Marketing Enhancements for Greenmarket Farmers

Christopher Wayne Director, FARMroots
Maria Rojas Project Coordinator, FARMroots
Margaret Gifford Marketing Specialist, FARMroots
Consumer demand for local foods has been increasing for over a decade. The proliferation of farmer’s markets, farm-to-table restaurants, farm to institution efforts, and locally sourcing grocers reflects a local food movement. Nevertheless, sales of local food products have remained stagnant at between 2% to 4% of the consumer food dollar, resulting in increased competition between both farmers and other retailers. One issue that has played a role in the sluggish growth of local food consumption is the lack of strategic marketing by farmers. Traditionally, farmers grow a quality product first and worry about their marketing later. Mixed amongst the huge variety of different skills required in diversified agricultural, marketing often slides to bottom of the priority heap. Many farmers also perceive marketing as costly, time-consuming, and difficult to measure. These assumptions, and subsequent lack of action, leave farmers at a disadvantage in the competitive local food market place.

Since 2011 FARMroots (Farm Assistance Retention and Management), a program of the non-profit GrowNYC, has responded to the wide range of farmers’ business development needs. An outpouring of marketing requests led staff to develop a more robust marketing program in 2013. GrowNYC, which houses the FARMroots program, shares a vested interest in the marketing success of its Greenmarket farmers as this insures farm viability and the consistent supply of fresh local food to the people of NYC.

In 2014 FARMroots was generously awarded funding through the New York Farm Viability Institute to develop the Marketing Enhancements for Greenmarket Farmers project. The intent was simple: work with 10 Greenmarket producers to increase sales of a diversity of farm products, through the development and implementation of marketing plans. Basic marketing weaknesses were identified in the following key areas: distribution channel assessment, customer service, consumer buying habit research, brand recognition, market displays, and product positioning in relationship to competition. A goal was set of a 10% increase in overall gross sales with minimal increase in marketing labor, materials, or expenses.

Consolidated results from the project showed that:

- 40% of participating producers reported an increase in sales of more than 20%, with the remaining 60% of producers reporting sales increases between between 6-20%
- 100% of participating producers would recommend participating in this program to other producers
Our first step in approaching this project was to understand the successful marketing tactics already in use by food retailers in New York City. Restaurants and small stores provided the benchmark for comparisons for customer service, market displays and product positioning. Grocery stores provided the standard for consumer research and brand recognition. We were also careful to ensure that our recommendations were cost-effective and measurable within a typical farmer’s market operating environment.

1. Recruitment
The FARMroots team introduced the project to the 230 participating Greenmarket farmers through marketing presentations, training events, newsletters, and personal conversations. Thirteen producers expressed interest and committed to working with our team to assess their enterprise marketing, create a strategic plan and implement specific tactics during the 2014 growing season.

2. Initial consultation
Farmers met with FARMroots staff to review baseline sales, labor and promotional data. Farmers also shared their current sales approaches and marketing ideas they would like to further enhance. This meeting resulted in a shared understanding of goals and the beginning of a marketing plan.

3. Benchmarking
Customized benchmarks were created for each farmer, aligned to their marketing goals. The overall focus of this project was to increase sales and effectiveness of marketing activities for each farmer. We collected customer behavioral data at the beginning of the project and throughout the season, which allowed the farmer to make adjustments as needed on the effectiveness of at-market display and customer service enhancements.

4. Plan Creation
FARMroots staff provided draft marketing plans for review by farmers, which included overall goals, targets, strategies, tactics and measurements. Efforts were made to keep these plans very straightforward, without jargon or costly and time-intensive recommendations. The farmer had final say over the marketing plan components and could approve or remove the components before the project commenced.

5. Implementation
Implementation tactics included development of new distribution channels, logo development, improved signage, website creation, new product development, as well as a focus on customer service, retention and loyalty. In some cases, FARMroots provided funding to cover the cost of graphic design, or provided direct support to create a website or product signage. The average cost of graphic design work per project was $631 and the average cost for materials was $360. In all cases, the farmers were engaged at every step of the project.

6. Measurement
Staff worked with farmers to develop sales data collection techniques. The team monitored progress through meetings with farmers on a monthly basis. The areas of data collection varied with the strategy of each marketing plan and included overall sales, sales per customer, total market visitors, and impact of promotional efforts, including online traffic. At the end of each project, farmers measured qualitative and quantitative changes aligning to the goals they set. Each farmer participated in an online survey and phone consultation to analyze the impact of the marketing projects. All the project participants committed to integrate the most effective techniques into their permanent marketing strategies.
**CASE STUDY 1**

Healthway Farms  
Highland, NY

**PREDOMINANT MARKET CHANNEL:** Farmer’s Markets  
**FARM SIZE:** 20 Acres  
**FARM PRODUCTS:** Mixed vegetables, fruit

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Healthway Farm’s stand before marketing project was implemented. The stand was missing a clear system for arranging and displaying products. Products were often hidden and not visible to customers walking by.

