

# Maximizing Yield



# NEBRASKA FRESH PRODUCE MARKETING PLAN

## INTRODUCTION:

This Marketing Plan is intended to be a resource to help Nebraska fresh produce growers increase revenue and profitability from their operations. Recommendations made are based on both original research done with consumers and retailers in Nebraska and secondary research to examine best practices that have been reported in other states by growers, associations of growers and retailers. Additionally, growers whose e-mail addresses were listed in the “Your Guide to Nebraska Fresh Produce” were asked to respond to a survey to determine their sales and marketing challenges, their successes and which needs would best be addressed by this plan. The reader of this Marketing Plan is advised to first read the Situation Analysis that accompanies this document since it is in large measure a summary of the research that guided the recommendations in this plan.

## I. CREATING PREFERENCE AND DEMAND FOR NEBRASKA FRESH PRODUCE

**Objective:** Create true consumer preference and demand for Nebraska Fresh produce so that consumers will seek it out through various avenues of distribution and demonstrate a willingness to pay a slight-to-moderate premium for it.

**Rationale:** Producer organizations in any number of states which have organized and secured funding for a state-branded commodity promotion program have realized a significant return on investment that benefits not only individual operators, but the state’s agricultural economy as well. Such an effort would clearly benefit Nebraska growers as well. Right now, only 1 in 3 Nebraska consumers think that “grown in Nebraska” is “very important”. And, since only 14 percent expect to pay a premium price for locally grown produce, there is plenty of room to increase preference and demand for Nebraska Fresh.

**Strategy:** Organize Nebraska produce growers into an association of growers.

**Discussion/Tactics:** While growers are by nature independent, the entire industry would benefit from the formation of a Nebraska association of produce growers.

- Leadership for formation of an association will need to come from one of three sources
  - The Nebraska Department of Agriculture, through the Ag Promotion and Development Division
  - The Food Processing Center at the Institute of Agriculture and Natural Resources at UNL
  - Producers themselves in a forum that allows them to identify leaders who would spearhead this effort
- Growers will need to develop an organizational structure that ensures the voices of all participating producers are heard since they represent a variety of avenues of distribution.
- Growers would benefit from firsthand reports from successful statewide commodity organizations. This could be accomplished by either a fact-finding trip to key states (most especially New Jersey) or by inviting representatives to Nebraska to share their experiences.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- The association will need to elect leaders to conduct the business of the association on behalf of the membership at large, always keeping them informed of actions taken. If further infrastructure is desired (committees, etc.) it should be detailed immediately.
- The association should consider including wholesalers and retailers into the membership of the organization. This would allow valuable input to the growers as they shape programs for their own benefit but also for the benefit of the wholesaler/retailer partners.

**Strategy:** Develop clear expectations of strategies to be implemented and deliverables desired.

**Discussion/Tactics:** It is important that all members of the association have an understanding of what the desired outcomes will be for the activities of the association.

- One of the first actions of the association should be to develop a set of short- and long-term goals. These could best be determined after visiting with representatives of other states who have organized like this. Goals should be realistic—it will take time for Nebraska Fresh to reach an awareness and preference level that will create a significant advantage for Nebraska growers.
- Strategies and tactics to achieve those goals should be identified, with a cost estimate assigned to each. This will not only serve to guide the organization operationally, but will also be necessary for any funding requests that are submitted.
- Outside resources, if needed, should be identified either through personal experience of members or via an RFP process. These could include legal counsel and marketing support among others.

**Strategy:** Seek out allies in government, education and industry.

**Discussion/Tactics:** There are any number of individuals and organizations in Nebraska that want Nebraska's family farmers to succeed. These should be solicited to embrace the concept of a state-branded promotion for Nebraska produce.

- Association members should write letters to their state senators (making certain not to duplicate correspondence to any one senator) to inform them of the organization and its mission. These can pave the way for support at the Unicameral level should that be a planned source of funding.
- Association leadership should request a face-to-face meeting with the Director of the Nebraska Department of Agriculture and the Governor. Arrangements for this meeting could be facilitated by the Department of Agriculture or via several influential and supportive state senators. The meeting would be informational in nature, but would also solicit future support from both the Director and the Governor for the efforts of the association. Examples from other states to demonstrate the impact of that support should be given.
- An informational meeting should be arranged between association leadership and the administration of the UNL IANR to seek their support of the association. Since they have demonstrated a willingness to help Nebraska produce growers succeed, they could become key advocates and an excellent resource for the association.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- Association leaders should arrange meetings with the state's key wholesalers and retailers, especially those who are empowered to make decisions about their organization's produce department. These meetings would not only seek advice from key constituents but also solicit financial and merchandising support for the state-branded promotion effort.

