



CHAPTER 3

DIRECT MARKETING STRATEGIES



3.1 STRATEGIES FOR SUCCESS

3.2 WEIGHTS, MEASURES & DEVICE LICENSING

3.3 AGRITOURISM

3.4 COMMUNITY SUPPORTED AGRICULTURE

3.5 DIGITAL & ECOMMERCE

3.6 FARMERS MARKETS

3.7 FARM TO SCHOOL

3.8 FARM STANDS

3.9 RETAIL & RESTAURANT SALES

3.10 U-PICK



DIRECT MARKETING STRATEGIES

STRATEGIES FOR SUCCESS

FACT
SHEET
3.1



Marketing is how you sell your products, make a profit, and build your business. Even the most skilled farmer or rancher must be a skilled marketer to thrive. Marketing requires that you understand what customers want and are available to deliver it to them. Marketing also includes the planning, pricing, promotion, and distribution of products for current and potential customers. Direct marketing refers to selling your products directly to the end-user, your individual customer. Popular direct marketing strategies or venues include Community Supported Agriculture (CSA), farmers markets, farm stands, U-picks, and online sales. Intermediated marketing refers to sales direct from the farm to a restaurant, retailer, food hub or food processor. Both direct and intermediated marketing are important sales strategies for small and mid-size farms.

Direct marketing often brings a better return for products, with no payments made to a broker or wholesaler. However, selling without a broker still has costs associated, one being more of your time spent developing customer relationships, and handling and selling your products. Direct marketing also requires a personality that enjoys dealing with the public. Below are some strategies for success in your direct marketing adventures.

START SMALL

Mishaps or errors tend to be less costly and more easily mitigated in smaller operations. Producing fewer, high-quality products will build a better business foundation than producing a lot of lower quality products. When developing a new product line, consider having tastings or sampling new products or offerings with family, friends, or loyal customers before marketing to a wider audience. *Be sure to check with your local health department before planning a tasting or sampling event.*

PLAN AHEAD

Even before your first seed is planted, you should make a marketing plan. Having a well thought out plan can be the difference between flourishing and feeling stressed. Reevaluate your plan each year and respond to the successes and failures of the previous seasons. Be prepared to jump on new opportunities, adapt to new trends, and be creative. As you determine which marketing strategies work best for your business, it is important you account for the costs of each marketing strategy (additional labor, cooling, packaging supplies, transportation, etc.) as well as the sales price of your products. True cost accounting is important to understand which marketing strategy or strategies will provide the best return on your investment and overall profit for your farm or ranch.

DIVERSIFY

Often the key to success and the ability to adapt to the unexpected fluctuations of the season can come from utilizing multiple marketing strategies each season. That way, if one strategy falls through, you can divert those products to another marketing method. Many small farmers and ranchers sell at farmers markets in addition to on-site sales and restaurant or retail sales. Diversifying your product mix can help you weather the downturn of one product. Including some value-added products, specialty jams and sauces, pre-washed and mixed packages of salad greens, and meats sold by the cut can provide a nice diversity. *(See Chapter 4 Selling Specific Products for more information).*

BE CONSISTENT & ORGANIZED

Customers will be loyal to farmers and producers who provide a product they can depend on and will be wary of repurchasing a product they once

found unsatisfactory. Establishing a high minimum standard for farm products and holding to it is in your best interest. Similarly, avoid fluctuations in price. Offering bargains may deter potentially returning customers who expect the lower price to remain constant. Being a reliable source of your operation's prices, products, delivery schedule, and production will help you win over customers and present yourself as a professional.

CONNECT WITH CUSTOMERS

Studies show that consumers, in addition to features such as freshness, quality, appearance, and availability of unusual varieties, are seeking an authentic experience or connection with a producer. This is why direct marketing is often referred to as "relationship marketing." Consumers have a growing desire to know where their food comes from. Many want to know the producer story behind the product and want to support local farmers and ranchers.

Beyond being professional in your interactions with customers, consider adding other avenues for your customers to connect with you. For most small farms, having a website is essential. Developing an email newsletter or mailing list provides an opportunity for you to consistently communicate with your customers – building and keeping your relationship fresh. An email newsletter is a great way to keep in touch during the off season and maintain community support. Instagram, Facebook, or other social media presences are a good place to share more of your story, as well as post about current products, issues, and opportunities in your business. Just remember, you don't control social media algorithms, so customers following you may not see all of your posts. Remember to follow through with commitments you make to customers, communicate clearly, and be aware of your limitations. It is better to do one or two things well, than to take on too much and be too spread thin to follow through.

KEEP RECORDS

Good records provide insight into marketing progress, successes, and what ventures are more, and less, profitable for your business. Financial records are required for tax purposes and to comply with the Food Safety Modernization Act's Produce Safety Rule recordkeeping requirements for Exempt, Qualified Exempt and Covered farms. Records of what grew and sold best the previous season can help you narrow down your product mix for the following season. Tracking expenses and previous prices will help you set each year's prices, while avoiding duplicating your work.

MARKET RESEARCH

Talk to other producers who use marketing strategies you're interested in and ask their experience or advice. A lot of valuable information can come from other producers. Communicate with customers about how satisfied they are with their purchases, listen to their suggestions, and be willing to adjust products accordingly. Keep track of current trends in gourmet, specialty, or popular foods, including innovations in packaging, advertising, or unique products. Social media, magazines, and periodicals can all be good sources of trend information.



DIRECT MARKETING STRATEGIES

WEIGHTS, MEASURES, & DEVICE LICENSING



The Idaho State Department of Agriculture's Bureau of Weights and Measures has established laws and regulations applicable to all sales involving weight or measuring devices, including sales made at Farmers Markets. These laws and regulations were established to ensure that marketplace sales are equal and fair for consumers. As a vendor, you must comply with these rules, but doing so also protects you from negative perceptions from shoppers. An overview of these regulations is provided below and has been adapted from the Idaho State Department of Agriculture's Bureau of Weights and Measures.

