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Tips for Direct Marketing Success Tour Stop Report for Milan No-Till Field Day

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Direct marketing is any marketing method whereby farmers sell their products directly to consumers. Direct marketing channels may include roadside stands, on-farm retail stores, pick-your-own operations, farmers markets, Community Supported Agriculture programs (CSAs), Internet sales, mail order sales and more.

Producers may choose to direct market their products for several reasons. Farmers typically direct market in an effort to earn a retail price for products by cutting out middlemen in the supply chain. The main goal for these producers is to increase revenues and profit. Direct marketing may also allow farmers to test market products and develop a customer base in order to expand their operations. In addition, direct markets are often viable outlets for farmers producing volumes of product too small to market through wholesale channels.

The number of farmers direct marketing to consumers and the value of products sold directly to consumers is growing. The 2002 Agricultural Census shows that the number of Tennessee farmers participating in direct farm sales to consumers increased by 698 farmers or 25.9 percent between 1997 and 2002. The value of agricultural products sold by Tennessee farmers direct to consumers grew by \$2,847,000 between 1997 and 2002, an increase of 34 percent.

Consumer trends are favorable for farmers interested in direct marketing. Studies show consumers associate quality with local products and are willing to pay more for quality. Consumers value products that are fresh, ripe, harvested nearby and authentic. Consumers are also interested in supporting their local economies and preserving values associated with agriculture. In addition, consumers value “the story” behind the product and the producer.

Direct marketing does pose some challenges for producers. It is labor intensive, and therefore requires increased labor costs, and requires people skills and marketing savvy. Additional regulatory and risk considerations often arise as well.

Ten tips for successful direct marketing are:

1. Produce a quality product
2. Produce a quality product consistently
3. Learn and follow necessary regulations (processing, weights and measures, labeling, etc.)
4. Assess and manage risk (food safety protocol, insurance, business structure)
5. Identify your competitive advantage and market niche(s)
6. Make your product look good/merchandise effectively
7. Develop and tell your story
8. Provide excellent customer service
9. Foster relationships with customers
10. Create experiences for customers