**Strategy:** Seek out funding sources.

**Discussion/Tactics:** Other states have demonstrated that there are a number of avenues for funding of such state promotion efforts. Consideration should be given to all of the following potential avenues.

- **USDA:** A number of states have been successful in gaining grants from the USDA. These are often facilitated by the state department of agriculture, which can serve as a leader in identifying and securing funding for ventures such as these.
- **The Nebraska Department of Agriculture:** The department, especially through the Ag Promotion and Development Division, should be considered as a source of funding as a result of their inherent advocacy position of wanting to support Nebraska growers.
- **Nebraska Cooperative Development Center:** This organization makes available two different Assistance Grants—an Initial Development Grant for amounts up to \$5,000 and an Advanced Development Grant for amounts up to \$10,000. The former is designed for groups who are interested in forming a cooperative or group venture and need seed money to conduct feasibility or marketing studies. The later are designed for groups who are ready to hire professional services (legal/financial) or develop marketing materials.
- **Self-Funding:** This option has been successful in a number of other states where producers and industry partners (retailers and wholesalers) contribute a set amount in exchange for access to the logo and marketing materials provided by the organization. This would probably not be a stand-alone option, but rather a potential supplement to one of the other funding sources identified.

**Strategy:** Develop meaningful quality control guidelines for the use of the Nebraska Fresh logo.

**Discussion/Tactics:** Research in Nebraska showed that consumers would expect Nebraska Fresh produce to be of higher quality than non-locally grown produce (57%) or at least equal in quality (38%). Therefore it is critical that produce identified as such meet or exceed consumer expectation.

- Strict quality guidelines would need to be established by the association for all different kinds of produce. These would need to be communicated not only to all members, but also to the ultimate buyers of the produce—be it a retailer or a consumer.
- Producers who display the Nebraska Fresh logo would be expected to adhere to the quality guidelines established by the association. For the most part, this would involve voluntary self-policing at the roadside stand and U-Pick level, but could be better enforced by specific farmers' markets and the wholesaler or retailer.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Strategy:** Develop a brand identity for Nebraska Fresh.

**Discussion/Tactics:** In order for Nebraska Fresh produce to develop a consumer following, it must clearly be identified as such in all point of sale materials. To that end, the following materials would be produced for use by association members.

- A logo that clearly captures the essence of the brand. That essence would need to embrace freshness, wholesomeness and a tie to the state of Nebraska. Additionally it needs to reflect the rural nature of the source capturing a nostalgic look and feel of days gone by. As a preliminary step, a number of logo suggestions have been developed, including several variations on the name:
  - Nebraska Fresh
  - Nebraska Fresh Produce
  - Proudly Produced in Nebraska
  - Nebraska Wholesome
  - 100% Nebraska Grown
- Individual item stickers
- Produce bags
- Point of sale tags for retail and direct to consumer use
- Print advertising templates for local producers to personalize and use
- Adhesive stickers that producers can use to apply to blackboards, signs, etc.

**Strategy:** Implement a consumer awareness campaign for Nebraska Fresh.

**Discussion/Tactics:** State-funded programs have included an initial consumer promotion component to reach consumers and introduce them to the new brand. The added benefit of this is to show wholesalers and retailers that the effort is underway and supported by the growers.

- An initial media campaign would be needed to introduce Nebraska Fresh to Nebraska consumers. Consideration would be given to the food sections of daily Nebraska newspapers (usually published on Wednesdays) and other media that would allow an affordable way to reach the target audience.
- Participating retailers would be asked to include prominent mention of Nebraska Fresh in their advertising circulars.
- A public relations campaign would supplement the paid media effort. This could be kicked off by a press conference with the Governor and the Director of the Department of Agriculture. Additionally, press releases with copies of the logo would be sent to all media outlets in the state. The campaign would target noon television news programs which often feature a consumer news segment.
- All efforts would refer consumers to a new Nebraska Fresh Web site for additional information.