SCALES, WEIGHTS, & MEASURES REGULATIONS

- ✓ The per pound price of the commodities must be posted.
- ✓ Commodities sold by weight at the point of sale must be weighed on a Legal for Trade Class III or better scale. (Scales that are postal, diet, kitchen, bathroom scales or not legal for trade scales are not acceptable). Some older commercial scales may be used with approval of the state weights & measures official. If you have questions about the acceptability of your scale, please contact your local Weights and Measures official or the Weights and Measures office.
- ✓ Scales must be licensed annually by the Idaho Bureau of Weights and Measures. License applications may be obtained by contacting your local Weights and Measures official or contacting the main Weights and Measures office. If your scale has been tested and approved previously, you will receive your license application by mail in January of the next calendar year.
- ✓ Scales must be tested and approved by an Idaho Weights and Measures official or placed in service by an approved service company before use.
- ✓ All meat, seafood, and poultry must be sold by weight excluding items made for immediate consumption on the premises.

SELLING PRE-PACKAGED COMMODITIES

Prepackaged commodities are commodities of a standard size, like eggs, that are packaged before the point of sale. You may use non-licensed, non-approved scales to prepackage. Prepackaged commodities are required to have a label with the following information:

- ✓ Identity of the commodity and name of the grower/seller.
- ✓ The net quantity of the contents in terms of weight, measure, or count. For example, "Net Wt. 8 oz" or "Net Contents 1 dozen."





DIRECT MARKETING STRATEGIES

AGRITOURISM

The National Agricultural Law Center defines Agritourism as “a form of commercial enterprise that links agricultural production and/or processing with tourism in order to attract visitors onto a farm, ranch, or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income for the farm, ranch or business owner.” Agritourism can be a great way to diversify your marketing strategies and increase cash flow. Bringing folks directly to your farm or ranch can increase your on-farm sales, especially sales of any value-added products, while educating the public about farming and ranching.

Agritourism is increasing in popularity. Growing numbers of people are traveling to rural areas for leisure purposes. Teaming up with other farmers or ranchers with non-competing enterprises to jointly market your agritourism enterprises can increase the number of visitors to your farm and the profitability of your agritourism enterprise. Having multiple agritourism enterprises in one area draws more tourists and can provide a seasonal festival experience.

AGRITOURISM VENTURES

Agritourism ventures are as varied as the farms or ranches that host them. Some operate on a seasonal basis where others are open all year, with a variety of consumer services available.

Farm Stays

Another activity that is gaining popularity among consumers is visiting or staying on farms. These often include hands-on experiences where the customer can help with farm and ranch chores to learn more about farming. This can include seeding, weeding, harvesting, feeding, milking animals, etc. Farm stays typically include lodging and often meals.

WHERE TO START

If you want to add an agritourism enterprise to your existing operation or start an agritourism business, you must first assess your goals and abilities. Visiting or researching other agritourism operations with activities you are interested in offering to gather ideas is a good place to start. Assess what options are available to you, assess your skills and time realistically, and most of all, develop a plan.

Zoning

Before you break ground, you'll want to ensure the zoning and building laws affecting your property allow for your chosen agritourism venture. Some agritourism ventures are affected by land use rules or prohibitive zoning. Contact your city or county clerk about your prospective agritourism enterprise and obtain a copy of the local land use and

COMMON EXAMPLES OF AGRITOURISM

Pumpkin patches
Corn mazes
U-Pick operations
Petting and feeding zoos
Hayrides
Cut-your-own
Christmas tree farms

Horseback riding
Farm festivals
Fee fishing and camping
Demonstration farms
Agricultural museums, or
living history farms

On-farm farmer's markets
and farm stands
Winery tours and wine tasting
Rural bed & breakfast
Guided and self-guided tours
Wedding or other event venues
Dinners on the farm

zoning rules applicable to your property to confirm the necessary permits you may need to obtain. Farms commonly must apply for Conditional Use Permits (CUPs), especially if hosting overnight guests such as farm stays.

Accessibility

Some aspects of the Americans with Disabilities Act may apply to your property if you are hosting events. Visit ADA.gov for more information on requirements and ways to make your property safe and accessible for all.

POSTING SIGNS

Road signs help identify your business and direct customers to your farm. Do your research before erecting any signs. The use of signs is governed by federal laws, state statutes, and local ordinances. Contact your local county planning and zoning department or commission for information on zoning restrictions and other regulations.

SAFETY CONSIDERATIONS

Keeping those who visit your farm or ranch safe should be your first priority. Make sure you assess your farm or ranch for potentially dangerous conditions, do your best to minimize them, and make plans for how to deal with the unavoidable risks of farming and ranching. (See *Fact Sheet 2.3 Liability for more information*).

Health Codes

Contact your local health district with a detailed overview of your agritourism venture ideas. They can help you identify which activities they oversee and point you to best practices for each. Things like apple bobbing, apple pressing, petting zoos, or any food or drink service are regulated by the health department. Regulations related to some on farm activities, such as providing a simple hand washing station, are easy to comply with so don't be deterred by the thought of regulations! As always, it is best to ensure you can meet and be completely compliant with applicable regulations before investing time

and money into an agritourism enterprise.

Liability

One essential tool to manage risk is liability insurance. Before hosting groups of visitors or planning a public event, check with your liability coverage. An event insurance rider may be necessary. Make sure that you have an adequate insurance policy before beginning. (See *Fact Sheets 2.2 Insurance and 2.3 Liability for more information*).

Title 6, Chapter 3, in Idaho Code titled "Idaho Agritourism Promotion Act," provides some liability protections for inherent risks associated with agritourism activities as long as you post the necessary warning signs.