Healthway Farm’s stand after display optimization project. A cohesive look was achieved by using tablecloths and uniform signage. Crates were angled to increase visibility and create a look of abundance.

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**The Challenge**

Joe O’Brien, of Healthway Farms, has been selling at Greenmarkets for over 25 years. He has seen an ebb and flow in the marketplace, but by 2014 his sales were down significantly and he needed help. During intake meetings with FARMroots, he described a five-year decline in sales, and, most troubling, a decline in potato sales—his signature product.

**The Approach**

FARMroots visited Mr. O’Brien at two of his farmer’s market locations to perform customer behavioral analyses that monitored how customers interact with his farm stand. Data showed underdeveloped display merchandizing. This lack of display optimization meant that his potential customers were choosing to shop from farm stands that presented their products in a more noticeable and attractive display. Working with Mr. O’Brien, the FARMroots team developed a marketing strategy that highlighted key tactical changes to his visual display. These changes included: 1) angled, 3-dimensional crates, 2) uniform pricing signs, 3) contrast and visual organization through table coverings, and 4) new table orientation.

**Results**

Patronization increased once the products became more visible, consistent and clear pricing signage was used, and table orientation became more inviting to customer traffic. A subsequent customer behavioral data collection showed a 15% increase in “impressions” (e.g. a customer’s eye contact fell on a component of the market stand) and a 23% increase in “stops” (a customer slowed down or stopped to consider making a purchase). Mr. O’Brien reported an increase of 11% in his gross sales after project implementation, with minimal additional labor or material expenses.
R&R Produce
Pine Island, NY

Predominant Market Channel: Direct Wholesale
Farm Size: 22 Acres
Farm Products: Mixed vegetables

The Challenge
Few farmers felt the impact of 2011’s Hurricane Irene worse than Rogelio Bautista, of R&R Produce. A 90% crop loss in the heart of the harvest season meant that he could not deliver his CSA shares and or attend his farmers’ markets; his business screeched to a halt. Unable to secure funding in 2012, he took a farm management position on another farm. 2013 brought new hope when he secured his own land, but most of the farmer’s markets he had sold in before the storm had found other farmers.

The Approach
When FARMroots first met with Mr. Bautista there was an important decision to be made: should he return to farmer’s markets? A market channel analysis showed that his farmer’s markets had high gross sales, but that his net income was nominal. By contrast, his single wholesale account demonstrated higher net profits. The wholesale approach matched with his technical skills as a grower and allowed him to spend more time on the farm. He also had land rental agreements that allowed him to expand his acreage. These factors led the team to create a marketing plan that would shift the focus of his business from predominantly retail to a seventy/thirty percent mix of wholesale and direct retail. FARMroots worked with Mr. Bautista on a variety of approaches to prepare him for the wholesale market. Enterprise budgets helped show which products could be sold at wholesale for high net profits, and which products he should continue to market directly to consumers through farmer’s markets. Curly kale, Serrano peppers, and onions emerged as clear candidates for wholesale. Next, staff worked with Mr. Bautista to create pricing sheets, and began shopping them to New York City based wholesale buyers who had showed interest in years past. In early 2014, Mr. Bautista received written commitments from two large wholesale buyers for Kale and Serrano peppers. A third buyer would emerge in the early spring.

Results
As a result of his three new wholesale accounts, in 2014 Mr. Bautista reported an astounding 130% increase in gross sales and a 60% increase in net profits. His new marketing emphasis allows him more time on the farm and with his family, and his attendance at farmer’s markets within 20 miles of his farm provides the opportunity to sell a wider range of product.
**CASE STUDY III**

**Sun Fed Beef (Maple Avenue Farms)**

*Earlville, NY*

**Predominant Market Channel:** Farmer’s Markets

**Farm Size:** 1210 Acres

**Farm Products:** Livestock (beef, pork, lamb, poultry)

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**The Challenge**

Eve Ann Shwartz and Harmon Hoff, of Maple Avenue Farms, raise high quality Black Angus Beef. In early 2014, going into their 7th year selling direct retail through Greenmarkets, they were not seeing the growth in sales they needed to maintain a presence at market. Traveling over 4 hours from their farm to NYC farmer’s markets meant that high daily sales were needed to make a profit. Ms. Shwartz and Sun Fed’s NYC Operations Manager, Erik Hassert, reached out to FARMroots with a clear need to increase gross sales at market.

