

Virginia Whole Farm Planning:

An Educational Program for Farm Startup and Development

VIRGINIA
Beginning Farmer & Rancher
COALITION PROGRAM
www.vabeginningfarmer.org

Marketing

The *Marketing* module is designed to help beginning farmers and ranchers develop and implement their goals for market analysis, product establishment, and development of viable marketing channels.

The module includes concepts, worksheets, and case study examples to help you assess your potential customers, product options, available markets, and dynamic marketing strategies.

This is one of five modules designed to guide you in developing the whole farm plan by focusing on the following areas:

- Introduction to Whole Farm Planning
- Marketing
- Whole Farm Business Management and Planning
- Land Acquisition and Tenure
- Sustainable Farming Practices



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Each module is organized at the introductory to intermediate stage of farming knowledge and experience. At the end of each module, additional resources and Virginia service provider contact information are available to help continue the farm planning process.

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The Virginia Beginning Farmer & Rancher Coalition is a state-wide and coalition-based Extension program, housed in Virginia Tech's Department of Agricultural, Leadership, and Community Education. Funding is sponsored by the Beginning Farmer and Rancher Development Program (BFRDP) of the USDA National Institute of Food and Agriculture (NIFA) Award #2020-49400-32326. For more information about the program, contact Katie Trozzo, Program Coordinator, at vabeginningfarmer@vt.edu or 540-231-4582. For other questions, contact Kim Niewolny, Program Director, at niewolny@vt.edu.



Authors:

Theresa Nartea
Virginia Cooperative Extension, Virginia
State University

Livvy Preisser, Unit Coordinator and
Agriculture and Extension Agent in Isle of
Wight County

Preface

Welcome to the Virginia Beginning Farmer and Rancher Coalition Project's Whole Farm Planning Curriculum!

How to use this Workbook. This material is organized into five modules that may be used as stand-alone resources to address specific areas of whole farm planning. However, we suggest that the modules may be most beneficial to beginning farmers and ranchers if they are used as a series of educational sessions designed to encourage reflection, goal setting, and steps to organize a new farming enterprise.

Advice for Beginning Farmers. We encourage you to begin by exploring the Introduction to Whole Farm Planning module. This resource will offer you the opportunity to examine your personal and business goals and priorities. Once you have completed this introduction module, you are welcome to explore the other resources in a sequence that best addresses your questions and ideas for your farming enterprise.

Advice for Service Providers. Thank you for choosing to use our curriculum in your whole farm planning educational program. As an experienced education service provider, we encourage you to adapt these resources to best serve the needs of people you work with. The materials are intended to be used as stand-alone pieces or in various combinations of instructional formats, as needed by your program participants.

Modules. Each module is organized at the introductory to intermediate stage of farming knowledge and experience. At the end of each module, additional resources and Virginia service provider contact information are available to help continue the farm planning process.

Module I. Introduction to Whole Farm Planning – The purpose of the first module is to help beginning farmers and ranchers in Virginia make informed farm planning decisions by introducing them to the whole farm planning process.

Module II. Marketing – The marketing module is designed to help beginning farmers and ranchers develop and implement their goals for market analysis, product establishment, and development of viable marketing channels.

Module III. Whole Farm Business Management – In this module, you will develop and implement early financial and resource management goals as part of the whole farm plan.

Module IV. Land Acquisition and Tenure – This module will help beginning farmers and ranchers to develop and implement farm tenure and transfer goals as part of the whole farm

plan. Established farmers who are planning for the transfer of their farm may also find this module useful.

Module V. Sustainable Farming Practices – The last module is designed to help beginning farmers and ranchers develop and hone their skills and knowledge in the fundamental production practices associated with establishing and growing a wide range of plants and animals. This module is divided into five sections, each focused on specific aspects of production agriculture: 1. The Place and the Products; 2. Farm Biodiversity; 3. Organisms in the Ecosystem: Beneficials, Pests and Diseases; 4. Soil Management; 5. Animal Husbandry.

Why this Curriculum? The Beginning Farmer Situation

Emerging trends in U.S. agriculture suggest that in order to enhance our agricultural resource base, we need to establish, sustain, and preserve our farms, farmers, and farmland. A growing number of nongovernmental groups, cooperative extension services, and U.S. Department of Agriculture agencies are working to improve the viability of new farms and the economic, social, and environmental fabric in which they are entrenched (Niewolny and Lillard 2010). These initiatives are responding to the overwhelming concern about the steady decline in the number of individuals entering into agriculture, coupled with an increase in the number of exiting farmers and ranchers (Ruhf 2001).

The current population of beginning farmers and ranchers is diverse and varies by location across the nation (Ahearn and Newton 2009). Beginning farmers on average operate smaller farms — in size and gross dollars — compared to established farmers (Ahearn, Yee, and Korb 2005). While beginning farmers tend to be younger than established farmers, about a third of beginning farmers are at least 55 years of age or older (Ahearn and Newton 2009). Beginning farmers, along with limited-resource and socially disadvantaged farmers, make up at least 40 percent of all U.S. farms (Nickerson and Hand 2009).

The Bureau of Labor Statistics (U.S. Department of Labor 2009) recently reported a large job decline for farmers and ranchers and projects an 8 percent decrease in the number of farmers and ranchers between 2008 and 2018. The age distribution of today's farmers and ranchers is also a critical issue. According to the "2007 Census of Agriculture" (USDA-NASS 2009a), the average age of a principal farmer is 57 years old. More than 63 percent of all established farms in 2007 were headed by a principal farmer age 55 or older; only 5 percent of all principal farmers were 35 or younger (Ahearn and Newton 2009). The aging population of U.S. farmers and ranchers is expected to increase by the next census while the number of young farmers is likely to decline.

