#### General

# Marketing and Selling Farm Products and Experiences



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## INTRODUCTION

To succeed in today's marketplace, your farm needs more than a great product—it needs a story that connects. Marketing that is accurate, compelling, and aligned with your farm's goals and values helps ensure your products and services reach the right customers and generate lasting revenue.

## **How to Get Started**

Marketing is all about highlighting your agricultural product(s), in a way that optimizes your farm goals, resources and skills. A key aspect of marketing is choosing the market(s) where you will sell your product(s).



#### **PRODUCTS:**

The type of product(s) and scale of production strongly impacts your marketing options. Some products, such as corn, soybeans, dry beans and large scale livestock production, are suited for the commodity market while others like diversified vegetables, orchard crops, cut flowers and small-scale livestock benefit from direct, intermediated and wholesale markets. It is important to understand that direct, intermediated and wholesale markets vary widely and might include farmers markets, wholesale cooperatives, produce brokers, community supported agriculture (CSA) shares, restaurant sales, institutional sales, retail (on-farm, consignment, co-op or grocery) and more. It's crucial to research these different markets to find out which are the best match for your scale, products and profit margins. For example, within the greater umbrella of wholesale markets, there are unique channels to serve differences in scale and product quality:

- a small scale vegetable farm may not meet the quantity of production needed to sell through a produce broker, but may find success selling in bulk to a food hub
- selling to a processor may be a great option for "seconds," produce that is small, misshapen or blemished, that may be rejected by retail produce buyers

Farm marketing can involve selling services and experiences in addition to products. Services could include things like custom processing, farm tours, educational offerings, etc. Experiences could include things like workshops, farm dinners, farm stays, or agritainment such as corn mazes, etc.

#### **FARM GOALS & VALUES:**

Your farm goals and values will also shape the markets you choose. Some examples for considerations include:

#### Financial

What is your financial goal for your farm/this product: to break even, to make a profit, to make a living, to be able to farm full time, to pay off debt, to afford an expansion of the business, etc. The amount of revenue you need to bring in will vary depending on where and how you market your product.

#### Personal

Consider how marketing will affect your "work-life balance". Is farming your full time job? Do you have a day job too? What about family obligations and incorporating time for travel, an "off" or slower season?

#### Social

Do your farm values and goals incorporate explicit social issues such as the desire to support your local community, buy from other local businesses, offer options for healthy food access, or provide educational opportunities?

#### Environmental

Consumers are currently very concerned about the environmental impact of their choices. Communication of your sustainable growing practices and the advertisement of certifications such as MAEAP, Certified Naturally Grown, Certified Organic, Animal Welfare Approved, etc. can often be a value-add that customers will pay extra for, and should play a large role in how and where you market your product(s).

#### **RESOURCES & SKILLS:**

It is important to acknowledge that marketing activities incur associated costs like time, that must be factored into your financial planning. All entrepreneurs, but especially farmers, tend to undervalue their own time. When it comes to marketing, sharing the story of a product you're proud of can be enjoyable, but it's easy to forget that the effort still costs time and money that could have been spent elsewhere.



Therefore, farms should periodically consider their marketing efforts and evaluate whether they are useful investments or if changes need to be made. It is also important to remember that targeted investment in contracted professional marketing services such as website builds, social media work, farmers market staffing, etc. may be a more efficient use of resources than the farm owner/operator doing all of that work themselves.

Each market channel requires a specific combination of skills and resources. For example, selling at a farmers market may require licensing, early mornings, long days of face-to-face interactions, staff time and travel, stall fees, retail displays, and often accepting varied forms of payment (credit cards, **EBT**, **Double up food bucks, etc.**). Additionally, there are risks involved in every market. Continuing with the farmers market example, factors such as bad weather can significantly affect daily sales in addition to the inherent risks of farming such as crop failure, pest pressure, drought, etc.



One way to mitigate risks is market diversification: select a few different outlets that are a good fit for your product so that even if one fails, you have other options to still bring in revenue. Lastly, it is important to understand that every market comes with unique costs and benefits, and that picking the right one for your product means balancing the tradeoffs.

For example, your product might fetch a higher price at a farmers market, but your staff and travel expenses will also be higher when compared to selling through an intermediary or wholesale market which, despite bringing in less revenue per unit, can often move a higher volume and will assume the cost of overhead, staffing, etc.

#### **REGULATIONS THAT PERTAIN TO MARKETING:**

All food and beverage products (even similar items) may have different regulations depending on what ingredients are used, the location or facility in which it is being produced, how the product is processed, the packaging materials used, the distribution or shipping methods, as well as a variety of other factors. Licensing and regulation for food and beverage production in Michigan is administered by:

- · Local Health Departments
- Michigan Department of Agriculture and Rural Development (MDARD)
- U.S. Department of Agriculture (USDA)
- U.S. Food and Drug Administration (FDA)
- Local zoning ordinances
- Michigan Department of Environment, Great Lakes and Energy (EGLE)



#### **SECTION 1**

## **CHOOSING MARKETS**

## **Primary Considerations**

- Products
- Skill sets
- Staff capacity (time to devote to marketing activities)
- Regulations
- Financial goals



## **Process for Getting Started**



Research the different types of markets available. Talk to other farmers about where they sell their goods. Ask if there are any markets they've tried in the past that they have stopped selling into and why they moved away from them. Consider any regulations, certifications, licenses, insurance or other requirements that markets may have.

Consider the capacity, skill sets and interests of those who will be involved in marketing your product(s). If you are a very small farm, there may be only one or two people responsible for managing sales and marketing activities and those individuals may also have production responsibilities to balance.

Also consider the financial goals for your business. Product pricing varies depending on the market. In general, markets that buy large volumes of product will pay a lower price per unit, but you'll sell many units. Selling directly to consumers will get the best price per unit, but you'll typically sell fewer units.

Disclaimer. For a specific list of resources in the above description, view the Necessary Resources area of this section.



#### **SECTION 1: CHOOSING MARKETS**

## **COMMON QUESTIONS**



# What are the regulations for selling my product(s)?

Regulations differ depending on what you are selling and where you want to sell it. Different agencies regulate agricultural sales, depending on the product, how it is processed and where it is sold. These agencies include:

- local health departments
- local planning and zoning departments
- Michigan Department of Agriculture and Rural Development (MDARD)

and federal agencies including:

- United States Department of Agriculture (USDA)
- Food and Drug Administration (FDA)

The <u>Selling Food In Michigan Quick Reference Guide</u> is a good starting point for exploring regulations around food products.



## Where can I sell my product?

Deciding which market(s) to sell into requires a good understanding of the product(s) you have to offer, your financial goals, and the skills of those who will be involved in marketing and selling your products, in addition to the customers you hope to reach.

If you are looking to sell commodities, generally you'll be selling into a single market. *More specifics about commodity marketing can be found in section 4 of this chapter.* 

For other types of products, there are many different options and each potential market has a unique set of considerations. Some farms sell into a single market and others will distribute their sales across multiple markets. Many farms that sell to multiple markets will change their markets over time as they find which work best for their business throughout its lifecycle. Many beginning farmers will start with a single market and expand into new markets. A market channel selection tool, such as the one shown, can be helpful in comparing various markets.