Warning Signage

The State of Idaho requires that every Agritourism professional post and maintain signs that contain a specific warning notice of potential dangers on your farm or ranch. See Section 6-3004, Idaho Code for more information. Failure to comply shall prevent an agritourism professional from invoking the privileges of immunity provided by the law.

RELATED FACT SHEETS IN OTHER CHAPTERS:

- 1.5 Licenses & Permits*
- 2.2 Insurance*
- 2.3 Liability*
- 3.2 Weights, Measures, & Device Licensing*
- 3.8 On-Farm Stands*
- 3.10 U-Pick*



DIRECT MARKETING STRATEGIES

COMMUNITY SUPPORTED AGRICULTURE

Farm subscription sales, often referred to as Community Supported Agriculture or CSAs, are one of the most direct ways to market your farm produce. Customers buy a CSA “share” pre-season, creating an early season cashflow for you as the farmer. Through the growing season the purchasers will get boxes of produce, flowers, USDA-inspected meats, eggs, dairy, baked goods, or other products at regular intervals (usually weekly). The CSA share is either delivered to the customer’s door, a drop-off site, or picked up at the farm.

BENEFITS OF CSAS

There are many benefits to this marketing method whether it is used in concert with others or on its own. Some of these benefits include:

Early Season Cash Flow

Because CSA shares are sold ahead of the growing season, it creates potentially significant cash flow during a time when many farms do not have sales income.

Consistent Value

Having customers already secured, and your farm products already paid for, means you are somewhat insulated from market fluctuations.

Flexibility

CSAs can be more flexible than other direct marketing strategies. Because CSAs are designed to provide a week’s worth of farm products to a single household, they require you to produce a diverse range of products. This diversity allows you to substitute one type of produce for another in case of a crop failure or delayed harvest.

Relationship Building

Because the structure of the share is a weekly pick up or delivery with the same customers, you have a great opportunity to build relationships and many customers return to the same farm for their CSA year after year. You’ve probably seen the “Who’s Your Farmer?” bumper stickers. CSA customers embrace this concept and are likely to refer to your operation as “their farm.”

CONSIDERATIONS

All direct marketing strategies have their downsides. Here are some things to consider before beginning a CSA:

Must Deliver

The weekly commitment of a CSA demands you have a good handle on production schedules and season planning. Though the CSA customer has bought from you and shared the risk of production throughout the season, you are not likely to retain that customer the following season if you do not deliver a steady stream of diversified products in each CSA share. With that in mind, it is better to start with only a small number of shares in your early years and grow gradually as demand increases. Having the very first year open to only friends and family can give you a grace period to work out any potential kinks without the risk of losing customers or garnering bad reviews.

Money Management

Though having early season cash flow to fund the purchase of supplies is great, you’ll also have to consider that you will have a reduced weekly influx of cash throughout the season as much of your product is already paid for. Make sure you plan appropriately to manage your budget and make sure you can meet your monthly financial obligations.

Customer Communications

CSAs can also require a bit more communication than other direct marketing strategies. Encouraging others to learn about seasonal foods and agricultural production can be a fun and fulfilling part of this type of marketing, but it can also be draining. Expect emails asking if customers can pick-up another day or send another person to pick-up their share, if a family can swap out one item they don't like for an extra of something they prefer, why tomatoes aren't available in June, etc. If you are providing products outside of standard grocery store fare, consider including in the box information on how to cook or prepare the unique items, or expect to answer cooking questions over and over.

Pickup

You'll need to secure a plan of how to get the produce to your customers. If you are in town, you can consider an on-farm pick up. If your farm is further out, you may have to offer a pickup location in town to attract more customers. You'll need to develop a policy on what happens if a share isn't picked up (How long do you hold it? Do you have an alternate pick-up option for folks that may have forgotten?). It is best to develop these policies before your CSA begins and let your customers know the policies when they sign-up and pay for their share. Make sure to stick to your policies as much as possible. If you allow frequent exceptions, you can expect to receive an increasing number of requests for customer accommodations.

OTHER MODELS

The most common CSA type is a weekly delivery of a variety of fruits and vegetables. However, CSA type marketing can also be successful for things like weekly flowers, milk, cream, or other dairy products, meat products, or occasionally single crops. Having many farmers or producers combine products for a shared CSA is another option. This model has the benefit of a wider variety of products than one operation could produce and expands opportunities to advertise to multiple operations' customer bases.

INSURANCE & SAFETY

If customers will be coming to your farm to pick up their CSA share, or attend farm workdays, or if you have interns/apprentices on the farm, be certain that you have adequate insurance in case of a mishap. (See *Fact Sheets 2.2 Insurance and 2.3 Liability for more information*).

RELATED FACT SHEETS IN OTHER CHAPTERS:

2.2 Insurance

2.3 Liability





DIRECT MARKETING STRATEGIES

DIGITAL & ECOMMERCE

Digital and eCommerce marketing strategies have become increasingly popular over the last decade. Most farms that engage in eCommerce/online sales do so through their farm or ranch website. In some cases, farm products sold online are picked up at the farm, at a central drop point, or are delivered by the producer. eCommerce marketing refers to sales that occur entirely online and with the purchase shipped to your customer. Marketing your products online can be a good way to reach a wider audience and increase your sales.

PRODUCTS FOR ECOMMERCE

Not all products are appropriate for eCommerce marketing. The easiest products to use in eCommerce marketing are non-perishable and easily packaged. Perishable products are able to be marketed this way too, but require more considerations for packaging, temperature control (if applicable), and a well thought out procedure for handling sales.

BEGINNING ECOMMERCE MARKETING

First, decide which products you want to sell through online platforms, draft thorough product descriptions, identify your price points, and decide what schedule you can realistically adopt for fulfilling orders. Though you save the time commitment of face-to-face sales, like at a farmers market, you will have to factor in the time cost of packaging and shipping your products. You'll need to identify proper shipping materials and include shipping, handling, and packing materials in your product prices or as a separate fee on mailed orders.

