



Direct Marketing Strategies

Selling to Individuals: Buying Clubs to U-Pick

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Farms interested in selling directly to consumers have many options in Washington State, especially (but not exclusively) in the high population base of the Puget Sound region. This is a very dynamic and creative marketing arena and this fact sheet provides an overview to get you started. We have picked seven of the most common means of making direct sales to individuals who will eat, wear, experience, or otherwise use your farm products. Summaries include a description, benefits and challenges for:

- Buying Clubs;
- Community Supported Agriculture (CSA);
- Farm stands;
- Farmers markets;
- Internet sales and mail order; and
- U-pick.

Buying Clubs

While “buying clubs” are a new take on a progressive 1970’s concept, they are a relatively new direct marketing strategy for fresh farm products. Borrowed in part from the popularity of wine clubs and community-based distribution networks such as Azure Standard, buying clubs organize individuals so that they can easily place and receive orders in a cooperative and collective way. Like a CSA, there is a designated “drop off” location such as someone’s home or business where members go to pick up their orders.

The buying club may be neighbors, co-workers, church members, or family members that want access to high quality, fresh foods direct from the farm. They may also be seeking bulk products and special discounts. In addition, buying clubs serve an important social function building relationships among members as well as with your farm. One of the most famous buying club practitioners is Joel Salatin and the Polyface Farm in Virginia: www.polyfaceyum.com. More locally, Pride and Joy Dairy has what they call a “Drop Off Group” so that they can deliver milk throughout the state: www.prideandjoydairy.com/Drop-Off-Groups.

The structure of the buying club varies as does how often deliveries are made and how orders are placed. There are a number of good resources online to consult: www.startabuyingclub.com.

Benefits of Selling through a Buying Club

- Gives customers an option to “pay as you go.”
- Relatively efficient means of distributing to and cultivating customers that don’t live near your farm.
- Scalable and flexible strategy both in terms of products offered and number of clubs developed.

- Excellent means of building customer loyalty.

Challenges of Selling through a Buying Club

- Depends on finding reliable people to host/coordinate delivery sites.
- Requires good information management and technology to track customers, orders and deliveries.
- Distribution requires adequate trucks, preferably refrigerated, along with fuel expense and maintenance.
- Initial investment in developing buying clubs.

Community Supported Agriculture (CSA)

The 2011-2012 “Tilth Producers Directory” listed 87 Washington State farms that had a CSA or “Community Supported Agriculture” program. A CSA is a direct agreement between a farm and its customers. Rooted in alternative economics and a community-focus, the farm provides customers or “members” with a “share” of the harvest for a set price and defined period of time. The “share” is usually a box (or bag) of whatever has been harvested that week. Members either pick up their share on farm or at a central location (e.g. a local business, member’s house, farmers market). In theory, the members also share in the risk if the harvest is late or has other problems. Farmers can design their CSA so that customers pay up front at the beginning of the season or in installments. Since members of the CSA pay in advance, they provide working capital directly to the farm.

Many CSAs in the Northwest operate for the main growing season (late spring to early fall) usually for a total of 18 to 24 weeks. However, we also have year-round CSAs and “winter CSAs” which are especially well-positioned to serve shoppers when farmers markets close for the season. While most CSAs provide fresh vegetables and some fruit, Washington State CSAs have also expanded to either feature or include grains, farmstead cheeses, eggs (chicken and duck), meat, fiber and flowers, as well as value-added products like cider, jams, or salsa. Sourcing additional products through creative partnerships with like-minded farms can be a win-win-win. The key is transparency and letting your members know if you are a cooperative CSA or pooling product and the names of farms involved. CSA members do expect to hear directly from the farm. With each delivery, most CSAs include a newsletter of farm happenings, a description of what’s in the box, and recipes. CSAs advertise by word of mouth, brochures, farm directories, social media and websites.

WA Wellness, in partnership with WSDA, started a program to allow and encourage farms to deliver CSAs to employees at state agencies in 2011. More information about this opportunity can be found at www.hca.wa.gov/pebb/wellness/Documents/CSA_Delivery_at_Worksites_110304.pdf.