The 2007 Virginia census also illustrates a significant need to establish and retain beginning farmers and ranchers based on the economic structuring of the industry. Agriculture provides \$55 billion in income per year and about 357,000 jobs, making it an important industry for the commonwealth. Of the 47,383 farms in Virginia, 92 percent reported less than \$100,000 in sales, while 8 percent of the total farms accounted for 85 percent of total farm sales (USDA-NASS 2009b).

Virginia is also among the most expensive states for farmland, making it difficult for aspiring agriculturists to purchase suitable acreage. The average farm comprises 171 acres, while 77 percent of the total farms in Virginia operate on fewer than 180 acres (USDA-NASS 2009b).

Little is known about the 13,206 principal farmers in Virginia who have been on their current farms or ranches for nine or fewer years. The majority of all farmers in Virginia are white males, though the number of minority farmers such as women and African Americans is on the rise (USDA-NASS 2009b). Production crops and practices differ regionally and culturally, especially between rural and urban centers. Consumer demand for local and regional food, however, is growing at an increasing rate throughout Virginia.

Background on the USDA Beginning Farmer Rancher Development Program (BFRDP)

Beginning farmer education for adult and young audiences in the United States can be generally traced back to the advent of the 1862 and 1890 Morrill Land Grant Acts. But for the first time, the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), appropriated \$75 million for fiscal year 2009 to fiscal year 2012 to develop and offer education, training, outreach, and mentoring programs to enhance the sustainability of the next generation of farmers.

The reasons for the renewed interest in beginning farmer and rancher programs are:

- The rising average age of U.S. farmers.
- The 8 percent projected decrease in the number of farmers and ranchers between 2008 and 2018.
- The growing recognition that new programs are needed to address the needs of the next generation of beginning farmers and ranchers.

According to the 2008 Farm Bill, a beginning farm is considered one that is operated by one or more operators who have 10 or fewer years of experience operating a farm or ranch. In 2017, approximately 27 percent of family farms met that definition (USDA-NASS 2017).

Since its inception, BFRDP has funded many projects to train, educate, and provide outreach and technical assistance to beginning farmers on one or more of the following topics:

- Production and management strategies to enhance land stewardship by beginning farmers and ranchers.
- Business management and decision support strategies that enhance the financial viability of beginning farmers and ranchers.
- Marketing strategies that enhance the competitiveness of beginning farmers and ranchers.
- Legal strategies that assist beginning farmers with farm or land acquisition and transfer.
- Other priority topics to enhance competitiveness and sustainability of beginning farmers and ranchers for the next generation.

Background on the Virginia Beginning Farmer and Rancher Coalition Project

The Virginia Beginning Farmer and Rancher Coalition Program aims to improve opportunities for beginning farmers and ranchers to establish and sustain viable agricultural operations in Virginia through the development and enhancement of whole farm planning programs, online resources, and farmer mentoring networks.

Beginning Farmer Audience

This curriculum is aimed at addressing the needs of the spectrum of beginning farmers and ranchers in Virginia. We recognize a diversity of farming experiences, backgrounds, and aims held by Virginia's beginning farmers and ranchers. Many groups find it useful to look at the stages of commitment, decision-making, and skills that farmers pass through as they begin a career in farming. Drawing on the work of Sheils (2004), the following categories are a helpful guide to understanding this pathway.

Prospective or explorer farmers – Individuals interested in starting a farm or ranch. This includes next-generation farm family members as well as those who do not come from a farming background.

Startup farmers – Individuals who are in the early stages of their agricultural operation, often within the first one to three years of farming or ranching.

Re-strategizing farmers – Farmers who are making changes to their operations after farming for approximately four to seven years. These individuals usually have increased decision-making responsibility and commitment to farming.

Establishing farmers – Farmers who are expanding, diversifying, and stabilizing within years eight to 10 of the beginning farmer period.

Transitioning farmers – Individuals who are family farm members who have decision-making roles on the farm without having primary farm operator status.

These categories of farmers are a modification of those referred to by the New England Small Farm Institute. For the full reference, see "What Does the Term 'Farmer' Mean?" (Sheils 2004).

Preface written by Kim Niewolny and Matt Benson, Department of Agricultural, Leadership, and Community Education, Virginia Tech.

Acknowledgements

Editors

Donna Westfall-Rudd
Virginia Tech, Department of Agricultural, Leadership, and Community Education
mooredm@vt.edu

Kim Niewolny
Virginia Tech, Department of Agricultural, Leadership, and Community Education
Director, Virginia Beginning Farmer and Rancher Coalition Program
niewolny@vt.edu

Katie Trozzo
Virginia Tech, Department of Agricultural, Leadership, and Community Education
Coordinator, Virginia Beginning Farmer and Rancher Coalition Program
ketrozzo@vt.edu

Contributing Authors:

We have drawn from many resources and individuals to put this curriculum together. Authorship recognition belongs to several Virginia Beginning Farmer and Rancher Coalition partners. We are thankful for the dedication and contributions of our colleagues:

Pete Adamson, Farm Service Agency
Kirk Ballin, AgrAbility Virginia
Bette Brand, Virginia Farm Credit
Linda Cronin, Farm Service Agency, U.S. Department of Agriculture
Sheri Dorn, Virginia Cooperative Extension
Leanne DuBois, Virginia Department of Agriculture and Consumer Services
Bobby Grisso, Virginia Tech
Gordon Groover, Virginia Tech
Jim Hilleary, Fauquier Education Farm
Steve Hodges, Virginia Tech
John Howe, Virginia Cooperative Extension
C.J. Isbell, Virginia Tech
Cathryn Kloetzli, Virginia Cooperative Extension
Theresa Nartea, Virginia Cooperative Extension

Kim Niewolny, Virginia Tech
Kevin Schmidt, Virginia Department of Agriculture and Consumer Services
Mark Schonbeck, Virginia Association for Biological Farming
Kelli Scott, Virginia Tech
Maurice Smith Jr., Virginia Cooperative Extension
Amber Vallotton, Virginia Cooperative Extension
Zachary Waldron, Farm Service Agency, U.S. Department of Agriculture
Donna Westfall-Rudd, Virginia Tech