**Strategy:** Develop a Nebraska Fresh Web site.

**Discussion/Tactics:** A Web site can be a cost effective communications vehicle to relay up-to-the minute information to consumers. Features of NebraskaFresh.com would include:

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- All farmers' market locations and hours of operation
- All locations of roadside stands and months and hours of operation
- All U-Pick locations and featured produce and months available
- All retailers who carry Nebraska Fresh produce
- All of the above would be searchable by zip code
- The quality standards that growers adhere to when they display the Nebraska Fresh logo
- Recipes for using fresh Nebraska produce
- Nutritional information about fresh produce
- A special section for wholesalers and retailers that identifies those growers who want to do business with them, along with the types of produce each offers

## II. GENERATING GROWTH THROUGH DIVERSIFICATION

**Objective:** Provide growth opportunities for individual operations through diversification strategies.

**Rationale:** Many obstacles can exist that will prevent an individual producer from achieving growth objectives, including physical location of the farm, local area population census, manpower availability, length of growing season, climate and soil variables and opportunities with area retail or food service establishments. Continuing to do “business as usual” may not allow a producer to expand revenue and profitability in a significant way. Diversification strategies should be examined to discover opportunities for growth.

**Strategy:** Broaden the variety of your produce offerings.

**Discussion/Tactics:** Consumers who cook at-home meals on a regular basis are looking for variety in the meals they prepare. Producers can take advantage of this.

- Expand offerings in a given produce item. Instead of just offering 4 X 5 slicing tomatoes, offer cherry tomatoes, grape tomatoes, red vine cluster tomatoes in a bag, yellow tomatoes, and beefsteak tomatoes.
- Expand offerings by adding a variety of fresh produce. If the concentration of a given roadside stand or farmers' market booth has been tomatoes, peppers and corn, expand to include a broad spectrum of popular items. This is especially important for roadside stands where a consumer may stop for tomatoes or corn, but be enticed to buy additional produce simply because it is available there—and now that stand is competing in a more meaningful way with the local grocery store's produce section.
- Offer items such as baby carrots, unusual varieties of peppers, yellow and white corn, etc.
- Offer “trendy” produce. By subscribing to food-themed magazines, you can discover those items that are considered “hot”. A current example would be pomegranates. Many of these “hot” items will appear in multiple recipes in any number of the food magazines over the year.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- If you live near a metropolitan with a large Hispanic population, investigate growing produce that appeals to their diet and traditional dishes.

**Strategy:** Explore new avenues for distribution of your produce.

**Discussion/Tactics:** Any good marketer is always looking for additional avenues to broaden customer base. The following tactics should be considered.

- Seek out new potential clients, such as local senior facilities, upscale restaurants, the school lunch program coordinator or local retailers. Be prepared to demonstrate the superior nature of your produce (sampling) and your reliability as a supplier (by showing a calendar of your fresh produce offerings.)
- If you operate a roadside stand and you have available labor (a spouse, a child, a trusted neighbor), consider adding a second location. Since much of the volume for roadside stands comes from impulse stops by passing vehicles, this potentially could double your business.
- If you participate in a farmers' market, and you have available labor, consider adding a booth at a second farmers' market.

**Strategy:** Extend your season by offering processed products made from your fresh produce.

**Discussion/Tactics:** Balancing supply and demand is one of the most difficult processes in the fresh produce business. Some tactics to consider:

- Process a portion of your produce as fresh/frozen.
- Process a portion of your produce as canned product.
- Add value to your produce by further processing into such things as jellies or jams.
- Add value to your produce by further processing into other ready-to-eat items such as pies, pasties, etc.

**Strategy:** Explore an organic strategy and how it might fit into your operation.

**Discussion/Tactics:** The demand for organic produce is growing at a tremendous rate—and consumers continue to demonstrate a willingness to pay a premium for it.

- Begin by investigating the various nuance definitions of “organic”. The word means different things to different groups. Make certain that your operation can support a true organic label. If for example you target selling to organic retailers such as Wild Oats, investigate what they are specifically looking for in their organic definition.
- Analyze how well your operation could support organic growing practices. Determine what expected loss might occur in yield and do an analysis of the return if that diminished yield could be recovered by higher pricing of your produce.
- Start slowly and grow when you can see the success of the strategy. Begin by selling a few organic items at a premium price point and watch customer reaction. Don't be afraid to ask customers for their opinions on organic produce—and which varieties might appeal most to them.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- Investigate how organic produce can open new opportunities for sales from your operation. Are there restaurants that only want to purchase organic produce? Can you get onto the approved vendor list for retailers such as Wild Oats? Do regular retailers have an organic section that you could now serve as a supplier?

## III. GENERATING GROWTH THROUGH COOPERATION

**Objective:** Develop growth opportunities by cooperating with other growers.

**Rationale:** There can be real strength in numbers. An individual grower may not be able to fully meet the needs of certain potential audiences, but could if several growers banded together to approach those audiences. For example, a single grower may not be able to supply all of the fresh sweet corn that a chain of retail stores demands. A coalition of several growers might be in a better position to meet that demand.

