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Marketing & Merchandising for Farmers Market Vendors

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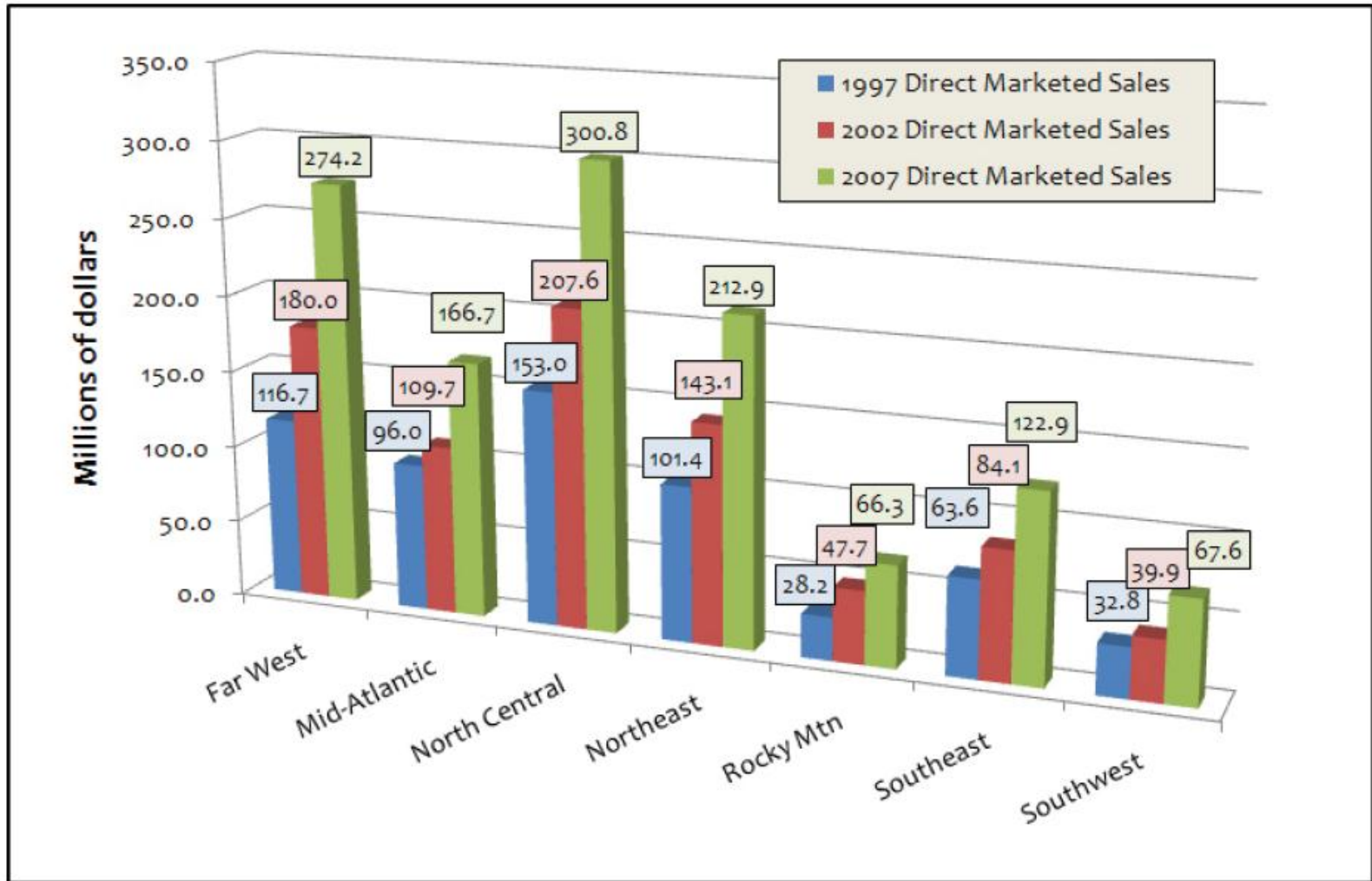
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Iowa has 237 farmers markets