Organizational Members of the Virginia Beginning Farmer and Rancher Coalition

The Virginia Beginning Farmer and Rancher Coalition comprises organizations from across the Commonwealth. These include:

AgrAbility Virginia
Agriberry Farm
Agricultural Development Department, Fauquier County
Allegheny Mountain Institute
American Farmland Trust
Appalachian Sustainable Development
Botanical Bites & Provisions, LLC
Buffalo Creek Beef
Catawba Sustainability Center
Farm Service Agency (USDA)
Fauquier Education Farm
Farmer Veteran Coalition (Virginia Chapter)
First Bank and Trust
Grayson LandCare
Hethwood Market
International Rescue Committee
Jeter Farm
Laurel Farm
Local Food Hub
NANIH Farm and Garden
Natural Resources Conservation Service (USDA)
Minority and Veteran Farmers of the Piedmont
Piedmont Environmental Council
Prince Edward County Cannery/Virginia Food Works
Razzbourne Farms
Rural Development (USDA)
Summerfield Heritage Farm
SustainFloyd
Virginia Association for Biological Farming
Virginia Cooperative Extension
Virginia Department of Agriculture and Consumer Services (VDACS)
Virginia Farm Bureau Young Farmers Program
Virginia Farm Credit/Knowledge Center
Virginia FFA
Virginia Forage and Grassland Council
Virginia Soil Health Coalition
Virginia State University
Virginia Tech
Whitebarrel Winery

Young Farmers of Virginia

Steering Committee

The Advisory Group of the Virginia Beginning Farmer and Rancher Coalition consists of committed individuals from the Coalition who represent both farmer and service provider perspectives in Virginia. This elected advisory group is responsible for providing input to guide program activity to best address the expressed needs of the Coalition. Advisory Group members as of 2022 are listed below:

Andy Seibel, Virginia Tech and Virginia Cooperative Extension
Anita Roberson, Botanical Bites & Provisions, LLC
Brent Wills, Virginia Association for Biological Farming
Jay Dunbar, River Ridge Organics
Eugene Triplett, Minority Veteran Farmers of the Piedmont
Brent Noell, Virginia State University Small Farm Outreach Program
Jacob Gilley, American Farmland Trust
Pat Banks, Allegheny Mountain Institute

Coalition Backbone Team

The Coalition is housed at Virginia Tech and operates closely with Virginia State University's Small Farm Outreach Program. The following team is primarily responsible for the management and evaluation of program activity:

Kim Niewolny
Department of Agricultural, Leadership, and Community Education at Virginia Tech

Katie Trozzo
Department of Agricultural, Leadership, and Community Education at Virginia Tech

William Crutchfield
Small Farm Outreach Program at Virginia State University

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Unit 2: Examples of Beginning Farm Marketing Outlets

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Unit 4: Completion of a Marketing Plan

Glossary

References

Introduction to Marketing Module

This module is supported by the following publicly available resources:

- Teaching Direct Marketing and Small Farm Viability: Resources for Instructors. UCSC Farm and Garden Apprenticeship, the Center for Agroecology & Sustainable Food Systems, University of CA, Santa Cruz. Download the most current version of this document at: <https://casfs.ucsc.edu/about/publications/Teaching-Direct-Marketing/index.html>
Throughout the module this resource is referred to as (CA)

The objectives of this module include:

- Understanding basic marketing concepts and options
- Developing viable marketing channels as a new farmer
- Understanding the 4Ps of marketing: “Product, Price, Promotion, & Placement”
- Writing a marketing plan

Marketing

Unit 1: Marketing Concepts Overview

1.1 Understanding the Meaning of Marketing

Before you begin marketing, you must understand the meaning of marketing and what it will mean to you and your venture. We invite you to work through Worksheet 1.1 to explore your “market” of interest.

1.2 Marketing Options

There are several markets in which products can be sold. It is imperative to properly match all of a farm’s resources with the intended market. Remember from the *Introduction to Whole Farm Planning* module that a farmer’s personality, talents, and skills are part of a farm’s resources and should be factored in as well.

A very simple breakdown of markets includes retail and wholesale. Many small farm operations use a combination of these two markets.

Explore the possible markets for farmers, as presented in Worksheet 1.2. Note the advantages and disadvantages of each market place using Market Analysis/Marketing Plan Worksheet (See CA, p. 257-259) as a guide. Reflect on your market choices and why these choices fit your business model. (If you are considering regional markets, you can use the REGION section of Market Analysis/Marketing Plan worksheet to explore your specific markets.)

Learning Tip: Some of you may change your mind about how you will market at this point, and that is perfectly okay!

1.3 Targeting Your Customers

Once you have determined your target markets, use worksheet 1.3 to stimulate your thinking about your customers. Worksheet 1.31, Individual Customer Profile, will identify direct customer profiles, while worksheet 1.32 will identify Business (wholesale) customer profiles.

Teaching & Learning Tools

1.1 Understanding the Meaning of Marketing

Resource:

Worksheet 1.1:
Understanding the Meaning of Marketing

1.2 Marketing Options

Resources:

Download and review NCAT Marketing Tip Sheet Series at
<https://attra.ncat.org/product/ncat-marketing-tip-sheet-series/>

Read CA Unit 3.2 CSA Structure and Organization

Read CA Unit 4.0 Other Direct Marketing Options

Worksheet 1.2: What Marketing Options Do I Have?

1.3 Targeting Your Customers

Resources:

Worksheet 1.3: Who in the World Am I Marketing To?

Worksheet 1.31: Individual Customer Profile

Worksheet 1.32: Business Customer Profile

1.4 Spotting Market Trends

Now that you have thought through local markets and potential customers, you should explore market trends. Worksheet 1.4 is a good place to explore unique opportunities to market your products. At a minimum, you should complete STEP2 and make price, packaging, and product observations for use with crop planning activities in the *Sustainable Farming Practices* module.