**Strategy:** Form a grower coalition to approach area retail chain stores.

**Discussion/Tactics:** One of the most important criteria for retailers when considering doing business with local growers is the assurance of a reliable supply of produce each week during the season. Banding together with fellow growers may give you an edge over what each could accomplish independently.

- Be selective in who you approach to form a grower coalition. Make a list of those growers you know and trust to embody the same quality standards that you do.
- Select growers whose produce specialties match up with yours.
- Make certain you all share a similar approach to pricing your products to facilitate negotiations with retailers.
- Develop well-defined guidelines for the business arrangement, both in terms of sweat equity to make the sale and service the customer, but also in terms of hard financial arrangements from the sale of your products.
- Develop a common denominator to identify your grower coalition—both to the retailer and the ultimate consumer. Perhaps your group becomes the “Platte County Sweet Corn Growers” or the “Papillion Creek Tomato Coalition”. While you give up the identity of your own local farm, you can still translate that local equity into a meaningful image for consumers.

**Strategy:** Work with other local growers to create a destination roadside market.

**Discussion/Tactics:** There is a reason shopping malls have proliferated in this country. Consumers want the convenience of shopping for a number of different items in a one-stop situation.

- You can take advantage of this by working with local growers to create a destination roadside market. Identify growers whose produce offerings differ from one another and band together to create a destination roadside market.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- This concept is similar but different from a farmers' market. The roadside market would be staffed on a daily (or nearly daily) basis and would be a collection of different roadside sellers in a single location.
- By offering a wider selection from multiple vendors, consumers are more likely to seek out this destination market than merely stop on impulse when driving by a single vendor.
- Each grower maintains their own identity, but each would agree to a common schedule of operation and cooperate to provide the consumer with the widest variety of produce available.

## IV. MAXIMIZING YIELD OF A ROADSIDE STAND OPERATION

**Objective:** Maximize the revenue and profitability of a roadside stand.

**Rationale:** According to the results of the research done with Nebraska growers, the roadside stand was the most widely used avenue for direct-to-consumer sales. With careful planning and application of proven marketing and promotion techniques, the potential yield from a roadside stand can be improved. In many cases it's simply attention to detail and working to create the right ambiance to appeal to consumers who stop to purchase produce.

**Strategy:** Determine the optimum location for your roadside stand—and then maintain a consistent presence from week to week and year to year.

**Discussion/Tactics:** Predictability and reliability are keys to meeting consumer expectations.

- The location of your roadside stand is one of the most critical decisions you need to make. It should be viewed as a long-term, year-after-year decision. Do your homework before you settle on a location. Look at traffic counts for the intersection. Think about likely traffic patterns for consumers returning home from work and patterns for weekend activities. Make certain access from the road to your site is easy for customers, and that they can easily get back on the road. Is there sufficient area for parking cars safely out of the way of traffic?
- Make certain you post the days and hours of operation of your roadside stand—then be prepared to honor them. Repeat customers will be disappointed if they seek out your stand only to find that it is not being staffed.
- Try to make the stand look the same week after week and year after year. The same is true of any signage you use. Make it unique to your operation and maintain consistent look.

**Strategy:** Develop and maintain the correct ambiance for your roadside stand.

**Discussion/Tactics:** Not only are you selling fresh produce, you're also selling an image that makes the consumer comfortable buying and serving the food items you're selling. Image and ambiance are critical.

- The stand must “look the part”. Customers want to buy from the family farmer because they expect the produce will be fresh and wholesome. It is important that the stand be

# NEBRASKA FRESH PRODUCE MARKETING PLAN

professional in appearance, but not too “slick”. It must have a look and feel that speaks to your rural lifestyle and values.

- Signage must also reflect a “non-corporate” look. Homemade, hand-painted signs are more appealing, as long as they are clearly legible. Avoid the mistake of using your computer to generate signage, unless you can clearly make it reflect the down-home image you’re trying to portray.
- Establish a dress code for those who will be staffing the stand. Obviously, since you are selling food items, cleanliness is critical. Collared shirts or tee shirts would be preferred over tank tops. Jeans and shorts are acceptable as long as they are in good repair. If you want to project an image of being a specialized produce operation (as opposed to a side line of the farm), you may consider shirts for your staff that carry an embroidered emblem or the name of your farm.
- Consider name tags for your staff. This can personalize the operation and connote a sense of pride of ownership in the stand, especially if the staff is made up of family members.
- Make certain to display the name and other items that identify your operation. Consider a county map showing the location of your farm, or pictures of your homestead if it shows well. The more you can do to evoke a personalized character to the customer, the more comfortable they will be in doing business with you.

