



EMERGING AGRICULTURAL MARKETS TEAM

UW COOPERATIVE EXTENSION

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Today more farmers are diversifying their operations.

Meeting the Challenges of Direct Marketing

Farm marketing, while challenging, is an exciting and rewarding business.

Changing technology and economic scenarios may give us new tools or new headaches, depending on each situation. The way we respond will determine our success as direct marketers.

Changes in direct marketing

Demand for organic products has been growing at a rate of 20 percent annually. The number of operating farmers' markets in the United States has more than doubled in the last 10 years from 1,755 in 1994 to 3,706 in 2004. Customers want more information on the methods used to produce the fruits, vegetables, meats and other products they purchase—and competition for the customer's dollar gets more aggressive each year. Rules and regulations are increasing as well, creating more complications and obstacles for farmers to overcome. Thousands of seed varieties require contemplation before the planting season.

These are just a few of the challenges we as farmers and direct marketers face. We

can respond to the evolving scene with "Oh dear me!" or "Where do we go from here?" As the world changes, we must change with it, learning from what did or didn't work and being willing to plan for a better market future.



Competition

Today more farmers are diversifying their operations in a way that was common years ago when animals, crops, vegetables, eggs and other goods were all produced on one farm. As more farmers bring their products to the marketplace, we are all forced to do a better job of marketing and staying up-to-date in our production and sales techniques. Learn from your competition, and be on friendly terms with other marketers. The "give and take" within farmer organizations helps everyone share knowledge and reap tips for improvement. The old saying still holds true: "Competition makes us better at what we do."

Education is essential

Attending seminars and meetings that educate us on new practices or rules being put into place have become a necessity for farmers. Worker safety, pesticide use and concerns, processing rules (for example, a cut melon is considered processed), disease updates and so much more require us to stay current; ignorance of these issues and problems is no longer excusable.

There are many worthwhile state and national groups that are focused on the issues facing farmers. Organizations such as the Wisconsin Fresh Market Vegetable Growers Association and the North American Direct Marketing Association, which offers some excellent trade shows, seminars and tours, welcome your membership and participation. Joining and participating in such groups helps you stay on the cutting edge of rules and practices. You have much to gain by joining up with other farm marketers. Trade shows, market tours and field days offer many ideas to

help you improve or change what you're doing. Just one helpful tip may make you some extra dollars! We also need to be willing to share what we know with others. Attending such events gives the encouraging "shot in the arm" that picks you up and keeps you going.

We also have the opportunity to educate the public by answering questions and helping the public understand more about the products they are purchasing. This can range from giving out recipes (test them on your family first) and cooking tips, explaining the difference in varieties or breeds, detailing production practices, and much more. The consumer wants and needs us to be knowledgeable.

Read, read, read!

There is a wealth of information available in books, magazines and various trade publications. You can also spend time cruising through magazines such as *Family Circle* or *Bon Appetit* to see what food products are being spotlighted. If you market in a gourmet arena, this is a must! Gourmets know what they want; take this into account if you want to market your products to that audience. Since trends change rather quickly, it is important to stay on top of what is being published.

Promotion

Wisconsin farmers excel at producing high quality products. Be proud and let the public know it! Talk up your products, your farm and your production practices.

Farmers need to be an encyclopedia of the products they produce and be able to articulate that information to consumers. Besides promotion, we call this educating the public. New or different varieties or breeds take some pushing and promotion to get them off the ground. In a direct market situation, farmers have the unique opportunity of the consumer being able to talk with someone actively involved in farming. This makes for a very special relationship with the public.

Is your market name readily recognizable? Logos, market signs, t-shirts, brochures and anything else you use to advertise should be easily recognizable and identified with your business. Try to have all people involved in sales wearing t-shirts that carry your logo and contact information. Be unique in your display ideas; dare to be different! That is what draws attention to your products. A customer's eye is the first thing you need to catch.

Keep good records

Good records are not just enviable but of the utmost importance. It used to be that scanning the counters and shelves told us everything we needed to make decisions, but times have changed. Today, many farmers use a computer to do all the hard work of organizing and keeping track of sales, labor records and expenses. The information gathered should become an integral part of your decision-making process.

Quality control and food safety

Salmonella and *E. coli* are words that bring terror to our hearts. Not only can these diseases mean possible lawsuits, but economic hardship, as well. Consider cleanliness and bacteria-fighting equipment an absolute necessity and never merely an option. Following good agricultural practices in the area of food safety will help to avoid problems in this area.

Today's customers are well aware of quality. Limited travel distances and ultimate freshness are some of the talking points for buying from a direct marketer. Maintaining a quality product brings customers back and helps your marketing by spreading the good word. Satisfied customers are our best sales tools.

The direct marketing arena is experiencing vigorous growth and will continue to change from year to year. Being aware of changes and being willing to adapt will go a long way towards building a successful business.

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