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## Positioning Your Product in Today's "Supply Chain"

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Most of us have heard of the term "Supply Chain". It describes the set of links required in any industry to move products from raw product suppliers through various intermediaries to the end user or consumer. Unless a producer is marketing directly to consumers, they participate in a supply chain.

In the context of the food and agricultural industry, the supply chain typically includes the following links starting at the farm level:

from *Producers* ► *assembling* ► *processing* ► *distributing* ► *marketing* ► to *Consumers*

This supply chain starts at the farm followed by a number of key links required to connect with consumers. Farm products usually need to be assembled at a site where raw products can be: stored, graded, or prepared for further processing. Following assembly of an adequate volume of product, the next link involves processing to transform the product into a more marketable form. The next link involves transportation to where products enter various market channels for distribution to retail or food service establishments. The final link is the marketing of products to consumers or end users.

Producers may tend to focus on the dramatic changes occurring at the production level. However, significant change is constantly occurring within each of these links in the food supply chain. Increasing concentration and collaboration of retail and food service firms continues to place economic pressure on all links in the chain. There is an intense focus on supply chain management requiring all suppliers to cut costs and better serve buyers.

Given the importance that each link plays in moving farm products to consumers, smart marketers should be thinking more about how to best position their products in today's rapidly changing supply chains. Here are eight questions that might be useful in developing strategies to better understand and address supply chain challenges.

1. What are the links required to move my products from the farm to consumers?
2. How do each of those links operate and what recent changes have occurred that affect my products?
3. What are the costs associated with marketing my farm products for each relevant link? (assembly, processing, distribution, marketing, etc.)
4. How do I maintain a high level of quality for my products throughout the supply chain?
5. How do I maintain effective business relationships with all the players involved in moving my products throughout the chain and become a preferred supplier?
6. What services can I offer to cut costs or improve quality in the supply chain?
7. How can I work with buyers operating in other links to create more demand for my products with consumers? (advertising, promotion, etc.)
8. Can I find creative ways to collaborate with other producers or players in the supply chain to better position my products?

There is a tremendous amount of data and information available on how the supply chain operates in today's food industry. Understanding and better positioning your farm products in today's supply chain are key elements of smart marketing.

**"Smart Marketing"** is a monthly marketing newsletter for extension publication in local newsletters and for placement in local media. It reviews the elements critical to successful marketing in the food and agricultural industry. Articles are written by faculty members in the Department of Applied Economics and Management at Cornell University.

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