Minimum Expectations & Considerations for Entry into Various Market Channels<sup>1</sup>

MARKET CHANNEL CONSIDERATION	FARMERS MARKET		FARM STAND		CSA		SMALLER FOOD HUB (\$1-5 MILLION IN SALES)		RESTAURANT OR INSTITUTION		LARGER GROCERY		LOCAL/REGIONAL PROCESSOR		DISTRIBUTOR & LARGE FOOD HUB	
FARM CHARACTERISTICS																
Farmer Experience	Low	1	Low	1	Medium to High	4	Medium	3	Medium	3	High	5	Medium	3	High	5
Production Capacity	Low	1	Low to Medium	2	Low to High	3	Medium to High	4	Low to Medium	2	Medium	3	High	5	High	5
Mechanization/Systematization	Low	1	Low	1	Medium	3	Medium	3	Medium	3	Medium	3	High	5	High	5
Access to Land	Low to Medium	2	Low to Medium	2	Medium	3	Low to Medium	2	Medium	3	Medium to High	4	High	5	High	5
MARKETING/ADVERTISING																
Farm/Brand Visibility	High	1	High	1	High	1	Medium to High	2	Low to Medium	4	Low to Medium	4	Low	5	Low	5
Face-to-Face Interaction & Presence	High	1	Medium to High	2	High	1	Low	5	Medium	3	Low	5	Low	5	Low	5
Persistent Follow-Up Needed	Low	1	Low	1	Low to Medium	2	Medium	3	Medium to High	4	Medium	3	Low to Medium	2	Medium	3
PRODUCT CHARACTERISTICS																
Product Diversity	High	1	High	1	High	1	Low to Medium	4	Low to Medium	4	Low to Medium	4	Low	5	Low	5
Food Safety Requirements	Medium	3	Medium	3	Medium	3	High	5	Medium to High	4	Medium to High	4	High	5	High	5
Product Consistency Needed	Medium	3	Medium	3	Low to Medium	2	Medium to High	4	Medium to High	4	High	5	Medium	3	High	5
PRICING																
Setting Product Prices	High	1	High	1	Medium	3	Medium to High	2	Low to High	3	Low to Medium	4	Low	5	Low	5
Price Point	High	1	High	1	Medium	3	Medium	3	Medium	3	Medium	3	Low	5	Low to Medium	4
FARM LOCATION																
Access to 100,000+ Population	Very Important	1	Very Important	1	Very Important	1	Not Important	5	More Important	2	Less Important	3	Not Important	5	Not Important	5
LABOR																
Sales Labor Needs	High	1	Medium	3	Low to Medium	4	Low	5	Low	5	Low	5	Low	5	Low	5
TOTALS		11		13		17		28		25		28		33		34

Detailed discussion of these various market channels (farmers market, CSA, restaurants, retail, etc.) are also found in Pathways to \$100K in Farm Sales, also published as part of this series.

Portions borrowed or adapted from Guide to Marketing Channel Selection (2010), Cornell Cooperative Extension, p. 34.

Chart from Cary, T. (2017). Market channel selection tool. East Lansing, Ml: Michigan State University Center for Regional Food Systems. Retrieved from foodsystems.msu.edu/ resources/market-channel-selection-tool

The <u>Beginning Farmer Curriculum Marketing Modules</u> have a series of activities that can guide beginning farmers through this process:

## Activities in Module 1 - What Am I Marketing & What Are My Skills?

- Consider Your Face-to-Face Customer Time
- Assess Your Customer Base
- Assess Your Products

#### Activities in Module 2 - What Are My Marketing Options?

- Consider Farmers Markets
- Consider Online Sales
- Consider Wholesale Sales
- Consider Operating a CSA
- Consider a U-pick Operation
- Rank Your Top Choices

Detailed product-specific marketing and sales information can be found in the additional sections of this chapter:

- Section 2: Marketing and Selling Produce
- Section 3: Marketing and Selling Livestock and Livestock Products
- Section 4: Marketing Commodities
- Section 5: Producing, Selling and Marketing Value-Added Products
- Section 6: Marketing Experiences



### How do I know what price to charge?

In some cases, such as commodity markets, the market will set the price. In other cases, such as one's own farm market, the farm can set any price they would like. In yet other cases, there may be conversations involved about what the buyer is willing to pay and what the farm needs to charge. The product-specific sections of this chapter include specific pricing guidance, but the following general guidance applies to all:

 Keep farm records to know your costs of producing the product(s), including the time spent on farm management and marketing activities.



- Research your market(s) to understand pricing trends
  - USDA Agricultural Marketing Service provides reports at https://www.ams.usda.gov/services/market-research
  - Michigan Small Business Development Council (SBDC) offers free market research services at <a href="https://michigansbdc.org/our-services/market-research/">https://michigansbdc.org/our-services/market-research/</a>



## How do I market my product?

While detailed product-specific marketing strategies can be found in the additional sections of this chapter, the following recommendations apply to all types of farm businesses.

#### Put your best foot forward.

Great customer service leads to satisfied customers who tell their friends. The bulletin <u>Customer Service Basics for Agricultural Entrepreneurs</u> from Oklahoma State Extension provides an overview of considerations. The way that you present yourself, your farm, and your products can make an important impression on customers.

#### **Plan for Marketing Expenses**

Don't overlook the expenses of marketing, both time and money, when developing your farm budget. Potential marketing expenses could include:

- Time spent on market research, talking with potential customers, building and updating the farm website and social media, etc.
- Cost of web domain and hosting, email marketing software, etc.
- Paid advertising, such as in local newspapers, directories, direct mailings, etc.



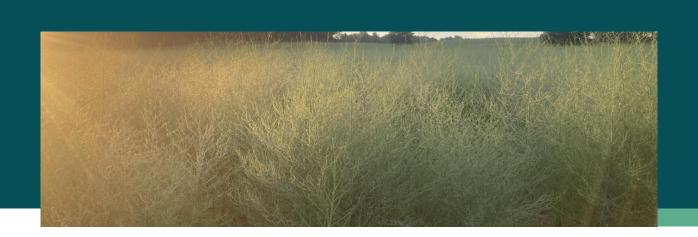
## How can I learn more about my customer(s)?

Here are some resources that outline different strategies for learning more about your ideal customer(s), sometimes called your "target market".



- Marketing Research Basics: Identifying Your
   Target Market article from Penn State
   Extension
- Tips for learning about potential customers from MSU Extension:

  <a href="https://www.canr.msu.edu/news/in\_search\_of\_marketing\_data">https://www.canr.msu.edu/news/in\_search\_of\_marketing\_data</a>



## **RESOURCES & PARTNERS**

## **Necessary Resources**

- USDA Farmers.gov How to Start a Farm: Sell Your Products:
   (https://www.farmers.gov/your-business/beginning-farmers/sell-your-products)
- <u>Selling Food In Michigan Quick Reference Guide</u>
- Beginning Farmers Marketing Curriculum Modules:
   <a href="https://www.beginningfarmercurriculum.org/marketing">https://www.beginningfarmercurriculum.org/marketing</a>
- Market Channel Selection Tool from the Toolbox for Vegetable Farm Viability: <a href="https://www.canr.msu.edu/resources/market-channel-selection-tool">https://www.canr.msu.edu/resources/market-channel-selection-tool</a>
- MSU Farm Business Management Commodity Marketing (msu.edu): (https://www.canr.msu.edu/tag/commodity-marketing)
- USDA Agricultural Marketing Service provides reports at: https://www.ams.usda.gov/services/market-research

- Michigan Small Business Development Council (SBDC) offers free market research services: <a href="https://michigansbdc.org/our-services/market-research/">https://michigansbdc.org/our-services/market-research/</a>
- Customer Service Basics for Agricultural Entrepreneurs:

  <a href="https://extension.okstate.edu/fact-sheets/customer-service-basics-for-agricultural-entrepreneurs.html">https://extension.okstate.edu/fact-sheets/customer-service-basics-for-agricultural-entrepreneurs.html</a>
- Marketing Research Basics: Identifying Your Target Market:
   https://extension.psu.edu/marketing-research-basics-identifying-your-target-market
- Tips for learning about potential customers from MSU Extension: https://www.canr.msu.edu/news/in\_search\_of\_marketing\_data

## **Educational Programs & Events**

 Local Food Marketing 101 presentation - available by request from <u>MSU Extension Community Food Systems</u>

#### **Partners**

- Michigan Department of Agriculture and Rural Development: <a href="https://www.michigan.gov/mdard">https://www.michigan.gov/mdard</a>
- Michigan Farmers Market Association: <a href="https://mifma.org/">https://mifma.org/</a>
- Michigan CSA Network: <a href="https://www.michigancsanetwork.org/">https://www.michigancsanetwork.org/</a>
- Michigan Farm to Institution Network:
   <a href="https://www.canr.msu.edu/michigan\_farm\_to\_institution\_network/">https://www.canr.msu.edu/michigan\_farm\_to\_institution\_network/</a>
- Taste the Local Difference: <a href="https://www.localdifference.org/">https://www.localdifference.org/</a>
- Michigan MarketMaker: <a href="https://mi.foodmarketmaker.com/">https://mi.foodmarketmaker.com/</a>
- Michigan Agritourism Association: https://www.michiganfarmfun.com/
- MSU Product Center: <a href="https://www.canr.msu.edu/productcenter/">https://www.canr.msu.edu/productcenter/</a>



#### **SECTION 2**

## **MARKETING & SELLING PRODUCE**

## **Primary Considerations**

- Volume
- Postharvest handling (produce safety, wash/pack, packaging, refrigeration/cold chain, etc.)
- Quality/grade (fresh or processing)
- Variety (growing niche crops or basics, growing many things or a few, etc.)
- Telling your story (advertising, signage, display, labels, certifications, etc. as appropriate to market channel)



## **Process for Getting Started**

#### STEP 1

Create a marketing plan. Decide where and how you would like to sell your produce (refer to Section 1- Choosing Markets). AgPlan is a free business planning software that can help you build a marketing plan for your farm business.



#### STEP 2

Build your crop plan accordingly:

#### **Resources for annual crops**

- Selecting and purchasing seeds and transplants (See the <u>Seeds</u> and <u>Transplants & Grafting</u> sections of this guide)
- Scheduling Vegetable Planting for Continuous Harvest from National Sustainable Agriculture Information Service (ATTRA)
- Crop Scheduling for Continuous Harvests and Planning
   Spreadsheets for CSAs and Farmers Markets from NC State
   Extension

#### **Resources for perennial crops**

- Selecting and purchasing pieces of roots, stems, or bulbs (See the <u>Seeds</u> and <u>Transplants & Grafting</u> sections of this guide)
  - Plant Spacing Calculator
  - Understanding and Choosing the Right Apple Rootstock
  - o Establishing an Apple Orchard
  - Blueberry Varieties for Michigan
  - Raspberry Varieties for Michigan
- <u>Planning and Planting an Orchard</u> from Penn State Extension
   Beginning Grower

Additional crop planning resources can be found in the Business Planning Chapter, section 1 under Operations: Crop & Production

#### STEP 3

Make a plan for harvest and post-harvest handling (washing, packaging, etc.) that meets the needs of your markets. Refer to your crop plan and/or seed packets and catalogs to determine when crops will be ready for harvesting.

- Post harvest handling resources for vegetable and fruit growers
- Post harvest sanitation, on farm food safety resources

Disclaimer. For a specific list of resources in the above description, view the Necessary Resources area of this section.



#### **SECTION 2: MARKETING & SELLING PRODUCE**

## **COMMON QUESTIONS**



# What are the regulations for selling produce in Michigan?

Whole fresh fruit and/or vegetables that have not been cut do not require a license to be sold to consumers. Many farms must comply with federal produce safety regulations. Determine if your farm is covered by using this tool from MSU Extension: <a href="https://www.canr.msu.edu/resources/am-i-covered">https://www.canr.msu.edu/resources/am-i-covered</a> and learn more about produce safety in Question 3.

Processing vegetables in any way, such as cutting, canning, freezing, etc. will usually require a license issued by the <u>Michigan Department of Agriculture</u> and Rural Development (MDARD).



### Do I need to wash my produce before selling it?



No. In some cases, washing might decrease the shelf life and increase the risk of food poisoning from your product.

Some products like soft berries rot more quickly once they are washed.

To start with, don't pick produce with poop on it. Once on the produce, poop can't be washed off enough to make a real difference in safety. In trying to wash poop off, you may end up spreading poop residue to other produce, too. Leave any produce with bird poop, deer poop or other fecal material in the field. After you're done harvesting, remove these products and throw them out. Be sure to wash and sanitize all equipment that came in contact with poopy produce thoroughly before using it for food again.

The less dirt on your produce in the first place, the less need there will be to wash it. Reduce the potential for dirty produce by using mulch to reduce soil contact for some crops. When practical, trellis crops like beans, cucumbers, tomatoes and others. Less dirt on the crop means less dirt you need to worry about.

Some crops DO benefit from washing. Root vegetables in particular need a lot of moisture in storage and will store better if rinsed with water prior to storage. The added moisture keeps the humidity in storage crates higher. Rinsing root vegetables right after harvest removes more dirt than if it's allowed to dry on the surfaces.



## Do I need food safety certification?

Whether you need third party verification or formal certification of your farm's food safety practices depends on your market(s). Many wholesale markets will require third party food safety certification. Smaller, local and regional wholesale markets may require a written food safety plan and/or a farm visit. Whether or not your market requires certification, all farms that grow produce should be familiar with basic on farm produce safety practices and whether their farm is covered under the Food Safety Modernization Act (FSMA) Produce Safety Rule regulations.



#### Michigan On Farm Produce Safety

offers free and confidential on farm produce safety education and resources.



### MSU Extension's Agrifood Safety

**Website** has many resources for farms about on farm food safety practices.



MSU Extension has a virtual tool to help you find out if your farm is covered by federal produce safety regulations: Food Safety

Modernization Act (FSMA) "Am I covered?".



## How do I reach potential customers?

Advertising and promotion are particularly important for direct to consumer sales, but can be useful for wholesale and intermediated markets as well.

Refer back to section one for resources on how to identify your target customer audience, and consider using these guiding questions:

- Who is my target customer?
- What are their values?
- What needs and wants could my product fulfil for them?

What value do you add to the customer's buying experience beyond the product itself? Examples could include great customer service, solving a problem, meeting a need, providing an experience, etc.

Once you have this information, it's time to connect! There are **digital**, **print** and **face-to-face** opportunities:

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#### **Print Marketing**

#### Face-to-Face Marketing

- Farm website
- Email marketing
- Google Business profile
- Local food & farm directories
- Social media

- Flyers at local businesses
- Direct mailings to area households
  - Advertisements or guest columns in local newspapers
- Visit chefs, local grocery stores, etc.
- Talk to customers at farmers markets
- Attend meet-thebuyer events



## How do I know what price to charge?



Farms selling directly to consumers have the advantage of setting their own price. Ideally the price should factor in all the costs of doing business, including inputs and labor, as well as a profit margin. If you are selling in a farmers market, you should be priced competitively with other farms with similar quality and production practices.

