their money in hand, and can produce accordingly. This makes financial planning easier. Other advantages include minimal loss or waste, less requirement for long-term storage, and the ability to market imperfect products. UMass Amherst offers some CSA resources on its [website](#); check out the links on the left of the page for profiles of CSA farms in the region and links to additional resources.

Restaurant Sales

Many chefs (especially from higher-end restaurants) are looking for fresh, local products to feature on their menus. You will find that chefs are as busy as farmers and have very specific standards. Develop a personal relationship with chefs, find out what they want, and grow a wide range of products for them for as long a season as possible. You need to offer exceptional quality clean products that are delivered on time (avoid mealtimes). Restaurant sales need to be an intentional strategy, not a way to dump surplus product. Most chefs will pay about 75 percent of retail for produce.

Drawbacks include the need for small quantities of some items and frequent deliveries. Watch that delivery costs and time do not eat up profits. Be clear on payment terms and minimum orders. Emphasize reliability, product quality, and maintain good communication. Though you may need to be in frequent contact with the chef, once a relationship is solid, less face time is needed. For tips on building a relationship with a chef, see [this blog post](#).

Sales to Food Retailers

Increasingly small food retailers are interested in sources of locally grown food. One option is to contact retail farm markets in your area. Many do not grow all they sell. Also, check out food cooperatives, natural foods stores, and independent groceries. Most will only pay wholesale prices found at regional markets.

Everything else, from convenience stores to super-centers, is a chain and each has unique

purchasing requirements. Some purchasing decisions are made at the local store level, but most require approval from higher-ups. Start with local store managers. For produce, a head buyer is usually involved. It is most common for retailers to buy seasonal produce. Very few handle local meats, cheese, eggs or other animal products because of regulations and consistent quantity needs.

Food retailers expect local prices to be in line with wholesale prices. Understand buyer expectations and prices before agreeing to delivery. Some may reject product on quality



concerns or simply because they have a better supply and price elsewhere. The advantage of selling to food retailers is that you can move more volume to fewer buyers, reducing your marketing costs. But the disadvantage is that it can be a fickle, price-driven market. Be sure to spread your risks.

Wholesale Marketing

This is actually a form of indirect marketing. Larger farms may find it convenient to sell their produce to a middleman who then sells to

retail establishments. Small farm can work together to enter the wholesale market. This cooperative wholesaling can improve your selling power, reduce costs of technology and services, improve transportation and distribution efficiency, and reduce your financial risk. Much time and effort goes into the creation of successful cooperative wholesale organizations.

If you are just starting out and have access to an effective marketing cooperative, you might prefer to become a member, let the co-op do the marketing, and focus on production and quality. You might also rely on a cooperative if you have limited marketing resources.

Massachusetts Department of Agricultural Resources' [Division of Agricultural Markets](#) is one resource to help you with wholesale marketing. Community Involved in Sustaining Agriculture (CISA) also offers [pricing](#) tip sheets.

Institutional Food Service Sales

Some schools, nursing homes, hospitals, and prisons can purchase local products. But many are part of a buying consortium and have a single goal: keeping costs low. Meals are often pre-prepared or ready to serve, using few fresh items. Institutional food sales also come with institutional barriers, including regulations and requirements that dictate their purchasing practices. One way to tap institutional markets is to go through the distributors who sell to

them. This adds a middleman and reduces returns. High quality, volume sales, standard packaging, and reliable delivery will be required. Insurance requirements are also mandatory. Some states encourage their institutions to purchase from local farmers. Massachusetts has a Farm to School project, with about 320 schools participating. See their [website](#), call [413] 253-3844, or contact Simca Horwitz for Eastern Massachusetts [simca@massfarmtoschool.org] or Lisa Damon for Western & Central Massachusetts [lisa@massfarmtoschool.org].

For additional information on direct marketing, contact

[ATTRA](#): National Sustainable Agriculture Information Service has newsletter articles on direct online marketing.

Phone: [800] 346-9140

The North American Farmers' [Direct Marketing Association](#) is a trade association dedicated to nurturing the farm direct marketing industry.

Phone: [413] 529-0386, [888] 884-9270

[Harvest New England](#) is a marketing program for New England-produced food and agricultural products.

Phone: [802] 828-3827