1.5 Identifying Your Competition

We invite you to continue examining the market place by evaluating competition in Worksheet 1.5. No one benefits when all vendors sell the same product and go head-to-head in price competition. Use this activity to make observations about market opportunities (Areas of Opportunity, last row on worksheet) that may be areas on which students can capitalize.

1.6 Understanding the 4Ps: Product, Price, Promotion, & Placement

At this point, you should be very familiar with the market place. You have explored wholesale and retail market opportunities, identified and profiled potential customers, researched market trends, evaluated competition, and hopefully identified a few opportunities not previously recognized. It is now time to focus on the individual business idea. Use worksheet 1.6, "The Recipe for Success: The 4Ps of Marketing," to explore and lay preliminary market plans for the business. and check out CA, p. 257-260 for a Market Analysis/Marketing Plan sample as well as Appendix A for a Marketing Plan Template you can fill out.

Learning Tip: Brainstorm ideas for your business in each P area (Product, Price, Promotion, and Place).

Teaching & Learning Tools

1.4 Spotting Market Trends

Resource:

Worksheet 1.4: How Do I Find Market Trends?

1.5 Identifying Your Competition

Resource:

Worksheet 1.5 Who is My Competition?

1.6 Understanding the 4Ps

Resources:

Worksheet 1.6: The Recipe for Success: The 4Ps of Marketing

Unit 2: Examples of Beginning Farm Marketing Outlets

We invite you to review the web pages and business models featured in this section to help inspire your market planning. Use CA Unit 6.1. Part 2: Market Analysis/Marketing Plan: Sample, pages 257-260 to draw conclusions from the activity.

Learning Tip: Use this section to develop a PowerPoint that drives home section 1.2 (Marketing options). Use the activity to draw conclusions about your marketing directions. Ultimately, at this point you should have a destination market!

Take time to review the following web pages to get marketing outlet ideas:

- 1 Farmers Market: Virginia Farmers Market Association
- 2 Community Supported Agriculture: Waterpenny Farm, Sperryville, VA
- 3 Agritourism: Chiles Peach Orchard, Beaver Dam Farm, Sinkland Farms, Graves Mountain
- 4 On-line Sales: Lulu's Local Food and Patchwork Family Farm
- 5 Auction: Shenandoah Valley Produce Auction, Dayton, VA
- 6 Retail Outlet: The Virginia Farm Market
- 7 Cooperative Marketing: Charlottesville Food Hub
- 8 Wholesale Marketing: Produce Source Partners
- 9 Farm to School
- 10 Online "Farmers Market-Home Delivery" Seasonal Roots

Teaching & Learning Tools

Unit 2 Marketing Outlet Ideas:

Resources:

CA Unit 6.1. Part 2: Market Analysis/Marketing Plan: Sample, p. 257-260

"Agritourism" Virginia Cooperative Extension
<https://ext.vt.edu/agriculture/agritourism.html>

"Agritourism Safety" Integrating Safety into Agritourism
<https://ext.vt.edu/agriculture/agritourism.html>

1 <https://vafma.org/>

2 <https://waterpennyfarm.com/>

3 <http://chilespeachorchard.com/>
<https://beaverdamsunflowers.com/>

<https://sinklandfarms.com/>
<https://www.gravesmountain.com/>

4 <http://flf.luluslocalfood.com/>
and
<https://www.idigpatchworkfarm.com/>

5 <https://svproduceauction.com/>

6
<https://www.virginiafarmmarket.com/>

7 <http://localfoodhub.org/>

8
<http://www.producesourcepartners.com/index.html>

9 <http://www.farmtoschool.org/>

10
<https://www.seasonalroots.com/>

Unit 3: Writing Your Marketing Plan

You now have a general idea of what, where, and how you want to sell. Using the brainstorming session from Section 1.6 Understanding the 4Ps: Product, Price, Promotion, & Placement, begin writing the marketing plan using the following supportive worksheets. As each section is fleshed out, it can be used to complete the corresponding section in Appendix A, Marketing Plan template.

3.1 Product Description

We invite you to refer back to work in Section 1.5 Identifying Your Competition Use competitive observations, notes about opportunity, to describe your product using Worksheet 3.1. A second worksheet, 3.11 Further Product Assessment worksheet, will guide you through further defining your products.

3.2 Price Strategy

Think through how you will price your product in Worksheet 3.2. Look to your market analysis assignment for examples of price strategies used in the market place. Identify special occasions in which you might vary your price strategies.

3.3 Pricing Considerations

Think through how you will price your product in Worksheet 3.3. Look to your market analysis assignment for examples of pricing considerations used in the market place. Identify special occasions in which you might vary your pricing considerations.

3.4 Further Pricing Assessment

Finish your pricing work by thinking through the questions in Worksheet 3.4.

3.5 Place

How will you sell your product? Use Worksheet 3.5 to review market analysis notes for advantages and disadvantages, and potential costs associated with your strategies. Use Worksheet 3.51 to make sure you have made good decisions for your business, farm, and product.

Teaching & Learning Tools

Appendix A: Marketing Plan Template

3.1 Product Description

Resources:

Worksheet 3.1: Production Description

Worksheet 3.11: Further Product Assessment

3.2 Price Strategy

Resource:

Worksheet 3.2: Price Strategy

3.3 Pricing Considerations

Resource:

Worksheet 3.3: Price Consideration

3.4 Further Pricing Assessment

Resource:

Worksheet 3.4: Further Pricing Assessment

3.5 Place

Resources:

Worksheet 3.5: Place

Worksheet 3.51: Further Place Assessment

3.6 Promotion

How will you promote your brands, your identity? Use your market analysis notes to see what is already being done in the market place. Are there opportunities for your business? Use Worksheets 3.6 and 3.61 to describe how you will promote your product and how competing products are promoted.

