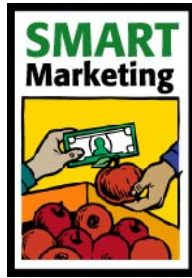


Smart Marketing



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SUCCESSFUL LOCAL MARKETING

by Brian M. Henehan

Senior Extension Associate

Department of Applied Economics and Management, Cornell University

Much has been written about “buying local” from a consumer’s viewpoint. Popular press and the media have highlighted the “rise of the locavore” or the “100 mile diet”. Less has been written about how producers might successfully market their farm products locally.

In reality, only a limited number of producers can take advantage of this marketing opportunity for the following reasons: farm location constraints, the need to market large volumes of farm output, seasonal production cycles, and limited human resources available to market farm products locally. As in the world of retail – “location, location, location” is one important factor in marketing locally. If a farm is located in a very remote area (hundreds of miles from consumers) that producer is probably not in a position to take advantage of the buy local trend. If the number of consumers within the 100 mile (or local) zone is extremely small, a farm would be hard pressed to survive on local sales only. Many farms harvest crops only during a limited period of time, whereas consumers desire food year round. Many farms need to market relatively large volumes of products to remain economically sustainable. Even if a large percentage of the local population purchased their farm products, the total volume of purchases might not generate adequate sales to support the farm. Much of the “buy local” purchases from farms require that a farm have the human resources to support local sales. Marketing through local farmers’ markets, roadside stands or community supported agriculture enterprises typically requires additional marketing staff. Some producers possess excellent growing or animal husbandry skills, but might not have time (or the desire) or staff to interact with local customers and buyers.

Clearly, on the other hand, the trend towards buying local offers some opportunities to producers that farm in the right location, overcome seasonal limits to farm production, have production to sell locally that fits well with the whole farm enterprise, and adequate human

resources for marketing farm products to consumers or buyers. The question arises, how might these producers successfully market their farm products to local consumers and buyers?

First, producers should consider what type of marketing they are most comfortable with. What type of marketing fits well with the overall farm plan, and generates the greatest economic returns? Some farmers may not be interested in the increased interaction with local consumers or buyers that would be required, while others have the personality or interests that would point towards the required interaction. Seasonality is an issue for many crops, particularly in northern areas with a limited growing season. Product distribution to local markets beyond farm direct marketing would need to be considered if a farm needs to market larger volumes of product.

Some farms and markets lend themselves to increased local production, others may already be producing a high volume of locally produced foods without the consumer even knowing it. The majority of fluid milk that is produced year round is typically sold within a local area given that fresh milk does not travel well. Many canned or frozen fruits and vegetables produced in New York State are grown by local producers, processed in the state, and marketed 365 days a year overcoming the seasonal limitations of fresh products.

As producers market closer to home, a greater emphasis on their reputation and reliability arises because buyers get a closer look at who is producing their food. And so, individual producer reputation can become a key reason for doing business with them. Reputation becomes more important for producers operating in small or local markets resulting in a “small world” of contacts and relationships. Word can travel fast about transactions that didn’t turn out well for customers. Reputations can be quickly enhanced or tarnished in markets with a small number of players. A positive reputation can be a key factor in successfully serving a local market.

It is important for producers to remember that the increased consumer interest in buying local does not create an “entitlement” for those farms situated in the local area, nor that they “own” a local market. They must effectively compete to earn the loyalty of the consumers or buyers that are their customers. At the end of the day, a successful local marketing strategy must be based on a number of the basic elements of marketing: quality, service, reliability, and price.

When sweet corn season arrives in our area, our neighbor has built a successful local market for his corn by maintaining his reputation as having the best quality corn at a reasonable price. He offers an attractive stand staffed by service-oriented staff who enjoy what they do. His local sales don’t support the whole farm enterprise, but have become a growing source of revenue for his farm. Are his local sales profitable for him? I assume so but like many farmers, he isn’t willing to tell. And so, understanding how you might leverage the increased interest in buying local for your farm can indeed be “Smart Marketing”.

“Smart Marketing” is a marketing newsletter for extension publication in local newsletters and for placement in local media. It reviews elements critical to successful marketing in the food and agricultural industry.

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