



# **Harvest and Market the Crop**

## **Handout I I**

### **Other Non-Conventional Markets**

## **Non-Conventional Markets**

Formal research on alternative marketing mechanisms has been scattered and hard to access by producers. It is mostly experiential and unrecognised by the agricultural establishment and official information channels. Small farmers and grassroots farm groups are the most likely to develop and use innovative marketing methods. The assumption that farmers must either "get big or get out" is being challenged, however, by the emergence of alternatives. It is possible for innovative farmers to stay small or medium-sized and make a comfortable and successful living from agriculture.

- ***Agri Tourism***

An alternative agricultural specialty currently attracting a great deal of attention is agri tourism. Although not every family is willing or able to entertain the public, for those who enjoy meeting new people or hosting groups, a farm entertainment enterprise is a good opportunity for selling on-farm processed items. But on-farm processors must be aware of regulations governing their enterprise. If a food product is being produced, usually a commercial kitchen is required.

- ***Producer Alliances***

Large scale processing through producer alliances, such as agricultural cooperatives or limited liability companies, has seen growing interest among producers. These alliances can offer a way to pool resources and manage risks. In some cases, producers lose marketing or processing facilities when corporate agribusinesses close local facilities.

- ***Farmers Markets***

Ordinarily, retail markets command the highest price per kilo of product, while wholesale markets move more of the product than retail markets but at lower prices. Farm sales and farmers' markets and mail-order are typically low-volume markets. Restaurants, retail stores, cafeterias, health food stores, and caterers constitute mid-volume markets, where prices are better than wholesale but on the lower end of retail. Smaller farmers may find that selling to low- and mid-volume markets works best for them. Mid-volume markets, especially, offer the advantage of small to medium crop production as well as medium to better prices.

There has been an explosive growth in the number of farmers' markets around the country. Farmers' markets seem to work best for growers who offer a wide variety of produce of the type desired by customers. Consumers want markets to be easily accessible with good parking facilities. A little related entertainment never seems to hurt—seasonal festivals, street musicians, tastings, demonstrations, etc. Sales help must be pleasant and courteous, willing to answer questions.

- ***Farm entertainment***

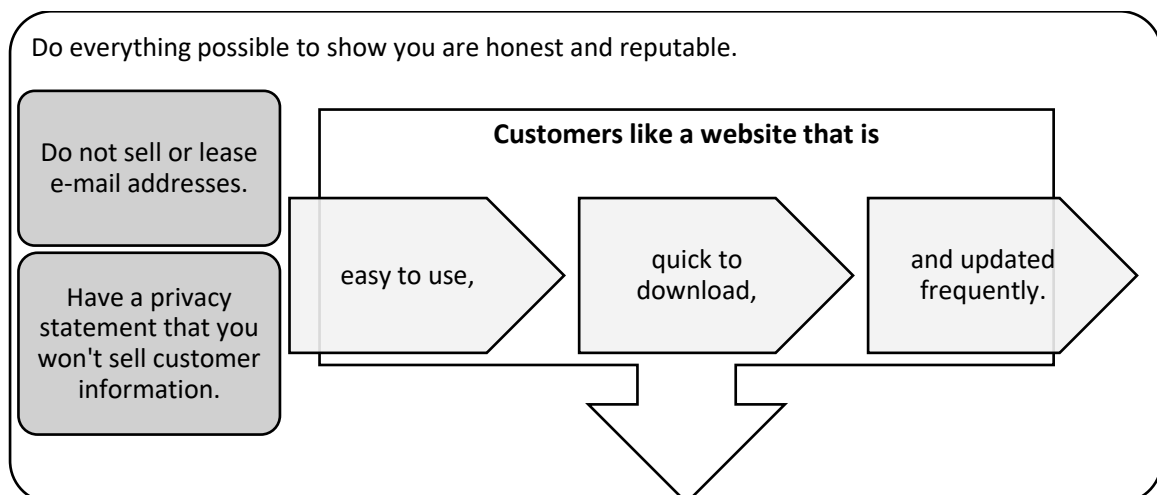
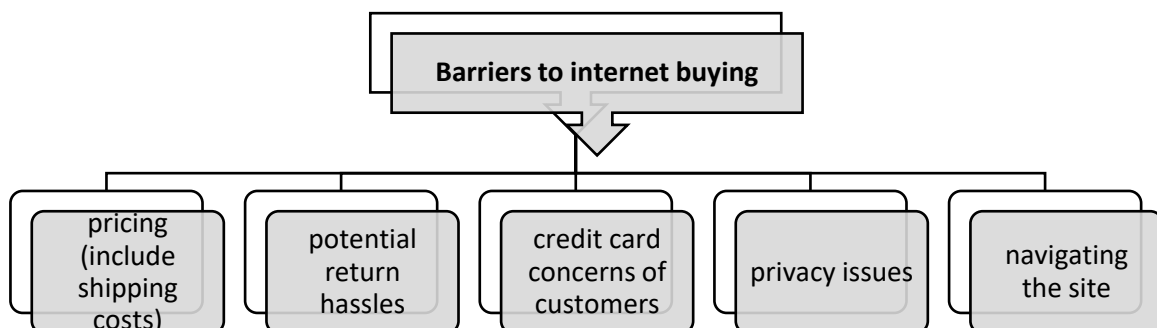
Some producers are entering the growing "farm entertainment" sector. Marketing strategies may include educational tours, an on-farm market with opportunities to buy fresh produce or value-added products, ready-to-eat food, festivals, classes, seasonal events. Such enterprises work best when farms are within 50 kilometres of a major population centre, preferably on or near a good road. In addition to the expected parking, toilet facilities, harvesting instructions, creative signage, and playgrounds, adequate liability insurance must, of course, be in place.

- **Internet**

Plans for selling groceries on the Internet are taking their place along with other forms of e-commerce. High-value, non-perishable, low-weight specialty food products and nutritional supplements have been available from a growing number of websites for some time. Delivery is by conventional package delivery systems; this form of e-commerce may be considered another form of mail-order.

Another way to utilise the internet is to have a farm or business homepage purely for advertising purposes (perhaps cooperatively packaged).

Farms can do business on the Internet either by maintaining their own individual websites, or participating in a directory listing. Look at internet marketing as an opportunity to attract a new clientele, but first determine whether existing customers are on the Internet. Do they have e-mail? Be aware of certain barriers to internet buying:



Be cautious about graphics that take a long time to come up on screen. At least give customers the option to bypass graphics. Look into ways to increase search engine results for your site, so that it appears in the first five or ten that come up.

Put your internet address everywhere—on all stationery and items that go out. Offer freebies (samples) when filling orders. Have a raffle. Develop a kids' e-mail mailing list and send birthday cards. Send fall holiday greetings. List your competitors' prices (shown to be effective). Make your website interesting. When creating your webpage, call the first page "index" to aid search engines. Constantly test and evaluate your site.

Word-of-mouth advertising by satisfied customers is priceless and cannot be purchased or engineered except by providing good service and a good product. Because an estimated 80% of business comes from return buyers, the focus is on rewarding loyal customers by offering discounts, gift certificates or a free service.