Next, you'll want to research primary digital marketing techniques (website, social media, online advertising, and email marketing) to determine what

resources for online selling you'd like to utilize. You will need a host website for your operation and a point-of-sale system to collect payments and track your inventories. If you are utilizing multiple direct sale methods, make sure you take into account the numerous ways you could be drawing down your inventory and plan accordingly. Successful eCommerce marketing techniques consider customer experience and shopping/transaction journey. Thinking through potential obstacles early on can minimize customer dissatisfaction and encourage customer loyalty; some examples of potential obstacles may include, shoppers refund process, shipping email notifications, shipping delay expectations, product review process, etc.

FEDERAL TRADE COMMISSION GUIDELINES

The Federal Trade Commission (FTC) has established the regulations for the sale of mail, internet, or telephone order merchandise. Known sometimes as the 30-day Rule, it requires that you must have a "reasonable basis" for implying that you can ship within 30 days, unless you have made a shipment statement declaring otherwise. Bear in mind, most customers will expect their products before 30 days, especially in the case of perishable products. While no more than 30 days is the legal requirement for shipping, to retain customers you will want to ship within a few days of the order being placed. It is best to be clear to customers about when you will ship your products and how long it will take for the delivery to arrive at their doorstep.

Exemptions

Subscriptions, including CSAs, are not subject to this rule so long as the initial delivery was made in compliance with the rule. Seeds and growing plants are exempt.

Establishing a Reasonable Basis

Making sure you can supply the products customers order is important to stay in compliance with the FTC guidelines and to maintain customers. To establish the reasonableness of your shipment representations (or the default of less than 30 days), you need to take into account your product's demand, your existing inventory and timeline for increasing your supply, your fulfillment system, and good record keeping. Keep records of all eCommerce transactions for 5 years.

Non-Compliance

Non-Compliance with the FTC guidelines can lead to Cease and Desists (or the shut down of your business) and/or hefty fines. Make sure to stay on top of your orders and ship them in a timely manner! If you are unable to fulfill an order, you must seek the customer's consent on delaying shipment or offer a full refund within a reasonable amount of time.

RELATED FACT SHEETS IN OTHER CHAPTERS:

1.4 Registering with Government Entities

2.1 Taxes



DIRECT MARKETING STRATEGIES

FARMERS MARKETS

Farmers markets are multi-stall, popup type markets where farmers, ranchers, and other producers sell local goods directly to customers. Farmers markets often also include art and prepared food vendors, and usually operate seasonally. They are an excellent way to directly market your products, build your communication skills, and develop your unique customer base.

BENEFITS OF SELLING AT A FARMERS MARKET

Farmers markets do their own advertising and marketing that you benefit from without cost. These markets often share and/or cover insurance, and provide helpful information for getting a seller's permit and connecting with your local inspectors, etc. Established markets also have long standing customer bases and serve as an attraction for tourists, which can help you broaden your customer reach.

Selling at a farmers market may require less volume of products than wholesaling or even operating a CSA and are a great place for beginning or small acreage farmers to start marketing their products. Many established farmers and ranchers producing larger quantities of product, sell at one or more farmers markets per week and may also sell through a number of direct and intermediated markets.

Because farmers markets allow for face-to-face time with your customers, they provide ample opportunities to communicate directly about your growing techniques and farm or ranch practices. They are also the ideal place to experiment with new products to get a read on customer interest and engagement before committing to the product on a larger scale.

GETTING INTO A FARMERS MARKET

If you are considering selling at a farmers market, contact the market manager as early as possible. Markets often have an open enrollment period for new vendors and may not accept vendors on a rolling basis. Ask about market policies as each market has its own set of rules and regulations, vendor or stall fees, what products are allowed, etc.

STALL DISPLAY

An attractive stall with a good product display will help you draw customers in and finalize sales. Make sure your stall and products are clean, your signage is clear and apparent, including product names, prices, and your business name. Customers want to know who you are and how to find you again! Abundance in your display is always helpful, especially with produce.

FOOD ASSISTANCE PROGRAMS

Many farmers markets participate in and accept food assistance programs, including the Supplemental Nutrition Assistance Program (SNAP Electronic Benefits Transfer or EBT), WIC (Women, Infants, and Children), and the Senior Farmers Market Nutrition Program. How the programs are handled varies by market. Check with your market's manager for more information.

COLLECTING SALES TAX

All vendors in Idaho are required to collect sales tax and remit the funds to the Idaho State Tax Commission. You will need to have your seller's permit displayed at your market stand. If you forget your permit, most market managers will be able to issue a temporary form. (See *Fact Sheet 2.1 Taxes for more information*).

FOOD SAFETY AT THE MARKET

Farmers markets present a unique sales arena with their own best practices for food safety. Some things to keep in mind while selling at a farmers market are outlined below. (See *Chapter 5 Food Safety for more information*).

Basic Hygiene

Farmers markets are held in a variety of places, from main streets to city parks to gymnasiums. Regardless of the setting, you need to be prepared to set your stand up from scratch each day and practice the same level of sanitation you would on your farm. Be sure to pack the supplies you need to keep your stall clean and sanitary. Never place food items directly onto the ground. Make sure you and your employees are washing your hands before handling your products and after using the restroom or eating. If possible, have separate people handling money and produce. Avoid handling your products unnecessarily. Your market may or may not have trash services; be prepared to haul away your refuse at the end of the market day.

Health Department Requirements

Check with your local health department about any regulations you're subject to based on your products or activities. All farmers markets are subject to routine inspections by representatives of the local health department.