Benefits of Selling through CSAs

- Pre-sales allow you to plan production and have a secure market for your harvest.
- You set the prices and choose the varieties and quantities to put in the box.
- An excellent CSA builds a loyal customer base for all your products.
- You can educate CSA members directly about new varieties, products and agriculture.
- A CSA does not require individual packaging, grading/sizing, and minimizes transportation.

Challenges of Selling through CSAs

- Requires a complex crop mix and production plan to be able to deliver consistent, quality products every week.
- Farms must dedicate time to responding to individual customers' needs, complaints, and praises.
- It takes time to manage and write the weekly newsletter and/or recipes, and a willingness to share personal stories.
- A high turnover of CSA customers from season to season can increase marketing costs.
- Farms need to arrange and manage pick up locations.

Farm Stands

Farm stands are another well-established means of selling directly to customers, especially agricultural areas with a fresh market products and tourist traffic. Farm stands come in every shape and size, from the very casual "honor system" set ups to an open apple shed to year-round, full service storefronts with refrigerators, freezers and prepared foods. Typically, farm stand sales outperform other direct marketing options in part because they are open more hours per season. As staffing costs can hinder a farm stand's viability, consider being open only when there is regular demand. Advertise well, create an attractive atmosphere, and follow any local zoning regulations for signage. It's essential that passersby see that you are open and have time to stop safely.

Benefits of Selling at Farm Stands

- They are flexible because you set the days and times the farm stand is open; this can be especially effective on a seasonal basis.
- They can leverage existing assets if you have already have access to a great location with lots of traffic.
- You set the product mix and can create an outlet for non-standard sizes or seconds.
- Limited packaging, labeling, and transportation required.
- In many areas, you can get your farm stand on a local "farm map" to help with promotion.

Challenges of Selling at Farm Stands

- Sales can be unpredictable with traffic flow and competition from other farm stands or outlet with similar products.
- The question of staffing can be tricky during the growing season.
- There may be significant start-up costs, including capital investment, possible zoning, building permits, or other licensing requirements.
- Adequate storage or refrigeration may be needed to maintain product quality.
- There is increased exposure and possible liability anytime people come on to your property.

Farmers Markets

Farmers markets provide one of the most common and familiar means of selling directly to customers. There are now approximately 150 farmers market locations in Washington State that collectively attract millions of shopper visits each year. These shoppers are looking to buy from local farms and to eat fresh, flavorful, and nutritious foods. Some are looking for a good deal or to buy in

bulk; others want to “vote with their food dollar” and infuse the farmers market experience with their personal values.

Farms of all sizes and from every corner of the state sell at farmers markets. Vendors pay a stall fee and agree to follow market rules. The farmers market organizers then work to attract customers by recruiting other excellent vendors so there is the right overall product mix, creating a festive atmosphere, planning events, and advertising. This partnership allows vendors to concentrate their sales on market day.

At the individual vendor level, how products are presented, the booth design, and signage are critical to sales. Vendors must follow all state and county regulations for direct sales, food handling, and food safety. Fortunately, there are resources available to help new farmers market vendors learn about specific farmers markets, and navigate the application process, market day requirements and best practices, as well as licenses and permits. Start by referencing specific products in this handbook, asking the market manager for guidance, or contacting the Washington State Farmers Market Association via www.wafarmersmarkets.com.

Benefits of Selling at Farmers Markets

- Farmers markets are very popular and many shoppers come ready to buy from “their farm.”
- Farmers can set their own prices and get full retail value for their products.
- Market entry is relatively easy even with small volumes and non-standard sizes.
- The personal relationships with customers facilitate repeat sales, product education and feedback, and promoting your CSA, farm stand, or other market channels.
- There is a strong sense of community and shared purpose.