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**The Approach**

During initial consultations, FARMroots staff, Mr. Hassert and Ms. Shwartz settled on a plan that would both increase the number of shoppers who purchased from them, and increase the quantity of each purchase. FARMroots worked with a graphic designer to create a hanging wooden sign that made use of the vertical space at market and helped draw the customers’ attention to a wider range of products that were stored out of sight in coolers. In an effort to increase sales quantity per customer and keep people coming back, FARMroots staff created a customer loyalty card to reward customers after a certain number of purchases.

**Results**

As a result of these marketing efforts, and in particular the customer loyalty program, Sun Fed Beef showed a 41% increase in gross sales through direct marketing outlets in 2014. Sun Fed Beef plans to expand what has been a very successful customer loyalty program in 2015. With the support of FARMroots, Sun Fed Beef also plans to develop a more robust business plan to explore the possibility of increasing their herd size and opening up new wholesale marketing channels.

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“Over the course of 2014, we saw an increase of 31% on our individual market averages from the previous year with a 41% increase overall all Greenmarkets... working with FARMroots has also allowed us to analyze the future of the farm’s operation at this critical point in its growth.”

—Erik Hassert
Conclusion

The results of this project show that by adopting simple, low-cost marketing strategies, farmers can expect increases in gross sales and remain competitive with other farmers and retail food stores. FARMRoots staff helped to create a marketing plan with clearly outlined goals, tactics and measurements. These plans, along with advice, guidance and support from FARMroots’ staff were instrumental to each project’s success. All farmers agreed that taking time to fully consider their own marketing efforts, and review them with an outside party, was very helpful. Final surveys showed that all participating farmers would recommend this project to other farmers, and that they will continue to integrate FARMroots’ marketing recommendations into their business moving forward.

The Marketing Enhancements for Greenmarket Farmers project clearly demonstrated that all types of farm enterprises can benefit from enhanced marketing support and that marketing improvements can be practical, scalable and have measurable impact on a farmer’s bottom line. As farmers continue to prioritize new marketing techniques, individual farmers’ will increasingly capitalize on the local food movement in our region.

Appendix: Snapshot

Number of farmers participating: 10

Average design costs per farmer: $631

Average materials costs per farmer: $360

Typical tactics: display optimization, branding, development of online content, loyalty program, market channel assessment, new product launch.

% of farmers who would recommend participating in this project to other farmers: 100

Average hours to create, implement and measure marketing plan and tactics: 25 hours per project

“There is so much more competition from surrounding businesses than ever before. The project has given me the tools to look at my business in an entirely new way.”

—Deb Gavito, Body and Soul

To support this program visit grownyc.org/donate
Appendix: List of Additional Participating Producers

Body & Soul Bakery
Brooklyn, NY
Predominant market channel: Farmers Markets
Products: Savory and sweet vegan baked goods

Hawthorne Valley Farm
Ghent, NY
Predominant market channel: Farmer’s Markets, Grocery Retail
Farm size: 400 acres
Farm products: Certified organic and biodynamic produce, meat, dairy, baked goods, and lacto-fermented vegetables

Healthway Farms
Highland, NY
Predominant market channel: Farmer’s Markets
Farm size: 20 acres
Farm products: Mixed vegetables, fruit

Lucky Dog Farm
Hamden, NY
Predominant market channel: Farmer’s Markets
Farm size: 159 acres
Farm products: Organic vegetables, berries, flowers and Poultry (Guinea hens)

Ole’ Mother Hubbert
Middletown NY
Predominant market channel: Farmer’s Markets
Farm size: 109 acres
Farm products: Milk, poultry, eggs

R&R Produce
Pine Island, NY
Predominant market channel: Direct Wholesale
Farm size: 22 acres
Farm products: Mixed vegetables

Sun Fed Beef
(Maple Avenue Farms)
Earlville, NY
Predominant market channel: Farmer’s Markets
Farm size: 1210 acres
Farm products: Livestock (beef, pork, lamb, poultry)

Tonjes Dairy Farm
Callicoon, NY
Predominant market channel: Farmer’s Markets
Farm size: 400 acres
Farm products: Milk, cheese, yogurt, kefir, buttermilk

Thy Herbs
New Paltz, NY
Predominant market channel: Farmer’s Markets
Farm size: 3.5 acres
Farm products: Vegetables, herbs, herbal teas, pestos, soap and salves

Windfall Farms
Montgomery, NY
Predominant market channel: Farmer’s Markets
Farm size: 142 acres
Farm products: Vegetables, micro-greens, jams

Think FARMroots can help you grow your farm business?
Contact us at farmroots@grownyco.org