

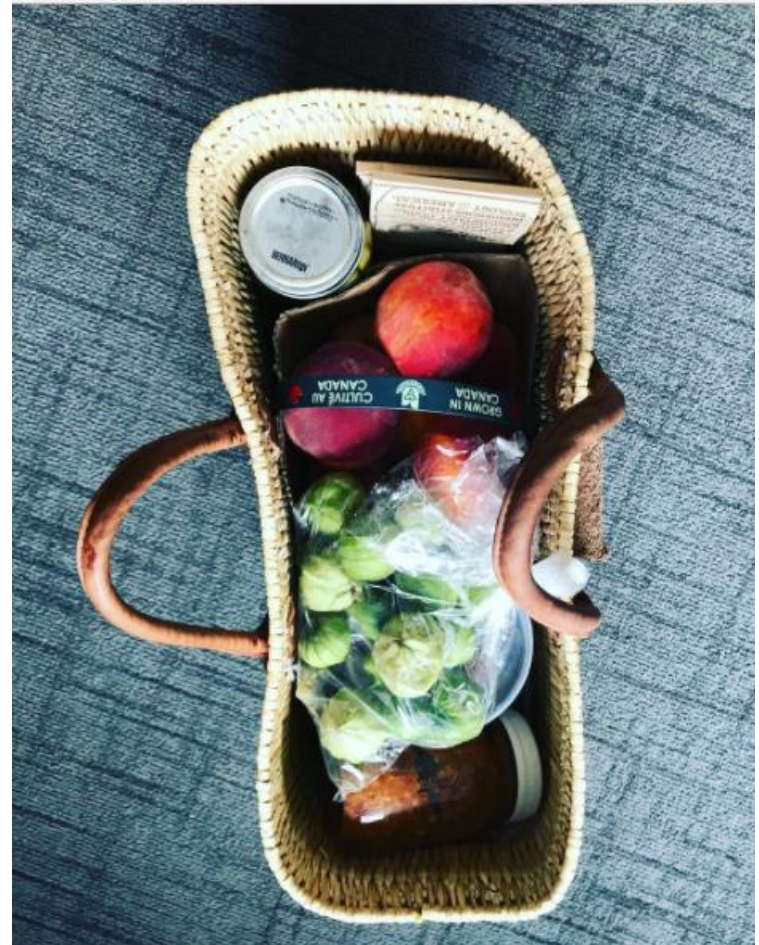
Getting started with on-farm sales and value-add

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Agenda

- Preliminary planning
- On-farm sales:
 - Exciting opportunities
 - Unglamorous realities
- Resources and support



New idea reality check



Everyone's Nonna makes
the *best*
spaghetti sauce.