Product Sampling

Providing product samples can be a great way to increase sales, especially with foods most customers will be unfamiliar with. Many times, however, a food permit, issued by your local health department, is required for sampling. There may be regulations on such things as temperature control methods of your samples, supplies (toothpicks, tongs, sample cups, etc.), and how long they can remain available before being composted. Check with your local health department or market manager for more details.

Temperature Control

Make sure your products are ready to withstand hours in the elements, whether they have health department standards for temperature control or not. Having coolers on hand is always a good idea. Make sure you have enough ice or water (your market may not have a water source) to get you and your product through the day.

RELATED FACT SHEETS IN OTHER CHAPTERS:

2.1 Taxes

5.1 Creating a Food-Safe Environment





DIRECT MARKETING STRATEGIES

FARM TO SCHOOL

Farm to School, or Farm to Cafeteria, often refers to the purchase or growing of local foods for school cafeterias with the express purpose of increasing the healthy child meal options while supporting local farmers. Farm to school also refers to activities that involve or introduce school age children (K-12) to agriculture practices including farm tours, school gardens, culinary classes, nutrition curriculum, or agricultural producers teaching lessons in the classroom.

SELLING TO SCHOOLS

If you are interested in selling wholesale to local schools, you will want to begin by contacting the school's Director or Manager of Food Services, introducing yourself and your farm or ranch and requesting a time to meet to discuss the school's or the school district's interest in purchasing direct from local farms or ranches. Schools are generally open from mid-August to mid-June and closed during holidays and summer breaks. When meeting with school employees, it will be important to discuss how the school food service operates, what procurement channels they currently use, what ingredients they are interested in purchasing locally, and the quantities they need (all of which can vary widely by school or school district). Flexibility with menus may be limited due to equipment and staffing available. You may be able to arrange for seasonal sales of existing products or you may need to develop a custom production plan for the following school year. If you are making contact during the season, be prepared to offer information on what you have available and for how long. School meals budgets are tight. If you are used to the wholesale market and wholesale prices, selling to schools may be a profitable enterprise for your farm or ranch. The prices schools can pay will usually be lower than the premiums you can receive at

farmers markets. However, school districts can be very large customers with usually a single drop off point, saving you on delivery fees and allowing for bulk sales of specific products.

Intermediated Market Sales

Farm-to-school sales take place through three primary marketing channels. The first, and most common, is where you, the producer, sells your product to a distributor or food hub, who then resells the product to the school. This is called intermediated market sales and the distributor is the middle person in the sale process. Working with a distributor simplifies the sale logistics for both the produce and the school or school district. This model is one commonly used by local food hubs that have the ability to aggregate products from local and regional farmers to meet the quantities and consistency of products needed by school food service. Some food hubs and distributors are able to provide processing services (washing, peeling, chopping, etc.) that alleviate the staff time needed for schools to utilize local products. One important aspect of intermediated markets is that they are often able to source-identify local products on their school menus elevating the identity of the farm or ranch producing the products and any special attributes or values (variety, production practices, animal care) the product embodies.

National Wholesale Distributors

Another avenue of selling into school districts includes a local food hub or regional distributor selling to a national wholesale distributor that resells the products to the school district. This avenue of selling through more a broadline distributor, whether that is a large national distribution company, a foodservice management company, and or a USDA food distribution program often requires

larger quantities of products that meet uniform specifications and certifications.

Intermediated Sales

The third selling to school avenue is a direct sale between you and the school or school district. Also called an intermediated sale, this market approach requires developing an immediate relationship and invoicing and delivery system that meets both your needs and the needs of the school or school district.

PARTICIPATING IN SCHOOLS

Another way farms can engage with schools is to offer educational opportunities for a small fee. Depending upon your farm business model and goals, educational programming may be a viable source of income for your farm operation. If you are interested in hosting a farm tour or being a guest speaker in a classroom event, contact your local school director to inquire about interest and opportunities. (See *Fact Sheets 2.2 Insurance and 2.3 Liability before hosting any on-farm events*). You might also consider volunteering your time or hosting free farm-to-school events on your farm. Though these activities are not a direct sale, they can serve as an opportunity for you to build awareness of your farm or ranch and products as excited children coming home with information about your farm or ranch can lead to future purchases from their parents, grandparents, or guardians.

INSURANCE & CERTIFICATIONS

Most schools or school districts will require you to have liability insurance before purchasing from you, and you should have adequate insurance before hosting any farm tours. (See *Fact Sheet 2.2 Insurance for more information*).

Many schools will require food safety certifications that demonstrate your farm is in compliance with the Food Safety Modernization Act (FSMA), Good Agricultural Practices (GAP), and/or Hazard Analysis Critical Control Point System (HACCP). If you wish to sell meat to schools, it will

need to be processed in accordance with State and USDA standards which include utilizing a USDA-Inspected facility. (See *Chapter 5 Food Safety for more information*).

SIMILAR VENTURES

Farm-to-Institutions sales operate similarly to farm-to-school sales. If you are interested in farm-to-institution sales, consider reaching out to food service programs at state hospitals, prisons, and colleges.

RELATED FACT SHEETS IN OTHER CHAPTERS:

2.2 Insurance

2.3 Liability

5.2 Food Safety Modernization Act

5.3 Hazard Analysis Critical Control Point

5.8 Good Agricultural Practices





DIRECT MARKETING STRATEGIES

FARM STANDS

“Farm Stand” refers to any retail operation on your property. Most commonly these are unstaffed stands with a variety of your products available for customers to purchase using a self-pay method. Farm stands can be a great way to move products without committing a whole day, like you might with a farmers market. They can also help you reach an increased audience since farm stands tend to have more flexible hours than many other direct marketing options and can help move products with minimal effort after the initial installation.

EQUIPMENT CONSIDERATIONS

For a farm stand to be successful, there is some basic equipment and management practices you’ll need to employ.