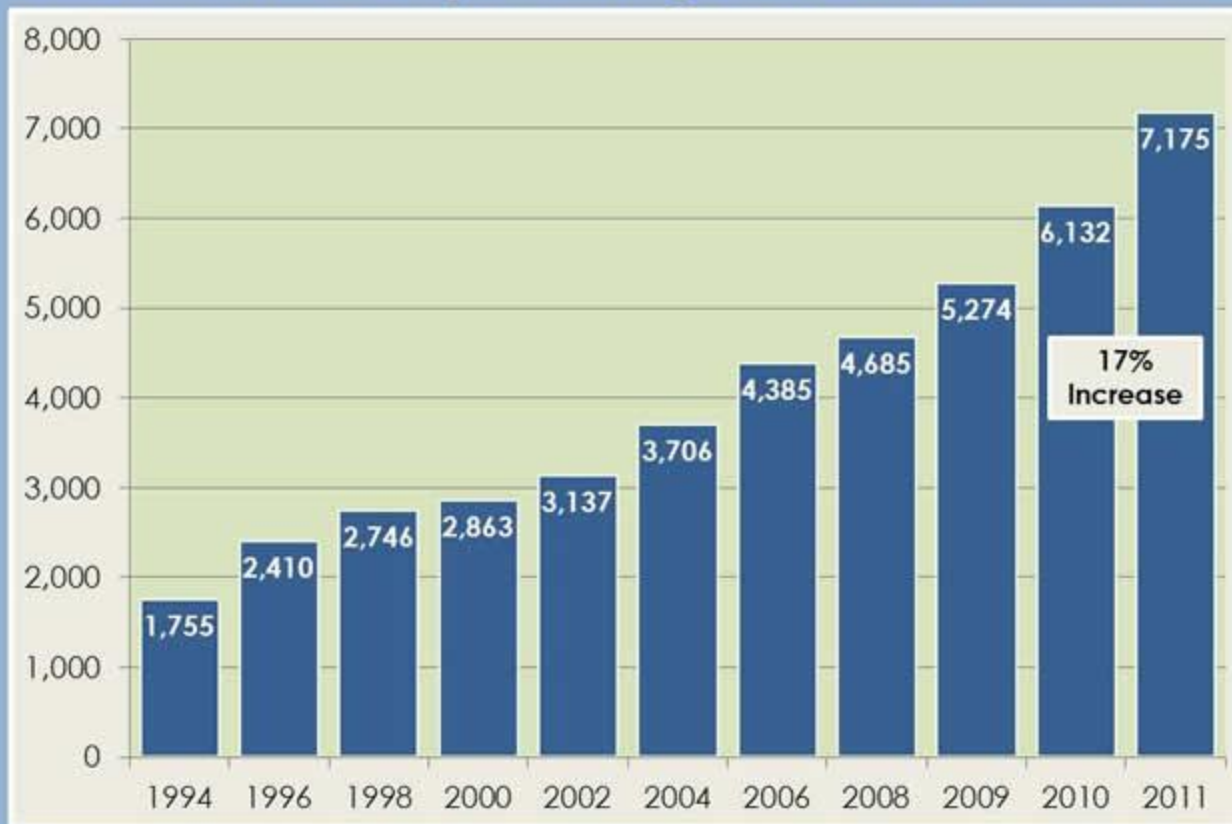
SELLING DIRECT-TO-CONSUMER AT FARMERS MARKETS

Chart 1: Value of Direct-to-Consumer Food Marketing* by Region, 1997-2007



* Direct marketing is defined as agricultural products sold directly to individuals for human consumption in the U.S. Census of Agriculture, 2007.
 Source: Compiled by USDA Agricultural Marketing Service from 2007 Census of Agriculture data

Number of Operating Farmers Markets



Source: USDA-AMS-Marketing Services Division

Survey Says...

- The 2006 USDA National Farmers Market Manager Survey found:
 - Farmers markets that offered organic products had higher customer counts and sales than markets that did not offer organic products.
 - Farmers markets that operate 7 months a year or more experienced average sales that were nearly three times as high as their “season-only” counterparts.
 - More than 60 percent of farmers markets require vendors to only sell products they have produced themselves.