**Strategy:** Keep your customers informed of what you will be selling, and when it will be available.

**Discussion/Tactics:** Don’t assume customers are aware of the growing season for all of your produce. Make certain they know what to expect and when.

- Place a large blackboard in your stand that advertises what produce is available now, and what is yet to become available.
- Distribute calendars that indicate the fresh growing season for all of your produce. Make certain that your farm and roadside location are clearly visible on the calendar.
- Develop an email list of customer to keep them informed of produce availability. Send out a simple broadcast email on a weekly basis to remind them of what you have available—and what will become available during the upcoming weeks.

**Strategy:** Encourage trial of new produce items by helping the customer understand their potential for enhancing their meal.

**Discussion/Tactics:** If you have implemented the strategy of adding new and unique produce items to your offering, it is important to get customers comfortable with how to incorporate them into their meals.

- Prepare simple index cards that list the variety of ways you can use a particular item. Include a starter recipe on the back of the index card.
- Sample the produce—either fresh or prepared in a way that enhances your ability to sell the item.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Strategy:** Implement loyalty programs to keep customers coming back to your stand.

**Discussion/Tactics:** Many food retailers have implemented customer loyalty cards that reward frequent purchases and encourage loyalty to a particular chain. The same strategy can be implemented for your roadside stand.

- Develop a punch card system that the customer brings to the stand every time they make a purchase. When a certain number of punches are made on the card, the customer is entitled to free produce. This will encourage loyalty to your stand and help develop a regular customer base.
- Make certain to collect the email address or the regular address of each of these customers so you can communicate with them on a regular basis—especially at the beginning of the season (to announce your opening) and at the end of the season (to thank them for their business).

**Strategy:** Establish a reasonable pricing policy for your produce offerings.

**Discussion/Tactics:** Perhaps some of the most difficult business decisions that are made throughout the season are pricing decisions.

- Make a regular habit of visiting local retailers in the vicinity of your roadside stand. Compare prices they are offering for their produce.
- Watch store circulars for specials on produce that are featured weekly.
- Monitor prices at other roadside stands in the area.
- Listen to feedback from your customers. If they feel you are charging too much, they will likely voice that opinion.
- Keep track of the pricing of your produce and your competition—both at retail and other stands. Plot it out by week, and review the data every year.
- Above all, make certain your pricing strategy is sensitive to the market. Do you want to price at a slight or significant margin over retailers? Can you justify that with the quality of your produce? Is it consistently at that quality level, or are there times when you must discount for lesser quality? Does an oversupply mean a more aggressive pricing scenario? Likewise, can a shortage of a particular item present premium pricing opportunities?

**Strategy:** Cross-promote items to build the sale from each customer.

**Discussion/Tactics:** Once a customer has stopped at your roadside stand, it's important to try to maximize that selling opportunity.

- Consider offering a discount on multiple purchases. If for example a customer buys a dozen tomatoes, offer a small discount on any two additional items they would purchase.
- Offer meal ideas that involve multiple purchases of produce. For example, have a recipe card available for a potato/pepper/zucchini gratin—a side dish that's easy to prepare and includes three of your produce options.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Strategy:** Capitalize on consumer demand for convenience.

**Discussion/Tactics:** Consumers are demanding more convenience foods for at home preparation—and are willing to pay a premium for that convenience.

- Salad kits are one of the hottest items in a retail produce section. Offer the same convenience by preparing pre-cleaned, pre-package blends of lettuce, shaved carrots, sliced radishes, etc. in re-sealable plastic bags. Vary the offerings in each bag to appeal to the varying tastes of your customers.
- Offer pre-cleaned baby carrots (or sliced carrots) in snack size plastic bags. Be ready to sell small containers of ranch dressing as an accompaniment.
- Offer a foil bag of potatoes and vegetables that can be placed directly on the grill for an easy to make side dish. The bag might contain sliced potatoes, sliced onions and peppers and directions for seasoning and grilling.
- Offer convenience by pre-cleaning and slicing vegetables—tomatoes, zucchini, carrots, etc.
- Much of the value added labor can be handled on site during slow times of the day.

**Strategy:** Test to determine the most effective way to promote your operation.

**Discussion/Tactics:** Advertising your roadside stand is a necessary evil—and one that can lead to considerable expense if not well-planned and monitored for effectiveness.

