Small Farmers Opportunities for Direct Marketing to Consumers and Retailers in KY

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How and Who to do you want to sell

- Direct to consumers
  - Farmers’ Markets
  - CSA
  - Restaurants
- Wholesale
  - Distribution
  - Manufacturing
- Retail
  - Own shop or booth
Direct....Farmers’ Markets

- 2011 there were 7,175
- 2014 there are 8,268
- 2018 KY 166 FM+111 CSA

Cooking / Taste demos
- In 2008 KY AGR carried out taste demos in markets in Northern KY
- Prior to demo aprox. 395 units were sold/wk
- During Demos, 4,076 units were sold
- 3 Weeks after demo, 1,526 were sold weekly

So this data shows that tasting demo help sell product and sales continue.

One-on-one with customers
Why farmers’ market success?

- Want to talk about their farm and activities
- Want to get to know their customers
- Want to sell the freshest and prettiest products
- Are very display conscious
- They want to make money
  - Be ready for some negative comments
Farmers’ Markets….

- Be prepared!
- Have contact info for future purchases
- Supply recipes
- Compliment with other products available at the market during demos.
- Mostly have fun, and people will buy your products
CSA ~Community Supported Agriculture

- CSA’s - Community Supported Fisheries - have sprouted in coastal communities around the country, giving fishermen a little more income as a way to sell their catches directly to quality conscious consumers.

- Now a Long Island based CSA has expanded that to a restaurant model, enlisting New York Chefs who pay $2500 per month for a selection of 100 lbs of seafood delivered weekly, including both premium and ‘trash’ fish.

- Fish Farmers can do this!!!
Restaurants...want local and fresh

- Want to highlight your farm and activities
- Local foods let you be creative with your menu and offer more variety.
- Local foods protect the environment.
- Local foods aren’t as expensive as you think.
  - Know what your are selling: how it is grown, harvested, what does it eat and how is it prepared.
Food Trends

Local
Sustainable
Different

<table>
<thead>
<tr>
<th>#</th>
<th>Trend</th>
<th>HOT TREND</th>
<th>Yesterday’s News</th>
<th>Perennial Favorite</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Locally sourced meats and seafood</td>
<td>82%</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>2.</td>
<td>Locally grown produce</td>
<td>79%</td>
<td>4%</td>
<td>17%</td>
</tr>
<tr>
<td>3.</td>
<td>Environmental sustainability</td>
<td>77%</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>4.</td>
<td>Healthful kids’ meals</td>
<td>75%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>5.</td>
<td>Natural ingredients/minimally processed food</td>
<td>75%</td>
<td>9%</td>
<td>17%</td>
</tr>
<tr>
<td>6.</td>
<td>New cuts of meat (e.g. culotte/sirloin cap, teres major, tri-tip)</td>
<td>73%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>7.</td>
<td>Hyper-local sourcing (e.g. restaurant gardens)</td>
<td>72%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>8.</td>
<td>Sustainable seafood</td>
<td>71%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>9.</td>
<td>Food waste reduction/management</td>
<td>70%</td>
<td>8%</td>
<td>22%</td>
</tr>
<tr>
<td>10.</td>
<td>Farm/estate branded items</td>
<td>69%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>11.</td>
<td>Non-wheat noodles/pasta (e.g. quinoa, rice, buckwheat)</td>
<td>69%</td>
<td>22%</td>
<td>9%</td>
</tr>
<tr>
<td>12.</td>
<td>Gluten-free cuisine</td>
<td>69%</td>
<td>20%</td>
<td>12%</td>
</tr>
</tbody>
</table>
Total greenhouse gas emissions by supply chain tier associated with household food consumption in the U.S.

- Red meat
- Dairy products
- Cereals/carbs
- Fruit/vegetables
- Chicken/fish/eggs
- Other misc.
- Beverages
- Oils/sweets/condiments

Climate impact (metric tons CO₂e/household-yr)

- Transport
- Production
- Wholesale/retail
Who sets the trends?

- Market studies, economist, retailers, researchers....?
- The Consumer!
- What they want
- What is important to them
- What they are willing to pay
- They have a voice, $$$ and it creates change
Change in seafood consumption due to … Coming of age.

- Millennials - 20 to 35-year-olds
  - Around 77 million consumers or 25 percent of the U.S. population

- GEN-X - 36-55 year olds
  - Ready made meals
  - Convenient
  - Cheep

- Baby boomers - 52-71 (those born between 1946 and 1964)
Age makes a difference.