Location

To build a farm stand on your property, you’ll need an accessible location near parking that you feel comfortable having customers in. Something right off the road or at the entrance to your farm will be the most visible and prevent customers from having to walk through your farm in potentially dangerous areas. You’ll also want to consider how or where you’ll run power to the stand if you plan to include refrigerators, fans, or need electricity for any sales equipment.

Structure

You’ll need to design and build a structure. Some stands are more like walk-in sheds, where others are covered with open shelves. You’ll want to make sure you have enough room to accommodate and attractively display everything you’d like to sell all season (the winter squash season will look different than early spring with its many greens). You’ll need refrigeration to keep your products fresh, and abundant shelving for the products that do not need refrigeration.

Payment Collection Method

Have a locked dropbox for cash payments. Make sure everything is clearly labeled so customers have no questions about how much they owe you. Fewer and fewer people carry cash these days, so consider including an online payment method like Venmo. This can also help prevent having “I-Owe-You” ending up in your dropbox. Include instructions on how to use the stand and post your payment policies. “Payment due at time of purchase” can suffice. Plan to clear your dropbox daily to make sure there’s room for customers to use it, and to prevent theft.

BEFORE INSTALLING

If you want to explore having a farm stand on your property, you’ll need to look into the legal parameters of doing so in your city or county. Make sure you are aware of your property’s zoning ordinances, what permits you may need, and any restrictions on putting a sign up on your property.

Zoning & Permits

Check with your local zoning authority to ensure you can have a retail farm stand on your property and fill out the appropriate applications, if needed. You will need a sellers permit to make sales if you do not already have one. Reselling products from other farms or ranches in your stand may require additional permits. Always call to inquire about how any changes to your operation may affect your status.

Signage

You’ll want signage to attract customers to your stand, communicate your hours, and identify your operation. You will need to check with the Idaho Transportation Department (ITD) before erecting

any signs on your property, however. The ITD regulates the use of signs near roadways. You'll need to apply for a permit to erect a sign. The application asks for an approved building permit to erect a sign, a signature of a local zoning authority declaring it is within your zoning ordinance, the property owner's signature of approval, as well as a site plan for where you want to put up the sign.

MANAGING THE STAND

Once your stand is installed and ready to go, you must make a plan for on-going farm stand management.

Packaging

A farm stand requires more packaging than almost any other method of direct marketing. You may want to consider wrapping greens or other perishables in plastic bags so that they last longer, as well as prepackaging reasonable amounts of by-weight products. Always make sure the attractiveness of the display is top of mind when choosing packaging materials. If you're selling plant starts or high quantities of any product, consider providing cardboard boxes or other options for customers to carry them.

Be up front about your expectations of having any packaging returned. Some packaging, such as used paperboard baskets, may be inappropriate for reuse due to the potential for contamination and unwanted food safety risks. If you do request the return of reusable packaging, such as plastic start containers, plan on a return rate of 80% or less. Providing a labeled, distinct place to return packaging materials away from your farm stand sales area will help encourage customers to return materials while keeping your fresh products clean and your farm stand neat.

Product Freshness

You will have to check on your stand often, likely multiple times a day. You'll want to restock, being mindful to pull the oldest products to the front. Check for anything that's past its prime and com-

post or discard it. Keep good records of the age of your products, especially for dairy or meat products, and rotate products out accordingly. Be mindful of the temperatures inside your fridge as well as the ambient nighttime temps and keep temperature logs. If you have an open-air stand, you may have to haul products displayed outside your fridge inside during the spring and fall to prevent freezing.

Product Variety

Consider partnering with other farmers to provide a variety of products. The more variety available, the more likely customers are to make the journey to your stand. Pair up with a vegetable, egg, or dairy producer to compliment the products you offer. Consider baked goods, value added products, local artisan products, or crafted goods as well.

RELATED FACT SHEETS IN OTHER CHAPTERS:

- 1.4 Registering with Government Entities
- 2.1 Taxes
- 5.1 Creating a Food-Safe Environment
- 5.6 Produce Safety Rule





DIRECT MARKETING STRATEGIES

RETAIL & RESTAURANT SALES

National and statewide interest in local and specialty foods continues to rise, and retailers want those products on their shelves. Farm to table restaurants are also gaining popularity, and increasing numbers of chefs are interested in working with farmers and ranchers to source fresh, local and high quality ingredients for their menus and signature dishes. These outlets can be the source of major sales for direct marketing operations. This type of direct marketing is considered intermediated as opposed to "Direct to Consumer" since both operations are reselling your products.

RETAIL

If you are interested in approaching retail stores about supplying products, a good place to start would be cooperatives or independently owned grocery stores. These businesses often have more freedom to purchase from local growers and ranchers. Selling at conventional stores often means jumping additional hurdles, and may include required regional or national certifications, capacity to handle larger volume of product production, and distribution support. By starting with a smaller retailer with a clear commitment to the local community and/or locally produced products it will also allow the producer to analyze these barriers, gauge capacity, and establish personal operational goals.

Grocery stores, distributors, and brokers will need you to identify the estimated quantity of product you can provide and number of weeks or months of the year you can provide it. Most American shoppers are used to having any product available at any time throughout the year and many do not understand the seasonality of locally grown and raised products. While all retailers need to meet the needs of their customers, many smaller, more local-food oriented retailers have the abili-

ty to highlight local, seasonal products and work with producers to manage seasonal product sales. Approach the department/category manager in charge of your product type (produce, cheese, dairy, meat, etc.) with a clear idea of the quantity you will have available to sell, the seasonal duration, as well as a wholesale price sheet. If you request to meet in person, come with a few samples of your high-quality items. Grocery stores will be reselling the products you provide, so they will be interested in only the most high-quality products and less likely to purchase unusual varieties that might not sell in a timely manner.