What are lowans spending?

Money Spent by Customer	2004 Percent of Customers ¹	2009 Percent of Customers ¹
\$0	<1	<1
\$1-10	47	32
\$11-20	27	28
\$21-30	14	18
\$31+	12	21

Household Income	2009 Percent of Customers ¹
< \$25,000	17
\$25,000 – 49,999	27
\$50,000 – 74,999	27
\$75,000 – 99,999	17
\$100,000 +	12

What are Iowans buying?

Type of Purchase	2004 Percent of Customers ¹	2009 Percent of Customers ¹
Fruit/Vegetables	86	84
Meat/Fish/Poultry	5	5
Eggs	5	4
Crafts/Art	6	10
Cut Flowers/Plants	14	16
Honey	2	4
Jam/Jelly	5	6
Baked Goods	42	45
Prepared Foods or Ready-to-Eat	20	31
Wine	*	6
Other	4	3

What are Vendors Making?

- <20% of farmers market vendors in the north central region sell more than \$5,000 per year

Vendor Sales Range	2004 Percent of Vendors ¹	2009 Percent of Vendors ¹
\$0-1,000	34	39
\$1,001-2,500	18	19
\$2,501-5,000	18	13
\$5,001-7,500	7	6
\$7,501-10,000	7	5
\$10,001+	16	18

Source of Household Income	2009 Percent of Income ¹
Farmers Markets	18
Other Farm Income	17
Off-Farm Work Income	34
Other Income (retirement, etc)	31

Where is the Action?

- ~72% of farmers market sales in Iowa were generated by five markets in 2005

Table 1: Estimated Total and Per Capita Market Sales per City or Urban Center

City	Estimated Sales (\$1000's)	Population	Per Capita Sales (\$)
Waterloo	760	68,747	11
Sioux City	340	85,013	4
Davenport/Bettendorf	3,300	129,634	25
Cedar Rapids	480	120,758	4
Des Moines Area	9,500	274,157	34
Total	14,380		
Des Moines Area includes West Des Moines and Urbandale			

A Benefit to the Local Economy

Table 11A: Economic Impact of Iowa Farmers' Markets (\$ Sales)

Industry	Direct	Indirect	Induced	Total
Agriculture	12,440,000.0	775,690.0	76,647.0	13,292,337.0
Mining	0.0	1,159.0	132.0	1,291.0
Utilities	0.0	208,145.0	178,158.0	386,304.0
Construction	0.0	81,143.0	48,276.0	129,418.0
Manufacturing	0.0	590,836.0	622,314.0	1,213,150.0
Transportation & warehousing	0.0	744,731.0	559,575.0	1,304,306.0
Retail trade	7,610,000.0	76,169.0	987,844.0	8,674,013.0
Information services	0.0	173,539.0	186,281.0	359,820.0
Finance, insurance & real estate	0.0	872,800.0	1,005,441.0	1,878,241.0
Professional and technical services	0.0	417,374.0	1,660,580.0	2,077,954.0
Other services	0.0	126,538.0	785,622.0	912,160.0
Government	0.0	180,595.0	1,098,128.0	1,278,723.0
Total	20,050,000.0	4,248,719.0	7,208,998.0	31,507,717.0

Source: IMPLAN model for Iowa

Tell your story and build your brand with

A STAND-OUT MARKET BOOTH

Signage

- Your farm sign should:
 - Meaningfully identify your farm
 - Create a lasting impression



Signage

- Other signs might:
 - Identify a specialty
 - Describe your practices



- Or just make you stand out!