- Test any ads that you place in newspapers or other media to try to measure they're effectiveness. Ask customers how they heard about you, and keep a running tally of their responses.
- Offer a coupon in one of your ads to see if it drives business to your stand.
- Vary the placement of directional roadside stands to see if you can maximize exposure and draw more traffic to the stand.
- If you are conducting a blast email campaign to your customers, vary the offers to see if you can entice more traffic by certain offers.

## V. MAXIMIZING YIELD OF A FARMERS' MARKET OPERATION

**Objective:** Increase revenue and profitability of farmers' market operations.

**Rationale:** Nationwide there is tremendous growth in the number and popularity of farmers' markets. Not only do they represent an attractive alternative to a traditional retail produce section of a store, they also represent a social experience not found in a grocery store environment. Research in Nebraska, however, shows that only 17 percent of consumers regularly attend a farmers' market. Yet those who do attend regularly or occasionally are pleased with the offerings of the market. Key drivers for the success of these markets are accessibility, awareness and timely availability.

**Strategy:** Determine the wants and needs of existing customers, and develop plans to better meet those needs.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Discussion/Tactics:** While regular attendees are pleased with the offerings of the market, there is always room for improvement.

- Customer survey forms should be used on a regular basis at each farmers' market. As an incentive to fill out the survey form, customers could be entered into a drawing for free produce or another food-related prize.
- Survey forms would probe to find the optimum hours and days of operation that the customer base desires as well as how the overall operation of the market could be improved to enhance customer satisfaction.

**Strategy:** Explore expansion options.

**Discussion/Tactics:** Expansion can be achieved in a variety of ways:

- Adding more vendors and more variety from those vendors.
- Adding additional hours of operation.
- Adding additional days (or evenings) of operation.
- Adding additional locations—since most consumers do not expect to travel more than 20 minutes to a farmers' market, there may be opportunity to stage the market in multiple locations to attract a broader customer base.

**Strategy:** Create an awareness campaign for the farmers' market in which you participate.

**Discussion/Tactics:** Awareness for a new market and seasonal awareness for an existing market are both critical to the success of the endeavor.

- Even though a market has been operating for a period of time, it is necessary to maintain awareness of the market to try to bring in new customers. This is especially important at the beginning of the growing season. Newspaper advertising, especially on “food day”—usually Wednesday, can be an effective tool. The look and tone of the ad, however, needs to portray both the quality of the vendor offerings, but capture the “socialization” aspect of the market.
- Public relations can be used to create awareness. One possible approach for an evening market is to encourage a local television station to do a live remote report from the market—pitching the story to the station could revolve around “the ambiance of a European market right here in our city”.
- Work with a local food pantry to supply unsold produce to them on a regular basis. Use this to create a story idea for your market with the local media.
- If possible, collect email addresses of customers and remind them of seasonal offerings through regular email correspondence.
- Encourage referrals by your most loyal customers. Offer free product to them if they bring a friend who has never attended your market.
- Develop themed events around seasonal holidays (Memorial Day, 4<sup>th</sup> of July, etc.). Publicize the events in both advertising and press releases.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Strategy:** Create a Nebraska-wide awareness campaign to strengthen all of the farmers' markets in the state.

**Discussion/Tactics:** Selling the "concept" of a farmers' market to consumers in Nebraska can help each individual market grow.

- If Nebraska growers are successful in forming an association and securing funding from one of the available sources, a portion of this money should be earmarked to create a statewide awareness program for the *concept* of farmers' markets. No matter what media avenue is ultimately used, the awareness effort should be designed to drive consumers to NebraskaFresh.com and then be directed to the farmers' market section of the site.
- At that section, consumers would see a collection of photographs taken at various markets around the state, all designed to show the variety available, but more importantly to show the ambiance and experience of a market.
- Consumers would be able to do a zip code search for the markets closest to them—then each market would be linked to the main site so that information about individual markets would be available—including days and hours of operation, a listing of all vendors and their specialties, etc.

## VI. MAXIMIZING YIELD OF A U-PICK OPERATION

**Objective:** Increase revenue and profitability of U-Pick operations.

**Rationale:** A U-Pick operation can be very successful if it is physically located near a sufficient population base, since research suggests that consumers are more likely to seek out a farm that is within a radius of 20 miles. Exceptions to this certainly exist, especially when a region becomes well-known for the quality of a particular item (for example, Nebraska City apples). To be truly successful, a U-Pick operation needs to be customer friendly so that the experience is an enjoyable one. The successful operator will also create awareness for the operation and keep customers informed of peak availability for produce offerings.