RESTAURANTS

Similarly to scouting for retail stores, the best restaurants to approach will be those that already have a farm-to-table aspect to their business. Independently owned restaurants, and those that focus on seasonal, high quality food are most likely to be interested in working with local producers. Unlike grocery stores, chefs are more likely to appreciate unusual varieties and may make use of "seconds." If a chef or manager is unable to meet your needed prices for premium products, selling your seconds may be a viable option that works for both of you.

If you are interested in selling to a local restaurant, you'll want to approach the head chef or the general manager. There is a good chance this person is shopping at the farmers markets in your area, so you may already have a working relationship with them. Be sure you always call, make deliveries, and schedule meetings during their slow hours! If you come in during a mealtime wanting to chat, expect to be turned away.

Consider offering samples of products you'll have in the coming weeks for the chefs to experiment with and entice them to purchase. If you grow

something really unusual, including sample recipes can be helpful for garnering a chef's interest in the product. As your relationship with the chef deepens, offer a pre-season planning meeting with them to determine what products and quantities they might like from you. Establishing a relationship like this means guaranteeing sales for you, and supply for them. Should the chef ever leave the restaurant you are working with, try to establish sales at their new location, and work quickly to introduce yourself to their replacement.

BEST PRACTICES

When working with either type of establishment, there are some best practices to maintain and grow that relationship.

Provide Proof

When meeting with a new contact at a retail establishment or a restaurant, bring proof of your existing certificates. Some grocery stores require a third-party inspection of producers known as a "food safety audit." When approaching a grocer, bring copies of your food safety plans to assure them you're following Good Agricultural Practices. (See *Fact Sheet 5.8 Good Agricultural Practices for more information*). Pictures or information about your farm or ranch can help assure the buyers that you are what you claim.

Be Consistent

The more consistent you can be in every aspect of your interactions, the more reliable you will seem. Ask early on in your relationship what the best time is to call or make deliveries and stick to it. Deliver on consistent days. Reach out to your contacts via a consistent method, whether that be email, calling, or texting, and at regular intervals.

Be Knowledgeable

Before contacting the retail store or restaurant, know exactly what you'll have the following week and how much of it. Know what price you want and how to measure it (by head, by weight, by box,

etc.) and be ready to do calculations to quote them the price if they measure differently. If there is any point you would offer discounts, be aware of what would trigger that.

Deliver Quality

Be consistent in the quality of your product. Be prepared to replace any products that do not meet their standards, and do not vary from your own standards to fill an order. Provide excellent customer service and be sure to ask when the best delivery times/days are and discuss delivery details such as entrances to use, where to place product, and who to confirm deliveries with onsite.

Packaging

Ask what type of packaging works best for the operation you are selling to and stick to it. Label the boxes with your business name, the product inside, and the quantity or weight of the product. Many establishments would be pleased to send plastic delivery boxes or reusable packaging back with you if you ask about it. If you are requesting the return of delivery or packaging materials, have a plan for cleaning and sanitizing before reuse.

Payments

It is important to discuss invoicing and payment arrangements before beginning to deliver products. Create invoices for each order and include a copy with your delivery. Most retail or restaurants will not pay on delivery. Professional invoices make a better impression and may be required. Always make sure to include your business name, the order date, and quantity or product they requested. Keep copies for yourself and develop a plan for following up if they are not paid within the month.

DISTRIBUTORS & BROKERS

Many larger grocery store chains are interested in sourcing local products for their stores. Distributing to multiple stores in an area can be a logistical challenge, however, and the retailer may prefer to order local products from a distributor. Distribu-

tors can consolidate local products from multiple growers to create sufficient volumes to serve larger chains, provide delivery services and may do in-store merchandising to promote local products. To expand your sales to the retail market, you may want to consider selling to a distributor in your area.

Distributors can also play an important role in reaching local restaurants. Some chefs want to include local ingredients but do not have the capacity to manage ordering and distribution with multiple farmers, ranchers or food crafters. They may want the convenience of buying from a distributor where they can buy multiple local products all in one place.

While self distribution is acceptable at many independent retailers and restaurants, often all restaurants and retailers encourage category buyers and chefs to purchase through distributor partners for ease of access to product and a consistent stocking schedule. Distribution does come with additional costs and certification requirements, but also can open the door to other retail and restaurant sale outlets if you desire to scale your operation further.

Independent, regional, and national food brokers are an additional resource in helping food producers scale their product into new retail sale outlets. Depending on the size of the broker/brokerage some may operate only on commission, where others come with additional fees and services, others offering in-store sampling, product merchandising, product check-ins, small scale distribution, and food show/expo representation. Brokers specialize in leveraging their retail and distributor connections to elevate a brand into new markets depending on the food producer's desired goals.

RELATED FACT SHEETS IN OTHER CHAPTERS:

- 5.2 Food Safety Modernization Act*
- 5.6 Produce Safety Rule*
- 5.8 Good Agricultural Practices*

DIRECT MARKETING STRATEGIES

U-PICK

FACT
SHEET
3.10



U-Picks are operations where the customer comes to the farm and harvests their own products for purchase. U-Picks are a type of Agritourism, a venture that is generally gaining in popularity and revenue potential. (See *Fact Sheet 3.3 Agritourism for more information*). Customers may be drawn to U-Picks partially for potentially reduced prices (since the farmer is not paying to harvest or transport the products), but generally customers are attracted to the experience of being on the farm.

DESIGN CONSIDERATIONS & EQUIPMENT NEEDS

A U-Pick varies significantly from a standard farm, and preparing the site will be necessary for a successful venture. Some things you'll need to consider include:

Posted Policies & Rules

When operating a U-Pick operation, it is important to set clear expectations for U-Pick customers. These expectations ought to be clearly stated on your farm website and posted at the main entrance to your U-Pick operation. As a U-Pick operator, you will need to direct people to picking supplies (containers, harvest tools), areas to pick (and not to pick!), handwashing stations and clearly explain food safety expectations (handwashing, where to put used containers), sampling policies, monitoring of children, and pet policies, etc.