If you're priced too low, it can undercut sales to other farmers and be damaging to the market as a whole. If you're priced too high, customers will shop elsewhere.

Market prices can vary based on zip code, so visiting a variety of markets and comparing pricing as part of your market research can be helpful.

When pricing products in the wholesale market, the grower should keep the marketing cost incurred by the buyer in mind. Marketing costs on behalf of the buyer vary widely, but a good benchmark is 30% of the final consumer price. So, if the final consumer price is typically \$5 for a bunch of local carrots, \$1.50 is spent on marketing.



For growers transitioning into this market type from direct to consumer markets, try reducing your retail price by 30%. If you are a small-scale grower, communicate the added value you bring (freshness, taste, quality, local brand, flexible delivery, etc.) to compensate for the potentially higher price of products compared to much larger scale producers. Wholesale buyers typically purchase produce by the case rather than by the item. Providing a pricing sheet that lists your items by the case will be helpful when talking to buyers. Case-size pricing can be calculated by multiplying the number of units by their retail price and reducing that figure by 20–30% to account for the wholesale nature of the transaction.

## Here are some resources that may be helpful in determining how to price your products:

- Oregon State Extension Bulletin: <u>How Much Can I Charge for My Farm</u>
   <u>Products</u>
- <u>Effective Pricing Methods for Produce at Farmers Markets</u> article from Penn State Extension
- Factsheet from Cornell Small Farms Program: <u>Finding Price</u>
   <u>Information</u>



## **RESOURCES & PARTNERS**

## **Necessary Resources**

- Marketing Fresh Produce via Direct to Consumer and Intermediated
   Markets
- Beginning Farmers Marketing Curriculum Modules: <a href="https://www.beginningfarmercurriculum.org/marketing">https://www.beginningfarmercurriculum.org/marketing</a>
- Market Channel Selection Tool from the Toolbox for Vegetable Farm Viability: <a href="https://www.canr.msu.edu/resources/market-channel-selection-tool">https://www.canr.msu.edu/resources/market-channel-selection-tool</a>
- Marketing Fresh Produce via Direct to Consumer and Intermediated Markets: <a href="https://www.canr.msu.edu/resources/bulletin-e-3424-marketing-fresh-produce-via-direct-to-consumer-and-intermediated-markets">https://www.canr.msu.edu/resources/bulletin-e-3424-marketing-fresh-produce-via-direct-to-consumer-and-intermediated-markets</a>
- NCAT Marketing Tipsheet Series Tips for Selling to Produce Brokers: <a href="https://attra.ncat.org/publication/tips-for-selling-to-produce-brokers/">https://attra.ncat.org/publication/tips-for-selling-to-produce-brokers/</a>
- NCAT Marketing Tipsheet Series Tips for Selling to Aggregators/Grower Marketing COOPS: <a href="https://attra.ncat.org/publication/tips-for-selling-to-aggregators-grower-marketing-coops/">https://attra.ncat.org/publication/tips-for-selling-to-aggregators-grower-marketing-coops/</a>

#### **Marketing Plan Resources:**

- AgPlan Software and AgPlan Marketing Plan Tutorial
- Agricultural Business Digital Marketing Plan from University of Vermont Extension

#### **Crop Planning Resources:**

- Scheduling Vegetable Planting for Continuous Harvest from National Center for Appropriate Technology's ATTRA Sustainable Agriculture Program
- Crop Scheduling for Continuous Harvests and Planning
   Spreadsheets for CSAs and Farmers Markets from NC State Extension
- Planning and Planting an Orchard from Penn State Extension Beginning Grower

#### Food Safety and Regulatory Resources:

- Good Agricultural Practices information from MSU Extension
- MSU Extension <u>Agrifood Safety Website</u>
- Michigan On Farm Produce Safety program website
- Food Safety Modernization Act (FSMA) "Am I covered?" tool from MSU Extension
- <u>Does Your Business Qualify? List of Food Licence Exemptions</u> from the Michigan Department of Agriculture and Rural Development

#### Post Harvest Handling Resources:

- General:
  - Post Harvest Handling Resources for Vegetable and Fruit Growers from MSU Extension
  - Post Harvest Sanitation and Food Safety from MSU Extension
  - Beat the Heat in Postharvest Handling an article from Growing for Market that discusses strategies for reducing and removing field heat to improve quality and food safety
- For Wholesale Markets:
  - Wholesale Success: A Farmer's Guide to Food Safety, Selling,
     Postharvest Handling and Packing Produce
  - o <u>USDA AMS Grades and Standards for Vegetables</u>
  - USDA AMS Grades and Standards for Fruits
- <u>Farm Branding: Selling Your Products Through Story</u> from National Center for Appropriate Technology's ATTRA Sustainable Agriculture Program
- Marketing & Promotions Resources from Taste the Local Difference
- Farm Certification Options from MSU Extension
- <u>Sell More! Farmers Market Vendor Booth Guide</u> from Washington State University Small Farms Program
- Growing Michigan's Future: A Guide to Marketing Your Michigan Food and Agriculture Products from Michigan Department of Agriculture and Rural Development
- How Much Can I Charge for My Farm Products bulletin from Oregon State Extension

- <u>Effective Pricing Methods for Produce at Farmers Markets</u> article from Penn State Extension
- <u>Finding Price Information</u> Factsheet from Cornell Small Farms Program

#### **Digital Marketing Resources:**

- How to Create a Google Business Profile
- How to Pick an Email Marketing Platform from Community Alliance with Family Farmers
- 7 Simple Steps for Creating a Website from Community Alliance with Family Farmers
- <u>10 Tips for Farm Social Media</u> from Land-Grant Press by Clemson Extension
- My Digital Farmer Podcast

## **Educational Programs & Events**

- Local Food Marketing 101 presentation available by request from <u>MSU</u> <u>Extension Community Food Systems</u>
- CSA Innovation Network Ideas Lab
- Michigan Farmers Market Association <u>Farm Based Education Program</u>
- Taste the Local Difference <u>Local Food Marketing Academy</u>

#### **Partners**

- Michigan Farmers Market Association: <a href="https://mifma.org/">https://mifma.org/</a>
- Michigan Farm to Institution Network:
   <a href="https://www.canr.msu.edu/michigan\_farm\_to\_institution\_network/">https://www.canr.msu.edu/michigan\_farm\_to\_institution\_network/</a>
- Michigan CSA Network: <a href="https://www.michigancsanetwork.org/">https://www.michigancsanetwork.org/</a>
- MarketMaker: <a href="https://mi.foodmarketmaker.com/">https://mi.foodmarketmaker.com/</a>
- Taste the Local Difference: <a href="https://www.localdifference.org/">https://www.localdifference.org/</a>
- Michigan On-Farm Produce Safety: <a href="https://www.miofps.org/">https://www.miofps.org/</a>
- Michigan Department of Agriculture and Rural Development: <a href="https://www.michigan.gov/mdard">https://www.michigan.gov/mdard</a>



#### **SECTION 3**

# MARKETING & SELLING LIVESTOCK & LIVESTOCK PRODUCTS

## **Primary Considerations**

Decide which products you wish to market. These all have different requirements for marketing.

- Animals for slaughter or meat products
- Breeding stock animals
- Dairy products
- Fiber products
- Eggs

## **Process for Getting Started**

Livestock products can be marketed many different ways. Both small and large producers can take advantage of public auctions to sell livestock for slaughter purposes. Animals can be marketed directly from the farm whether for slaughter or breeding stock purposes. Animals sold for slaughter purposes must be sold live and the purchaser processes the animal.