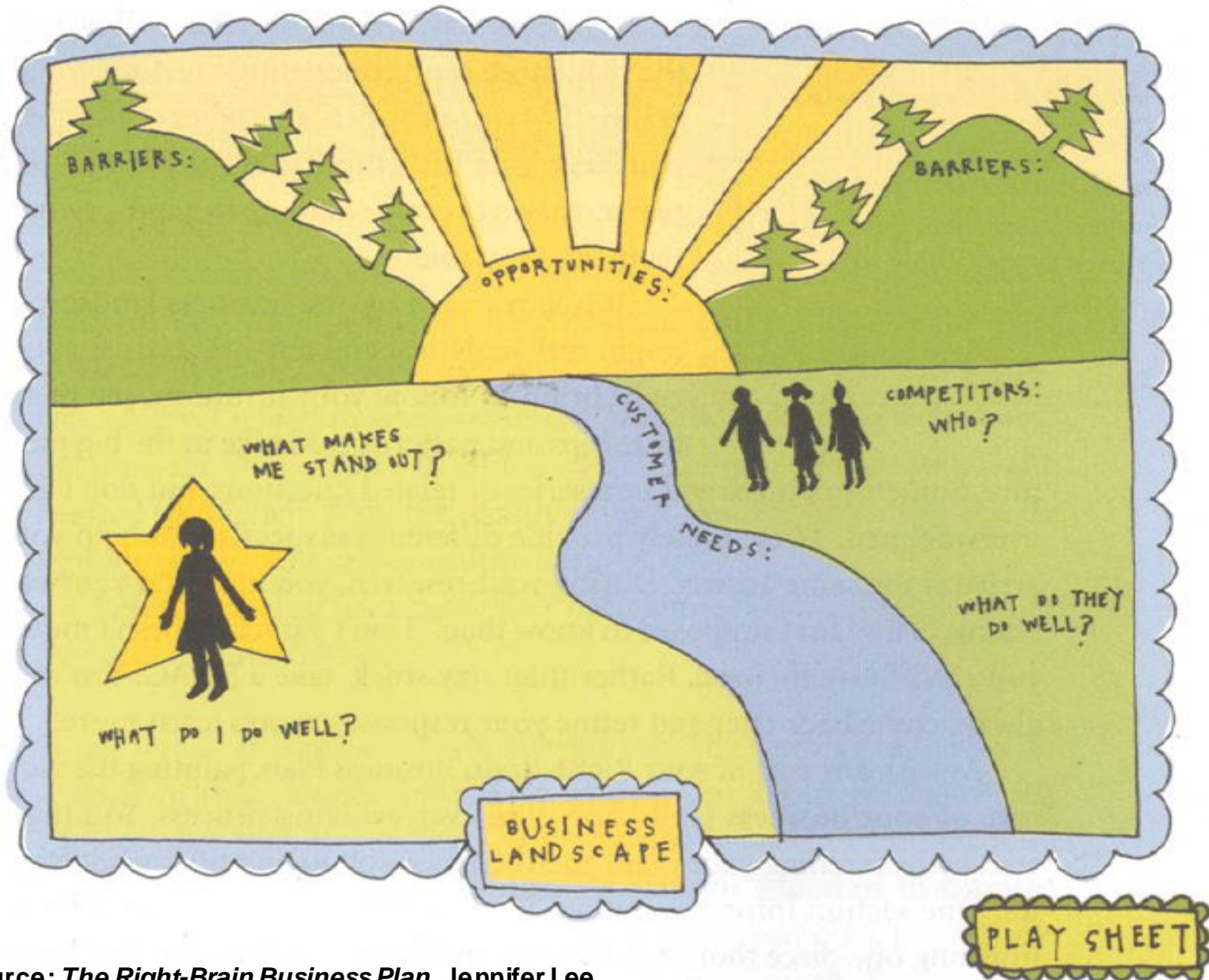


Checklist: Are you the person for the job?

- ☐ I am friendly and outgoing.
- ☐ I like to meet people.
- ☐ I welcome visitors to my farm and am happy to answer their questions.
- ☐ I have the support and encouragement of my family.
- ☐ I am willing to work long hours seven days a week during the peak season.
- ☐ I am not afraid to take risks.
- ☐ I take pride in my product and I'm not shy about saying so.
- ☐ I am flexible, independent, creative and thrifty.

Source: Checklist: Have you got what it takes to be a direct marketer? Farm Direct Marketing for Rural Producers, Alberta Agriculture and Forestry

Is there a business opportunity?



Is it a business or a passion project?

3Cs of Pricing

Consumers

What are
consumers
willing to pay?

Competitors

What are
competitors
charging?

Costs

What are your
costs to meet
demand?



Avoid “farmer math”

“But I’m not taking a wage...”

“We were driving to town anyways...”

$$\text{\$20} + \text{[Clock]} + \text{[Person]} + \text{[Person]} + \text{[Car]} = \text{\$20}$$

The equation is crossed out with a large red 'X', indicating that this calculation is incorrect or misleading.

- To build a sustainable business you need to be comprehensive in estimating costs:
 - Your time has value.
 - Using vehicles has a cost, even if they have a different primary purpose.