Challenges of Selling at Farmers Markets

- Requires excellent customer service and sales skills, enjoying people, an eye for presentation, and physical endurance.
- Picking a farmers market that needs your products, volume, and price points at the right time of year is critical.
- Farmers markets are labor intensive, harvesting, packing, prepping, traveling, selling and unloading for every market.
- There are no guaranteed sales; bad weather or competing events may keep customers away.
- It may be difficult to access space in well established markets.

Internet and Mail Order Sales

Internet and mail order sales are a valuable way to reach customers throughout the U.S. with unique, seasonal, and value-added products. Online customers are looking for gifts, and hard to find specialty products with a sense of place. Value-added food products that you ship are required to be processed in a licensed WSDA Food Processing Facility.

Shipping farm products directly to customers outside of the US is trickier due to different country’s custom regulations and jurisdictions. Plan ahead if this is a model, you would like to pursue. With changes in technology and delivery options, virtually any product can be shipped. Having an excellent website, information management system, and accepting online payment are especially important for Internet and mail order sales.

Blue Bird Grain Farms in Winthrop offers Internet sales of their products such as a monthly CSA of grains and gift baskets. See <http://shop.bluebirdgrainfarms.com>.

Benefits of Selling through Internet and Mail Order

- Your website will reach a large customer base, independent of where your farm is located.
- Ordering from your farm through a well-designed website can be more convenient for customers (both retail and wholesale).
- Receiving customer orders or inquiries via email or the Web allows you to respond when it is most convenient for you and reduces data entry.
- Websites are highly “sharable” via social media and links which can facilitate connections to your target market.
- You can build your customer database electronically and target your marketing through email services.

Challenges of Selling through Internet and Mail Order

- Someone on your team will need to maintain the “technology” side as well as keeping up with new web-based retail trends and social media tools. A reliable, user-friendly website is essential to online sales.
- Written and phone communication with your customers is critical, including answering questions, creating package inserts, email confirmations, or phone follow-ups.
- You must invest in quality packaging and shipping materials.
- Getting frequent return sales may be difficult. Think of ways to provide high value and make your product special.
- The Web is also highly competitive and you still need to invest in publicizing your name and products, usually through other “low tech” sales channels.

U-Pick

In Washington, U-Pick is an option primarily for berry, cut-flower, tree fruit, pumpkin, and Christmas tree growers. U-Pick farms should be aware of the liability risk of having the public come onto the farm. It is a good idea to research liability insurance and waivers before opening to the public. Be sure to offer a clean site for visitors with parking, restroom facilities, and rules, container options and prices outlined clearly to ensure the best experience. U-Pick farms can be a community meeting place and they are also a great family activity. U-Pick farms have tourism appeal, too. Consider advertising your U-Pick farm with roadside signage, farm map listings, or the Washington State Tourism website found at www.experiencewa.com.

Benefits of Selling U-Pick

- Allows for flexibility and focus because you set the days and times you are open.
- Opportunity to market a single seasonal crop.
- Keeps packaging, labeling, transportation, and harvesting costs to a minimum.
- Potential to develop a loyal customer base that returns year after year.
- Potential to market additional farm products to local and visiting U-Pick customers.

Challenges of Selling U-Pick

- Increases your risk as people come onto your farm and liability insurance may be difficult to find or costly.
- May incur damage or lose some product in fields or farm from customers.
- A location far from a population base or urban area can limit customer access.
- Advertising is crucial; your website and marketing information must be accurate and up to date so that customers get correct information, including the current status of your crop.
- Staffing for managing the operation.

The National Sustainable Agricultural Information Service (ATTRA) has an excellent “**Marketing Tip Sheet Series**” that we highly recommend. It is available online, free at

www.attra.ncat.org/marketing.html.

Recommended Fact Sheets

- 7. Insurance
- 8. Labor on the Farm
- 9. Direct Marketing in Washington State
- 11. Culinary Agritourism
- 19. WSDA Food Processor License and Facilities

For further information, to provide comments, or suggest a resource to add to this fact sheet, please email smallfarms@agr.wa.gov or call (360) 902-2888.