3.7 Resources for Marketing Your Farm Business

You may find it necessary to create resources for marketing your farm business. These resources may include a business card, a brochure, signature packaging, a website, or even a delivery truck. These resources promote your business and develop branding that customers will look for and associate with your business. These resources should have a cohesive look. Use these suggested articles to familiarize yourself with various marketing resources and how they can impact a business' bottom line. Begin developing basic resources, such as a business logo, business card, and promotional brochure.

- Farm Branding: Selling Your Products Through Story
<https://attra.ncat.org/htmlpub/farm-branding-selling-your-products-through-story/>

Learning Tip: You may decide you want to hire a local marketing consultant to create these items. NOTE: If you hire someone to create the logo and/or promotional tools, all of these self-assessment tools will be invaluable to the service provider for creating the best product possible.

Unit 4 Completion of a Marketing Plan

We invite you to utilize the information thus far to review and complete the marketing plan template (Appendix A). Much of the marketing plan can be transferred from the worksheets you have completed directly into the template.

Teaching & Learning Tools

3.6 Promotion

Resources:

Worksheet 3.6: Promotion

Worksheet 3.61: Further
Promotion Assessment

Glossary of Terms

Wholesale: All transactions in which the purchaser is motivated by a profit or business motive in making the purchase, except for transactions that involve a small quantity of goods purchased from a retail establishment for business use, which is considered a retail purchase.

Retail: A set of business activities carried on to accomplishing the exchange of goods and services for purposes of personal, family, or household use, whether performed in a store or by some form of non-store selling. A retailer is a merchant middleman who is engaged primarily in selling to ultimate consumers. One retailer may operate a number of establishments.

Market Analysis: A regional and neighborhood study of economic, demographic and other factors made to determine supply and demand, market trends, and other factors important to leasing and operating a specific business.

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USDA-NASS (United States Department of Agriculture. National Agricultural Statistics Service). 2017.
Census of Agriculture Highlights: New and Beginning Producers.
<https://www.nass.usda.gov/Publications/Highlights/2020/census-beginning%20-farmers.pdf>

Worksheet 1.1: Understanding the Meaning of Marketing

Definition of Marketing

(American Marketing Association, 2011)

Marketing:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Marketing Research:

Marketing research is the function that links the consumer, customer, and public to the marketer through information--information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.

Step 1: Read the official definition of marketing (see left hand side bar)

Step 2: Do you agree with the definition of marketing? Why or why not?

Step 3: Answer the following questions:

1. Did you know marketing is a holistic process?
2. Are you ready to be an engaged and knowledgeable market researcher?

Step 4: Answer the following questions:

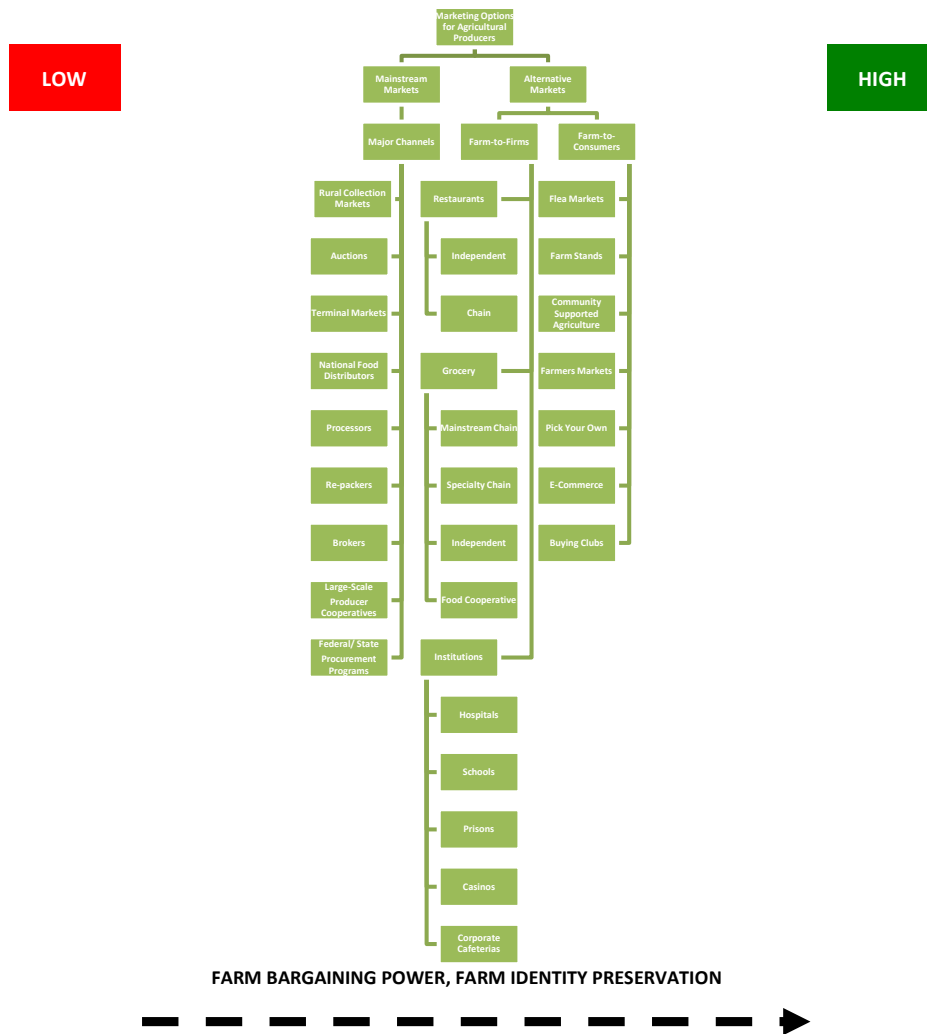
1. List the marketing activities you are doing now:
2. List the groups, companies, or governmental entities that are involved in or influence the marketing of your products and services:
3. List one thing you do to CREATE VALUE for “customers, clients, partners, and society at large?”
4. List one thing you do to COMMUNICATE VALUE for “customers, clients, partners, and society at large?”
5. List one thing you do to DELIVER VALUE for “customers, clients, partners, and society at large?”

