Marketing Information from ATTRA

ECHO Inc.

ECHO has not often shared marketing information and advice, because markets tend to be uncertain and volatile. Advice that is good for one location might not be helpful in another. Yet we recognize the important influence of economics and marketing in the lives of small-scale farmers. Even at the subsistence level, where farmers are only growing enough to feed themselves and their families, labor and other costs influence day-to-day management decisions. And many smallholder farmers have at least a small amount of grain or farm byproducts (e.g. firewood) to sell in local markets. Income from these sales is needed to pay school fees and to meet other expenses.

Dan Gudahl with Winrock International forwarded information from ATTRA, the National Sustainable Agriculture Information Service in the United States. The October 2009 issue (Volume 17, Number 5) contains information about “Planning and Planting for Your Markets.” Although geared toward agriculture in the US, some of the insights may be helpful for those elsewhere who are trying to help farmers market their agricultural products.

The issue of ATTRA News is available online at http://attra.ncat.org/newsletter/attranews_1009.html Contents include the following:

- Golden Rules of Marketing
- Plan Ahead for New Products
- Marketing Resources
- Publications about Marketing from ATTRA
- Pros & Cons of Selling Directly to Consumers
- Pros & Cons of Selling Directly to Restaurants
- Pros & Cons of Selling to Independent & Small Grocery Stores
- Evaluating Your Resources
- New from ATTRA

Some of the content is abstracted below. For more, see the link above.

Golden Rules of Marketing

[Adapted from ATTRA's Agricultural Risk Management Guides, which are available in English and in Spanish.]

Know what you are selling. It is more than just the product. Bundled with the product itself are non-tangible factors [(e.g. credibility of the seller) and/or services], each of which adds value that is appreciated by your target customers.

Know to whom you are selling. Each group of customers has a different set of characteristics and needs. You have to adapt your sales approach to meet these demands.

Know your own story. Your business's story adds value to your product and you should emphasize it. Don't make assumptions. Don't guess about the viability of your business plan or the behavior of your customers. Find some way to make certain of what you think is true.

Be customer oriented, not product oriented. Think, "My customers want lettuce. How can I get it to them the way they like it?" Don't think, "How can I find someone to buy my lettuce?"

Sell features and benefits. Say, "This red lettuce contains more vitamins to keep you healthy," not just, "I have red lettuce to sell." Each feature has a benefit that your customers value. Point these out to make a sale.

Be a price maker, not a price taker. Don't sell commodities. When you're selling something that can't be distinguished from another farmer's product, you can't control the price. If the other farmer has more to sell, you will lose.

To manage risk, diversify carefully in all directions. Growing many crops for many kinds of customers reduces your risk of loss. But management can then become an overwhelming task, which can lead to a reduction in the quality of your product(s) and service. You must strike a balance between diversity to manage risk and management time to maintain quality.

Start as small as possible and learn the market. Find the smallest way you can enter the market in order to minimize your risk. Once you learn how it works, you can increase your production.

Plan Ahead for New Products

It can be risky to invest time or money in a new product. How do you know you can produce something until you try? And how do you know you can sell a new product until you have it in hand to show people? The answer to both questions is: produce a small amount of product the first time. This way, any mistakes will be small and less costly. If you produce a large supply of a product without first securing your market, you may not be able to sell it, no matter how well it turns out. Experiment on a small scale this season to line up your market for next season.

Ask Yourself These Questions before Starting a New Enterprise

Marketing

- Where am I going to sell the products?
- Who is the customer?
- What is the size of the potential customer base?
- Where do the customers live?
- How will their location influence my selling to them?
- What are the customers' needs and desires?
- Am I going to sell directly to consumers?
- Am I going to sell wholesale to the commodity market?
- What seasonal price fluctuations can I expect?
- What quality standards must I meet?
- How much time and fuel will it take to reach my markets?
- Are there legal or food-safety considerations?

Personal

- Do I have time to devote to this new enterprise?
- Does the workload correspond to the season I want to work?
- Will the new enterprise complement my current enterprise?
- Do I have written [or at least have clearly in mind] objectives describing the desired outcome?
- Do I have the skills and experience necessary to do this?
- Do I like to supervise people?
- Have I managed a business before?
- Do I have enough personal energy to do this?
- Can I count on my family members for support?
- Do I care what the neighbors think about my new enterprise?
- Why do I want to pursue this enterprise?

For Land-Based Enterprises

After you have determined that the enterprise is something you really want to do, consider these additional questions.

Land

- What is the water drainage like?
- Are the soils suitable?
- What is the seasonal rainfall pattern?
- What will happen to my enterprises during a flood or drought?
- Are these plants or animals adapted to this region?
- Is water available for irrigation or watering livestock?

- Do I want concurrent uses for the land, such as wildlife conservation, fishing or hunting?

Buildings and Machinery

- Do I have adequate facilities?
- What additional machinery will I need?
- Can I rent or borrow machinery or storage facilities?

Labor Needs

- How much labor will be required?
- What is the source of labor?
- How much will it cost?
- Is seasonal labor available?
- Does this enterprise use existing labor in off seasons?

ATTRA is a project of the National Center for Appropriate Technology (NCAT), a private, non-profit organization in the USA that since 1976 has helped people by championing small-scale, local and sustainable solutions to reduce poverty, promote healthy communities, and protect natural resources [in the United States]. Address: ATTRA National Sustainable Agriculture Information Service; PO Box 3657; Fayetteville, AR 72702; www.attra.ncat.org (http://www.attra.ncat.org/)

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