If producers plan to sell cuts of meat, whether from the farm or at farmers markets, the animal must be processed at a USDA inspected processing plant and other licensing may be required. The producer must also have the appropriate licensing from MDARD.

Dairy products require special licensing through the Michigan Department of Agriculture Dairy Division. Shares may be an option for Dairy products as well.

Eggs can be marketed by small producers as long as they are producing the eggs and not purchasing them for resale. Large egg producers are required to be licensed and have a licensed egg washing facility.

Disclaimer. For a specific list of resources in the above description, view the Necessary Resources area of this section.



#### **SECTION 3: MARKETING & SELLING LIVESTOCK**

## **COMMON QUESTIONS**



Can I sell milk or dairy products using the Michigan Cottage Food Law from a farm stand or at a farmers market?

No, in order to sell milk or dairy or dairy products, the milk must be produced at a licensed dairy and processed in a licensed processing plant.



## Can I sell frozen cuts of meat from a farmstand or at a farmers market?

In order to sell fresh or frozen cuts of meat at a farmers market or from a farm stand the animal must be processed at a USDA inspected facility and the producer must have a food warehouse license from the Michigan Department of Agriculture and Rural Development.



## Can I sell eggs to my neighbor or at a farm stand?

As long as you have under 3,000 hens and you own them (are not buying eggs for resale) you can sell eggs at a farmstand/farmers market. Other labeling requirements may need to be met for farmers markets.



## Can I sell live animals off the farm for slaughter?

A live animal can be sold to the public off the farm and then processed however or wherever the purchaser decides.



### Can I sell venison?

In order to sell venison it must be processed and inspected at a licensed facility, or purchased from a licensed game ranch. Hunter harvested venison must be kept for personal use and marked as not for sale.



# **RESOURCES & PARTNERS**

# **Necessary Resources**

- <u>Producing Shell Eggs: Less than 3,000 laying hens</u> factsheet from MSU Center for Regional Food Systems
- Producing Shell Eggs: Greater than 3,000 laying hens
   factsheet from MSU Center for Regional Food Systems
- Becoming a Michigan Licensed Shell Egg Operator from Michigan
   Department of Agriculture and Rural Development
- <u>Selling Farm Fresh Poultry in Michigan</u> factsheet from MSU Center for Regional Food Systems
- <u>Selling Farm Fresh Meat in Michigan</u> factsheet from MSU Center for Regional Food Systems
- <u>Meat Marketing and Processing</u> resources form MSU Extension

# **Educational Programs & Events**

- Small Scale Poultry Farming Online Course, includes marketing module: <a href="https://www.canr.msu.edu/courses/small-scale-poultry-farming-online-course">https://www.canr.msu.edu/courses/small-scale-poultry-farming-online-course</a>
- Recorded webinar Selling Farm Fresh Meat in Michigan: <a href="https://www.canr.msu.edu/videos/selling-farm-fresh-meat-in-michigan">https://www.canr.msu.edu/videos/selling-farm-fresh-meat-in-michigan</a>

### **Partners**

- Michigan Department of Agriculture and Rural Development: <a href="https://www.michigan.gov/mdard">https://www.michigan.gov/mdard</a>
- Taste the Local Difference: <a href="https://www.localdifference.org/">https://www.localdifference.org/</a>



### **SECTION 4**

# **MARKETING COMMODITIES**

# **Primary Considerations**

- Cost of Production
- Difference between futures prices, cash prices, and basis
- Market environment
- Pricing decision tools
- Market planning

# **Process for Getting Started**

Knowing what costs went into producing the grain is the first step in getting started in grain marketing. Identifying your cost of production requires good, accurate details in your farm records. It also requires an understanding of what costs should be included in establishing a minimum price.



Understanding the relationship between futures prices, cash prices, and basis in the market environment is the next step in pricing your grain.

Understanding pricing patterns between futures, cash, and basis is important to determining when the best prices typically are available. You can use pricing patterns to provide target periods to help you evaluate your decision options.

Once you begin to understand the market environment, consider which pricing tools may be beneficial to your pricing goals. Pricing decision tools can help to mitigate the risks that prices move in opposite or unfavorable directions for your farm. In some cases, you can use multiple decision tools together to provide the best protection against risk.

The components of market prices, market environment and even pricing tools may be simple to understand once you are familiar with them. However, marketing involves a lot of unknowns every year. Those unknowns can mean that decisions you make are not 100% guaranteed to secure a profitable price. But don't let perfect be the enemy of the good! Pay attention to trends and make a marketing plan that uses a few different marketing tools. These two simple rules can help you better manage your risk and improve your chances of locking in profitable prices.

Disclaimer. For a specific list of resources in the above description, view the Necessary Resources area of this section.





### **SECTION 4: MARKETING COMMODITIES**

# **COMMON QUESTIONS**



# What is the difference between futures prices, cash prices, and basis?

Think of the futures price as the world price for each commodity in the market. Most farms don't sell grain directly on the futures market but rather at a local, domestic location (grain elevator, processor, etc.). The local price is called the cash price. The difference between the cash price and futures price is called basis. Basis is set by the local market and is essentially a fee charged for transportation, storage and interest costs. It can also be influenced by local supply and demand.



# How do I know what a "good price" is?

One of the most common misconceptions is that a good price is the highest price the market will offer. Pursuing the highest price can be harmful to your farm, especially if markets are experiencing volatility; where prices can move up or down very quickly. Finding a "good price" involves having a clear understanding of your farm's cost of production. Knowing what costs went into production establishes a minimum or break-even price that must be met.

Every farm differs in how it produces grain and operates the business. This difference means that your cost of production and minimum price will be different from your neighbor's. Identifying your cost of production requires good, accurate details in your farm records to ensure all of your costs are included.

For more information on cost of production, review the MSU Bulletin E-3411: Introduction to Cost of Production and Its Uses at <a href="https://www.canr.msu.edu/resources/bulletin-e-3411-introduction-to-cost-of-production-and-its-uses">https://www.canr.msu.edu/resources/bulletin-e-3411-introduction-to-cost-of-production-and-its-uses</a>.

For forage growers, also review:

https://www.canr.msu.edu/resources/marketing-and-pricing-standing-hay



### When is the best time to sell?

Although the market can be volatile and risky at times, patterns or trends can be seen year after year. Understanding pricing patterns is important to determining when the best prices typically are available. To understand these patterns or trends, start by learning about your crop's marketing season. You can use this understanding of pricing patterns to provide some target periods to help you evaluate your decision options.

It's important to note that global production can also have an influence on pricing patterns. The difference in growing seasons can mean ample supplies of commodities are available during off-seasons for some countries. For more information, review the MSU factsheet "When Is The Best Time to Sell Grain" at <a href="https://www.canr.msu.edu/resources/when-is-the-best-time-to-sell-grain.">https://www.canr.msu.edu/resources/when-is-the-best-time-to-sell-grain.</a>



### How do pricing tools or contracts work?

Each type of pricing decision tool or contract captures some aspect of a final cash price. For example, a basis contract locks in the local basis. This allows the potential to capture a better futures price if it increases before the intended delivery date. Similarly, a hedge-to-arrive locks in the futures price for an intended delivery period and allows a potentially better basis to be set later on. Pricing decision tools can help to mitigate the risks when prices move in opposite or unfavorable directions for your farm. More details on pricing decision tools can be found in MSU Bulletin E-3416: Introduction to Grain Marketing: <a href="https://www.canr.msu.edu/resources/bulletin-e-3416-introduction-to-grain-marketing">https://www.canr.msu.edu/resources/bulletin-e-3416-introduction-to-grain-marketing</a>



## What's involved in creating a marketing plan?

A marketing plan is defined as a proactive strategy to price grain. It takes into consideration financial goals, cash flow needs, crop insurance coverage, anticipated production, storage capacity, and your appetite for risk. A marketing plan needs to start with a description of the plan goals. Goals can be short or more detailed, depending on what you're trying to achieve.