Reference

American Marketing Association. (2011). Definition of marketing. Retrieved from <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>

Worksheet 1.2: What Marketing Options Do I Have?

Step 1: Explore your marketing options. Figuring out which marketing strategy fits your farm is challenging. It helps to visualize your many marketing channel options. Review the following chart (Diamond et al., 2009).



Step 2: Consider your need for control.

Consideration 1: Notice the level of farm bargaining power, and farm identity preservation increases from left to right. Choosing market options on the left-hand side of the chart gives you little or no power to bargain or identify the product as coming from your farm.

Consideration 2: Each market has distinct producer and consumer characteristics, determine which market options you desire to operate within (Diamond et al., 2009).

- **Mainstream**

- Producer is price taker
- Favors large scale farm operations
- Products are generally not differentiated
- Consumers are passive buyers of products

- **Farm-to-Firm**

- Producers are price makers and price takers
- Works well for producer groups and networks
- Products might be differentiated
- Consumer may be active (intentional, concerned, aware about foods)

- **Farm-to-Consumer**

- Producers are price makers
- Works well for smaller scale farms
- Products are differentiated
- Consumer is active (intentional, concerned, aware about foods)

Step 3: Answer the following questions:

1. What level of control do you feel you need to have? Check one: ☐ None ☐ Low ☐ Medium ☐ High
2. Based on the unique characteristics of each market, list the market options you will target. Be specific and note the actual market type
 - a. Major channels (for example, processors)
 - b. Farm-to-firms (for example, restaurants)
 - c. Farm-to-consumers (for example, farmers market)

Reference

Diamond, A., Barham, J., & Tropp, D. (2009). Emerging market opportunities for small-scale producers: Proceedings of a special session at the 2008 USDA partners meeting. Retrieved from <http://www.ntis.gov/search/product.aspx?ABBR=PB2009113452>

Worksheet 1.3: Who in the World am I Marketing To?

Definitions:

Target Customer:

The typical customer you expect to market your products to.

Customer Profile:

A detailed description of a target customer to include demographic, geographic, and psychographic factors.

Demographic Factors:

The age, sex, education level, income level, marital status, occupation, religion, average size of a family of your target customer.

Geographic Factors:

Where your target customer lives or works.

Psychographic Factors:

The lifestyle, interests, attitudes, beliefs, values, personality, buying motives, and purchasing behavior of your target customer.

The key to marketing successfully is selling your products to the right person or business. Not everyone wants what you have to sell. When asked the question, “Who are your customers?” Most beginning farmers stop for a moment and may not have a clear picture of who exactly they are selling to, or more importantly who they should target to sell their products to. A common and incorrect answer given by beginning farmers is “Everyone eats, so everyone is my customer.” Yes, everyone eats, but they do not eat the same things, in the same manner. Taking the time to clearly identify your customers is money in your pocket. You will waste precious time and money trying to find customers AFTER harvest. Target your customers BEFORE planting.

The marketing options you selected in [Worksheet 2](#) determine the type of customer you are targeting. If you chose a major channel, your customer has no idea who you are and is not really interested in having a personal relationship with your farm. However, you can develop a customer profile for businesses who you think will buy from you. If you chose farm-to-firm or farm-to-customer channels, your customers are mildly or actively involved in having a relationship with your farm. Developing a customer profile helps you save money by targeting a specific audience. Don’t box yourself in and consider only one customer or business to sell to. Times change and so do customers!

Being keenly aware of your target customer(s) involves answering the following questions:

1. Who is my target customer?
2. What do they value?
3. Where can I find them?
4. What do they buy?

Follow the next steps to answer these customer profiling questions.

Step 1: Start with ONE product in mind.

Write down ONE product you are considering selling here: (Hint: Do not just write goat. Be specific, for example, heat and eat curried goat meat.)

Step 2: Identify the specific individuals and businesses interested in the ONE product you listed by creating customer profiles (Worksheet 1.31 and Worksheet 1.32).

Commented [NK1]: Would this be 1.2?

Worksheet 1.31: My Individual Customer Profile (NxLevel, 2000)

	Customer A	Customer B
Product:		
Geographic Characteristics		
Counties customer lives in		
Counties customer works in		
Miles from your farm		
Zip Codes		
Population of identified counties		
Demographic Characteristics		
Gender (<i>male, female</i>)		
Age (<i>0-4</i>), (<i>5-18</i>), (<i>19-24</i>), (<i>24-34</i>), (<i>35-59</i>), (<i>60 and over</i>)		
Income Level		
Occupation		
Family Status (<i>single, married, separated, widowed, divorced</i>)		
Children		
Education Level		
Race		
Ethnic Culture		
Religion (<i>Atheist, Jewish, Catholic, Baptist, Muslim, Hindu, etc</i>)		
Psychographic Characteristics		
Where do they prefer to shop? (<i>Farmers market, grocery store</i>)		
When do they prefer to shop? (<i>Morning, evening, weekends, specific day of the week, celebratory days</i>)		
Why do they buy products? (<i>Customer motivations, for example health, prestige, convenience, etc.</i>)		
How do they prefer to shop? (<i>web, email, phone, in-person</i>)		
How do they spend leisure time?		
What are their hobbies?		
Customer Expectations		
What do customers expect from your product or service?		
How can you exceed customer's product expectations?		

Reference

NxLevel. (2000). *Tilling the soil of opportunity...NxLevel guide for agricultural entrepreneurs*. Denver, CO: NxLevel Education Foundation.