Photos

- Photographs help customer deepen the relationship with your farm and family

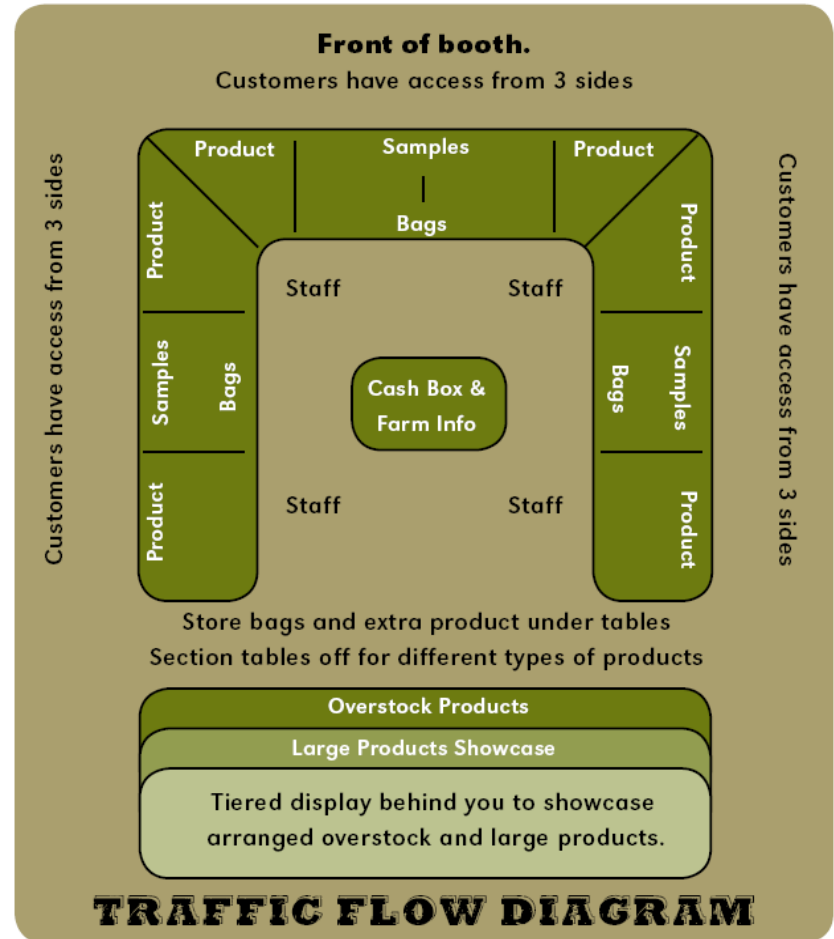


Shade

- For the sake of your product and yourself



People Flow



People Matter!

- You and your employees are part of the booth
 - Wear a “uniform” with the farm logo
 - Look neat & tidy
 - Be engaging
 - Stay busy
 - Go out of your way to provide excellent customer service



Stand Out!

- Sing!
- Dance!
- Juggle!
- Wear a goofy hat!



The silent salesperson:

GREAT PRODUCT MERCHANDISING

You've got 3 seconds...

- A product display should be a work of art that invites interaction



Color

- Color contrast makes a display “pop”
- Highlight product with neutral background



Color



Bounty

- Always give the appearance of abundance
 - Constantly re-stock or change container



Bounty



Top Shelf

- “Sell zone” is from eyeball to elbow
 - Don’t make shoppers bend over to reach product on the ground
 - Don’t make your display too deep
 - Utilize vertical space





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Top Shelf



Sampling

- Get your food in their faces!
- But talk to your market master and county health department!



Product Signage

- Legibly convey product & price, but also:
 - Variety
 - Attributes that add value
 - Even suggested use or recipe



Product Signage

- But it may be possible to go overboard...



Strategic Packaging & Pricing

- You may have better luck with a smaller container, even if the price/unit is higher
 - e.g. blackberries - pint for \$5 or ½ pint for \$3
- Package multiple products together for a premium price
 - “Salsa kit” with tomatoes, peppers, onions, cilantro
 - “Stir-fry special” with summer squash and baby vegetables

Setting Prices

- Know what your “competition” is charging
- Price in line with customers’ needs, desires, and willingness to pay (value perceptions)
- Adjust prices from market to market (based on your costs and their value perceptions)
- Have a concise, convincing explanation for why you charge what you charge

Setting Prices

- Avoid temptation to “dump” at end of market
 - Have a secondary market for cosmetically imperfect product – e.g. restaurant/food service
 - A donation to a food bank may be better than training your customers to wait for bargains
- Don’t willfully undercut other vendors’ prices
 - Can create a perception of lower value
 - Creates ill will amongst vendors; think teamwork

The best marketers have a

CUSTOMER SERVICE ORIENTATION

What sells...