Checklist: Production Capabilities

- ☐ I have the necessary knowledge about production methods and techniques.
- ☐ I know who my target clients are and what they want.
- ☐ I will be able to supply the variety, quantity and quality of products my customers want.

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Checklist: Merchandising and Marketing Savvy

- ☐ I know how to develop a marketing strategy.
- ☐ I understand my target market and utilize appropriate marketing tools (i.e. business cards, customer lists, public relations, cross promotions, networking).
- ☐ I have a working knowledge of retail selling.
- ☐ I understand the principles of merchandising.
- ☐ There is demand for the products I plan to sell.
- ☐ I have a unique product.
- ☐ There is room for another direct market outlet in my area.
- ☐ I can work with neighbouring farms to co-operatively market our products and our region.

[Source: Checklist: Have you got what it takes to be a direct marketer? Farm Direct Marketing for Rural Producers, Alberta Agriculture and Forestry](#)

Checklist: Logistics

- ☐ I have the space and location for a farm direct marketing operation.
- ☐ I have adequate space for parking.
- ☐ There is convenient access to the farm.
- ☐ There is sufficient traffic near the farm to generate business.

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Checklist: Business Factors

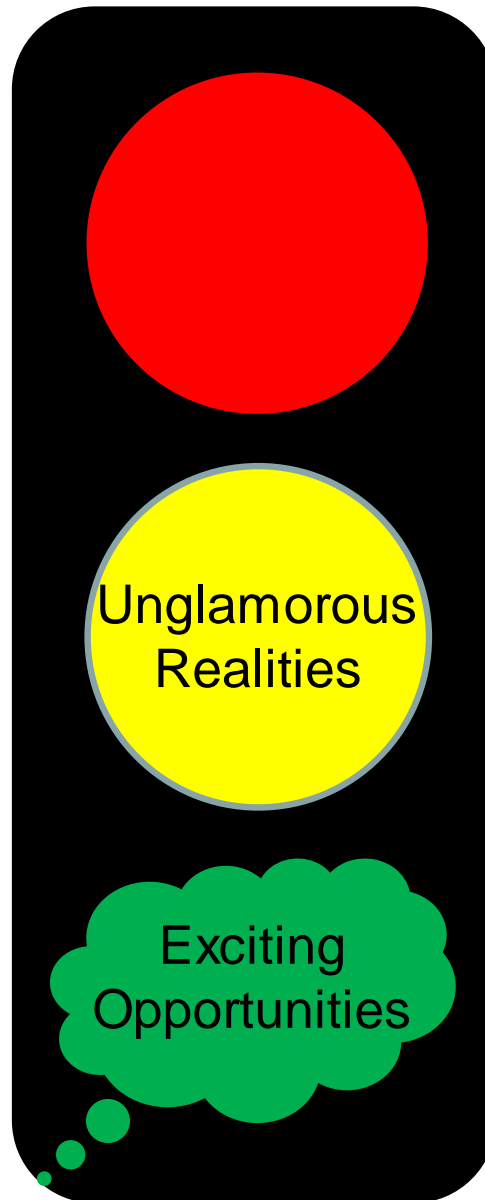
- ☐ I have sufficient capital available to construct facilities and acquire equipment.
- ☐ I have completed a feasibility assessment and a projected cash flow.
- ☐ Farm direct marketing activities complement my farm production possibilities.
- ☐ I have good financial management practices (product costing, pricing, budgeting, cash flow and record keeping).

Source: Checklist: Have you got what it takes to be a direct marketer? Farm Direct Marketing for Rural Producers, Alberta Agriculture and Forestry

Checklist: Other Considerations

- ☐ I utilize appealing display techniques to enhance my image at markets.
- ☐ I set prices to cover costs and make a profit, but consider market demand and competitor prices.
- ☐ I offer good customer service to obtain repeat business.
- ☐ I maintain good quality control measures for products sold.
- ☐ I set aside adequate time to hire and train friendly, knowledgeable staff.

