

Marketing Strategies for New Farmers

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Farm radio and TV programs keep farmers up-to-date with the latest market prices for agricultural commodities. Conventional farmers are interested in market prices for corn, soybeans, hogs, and cattle because their crop and animal products are pretty much the same as any other farmer's crops or animals of the same grade and weight. So, market reports give them a pretty good idea of the prices they could get. They are *commodity* producers. The most important commodity marketing strategies involve choosing a price from the range of prices offered by the markets over time. Grain farmers can sell at harvest or store their crops for later sale. Commodity futures markets, options, and cash contracts give crop and livestock producers the opportunity to price before delivery. Some farmers also have an option of selling to different buyers at different market locations. However, the prices offered are beyond the individual farmer's control, rising and falling in response to changing supply and demand in a global marketplace.

New farmers don't produce agricultural commodities for global markets; they produce food for local customers. Thus, marketing strategies for new farmers are *food* marketing strategies. The farm media has begun to give some attention to the rapidly growing markets for natural, organic, and locally grown foods. However, these new markets are treated as “niche markets,” suggesting they are of limited importance and relevant to only a few specialty producers. If the niches grow large enough to be of interest to mainstream retailers, as with organics, the experts seem to assume that marketing strategies of new farmers will become pretty much the same as commodity marketing. “The market” will determine prices; farmers can either take them or leave them.

However, the key to success for new farmers is to maintain their status as food producers rather than to become commodities growers, even if natural, organic, and local foods are turned into generic commodities. New farmers are not free of the discipline of the marketplace; they must respect the personal values and financial abilities of their customers. But new farmers must retain their ability to set prices for their products rather than simply accept whatever the impersonal marketplace offers. Even if they sell through retail food stores, restaurants, or public institutions, new farmers need to understand their success depends upon their ability to remain marketers of foods rather than sellers of commodities.

In seeking to expand sales of natural, organic, or local foods, some farmers have turned to the food marketing experts for advice. They assume Kroger, Mc Donald's, and Sysco must know how to market food. However, the food marketing experts always seem to start out talking about what “Mrs. Consumer” wants. They say she is always looking a bargain and is too busy to prepare food at home or to be concerned with anything other than price and convenience. She may be a “soccer mom,” a “working mom,” or a “busy homemaker,” regardless, she wants her food to be quick, convenient, and cheap. The food marketers realize that some organic and natural food shoppers are willing to pay higher prices, but they are still trying to make natural, organic, and even local foods more convenient and cheaper.

The truth is, there isn't a Mrs. Consumer, not for conventional or niche market foods. There are as many different consumers as people, and only about half of them are female. Certainly, some people tend to share the same general characteristics, including food preferences, but none of us actually prefers exactly the same things as anyone else. Perhaps most food *shoppers* are female, and perhaps most have preferences similar to those of the stereotypical Mrs. Consumer. But even if this were true, a significant minority of us might still have very different tastes and preferences that are largely ignored, because everyone is catering to Mrs. Consumer.

If the retail food markets were truly competitive, we could be confident that the different tastes and preferences of different consumers would be addressed. However, the food industry is not characterized by a large number of small independent retailers, it is not easy to get into or out of food retailing, and shoppers are not well informed, but instead are bombarded constantly by persuasive, misleading advertising. Today's food retailers offer a wide variety of *cheap stuff* (even when food prices are high) but there is no assurance they are offering the *rights stuff* to meet the diverse food needs and wants of people.

To achieve the scale efficiencies of mass production and marketing, the food industry has become specialized and standardized, eventually allowing a handful of large, multinational corporations to consolidate control of the global food system. However, the economic efficiencies of industrialization depend upon producing large quantities of the same basic things and repeating the same basic processes, without retooling or retraining employees. Industrial food processors need dependably large quantities of agricultural commodities of uniform sizes, shapes, and colors, so they can process, package, store, and distribute them using assembly-line processes. Increasingly, even processors and retailers of natural and organic foods are seeking contracts with larger-scale “industrial” producers. When processors or retailers have to buy smaller quantities of different varieties, sizes, and colors of food products from a lot of different farmers, they lose the economic advantages of industrial production.

That's why food marketers focus on Mrs. Consumer. They target their marketing efforts to the largest number of consumers who share similar preferences. They try to convince other consumers, through persuasive advertising, that all “smart shoppers” share these same preferences. They attempt to create an illusion of variety through superficial differentiation, as when they cut and package the same “standard, factory chickens” in dozens of different ways. They market convenience, rather than food, because the things that increase convenience are easier to standardize and control and thus are more profitable. To be successful, industrial food marketers have to treat all of us as if we were pretty much the same. Even when they market natural or organic foods, they assume that all consumers of natural and organic food want the same basic characteristics in their foods, which is not true.

The economic value of anything depends on four basic questions: What is it? Where is it? When is it available? And finally, who has it and who wants it? Think about it; lacking the answer to any one question, you can't know how much anything is worth. Economists refer to these as four different types of utility or usefulness: form, place, time, and ownership. Food marketing firms create value by processing (changing form), transporting (changing place), storing (changing time), and distributing (changing ownership). In order to achieve efficiency in changing form, place, and time, they must largely ignore differences in value associated with

ownership or individuality. However, the same thing at the same place and time can have very different values to any two different people, to buyers and to sellers.

Most new farmers are smaller, independent producers with *unique* abilities to meet the *unique* needs of individual customers, which gives them a distinct market advantage over industrial producers. A large and growing minority of food customers are not pleased with today's mass-production, mass-marketing food industry. They don't trust the safety and healthfulness of the food in the supermarkets or fast food restaurants today, and don't like the ways industrial food systems treat farmers, farm workers, farm animals, or natural ecosystems and the environment. New farmers shouldn't even try to compete with the food corporations in catering to the preferences of Mrs. Consumer, not even Mrs. Natural or Organic Consumer. Instead, the new farmer's customers are the neglected individuals, who make up as much as one-third of today's food market, who want something fundamentally different. There are far more than enough of these unsatisfied customers to provide profitable markets for today's new farmers.

The new farm marketing strategies are not about advertising, promoting, or selling; they are about finding people who already want to buy what they produce, not only because it is fresher and tastes better, but also because of how it is produced and who produces it. The new consumers are willing to pay a fair price for food produced with ecological, social integrity. New farm marketing is not about finding large numbers of people who want the same things, but finding just enough people who share the values reflected in the new farmers' products and processes to make their farms successful. New farm marketing is not about reducing costs through volume; it is about creating value through uniqueness. It is not about charging ridiculously high prices to gullible consumers; it's about getting a fair price, an acceptable price, from an informed customer. Marketing strategies for new farmers are not about exploiting impersonal markets but instead are about sustaining personal relationships.

Marketing strategies for new farmers may involve farmers markets, CSAs, roadside stands, or on-farm sales associated with pick-your-own or agro-tourism events. Most involve marketing in person but some new farmers market by mail order, on the Internet, or through buying clubs. Increasingly, new farmers are marketing through larger-volume markets, including food retailers, restaurants, and institutions that feature foods grown by local farmers. As new farmers move into these higher-volume food markets they are particularly susceptible to the old patterns of mass-production and mass-marketing of the industrial food system. However, new farmers must never forget that their competitive advantage in today's marketplace is the unique values they represent to their specific customers. Marketing strategies for new farmers must never violate the trust or compromise the integrity of their relationships with their customers.