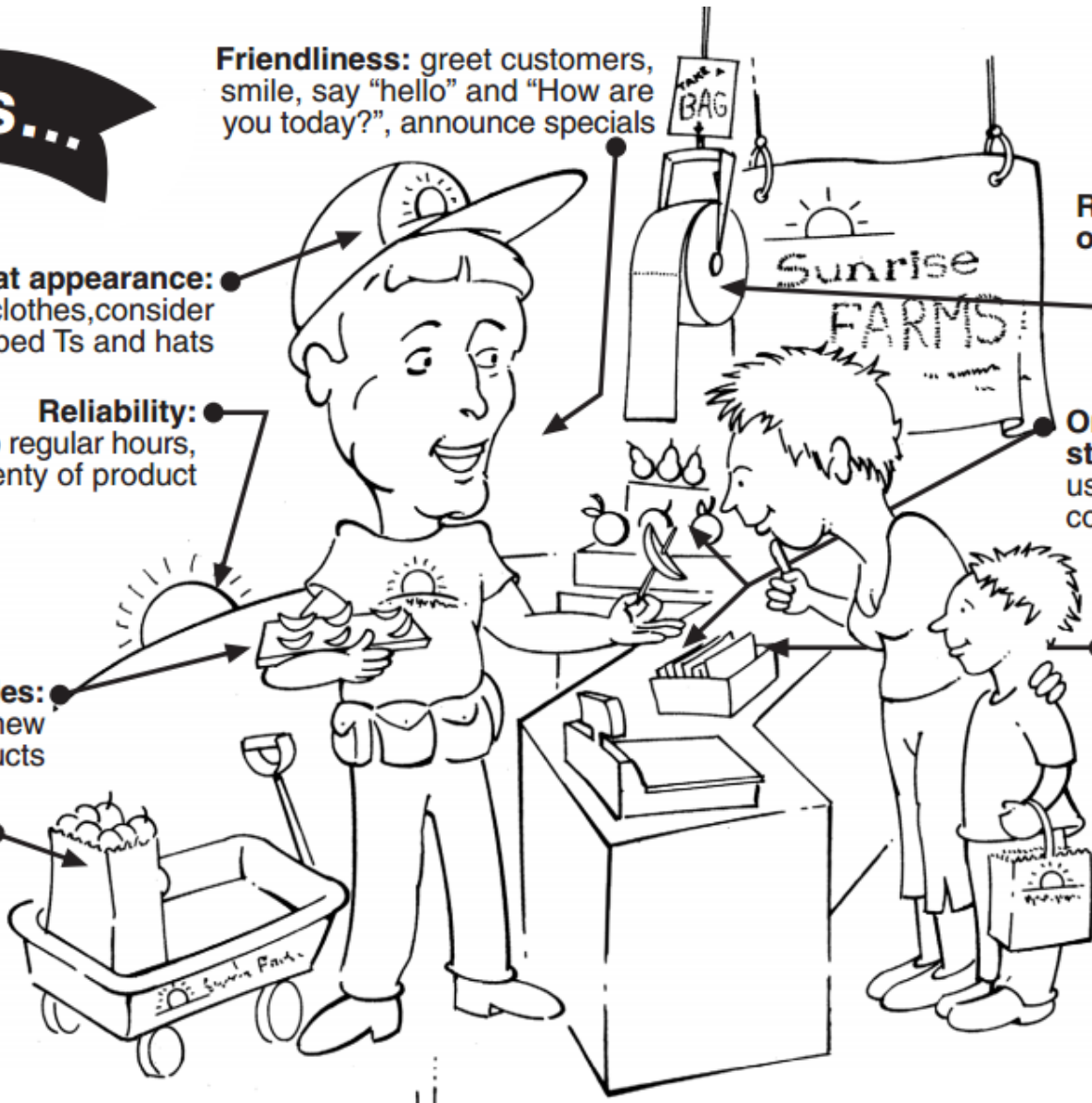
Friendliness: greet customers, smile, say "hello" and "How are you today?", announce specials