Worksheet 1.32: My Business Customer Profile (NxLevel, 2000)

Characteristics	Wholesale Customers (Major Channels)			Retail Customers (Farm to Firm)		
Name						
Annual Sales						
Number of Employees						
Location Address						
Number of Business Locations						
Do they currently sell products similar to yours? <i>(indicate brand, packaging, price, quality, origin)</i>						
What are their buying procedures?						
What do they expect from your product?						
What price they are willing to pay?						
Buyer Contact Information						

Worksheet 1.4: How Do I Find Market Trends?

Trends are everywhere! So what? Trends come and go, but some arrive and evolve. Staying in business today means knowing the current and emerging product desires of your customers. Farmers that excel in marketing identify consumer trends and act on them in a way that increases sales and does not jeopardize the operation.

How do you identify market trends? Just follow the steps below:

Step 1: Perform an internet search.

Google the following terms: Top Food Trends YEAR (Write in current year, you can also write in next year)

Write down the top five food trends you found:

- 1.
- 2.
- 3.
- 4.
- 5.

Google the following terms: Top Consumer Trends YEAR (Write in current year, you can also write in next year)

Write down top five consumer trends you found:

- 1.
- 2.
- 3.
- 4.
- 5.

Thinking Cap Moment: Are there any trends you can adopt right now? How can you adapt your current product to fit an identified trend? Do the web articles note what type of customer is buying the trend products?

Step 2: Visit the nearest specialty food store.

Note what is displayed on the end caps of aisles and in the aisles

Note what is displayed at eye level

Note the highest priced items similar to your product

Note any local products and in-store promotions

Thinking Cap Moment: Are there any new products that you noticed? Are any of these products ones which can grow, produce, or raise this or next season?

Step 3: Visit the library and read the latest food related magazines.

Focus on new foods, food features, and time-saving recipes.

Thinking Cap Moment: What new foods did you notice? Which foods were featured as key stories on the front cover? Are there time-saving recipes you can adopt with your current product line?

Step 4: Ask your customers if they are interested in a similar product and what would make them buy it from you.

Adopt the survey example below. Notice how short it is. Keep it brief if you want a response.

Example Customer Survey Questions:

How many pounds of tomatoes do you buy each week?

☐ None ☐ less than 1 lb ☐ 1 lb ☐ 2 lb ☐ 3 lb ☐ Greater than 3 lb

How much more per pound, would you pay for pesticide free, heirloom tomatoes? (Check one):

☐ \$0.00 ☐ \$0.25 ☐ \$0.50 ☐ \$0.75 ☐ \$1.00 ☐ Greater than \$1.00

Check the three heirloom tomatoes you would MOST LIKE us to grow next season (Check one):

☐ Cherokee Purple ☐ Green Zebra ☐ Brandywine ☐ Amish Paste ☐ Black Krim

The following questions will help us better serve your needs.

Family income range (Check one): ☐ Below \$10,000/year ☐ \$10,000-\$19,999 ☐ \$20,000-\$29,999

☐ \$30,000-\$49,999 ☐ Above \$50,000

Number of children (Newborn to 18) living in household (Check one): ☐ None ☐ 1 ☐ 2 ☐ 3 ☐ 4
☐ 5 ☐ More than 5

Worksheet 1.5: Who Is My Competition? (NxLevel, 2000, Schuck et al., 1991)

Rank yourself and competitors (1=Low, 5=High). Based on highest totals, who is your strongest competitor? Can you identify strengths and weaknesses of yourself, of your competitors? In the final column, rank each item (1=Low, 5=High) on your targeted customers perceived value of each factor. Can you identify any potential opportunities based on shortcomings of competitors?

Factor	You	Competitor A	Competitor B	Competitor C	Perceived Value (first column) to target customer
Name & Location Address					
Products					
Price					
Quality					
Product Selection					
Customer Service					
Product Service					
Reliability					
Expertise					
Image					
Reputation					
Location					
Layout					
Appearance					
Sales Method					
Credit Policy					
Availability					
Management					
Longevity					
Advertising					
Estimated Sales					
Customer Satisfaction					
Total					
Summary of Strengths					
Summary of Weaknesses					
Areas of Opportunity					

Reference

Schuck, N. G., Knoblauch, W., Green, J., Saylor, M. (1991). *Farming alternatives: A guide to evaluating the feasibility of new farm-based enterprises*. Cornell Cooperative Extension Publication ISBN 0-935817-14-X

Worksheet 1.6: The Recipe for Success: The 4Ps of Marketing

The four variables affectionately called the 4Ps of marketing are: Product, price, place, and promotion. By manipulating the 4Ps, you can optimize the marketing of your farm products.

Take a moment to ask yourself the following 4Ps questions:

Product: What product can I offer that will satisfy the needs of my target customer?

Price: What is the right price to offer the right product for my target customer?

Place: Where should I make the right product at the right price available to my target customer?

Promotion: How can I tell my potential target customers about my product, price, and where to find it?

Marketing is made up of the four important elements that you either choose to ignore or pay attention to. The figure below describes the general considerations for each of the 4Ps of marketing.



The following 4Ps worksheets will step you through the process of understanding how to apply the 4Ps to your beginning farm products (Emkhe, Fulton, Lusk, 2005).

Reference

Ehmke, C., Fulton, J., & Lusk, J. (2005). Marketing's four P's: First steps for new entrepreneurs. Retrieved from <http://www.ces.purdue.edu/extmedia/ec/ec>

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Handwriting practice area with a large rectangular box for writing.

3.1: Product Description Worksheet (Emkhe, Fulton, Lusk, 2005)

Describe your product's characteristics in the first column and the characteristics of your competitors' product in the second column.

	Your Product	Your Competitor's Product
Product Name		
Product Variety		
Product Appearance		
Product Quality		
Product Features		
Product Functionality		
Services		
Brand Name		
Packaging		
Warranties		

3.11: Further Product Assessment Worksheet (Emkhe, Fulton, Lusk, 2005)

Answer the following questions regarding your product.