Bushel objectives and pricing targets are the next part of the marketing plan. Once you've identified how much of your production will be marketed, break the total number down to smaller amounts. Set a pricing target by using your cost of production to determine the average price you want to reach. Then you can create price targets around that average.

Setting decision deadlines is the next step in your marketing plan. If prices do not meet your price target, the deadlines ensure you are proactive about pricing. Deadlines work with pricing targets to help you make sales when you need to. They can also help to look ahead to upcoming payments if opportunities for better pricing exist and you want to test the market longer.

The last component of a marketing plan is pricing decision tools or contracts. Pricing decision tools help to decide how you're going to price grain once you reach a decision deadline.



## **RESOURCES & PARTNERS**

# **Necessary Resources**

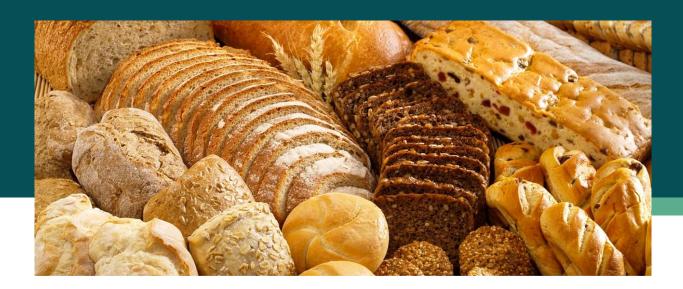
- MSU Extension Commodity Marketing homepage: https://www.canr.msu.edu/tag/commodity-marketing
- MSU Bulletin E-3411: Introduction to Cost of Production and Its Uses:
   <a href="https://www.canr.msu.edu/resources/bulletin-e-3411-introduction-to-cost-of-production-and-its-uses">https://www.canr.msu.edu/resources/bulletin-e-3411-introduction-to-cost-of-production-and-its-uses</a>
- MSU factsheet: When Is The Best Time to Sell Grain:
   <a href="https://www.canr.msu.edu/resources/when-is-the-best-time-to-sell-grain">https://www.canr.msu.edu/resources/when-is-the-best-time-to-sell-grain</a>
- MSU Bulletin E-3416: Introduction to Grain Marketing: <a href="https://www.canr.msu.edu/resources/bulletin-e-3416-introduction-to-grain-marketing">https://www.canr.msu.edu/resources/bulletin-e-3416-introduction-to-grain-marketing</a>
- Michigan State University Grain Marketing Basics Workshop: <a href="https://www.canr.msu.edu/resources/grain-marketing-basics-workshop">https://www.canr.msu.edu/resources/grain-marketing-basics-workshop</a>
- Commodity Challenge: <a href="https://commoditychallenge.com">https://commoditychallenge.com</a>
- lowa State University Grain Marketing: <a href="https://www.extension.iastate.edu/agdm/cdmarkets.html">https://www.extension.iastate.edu/agdm/cdmarkets.html</a>

# **Educational Programs & Events**

- MSU Extension Grain Gains: An Introduction to Grain Marketing Self-Paced Online Course: <a href="https://www.canr.msu.edu/courses/grain-gains-an-introduction-to-grain-marketing">https://www.canr.msu.edu/courses/grain-gains-an-introduction-to-grain-marketing</a>
- MSU Extension Field Crops Virtual Breakfast Series: <a href="https://www.canr.msu.edu/field\_crops/virtual-breakfast/">https://www.canr.msu.edu/field\_crops/virtual-breakfast/</a> (September usually holds a Grain Marketing session)

### **Partners**

- Cargill, Inc: <a href="https://www.cargillag.com/home">https://www.cargillag.com/home</a>
- Michigan Agricultural Commodities, Inc: <a href="https://www.michag.com/">https://www.michag.com/</a>
- The Andersons, Inc: <a href="https://www.andersonsgrain.com/">https://www.andersonsgrain.com/</a>
- U.S. Grains Council: https://grains.org/



### **SECTION 5**

# Producing, Selling, & Marketing VALUE-ADDED PRODUCTS

# **Primary Considerations**

In Michigan, the term "value-added agricultural products" is formally defined under the Julian-Stille Value-Added Act (Public Act 322 of 2000), which pertains to the Michigan Department of Agriculture and Rural Development (MDARD) grant programs. According to that Act, "Value-added" means the enhancement or improvement of the overall value of an agricultural commodity or of an animal or plant product into a product of higher value. The enhancement or improvement includes, but is not limited to, marketing, agricultural processing, transforming, or packaging. Examples include milling wheat into flour, pressing apples into cider, or converting berries into jam.

Value-added products (even similar items) may have different licensing requirements and regulations depending on what ingredients are used, the location or facility in which it is being produced, the packaging materials used, the distribution or shipping methods, as well as a variety of other factors.

# Licensing and regulation for food and beverage production in Michigan is administered by:

- Local Health Departments
- Michigan Department of Agriculture and Rural Development (MDARD)
- U.S. Department of Agriculture (USDA)
- U.S. Food and Drug Administration (FDA)
- Local zoning regulations
- Michigan Department of Environment, Great Lakes and Energy (EGLE)



The Michigan Cottage Food Law (Public Act 113 of 2010) allows individuals to produce certain "non-potentially hazardous" foods in the unlicensed, uninspected kitchen of their primary residence and sell them directly to consumers at venues like farmers markets, farm stands, and craft fairs, provided annual gross sales do not exceed \$25,000 per household.

**Eligible foods** include shelf-stable baked goods, fruit jams/jellies, candies, popcorn, granola, dry mixes, dried pasta, roasted coffee, and vinegars, while **prohibited items** include any requiring refrigeration or time/temperature control, such as meats, dairy products, pickled goods, salsas, cream pies, beverages, and pet foods. Sales to restaurants, retailers, or online are not allowed.

### **ELIGIBLE**



### **PROHIBITED**



All products must be labeled with the statement "Made in a home kitchen that has not been inspected by the Michigan Department of Agriculture & Rural Development" (in at least 11-point type), along with the product name, producer's name and physical address, ingredient list in descending weight order, net weight or volume, and allergen declarations. While no license or routine inspection is required, producers must still follow safe food handling practices, and Michigan State University Extension offers training and resources to help cottage food businesses operate legally and safely.

# **Process for Getting Started**

Successful business ventures start out with detailed planning. Writing a business plan, startup budget and operating budget specifically for your value-added agricultural products is generally worth the time and energy to ensure the long-term success of the venture. See the <u>Business Planning</u> section of this guide for more information.

Once you have a business plan completed, you can seek counseling from the Michigan State University Product Center to guide you through the licensing process. To request counseling from the MSU Product Center, **click on the**"Become a Client" link at the top of the website. There is a one-time \$100 application fee to request counseling from the MSU Product Center.





### **SECTION 5: VALUE-ADDED PRODUCTS**

# **COMMON QUESTIONS**



### How do I develop a commercial-ready recipe?

Developing a **commercially ready recipe** for a value-added agricultural product begins with selecting a marketable concept that highlights the unique qualities of the raw ingredient, followed by test batches to refine flavor, texture, and appearance while ensuring consistent quality.