Source: Checklist: Have you got what it takes to be a direct marketer? Farm Direct Marketing for Rural Producers, Alberta Agriculture and Forestry



Consumer interest in value-added

“Sales of value-added items have surpassed sales of fresh produce.”

“Per-customer sales of fresh fruits and vegetables are declining.”



Display by Prince Edward
County Honey Company

Exciting
Opportunities

Consumer interest in experiences



Seemingly Endless Options

- On-farm restaurant, bakery, butcher shop
- Value-added production (food, beverage, fibre products, cosmetics, giftware)
- Pick-your-own fruit, vegetables, cut flowers, culinary herbs
- Harvest festivals including pumpkins, corn mazes, and other fall activities
- Children's play areas





Exciting
Opportunities

Seemingly Endless Options

- On-site alcohol production, sales, and tastings (e.g. beer, wine, cider)
- Organized activities for children (e.g. school tours, summer camps, birthday parties)
- Organized activities for adults (e.g. how-to classes)



Exciting
Opportunities

Seemingly Endless Options

- Special events (e.g. food festivals, farm dinners, yoga on the farm)
- Hospitality services (e.g. meetings, conferences, weddings)
- Corporate team-building events
- Entertainment events (e.g. concerts, movie nights, theatre productions)

You're more than a farmer now

“Value-added” = Food/beverage processing

“On-farm sales” = Retail management

“Experience” = Tourism

Unglamorous
Realities

Experiences cost money





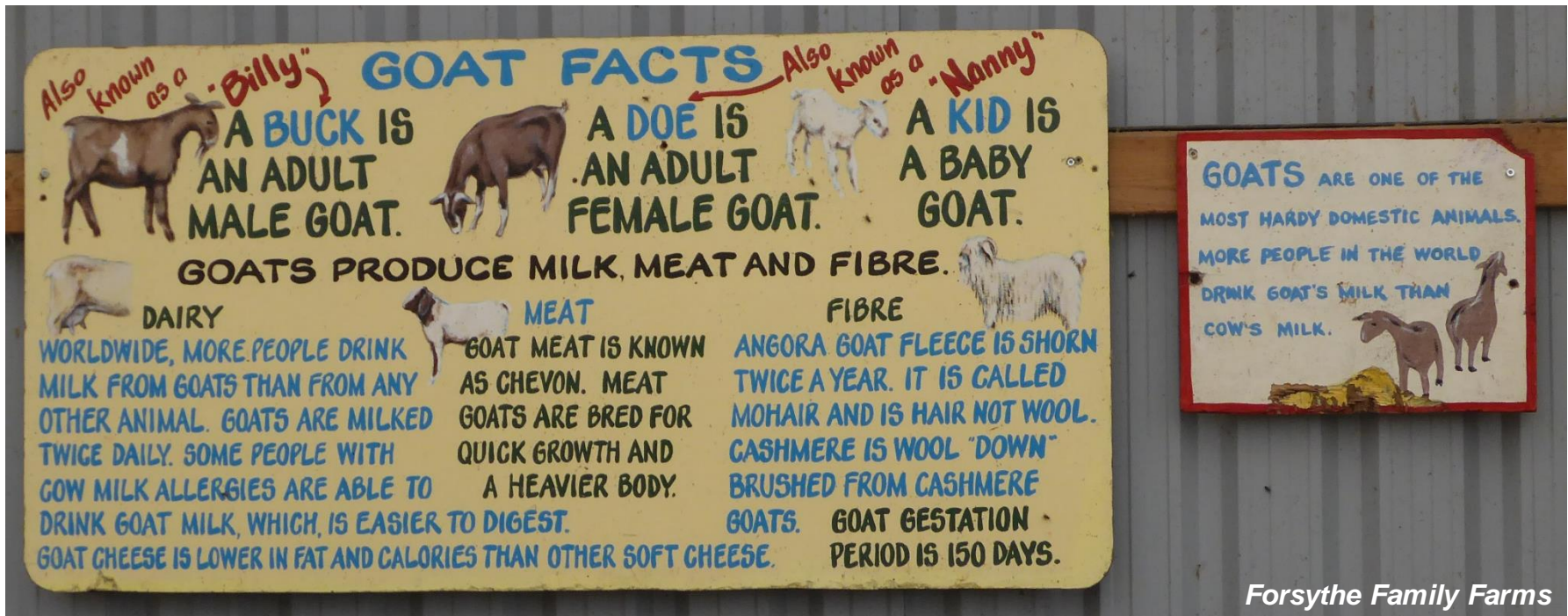
Unglamorous Realities

You may not have thought of...

- Insurance impacts
- [Property tax impacts](#)
- Working with your municipality
 - Zoning, land use
 - By-laws
- Working with your [public health unit](#)
 - Food premise
 - Food handlers course
- Provincial and federal regulations

Exciting
Opportunities

Welcome the public and educate



Sometimes it rains on weekends

Direct

- Customer turnout
- Creating brand recognition

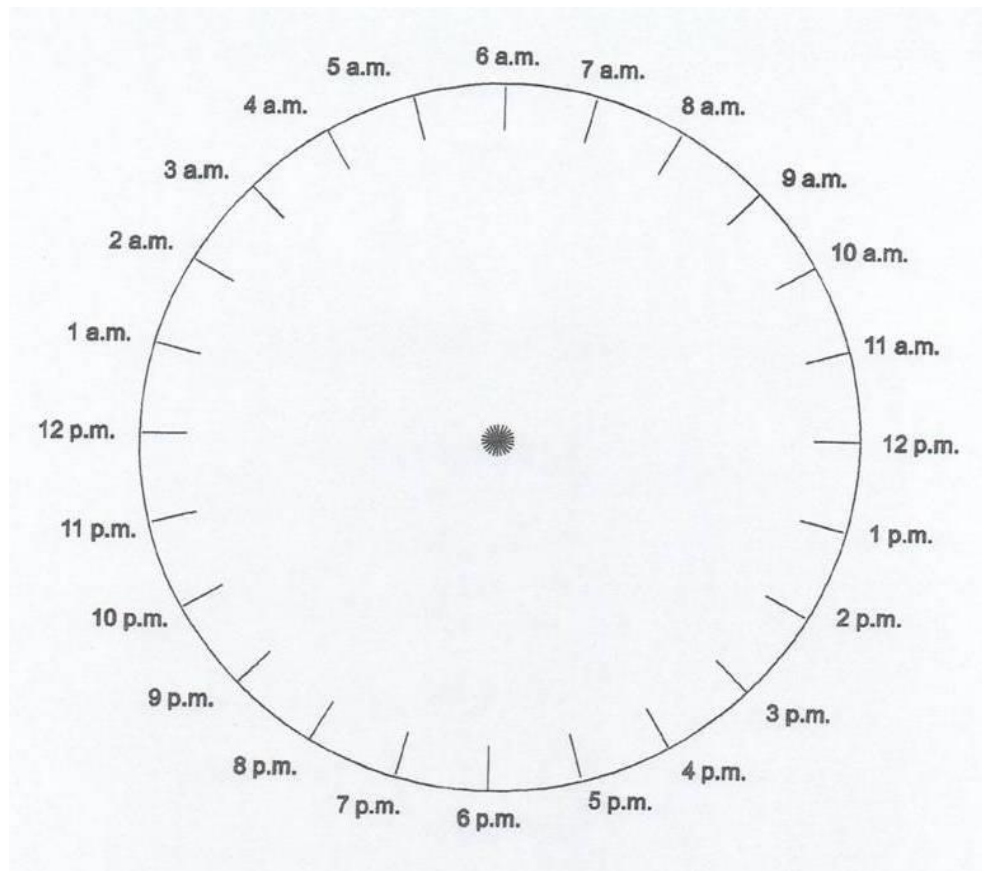
- Labour costs
- Marketing costs
- Competition