Neat appearance: wear clean clothes, consider logo-inscribed Ts and hats

Reliability: start on time, keep regular hours, have plenty of product

Samples: offer tastes of new or in-season products

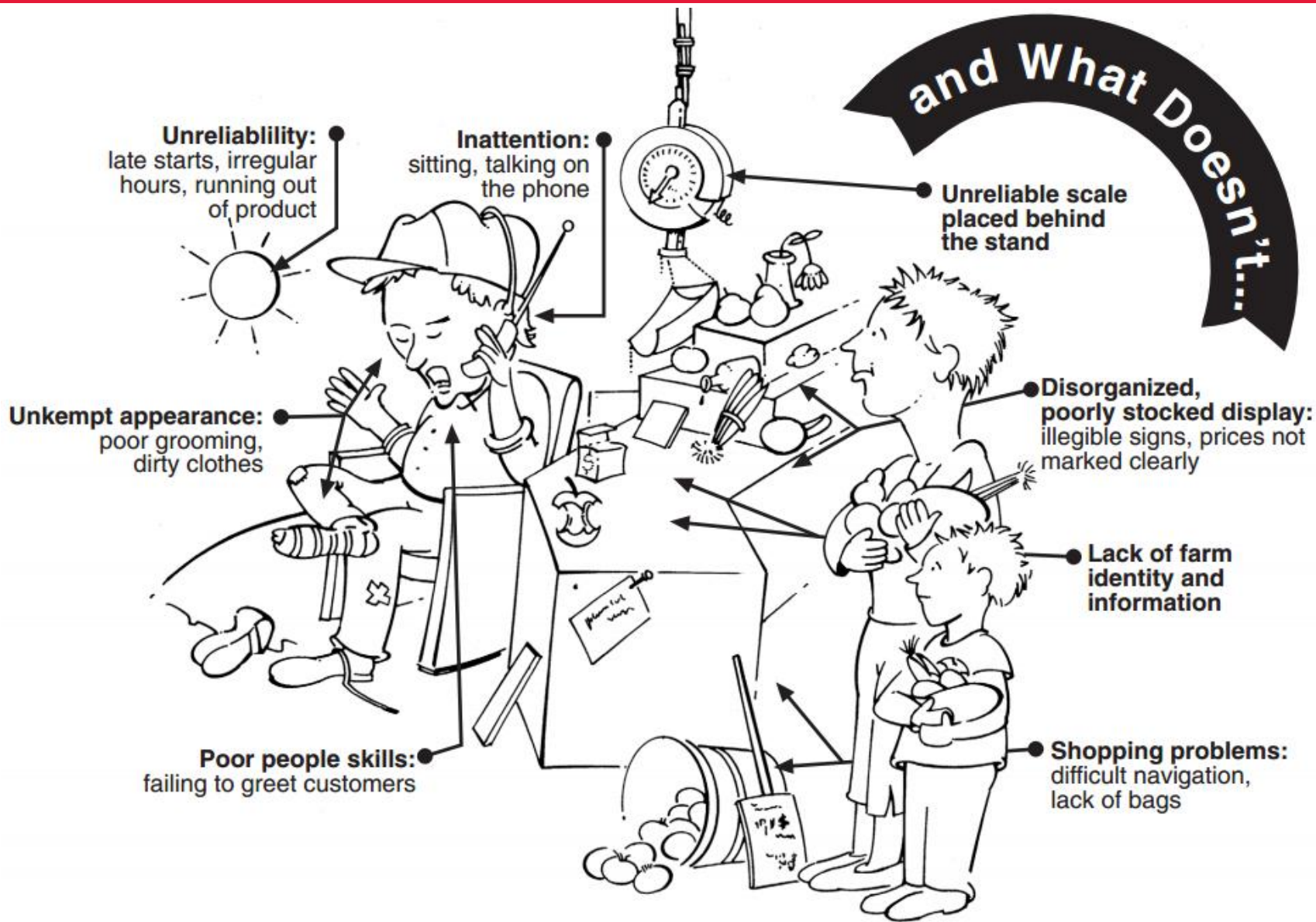
Special services: carry out purchases, give something extra to regular customers



Ready supply of bags

Organized, well-stocked display: use signs; set consistent prices

Information: pass out recipes, farm brochure, harvest calendar



People Matter!