**Strategy:** Create awareness for your U-Pick operation and the availability of produce offerings.

**Discussion/Tactics:** Consumers need to be reminded about your operation especially at the beginning of each growing season.

- Small space advertising in the local newspaper is probably the most cost effective way to alert customers to the opening of the season at your farm. Making certain the ad portrays quality and the rural lifestyle is very important.
- Operators of U-Pick farms should consider investing in a simple Web site to communicate with their customers. All advertising should direct consumers to that site, which would contain:
  - Locations to your farm
  - Hours of operation
  - An up-to-date inventory of what fresh produce is available this week
  - A calendar of produce to be available later in the season

# NEBRASKA FRESH PRODUCE MARKETING PLAN

- Scenes from your farm that demonstrate customer service measures you've employed
- An incentive to visit the farm, such as a coupon that can be downloaded from the site
- An option to an email address to receive periodic updates on fresh produce availability
- In addition to a Web site, U-Pick operators should provide a phone number with a recording (updated daily) of what's available. This could save customers the frustration of visiting the farm only to learn that a certain desired produce is not yet available.

**Strategy:** Make your U-Pick operation as customer friendly as possible.

**Discussion/Tactics:** The experience of picking fresh fruit and vegetables can be enhanced by simple attention to customer service.

- Make certain that there is adequate signage to your operation.
- Make certain there is adequate parking in areas that are accessible even after a rain shower.
- Provide transportation to and from the fields.
- Provide plenty of water at field sites for your customers.
- Provide a shaded area where customers can relax for a while out of the sun.
- Make certain waterways and access roads are mowed and clear of litter.
- Be liberal in sampling products, especially as customers arrive.
- Provide prompt checkout of customers.

**Strategy:** Explore ways to differentiate your U-Pick operation and enhance the experience of the visit for the customer.

**Discussion/Tactics:** In many cases, visiting a U-Pick operation is more than just a search for the very freshest produce. Often it is a family outing. You can enhance that experience by implementing any number of tactics.

- Make your operation kid-friendly. Consider an area with playground equipment—perhaps even portable equipment that can be moved to different fields on the farm. Establish a small petting zoo of farm animals. Offer activity sheets to keep young kids entertained.
- Build around holiday themes. Decorate your check-out station around the nearest holiday. Develop signage that reflects the theme.
- Offer customers the unexpected—treat them like guests in your home. Offer refreshments at the check-out stand. Be liberal with samples of your produce.
- Provide home-spun recipes cards with family favorite recipes for the produce you are featuring.

**Strategy:** Develop a plan for alternate distribution of produce to be implemented as needed.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Discussion/Tactics:** One of the most difficult operational issues is matching supply with demand on a U-Pick operation.

- Long before the season begins, you need to develop a plan for distribution of excess fresh inventory. Depending upon your location, this could involve any of the following:
  - A roadside stand nearer a population center
  - Supplying another grower with produce for his/her roadside stand
  - Working with a local retailer to supply excess inventory to the store
  - Working with a food service operator (senior center, restaurant, etc.) to supply excess produce
  - A donation to a food pantry

**Strategy:** Establish a pricing policy that will enhance your success.

**Discussion/Tactics:** A number of factors need to be considered when establishing a pricing policy for your operation.

- How much competition do you have in your immediate area? How does your farm compare to the competition in terms of produce quality, ease of access, variety available, customer services, etc.?
- How is your competition pricing their produce? Can you justify a higher price, or must you be competitive?
- What other competition is in your immediate area from roadside stands or farmers' markets?
- What are grocery store prices? How does your produce stack up to what's available at retail?
- How do this year's growing conditions compare to previous years? Does supply require an adjustment in price—either up or down?
- What are my customers saying about price? Is it an issue they bring up?
- Am I better off pricing by weight or by volume?

## VII. MAXIMIZING YIELD OF A WHOLESALER, DISTRIBUTION CENTER, OR RETAIL OPERATION

**Objective:** Create opportunity for increasing revenue and profitability by establishing business relationships with wholesalers, distribution centers and retailers.

**Rationale:** Traditional retail grocery stores are without question the single most popular source of fresh produce purchased by Nebraska consumers. Well over half of Nebraska consumers said they bought "all or most" of their produce from a grocery store, with an additional 43 percent indicating they at least bought "some" produce there. This is clearly a distribution channel that Nebraska growers need to consider, even if it means the potential to give up some margin for a reliable, predictable customer source. To be effective in this arena, the grower must understand the relationships that exist between a particular retailer and their sources of produce (be it a central distribution center or a wholesaler) and how local producer can "break into" that market.