Bathrooms

Have a plan for customers needing to use the bathroom while at your site and a handwashing station with potable water, soap, single use paper towels, and waste bins. Consult with your city or county clerk if you plan to build a permanent bathroom structure. Many U-Picks rent port-a-potties and

handwashing stations for the height of the season. Make sure to account for this expense when making your season budget.

Parking

Clearly designated and ample parking lots near to or on the property will be necessary for the success of your U-pick. Depending on your site location, this may take some conversations with your neighbors to enact a plan that works well for everyone. Zoning regulations may affect your parking options. (See *Fact Sheet 1.4 Registering with Government Entities for more information*).

Sales Area & Supplies

Unless you are selling produce by the flat or individual item, you will need at least one legal for trade scale and a clearly designated area to pay before leaving, plus the staff for the registers or clearly posted directions and a self-pay station. Many U-Picks also have fencing (permanent or temporary) surrounding the area so customers must enter and exit through the sales area. This area is a great place for an on-farm stand to increase sales (See *Fact Sheet 3.8 Farm Stands for more information*).

Signage & Advertising

Your road sign identifies your business and directs customers to your farm. Signs must be easy to read, even from a distance, so keep the message short. If you can, include the hours of operation on the sign(s). Six words are about all that people can comprehend while zooming by in a car. Focus on what appeals most to your customers, especially the most appealing products. Use selling words like "homegrown," "organic," "fresh," etc. that apply to your products. (See *Fact Sheet 3.3 Agritourism for more details on signage requirements*).

When you're looking to attract customers, consider many methods of advertising including, but not limited to, social media. Running an advertisement in the local newspaper, listing with your local extension office, running radio ads, and listing with a local farm directory are just a few ideas to help get the word out. Consider having a dedicated phone line listed with these advertisements that runs a recording of harvest times, hours of operation, directions to the farm, and any other pertinent information.

Staffing

Though U-picks reduce harvesting expenses, they have the added expense of customer management and site maintenance. You will need to have someone to welcome guests and provide instructions, as well as someone to handle sales. Additional staff requirements could include staff to transport customers to and from the fields, someone to manage the fields and harvest anything overripe, supervise customers in the fields, clean and manage any provided harvest bins, etc.

U-PICK CROPS

The best crops for a U-pick are those that are easily harvested and whose ripeness is easily determined. Some of the most common U-Pick products are included below.

Berries

Perhaps the most common of U-Pick adventures. Strawberries, blueberries, blackberries, raspberries, and other small fruits are all examples.

Cut Flowers

While many of the others listed can be harvested by hand, this venture will likely require the loan of snippers, harvest buckets and on site water and bags to ensure the picked flowers last.

Christmas Trees

Fantastic opportunity for an on-site stand for other evergreen or seasonal products, including wreaths and table displays.

Tree Fruits

Popular options are apples, peaches, pears, and plums. On-site apple presses and orchards go together swimmingly!

Vegetables

If the crop's ripeness is easily determined. Some options include beans, corn, greens, peas, pumpkins, and tomatoes.

SAFETY

Your visitors' safety is largely your responsibility and should be your first priority. It is important to assess your own farm or ranch operation for potential hazards and to prepare for a safe, enjoyable visit to your farm, ranch, or nature operation. (See *Fact Sheets 2.2 Insurance and 2.3 Liability for more information*).

RELATED FACT SHEETS IN OTHER CHAPTERS:

1.4 Registering with Government Entities

2.2 Insurance

2.3 Liability





IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Idaho Cultivating Success

<https://www.cultivatingsuccess.org/idaho>

Idaho Ag Biz

<https://www.uidaho.edu/cals/idaho-agbiz>

Small Acreages & Local Food

<https://www.uidaho.edu/extension/small-farms>

Digital Economy Program

<https://www.uidaho.edu/extension/digital-economy>

Idaho's Rural Business Center

<https://www.idahobiz.org>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>

Idaho Preferred

<https://idahopreferred.com/>

Idaho Farm and Ranch Center

<https://agri.idaho.gov/farmcenter/>

Bureau of Weights and Measures

<https://agri.idaho.gov/main/weights-and-measures/device-licensing/>

Idaho Ag In the Classroom

<https://idaho.agclassroom.org/>

Idaho Public Health Districts

<https://healthandwelfare.idaho.gov/health-wellness/community-health/public-health-districts>

Idaho State Department of Education

<https://www.sde.idaho.gov/cnp/staff.html>

Idaho Small Business Development Centers

<https://idahosbdc.org/>

The Idaho State Tax Commission

<https://tax.idaho.gov>

Idaho Transportation Department

<https://itd.idaho.gov/>

HELPFUL ORGANIZATIONS

Bringing the Farm to School

<https://www.farmentoschool.org/our-work/bringingf2s>

Farm Commons

<https://farmcommons.org>



CHAPTER 3: DIRECT MARKETING STRATEGIES

WHO CAN HELP CONTINUED

The Federal Trade Commission

<http://www.ftc.gov>

Local Harvest, Inc.

<http://www.localharvest.org/csa>

National Agriculture in the Classroom

<https://agclassroom.org>

National Farm to School Network

www.farmentoschool.org

National Agricultural Law Center

<https://nationalaglawcenter.org/>

USDA Agricultural Marketing Service, Standards for Produce

<https://www.ams.usda.gov/>

ADDITIONAL RESOURCES

University of Idaho Extension Community Supported Agriculture (CSA)

A Marketing Strategy for Small Acreage Producers in Idaho

<https://www.uidaho.edu/extension/publications/publication-detail?id=cis1173>

University of Idaho Extension Publications Farm-direct Marketing Food Safety and Product Quality

<https://www.uidaho.edu/extension/publications/publication-detail?id=pnw0687>