Top 5 annoyances for farmers' market customers

- ➊ Vendor takes or makes cell phone calls while serving customers.
- ➋ Vendor chats a long while with other vendors or customers who have been helped while others are waiting.
- ➌ Long line has formed at the vendor's stand — most customers won't wait.
- ➍ Vendor fails to acknowledge waiting customers.
- ➎ Vendor cannot make change.

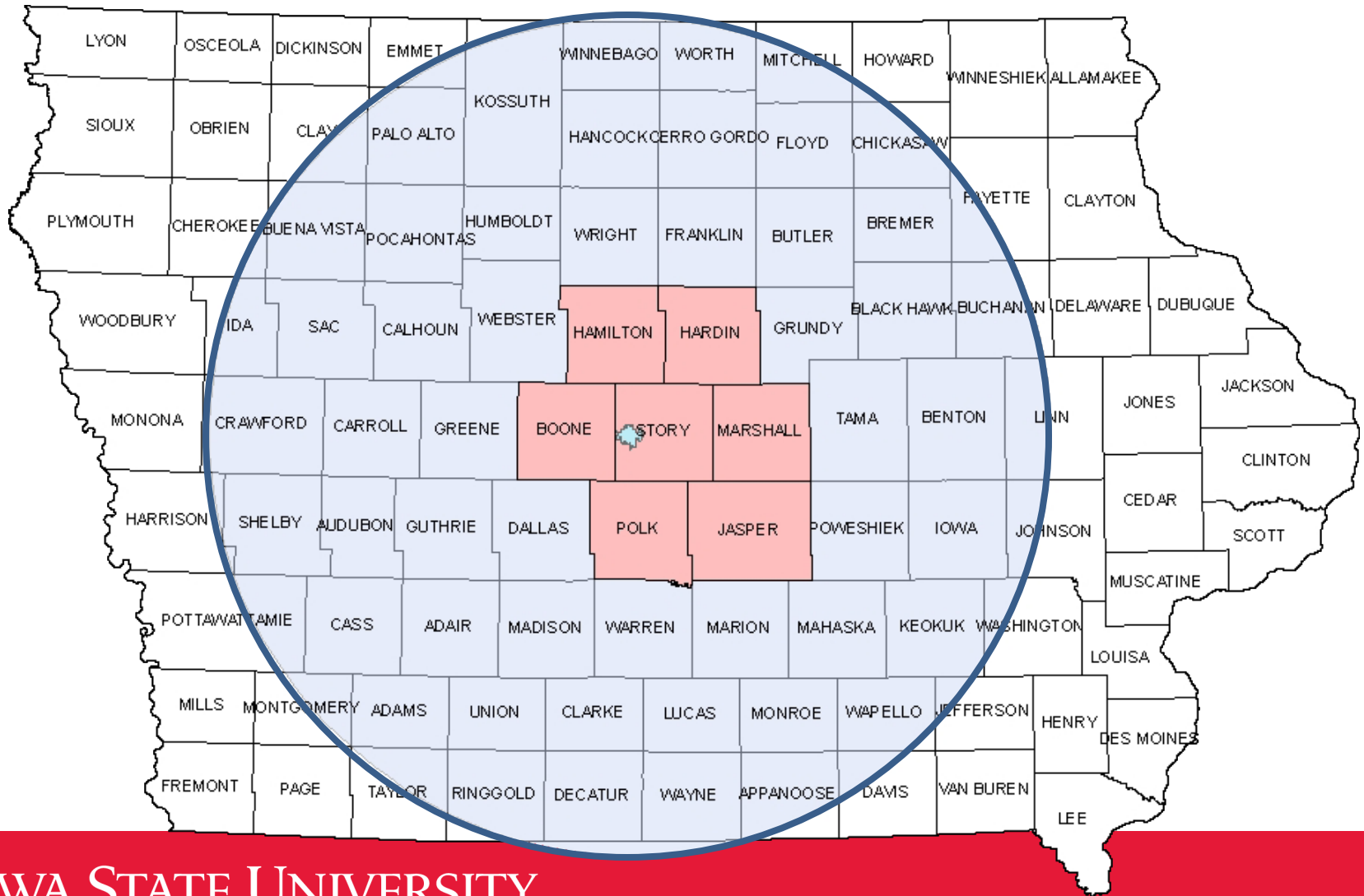
- More repeat business is lost due to a bad customer service experience than a bad product experience.