Wholesale

- Volume commitments
- Price pressure
- Delivery logistics
- Bad debts

Unglamorous
Realities

Work-life balance just got harder



Exciting
Opportunities

Develop a brand, share your story



Unglamorous
Realities

Not everyone will like the story



I used to come here all the time...went here since I was a kid... but after they built the new building their prices went up way to much. We literally just walked out and went to another local farm and bought organic produce for much less. Not sure what happened but I've talked to quite a few people who said they stopped going for that reason.

Exciting
Opportunities

A Strong Community

Get Fresh



Visit a Farm



Foodland
ONTARIO

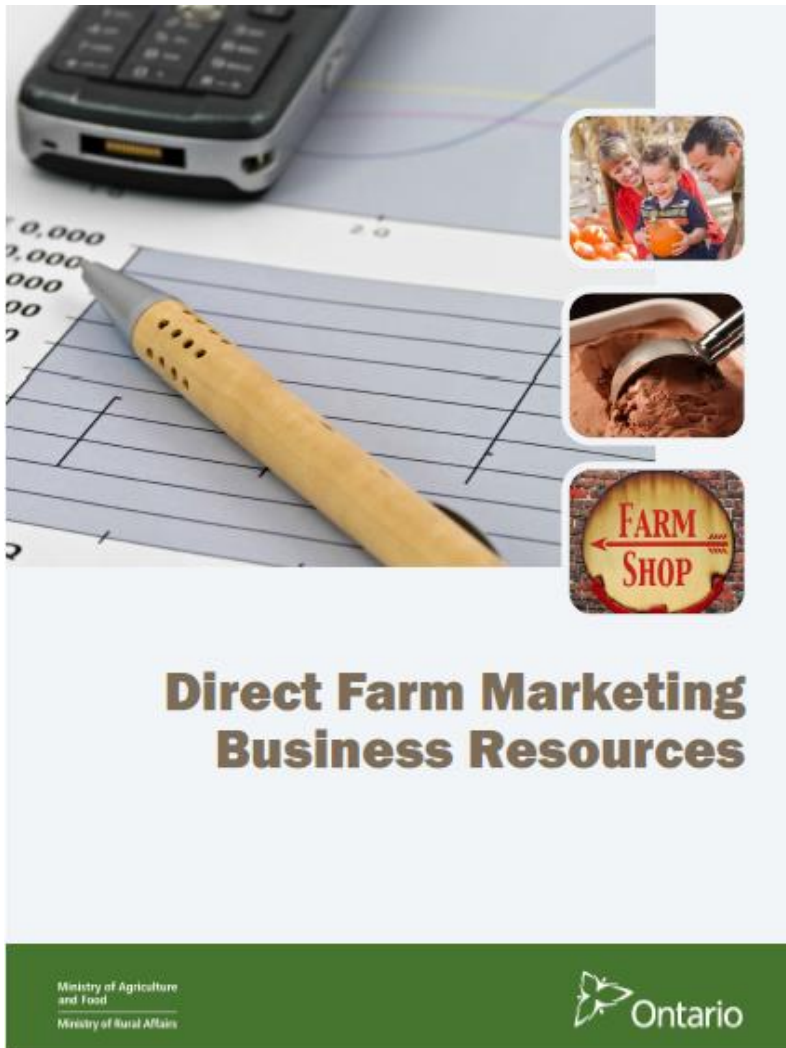


ONTARIO AGRI-FOOD VENTURE CENTRE

FOOD
STARTER

Building great food businesses

OMAFRA Resources



OMAFRA Resources

- Factsheets:
 - [Programs and Services for Ontario Farmers](#)
 - [Business Resource Guide for New Farmers](#)
 - [Managing Risk on Farms Open to the Public](#)
 - [Direct Farm Marketing in Ontario – A Primer](#)

Questions?

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