# NEBRASKA FRESH PRODUCE MARKETING PLAN

**Strategy:** Determine best opportunities for supplying the wholesaler/retailer market.

**Discussion/Tactics:** It's all a matter of doing your homework to determine the best potential fit for your operation.

- Develop a grid listing all independent and chain retailers in your area.
- Make phone calls to identify the produce manager at each of these retail operations.
- Make an appointment to visit with at least one from each chain and with all of the independents.
- Determine their approach to buying fresh produce—is it driven at the store level or centralized.
- If centralized, ask for the names of key decision makers at the wholesale or centralized distribution level.
- Determine what they are seeking in a local supplier.
- Determine the best avenue for communicating with them—email, phone calls, face-to-face visits, etc.
- Use these informational interviews to determine which of these represents the most likely prospect for you to do business with.

**Strategy:** Develop a realistic analysis of your ability to operate in this arena.

**Discussion/Tactics:** Doing an objective self-analysis of your operation will help you determine if this distribution strategy is right for you.

- Can you realistically supply what your wholesale or retail customer expects—both in terms of quality and quantity?
- Do you have a source for backup supply so that you don't shortchange the customer?
- How many customers can you reasonably service?
- Are you willing to be a real partner with your customer to move your produce through to the end consumer?
- Is this a long-term strategy for your operation? Is it the best one?

**Strategy:** Determine a pricing strategy for the wholesale and retail market.

**Discussion/Tactics:** Selling to the ultimate consumer through an intermediary means a potential trade-off between a predictable volume of sales and margin opportunity.

- It's important to understand the economic realities that wholesalers and retailers face when pricing their produce. Quite simply, dollar margins over cost of goods must be sufficient to return a fair profit for the enterprise, including accounting for shrink. R. Brian Howe, in his book "Marketing Fresh Fruits and Vegetables", reported that most supermarkets strive for a gross margin of 30 to 50 percent—however this margin varies greatly for particular fruits and vegetables. Howe cites that commodities with lower margins were more specialty items such as strawberries, mangoes, mushrooms and cantaloupes—while higher margin items were things such as apples, potatoes, tomatoes and cucumbers. Once you've established a potential working relationship with a retailer

# NEBRASKA FRESH PRODUCE MARKETING PLAN

or wholesaler, it is critical to understand their expectations for margin return for the particular item or items you will be supplying.

- Many retailers understand that the fresh, local produce you bring to the store is an item that their customers desire. Therefore, there may be more room for you to price aggressively since many will view this as a service item to create traffic and goodwill with their customers, rather than trying to squeeze an expected margin from these offerings.
- Be prepared, however, to give up some of your expected margin in return for the retailer becoming your selling agent, eliminating the labor and time associated with direct-to-consumer selling avenues such as roadside stands and farmers' markets.

**Strategy:** Develop a position and image for your operation that causes wholesalers/retailers to want to do business with you.

**Discussion/Tactics:** Once you have determined the decision maker—be it at wholesale level or store level or chain level—it's important to create a favorable impression for your operation and for your produce.

- Always make an appointment. Drop in calls are unprofessional and usually unwelcome.
- Make certain you have business cards.
- Be prepared to give a brief overview of your operation—how long you've been in business, past efforts for marketing your produce, etc.
- Prepare a detailed analysis of what you will have available throughout the growing season—what produce varieties, volume predictions by week, first harvest dates, etc.
- Be prepared to discuss contingency plans to be a reliable supplier in case their demand exceeds your ability to supply product.
- Have a written policy detailing your quality control standards. Do you follow Nebraska Fresh standards or another state or national standard?

**Strategy:** Develop a plan to show decision makers how you intend to be an active partner in this "joint venture".

**Discussion/Tactics:** Retailers expect their vendors to help move the product off the shelf. You can enhance your success in selling your product into a retailer by offering value-added services.

- Develop point-of-sale example materials that highlight your farm that the retailer can use next to your produce to establish the local flavor of the product. This could include a brief description of your farm, approximate location (nearest town), a photo of your fields or homestead and information about the family members involved in the operation.
- Offer to do in-store demonstrations on a regular basis. This could be simply fresh samples, or dishes prepared for sampling from family-favorites recipes—with recipe cards to give out with purchases.
- Offer to arrange a kick-off event at the beginning of the season. If the retailer is working with other local producers, consider organizing a special in-store or in-parking lot event—perhaps staged to look like a farmers' market or a roadside stand.