If you are developing a shelf stable product in a sealed container that is not produced under the Michigan Cottage Food Law, a licensed commercial kitchen will be required and a retail or wholesale processing license must be secured. Shelf stable products in sealed containers typically require <a href="Process">Process</a>
<a href="Authority Review.">Authority Review.</a>

Once you have finalized the recipe, measurements are converted to precise weights for repeatability, and ingredient sourcing is evaluated for availability, cost, and compliance with food safety standards.



# How do I secure the proper licensing?

Value-added products (even similar items) may have different licensing requirements and regulations depending on what ingredients are used, the location or facility in which it is being produced, the packaging materials used, the distribution or shipping methods, as well as a variety of other factors.

# Licensing and regulation for food and beverage production in Michigan is administered by:

- Local Health Departments
- Michigan Department of Agriculture and Rural Development (MDARD)
- U.S. Department of Agriculture (USDA)
- U.S. Food and Drug Administration (FDA)
- Local zoning regulations
- Michigan Department of Environment, Great Lakes and Energy (EGLE)

To learn more about licensing required to sell a packaged food or beverage product, contact the Michigan Department of Agriculture and Rural Development at 1-800-292-3939 to speak with an inspector about your licensing requirements. If you are selling ready-to-eat foods or beverages, contact your local health department for licensing information.



### What are the labeling requirements?



Packaged food and beverage products must be labeled in compliance with both the Michigan Food Law and applicable federal regulations, meaning each label must clearly display the product's common or usual name, the name and physical address of the manufacturer, packer, or distributor, the net quantity of contents by weight, volume, or count, and a complete ingredient list in descending order by weight, including sub-ingredients when applicable.

Labels must also identify any of the nine major allergens (milk, eggs, fish, crustacean shellfish, tree nuts, peanuts, wheat, sesame and soybeans) as required by the Food Allergen Labeling and Consumer Protection Act (FALCPA), and <u>nutrition facts must be provided unless the product qualifies for an exemption</u> (such as certain small businesses).

Michigan Cottage food products require the additional statement, in at least 11-point type, "Made in a home kitchen that has not been inspected by the Michigan Department of Agriculture & Rural Development." All required information must be prominent, legible, and in English to ensure consumers can make informed and safe purchasing decisions.

# 04 How do I price my product(s)?

Pricing value-added agricultural products works best when you combine cost-based pricing with market-based pricing so you cover expenses, pay yourself fairly, and remain competitive. Here's a step-by-step approach you can use:

### STEP 1:

Calculate your total costs – Include all direct costs (ingredients, packaging, labels), indirect costs (utilities, equipment, labor—even your own time at a fair hourly rate), and fixed costs (licenses, insurance, marketing, and distribution). Don't forget things like fuel or booth fees. Grocery retailers typically add a 30% markup for shelf stable products and a 50% mark-up for refrigerated or frozen products.

#### STEP 2:

**Add your desired profit margin** – A common target for food products is 30–50% over total costs, but this can vary depending on your market, brand positioning, and product uniqueness.

#### STEP 3:

**Research your market** – Visit farmers markets, specialty stores, and online shops to see what similar products sell for. Note differences in size, quality, packaging, and branding to help position your product.

### **STEP 4:**

**Adjust for perceived value** – If your product has a unique selling point (organic ingredients, locally sourced, small batch, heritage varieties), you can often price at a premium because customers are paying for the story, quality, and experience.

### **STEP 5:**

**Check your price against customer willingness to pay** – Test at markets or events. If your product sells too quickly, you might be underpricing; if sales are slow, you may need to adjust pricing or packaging size.

### STEP 6:

**Review regularly** – Ingredient and packaging costs change over time, so revisit your pricing at least annually to keep your profit margin healthy. The MSU Product Center offers a Pricing Worksheet to clients. See information below on becoming a client of the MSU Product Center.

# 05 How do I sell my product(s)?

Your business plan should outline your target customer base and your strategies for reaching these customers. If you are planning on selling your products on your farm, make sure you are following your township's (or city's) zoning regulations. You can also familiarize yourself with the <a href="Michigan">Michigan</a> Generally Accepted Agricultural Management Practices related to Farm Markets.

You may also want to sell value-added products in community-run farmers markets. You can find a list of farmers markets throughout the state on the **Michigan Farmers Market Association's website**. Research the costs involved and requirements to become a farmers market vendor in your targeted geographic region(s). Farmers markets typically require all vendors to carry liability insurance for your products.

If you are selling under the Michigan Cottage Food Law, you are not allowed to sell products 100% online. You are also not allowed to sell your products to wholesale customers like grocery stores, restaurants or coffee shops.

If you have secured licensing and are operating in a licensed commercial kitchen, you are permitted to sell products online, to wholesale customers, and directly to consumers.



## **RESOURCES & PARTNERS**

# **Necessary Resources**

- Michigan State University Product Center: <a href="https://www.canr.msu.edu/productcenter/">https://www.canr.msu.edu/productcenter/</a>
- Michigan Department of Agriculture and Rural Development Cottage Food Law Resources and FAQ: <a href="https://www.michigan.gov/mdard/food-dairy/michigan-cottage-foods-information">https://www.michigan.gov/mdard/food-dairy/michigan-cottage-foods-information</a>
- Michigan Department of Agriculture and Rural Development Food Licensing: <a href="https://www.michigan.gov/mdard/licensing/food/foodest/michigan-food-establishment-license-applications">https://www.michigan.gov/mdard/licensing/food/foodest/michigan-food-establishment-license-applications</a>
- Selling Food In Michigan Guide: https://www.canr.msu.edu/productcenter/selling-food-in-michigan
- <u>Michigan Generally Accepted Agricultural Management Practices</u> related to Farm Markets
- Nutrition Facts Labeling Resource: <a href="https://www.canr.msu.edu/resources/nutrition-facts-labeling">https://www.canr.msu.edu/resources/nutrition-facts-labeling</a>

- Ingredient List Resource: <a href="https://www.canr.msu.edu/news/writing-an-accurate-ingredient-statement-for-packaged-food-products">https://www.canr.msu.edu/news/writing-an-accurate-ingredient-statement-for-packaged-food-products</a>
- Process Authority Review Resource: <a href="https://www.canr.msu.edu/resources/process-authority-review">https://www.canr.msu.edu/resources/process-authority-review</a>
- Commercially Ready Recipe Resource: https://www.canr.msu.edu/news/converting-a-kitchen-recipe-to-a-commercial-formula

# **Educational Programs**

- Regulatory and Food Safety Overview Online Course: <a href="https://www.canr.msu.edu/courses/regulatory-and-food-safety-overview">https://www.canr.msu.edu/courses/regulatory-and-food-safety-overview</a>
- MSU Extension ServSafe Courses: <a href="https://www.canr.msu.edu/servsafe/">https://www.canr.msu.edu/servsafe/</a>
- Starting a Commercial Food Business Online Course: <a href="https://www.canr.msu.edu/courses/starting-a-commercial-food-business">https://www.canr.msu.edu/courses/starting-a-commercial-food-business</a>
- MSU Extension Online Cottage Food Law Online Course: <a href="https://www.canr.msu.edu/cottage\_food\_law/online-michigan-cottage-food-law">https://www.canr.msu.edu/cottage\_food\_law/online-michigan-cottage-food-law</a>
- Sanitation Training for Small Food Establishments Online Course: <a href="https://www.canr.msu.edu/courses/sanitation-training-for-small-food-establishments">https://www.canr.msu.edu/courses/sanitation-training-for-small-food-establishments</a>

### **Partners**

- Michigan Farmers Market Association: <a href="https://mifma.org/">https://mifma.org/</a>
- Taste the Local Difference: <a href="https://www.localdifference.org/">https://www.localdifference.org/</a>
- Michigan Department of Agriculture and Rural Development: <a href="https://www.michigan.gov/mdard">https://www.michigan.gov/mdard</a>



### **SECTION 6**

# **MARKETING EXPERIENCES**

# **Primary Considerations**

- Desired level of customer interaction
- Liability insurance
- Zoning ordinances
- Signage
- Parking and restroom facilities

# **Process for Getting Started**

Inviting the public to your farm can come with a range of emotions from excitement to worry. Channel your excitement into *planning the possibilities* and your worry into *preparations for safety and risk management*.