- Millennials and Baby boomers:
  - Boomer generation made 218 per-capita restaurant visits in 2012
  - Both spend more money on fresh seafood than other generational groups.
According to Frey...

Sherry Frey, executive VP of Nielsen Perishables Group states:

“Compared to total shoppers, both boomers and millennials are more engaged with the seafood department, with higher household penetration, more trips and a larger spend per trip”.

Millennials are more tech-savvy and convenience-minded than their Generation X and Baby boomer predecessors.

They are open to marketing via social media,

Buying convenient foods at supermarkets, C-stores, restaurants and other outlets,

However are known for having short attention spans.

They do remember flavor: Fortunately for seafood manufacturers and restaurant
Age matters... Millennials and Baby boomers

- Looking for exciting new flavors
- They desire to eat healthier foods than other groups.
- Have time to look through cook books and recreate a great meal
- Travel further—International travel: 1974 2.4M adults vs 1980 3M vs 2015 over 24M
- More adventurous
- Have adventurous taste buds. Seafood is already a more adventurous item for many shoppers to buy and cook. Retailers and restaurants that accompany their seafood dishes with unique, worldly flavors will have a better chance of survival.
- These are the most important demographic group for seafood marketers.
The Difference?

**Boomers/Millennials**
- Young/Older
- Out of school
- First jobs/Retired
- No Kid or Kids out of the house
- Expendable income
- Interested in; environmental issues, travel, animal welfare and future

**Gen X**
- Just married
- Young children
- School fees/soccer
- College
- Buy a home
- More kids....
- A dog
- NO MONEY, time or resources
- Stuck in the middle of life
People Love Local!

Consumers are searching for it! Chefs are responding!
How are you going to sell....Whole or Processed

- What are the requirements
- What are your resources
  - Local processing/MPU
Wholesale Distributors

- Large volume
- Lower price
- Higher specs
  - Size
  - Packaging
  - Grading
- One stop
- One billing
Keys to Success

- Determination
- Creativity
- Listen well to others
- Watch the Market
- Know competition
- Good Management
- Good communication
- Follow through
- Know your limitations
Determination

- Know what you want to accomplish
- Know your time line for each step
- Know what is needed to achieve
- Who/What do you need to know
  - Safety, health, zoning, shipping
- Who do you need to work with
  - State, federal, neighbors, brokers, family
Creativity

- Looking for other opportunities
- Ask; Why should anyone buy this?
- Always look at current market trend
  - Can you adapt this to your product or marketing campaign
  - Can you create a different product to fulfill
    - Low Carb/Paleo
    - Ready made meals
    - Part of the industry needs: hatchery/stockers
Know your customers

- Who are they? Age?
- What is their average income?
- What do they usually spend on specialty products?
- How do they historically prepare similar products?
  - Will that meet your price point?
    - Live, Fresh, Processed, Value-added
Listen well to others..

- What does your customer want
- What can you accomplish with what your resources are
- Be open to suggestions and research them well
Watch the Market

- What are consumers buying
- What are the trends
  - Packaging
  - Portions
  - Marketing campaigns
  - Season
    - Lent, Valentines day, Thanksgiving, 4th of July
    - Plan your market accordingly
Know competition

- What are the specials they are running
- Can you compliment other products and companies
  - Sauces and Marinades
  - Percentage of a ready made meal
Good Management

- Treat your staff well
- Manage your billing and suppliers well
- Treat your customers with respect
- Nurture your relationships with business people
  - Customers
  - Suppliers
  - Business partners
- Do not neglect your family!
Good communication

- Listen well
- Make your customers feel like they are your first priority
- Reiterate understanding in making deals
- Follow up with a descriptive letter/email
- Keep all communication lines open and be willing to assist them during difficult times
  - Suppliers and customers
  - Assist your customers/brokers to communicate your message well
    - Why your product stands out
Follow through

- Follow all trade leads
- Return all phone calls in a timely manner
- If a problem arises and it will take time, let them know that it is being dealt with and check in with them from time to time
- If you cannot service that request, make other suggestions and referrals
  - This will create a trusting relationship
Know your limitations!

- Do not over commit
- Do not make false promises
- Be honest
- If you are not good with the public, get someone that is good to be your front line person
Conclusion

- Talk to people
- Do your research on who your customers are, where they are and what their needs are
- Be prepared
Questions????
Thank You

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