1. What product features do your customers consider mandatory?
2. What product features are missing from existing product choices in the market place?
3. What are the key features/benefits of your product?
4. How do your key features and benefits compare to your competition?
5. How can your product give you a competitive advantage in the marketplace?
6. How can your product fill an existing need of customers?

3.2: Price Strategy Worksheet (Emkhe, Fulton, Lusk, 2005)

For each of the following pricing strategies, describe the advantages and disadvantages of using that method for your product. Which is the best one for you to use?

Strategy Type	Definition	Product Advantages	Product Disadvantages
Cost-Plus	Adds standard profit % over cost of production		
Value-Based	Includes buyer perception of value (quality, prestige, environment, society)		
Competitive	Sets prices based on prices of competing firms for competing products		
Going-Rate	A price charged that is the common marketplace rate		
Skimming	Introduces a product at a high price for affluent consumers, price is later decreased when market is saturated		
Discount	Reduction in the advertised price, such as a coupon		
Loss-Leader	Attracting customers to a store by selling at a price lower than the cost of production, in hopes of making additional sales		

3.3: Pricing Considerations Worksheet (Emkhe, Fulton, Lusk, 2005)

For each pricing consideration, describe the advantages and disadvantages for your product (first column), and describe how your competitors are implementing the price policy (second column).

	Definition	Advantages and Disadvantages	Competitor Use of Pricing Policy
Payment Period	Length of time before payment is received		
Allowance	Price reductions for promotional services (in-store display upkeep)		
Seasonal Allowances	Reductions given to increase sales during slow times		
Product Bundling	Offering products together		
Trade Discounts	Payments to distribution partners for storage, or shelf stocking		
Price Flexibility	Ability to modify price		
Price Differences for Target Groups	Pricing differences between target markets		
Price Differences Based on Locale	Pricing differences among geographic regions		
Volume Discounts	Price reductions for bulk buys		
Cash/Early Payment Discount	Price reductions to encourage cash purchase, or early sales		
Credit Terms	Allowing customers to pay for products on credit		

3.4: Further Pricing Assessment (Emkhe, Fulton, Lusk, 2005)

Answer the following questions regarding your pricing strategies and considerations.

1. How sensitive is your target market to changes in prices?

2. How does your expected pricing compare to your competition's pricing?

3. Will pricing make your business special?

4. How will your products/services provide a better price-performance balance than your competitors' products/services?

3.5: Place Worksheet (Emkhe, Fulton, Lusk, 2005)

Describe how you plan to distribute your products. Compare your plans with your competitors' existing product distribution.

	Definition	Your Product	Your Competitors' Product
Direct Sales	Selling directly to the customer via retail, door-to-door, mail order, e-commerce, on-site, etc.		
Reseller Sales	Selling through an intermediary (wholesaler or retailer) who resells your product.		
Market Coverage	Intensive Wide product distribution (Common, non-distinguishing products) Selective Product distribution to only a few businesses (Specialty products) Exclusive Restricts distribution to a single reseller (Prestige brands).		
Inventory/Warehousing	Product availability and storage		
Transportation	Methods used to distribute product		
Logistics	Management of the flow of goods from beginning point to end user		

3.51: Further Place Assessment (Emkhe, Fulton, Lusk, 2005)

Answer the following questions regarding your pricing strategies and considerations.

What do you think is the best way to sell your product?

Why do you think it is the best way to sell your product? Will this be a competitive advantage or disadvantage?

How will your market coverage and other place decisions be different from your competitors?

Do your place decisions give you a competitive advantage or disadvantage? Why?

3.6: Promotion Worksheet (Emkhe, Fulton, Lusk, 2005)

Describe your product's promotion in the first column and your competitors' promotion in the second.

	Your Product	Your Competitors' Product
Advertising		
Radio		
Television		
Print		
Electronic		
Word of Mouth		
Other Methods		
Public Relations		
Personal Selling		
Sales Promotion		

3.61: Further Promotion Assessment Worksheet (Emkhe, Fulton, Lusk, 2005)

What promotion efforts are most effective for your target market?

How can your promotion strategy give you an advantage in the marketplace?

Appendix A. Marketing Plan Template

Name of Farm

Marketing Plan

Version 0.0
Date

Presented by:
Owner Name

Farm Name-Farm Marketing Plan

Executive Summary

Use this space to describe your products to be marketed and your sales goals and strategic goals. Write 3-4 sentences here, this is usually done last after filling in the information below.

Objective

Use this space to describe your marketing goals for your products, sales goals and strategic goals. Write 3-4 sentences here

Target Market

In this section, you need to define your current customers and the potential customers you want to target.

Product Demographics

Describe who might buy your products

Target Contact Demographics

Describe where you think you can find your customers

Competition

Write down the names of your competition and why you consider them competition

Partners

Write down the names and contacts of partners you work with and how you work with them

Marketing Environment

Write down the legal, economic, social, cultural and technological issues that affect your marketing

Marketing Strategy

Write down information for each section below: product, price, place, and promotion

Product

What are the advantages of buying your products?

Why would a customer want to buy your products?

Price

For each product fill in the following:

Retail Price

Discounts Available

Bundling Options

Payment Terms

Financing available (Credit)

Places of Distribution

Write down where you will be selling products

Promotion

Write down how you will advertise and promote your products to customers

Project Plan

Necessary Resources for Marketing Products (Fill in the table below)

Resource (packaging, truck, brochure,etc)	Reason why you need Resource	Estimated Work Hours	Estimated Cost

Marketing Plan Sign-off

The undersigned accept this Marketing Plan as described herein.

Signature/Date		Signature/Date	
Signature:		Signature:	
Print first and last name:		Print first and last name:	
Title:	Date:	Title:	Date:

This plan is subject to change over time and provides a guideline only