Get to Know Your Customers

- Greet by name (if you're good at that)
- Care – ask about family, or how they liked last week's purchase, recipe, etc
- Listen carefully; write down special needs or requests
- Do your research
 - Trends
 - Demographics



Nested perceptions of local



Make Customer Feel Important

- Acknowledge those waiting in line
- Sell a complementary product
- Give them something free
- Make contact between markets
- Face complaints gracefully
 - “What can I do to make this right?”
- Happy customers bring in new customers



Evaluate Your Marketing

- Take time to step out of your booth and get your customer's point of view
- Ask someone you trust to provide feedback
- Record yourself interacting with customers



Get to Know the Other Vendors

- Where are they from?
- What are their specialties?
- How can you complement their business?
 - Who is their target customer?
 - Are their customers looking for something you can provide?



YOU ARE AT MARKET TO PROVIDE...

ABUNDANCE

- Provide the customer with an abundance of:
 - **Fresh, high-quality product** that is handled carefully and presented attractively
 - **Ample information** regarding price, variety, and production method, as well as your farm **story**
 - **Customer service** that surpasses their expectations and builds a **relationship**

Farmers Marketing Resources

- Farmers Market Coalition – resource library
 - <http://www.farmersmarketcoalition.org/resources/resource-library>
- Iowa Department of Ag & Land Stewardship – Horticulture and Farmers Market Program
 - <http://www.iowaagriculture.gov/horticultureandFarmersMarket.asp>
- Iowa Farmers Market Association
 - <http://www.iafarmersmarkets.org/>
- Farmers Markets Today
 - <http://www.farmersmarketstoday.com>
- USDA-AMS Farmers Markets and Local Food Marketing
 - <http://www.ams.usda.gov/AMSV1.0/FARMERSMARKETS>

Farmers Marketing Publications

- Growing for Market – Selling at Farmers Markets,
 - <http://www.growingformarket.com/categories/20071227>
- Selling Strategies for Local Food Producers – Missouri Extension
 - <https://mospace.umsystem.edu/xmlui/bitstream/handle/10355/8915/SellingStrategiesLocalFoodProducers.pdf>
- Maximizing Your Sales, Diane Eggert, NY Farmers Market Federation
 - <http://farmersmarketcoalition.org/resources/home/article/resource-library/14-farm-business-and-marketing/123-maximizing-your-sales>
- ATTRA Farmers Markets Marketing & Business Guide,
 - <http://attra.ncat.org/attra-pub/farmmarket.html>
- Farmers Markets: Rules, Regulations, and Opportunities
 - http://www.nationalaglawcenter.org/assets/articles/hamilton_farmersmarkets.pdf

Thanks!

- What questions do you have?

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Checklist: Are you ready to sell?

Being prepared to sell is essential. You should have the basics covered before you open for business or make a sales call.

- Product quality:** Is your product fresh, clean and ready for sale? Are samples prepared?
- Price:** Is your product priced fairly and competitively? Is your price list accurate and up-to-date?
- Display:** Is your display neat, accessible and attractive? Are prices clearly marked? Is the name of your farm displayed on boxes, banners or signs?
- Supplies:** Do you have plenty of shopping bags. Do you have enough cash to make change? Is your scale in good working order? Are farm pamphlets and recipes available?
- Personal appearance:** Are you clean, neat, well dressed and well groomed?
- Attitude:** Are you proud of your products and what you do for a living?
- Service:** Are you ready to be personable and helpful? Do you have a plan for handling complaints? Do you have a good invoice system?
- Gratitude:** Are you thankful for your customers and the opportunity to serve them?