Christnes Find Windows

- Decide what experiences you would like to offer.
- Look into whether there are additional regulatory requirements that you'll need to meet in order to offer those experiences.
- Check your local zoning ordinances to see if there are any rules you will need to follow. Common aspects regulated by zoning ordinances include acceptable uses of a property, setbacks, signage and parking.
- Think through the logistics of offering the experience and make a plan.
- Determine what price to charge for the experience.
- Advertise to current and potential customers.

Disclaimer. For a specific list of resources in the above description, view the Necessary Resources area of this section.



### **SECTION 6: MARKETING EXPERIENCES**

# **COMMON QUESTIONS**



## What types of experiences can I offer?

The possibilities are nearly endless, limited only by your imagination and laws. Popular experiences include: shopping at the farm, pick-your-own/U-pick, farm tours, festivals, workshops, educational programs for children and adults, farmstays, live music, and food service. A good rule of thumb is to start small and grow your offerings with time.





# What are the rules for hosting experiences on my farm?

As with many agricultural activities covered in this guide, it depends. The Michigan Farm Market GAMMPS, or Generally Accepted Agricultural and Management Practices for Farm Markets outlines statewide standards for farm markets to ensure they are complying with the Michigan Right to Farm Act. This will help protect your farm market or agritourism venture from certain aspects of local zoning regulations. Other local, state and federal regulations may apply depending on the types of activities you are offering.

As an alternative to hosting experiences on your farm, you can partner with local businesses and organizations to host events at their facilities: for example, a flower arranging workshop at a local coffee shop.



# What are the liability considerations for my business?

Reach out to your insurance agent and be clear and detailed about the activities you would like to offer. They can advise the best coverage options.



### Start with your existing customers:

- Distribute flyers at your farmers market booth or in your CSA boxes.
- Post on social media.

# Advertising in a farm directory can also be a great way to reach potential customers:

- MarketMaker is free for anyone to join and create a business profile.
- Members of the <u>Michigan Agritourism Association</u> receive a business listing in the print and online version of the Discover Michigan Farm Fun directory that the association publishes and distributes each year.
- <u>Taste the Local Difference</u> is a Michigan local food marketing company that also offers a directory in both online and print formats.



# What's the best way to communicate farm policies and safety information with visitors?





Posting signs is a popular way to get key information across, especially in areas where visitors will have little to no contact with farm staff (such as restroom signs communicating handwashing expectations). Including this information on your farm website, event flyers, and social media can also be a great way to introduce policies and expectations to visitors prior to their arrival. Farm staff can also verbally communicate this information to farm guests. Generally, the more touch points guests have with policies, the more likely they are to follow them. The **Integrating** Safety into Agritourism website has information and resources for communicating with farm guests, including printable signs.



## **RESOURCES & PARTNERS**

# **Necessary Resources**

- Getting Started in Agritourism, Cornell Cooperative Extension: <a href="https://essex.cce.cornell.edu/resources/getting-started-in-agritourism">https://essex.cce.cornell.edu/resources/getting-started-in-agritourism</a>
- University of Vermont Extension Agritourism Resources and Guides: https://www.uvm.edu/extension/agritourism-resources-and-guides
- The National Agricultural Law Center Agritourism Overview: https://nationalaglawcenter.org/overview/agritourism/
- NCAT Marketing Tipsheet Tips for Selling With Agritourism and "Pick-Your-Own": <a href="https://attra.ncat.org/publication/tips-for-selling-with-agritourism-and-pick-your-own/">https://attra.ncat.org/publication/tips-for-selling-with-agritourism-and-pick-your-own/</a>
- NCAT Marketing Tipsheet Tips for Selling at Roadside Stands: <a href="https://attra.ncat.org/publication/tips-for-selling-at-roadside-stands/">https://attra.ncat.org/publication/tips-for-selling-at-roadside-stands/</a>
- How to Use Farm Events to Attract New Customers and Profit –
   Profitable Mindset Podcast: https://charlottemsmith.com/7-farm-events-for-profit/

- Social Media Tips for Events on the Farm- Stokes Homestead Farm Market and Michigan Farm Fun: <a href="https://www.youtube.com/watch?v=S48C3V6hWQU&t=85s">https://www.youtube.com/watch?v=S48C3V6hWQU&t=85s</a>
- Tips for Hosting Classes on Your Farm, State of Vermont Agency of Agriculture Food and Markets: <a href="https://agriculture.vermont.gov/tips-hosting-classes-your-farm">https://agriculture.vermont.gov/tips-hosting-classes-your-farm</a>
- Michigan Farm Market GAMMPS: https://www.michigan.gov/mdard/environment/rtf/gaamps
- Cultivating Local Farm Economies: Emerging Issues in Planning, Zoning, and Agritourism Webinar Series: <a href="https://mediaspace.msu.edu/channel/Cultivating%2BLocal%2BFarm%2">https://mediaspace.msu.edu/channel/Cultivating%2BLocal%2BFarm%2</a> <a href="https://mediaspace.msu.edu/channel/Cultivating%2BLocal%2BFarm%2">https://mediaspace.msu.edu/channel/Cultivating%2BLocal%2BFarm%2</a> <a href="https://mediaspace.msu.edu/channel/Cultivating%2BLocal%2BFarm%2">https://mediaspace.msu.edu/channel/Cultivating%2BLocal%2BFarm%2</a>
- Integrating Safety Into Agritourism: <a href="https://safeagritourism.org/communication/">https://safeagritourism.org/communication/</a>
- MarketMaker: <a href="https://mi.foodmarketmaker.com/">https://mi.foodmarketmaker.com/</a>
- Taste the Local Difference: <a href="https://www.localdifference.org/find-food-farms/">https://www.localdifference.org/find-food-farms/</a>

# **Educational Programs & Events**

- Great Lakes EXPO: Farm Market Bus Tour and Education Sessions: https://glexpo.com/
- Michigan Agritourism Association events and tours: https://www.michiganfarmfun.com/join.asp
- NAFDMA Convention, Farm Tours and Learning Retreats: <a href="https://www.nafdma.com/events">https://www.nafdma.com/events</a>
- MSU Extension Agritourism Summit: https://www.canr.msu.edu/agritourism\_summit/

## **Partners**

- Michigan Agritourism Association: <a href="https://www.michiganfarmfun.com/">https://www.michiganfarmfun.com/</a>
- NAFDMA International Agritourism Association: <a href="https://www.nafdma.com/">https://www.nafdma.com/</a>
- Taste the Local Difference: <a href="https://www.localdifference.org/">https://www.localdifference.org/</a>