

MARKETING FOR THE VALUE ADDED- AGRICULTURE ENTERPRISE

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Concepts, Principles and Practices for Planning Developing and Evaluating New Market Opportunities

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- Completed in May 2002
- Presents various marketing issues and implications specific for value-added ag. operations
- Presents specific marketing concepts and an example marketing plan

Marketing is not synonymous
with advertising

Marketing is planning and
executing a set of objectives
related to bringing buyers and
sellers together . . .

so that a sale can take place.

Guaranteed market success is
virtually non-existent in value-
added agriculture . . .

It's a thing of the past in most
agriculture arenas.

The age-old 'chicken or the egg' scenario seems present when of evaluating new agricultural enterprises . . .

...“do you first need to know if you can produce it or if you can sell it?”

The fact is - -

you not only have to be able to produce and sell, but you have to produce at a cost low enough and sell at prices high enough to generate profit

COMMON MARKETING CHANNELS

- Broker
- Distributor
- Wholesaler
- Retailer
- Consignment
- Direct-to-Consumer
- Farmers' Market
- Internet
- Catalog



**NICHE MARKETING
AND
ALTERNATIVE MARKETING**

Niche marketing:

targeting a product or service to a limited segment of the mainstream market. In agriculture, a “niche” may best be described as a normal product in a specialized market or a specialized product in a normal market

Alternative marketing:

best described as new or different methods of marketing than previously used by the firm



**MARKET RESEARCH,
MARKET ANALYSIS
AND
MARKET DEVELOPMENT**



**PRICE PROJECTION
AND
SALES ESTIMATES**

Price must be high enough to cover cost and generate profit, yet low enough to attract consumers. Striking the balance between cost, profit, sales volume and price can be down-right nerve racking

Estimating sales helps determine
the amount to produce also
decides if sale projections are in
line with production capabilities

OTHER CONSIDERATIONS FOR PRICING AND SALES ESTIMATES

- Competition
- Discount/Markets
- Inflation
- Location
- Market Position
- Prestige
- Professionalism
- Quality
- Seasonality
- Volume



PERCEPTION AND PACKAGING

Packaging:

needs to reflect the product's personality, and entice consumers to take the product off the shelf.

Packaging:

has to attract consumers'
attention to make the consumer
aware of the product

DEVELOPING A MARKETING PLAN

ELEMENTS OF A MARKETING PLAN

- I. Introduction
- II. Market Research and Analysis
 - I. Situation Analysis
 - II. Product/ Service Analysis
 - III. Target Market Identification and Description
 - IV. Competitor Analysis
- III. Marketing and Financial Objectives and Goals
- IV. Marketing Strategies
 - I. Market Penetration
 - II. Market Development
 - III. Diversification
 - IV. Product Development
- V. Marketing Mix/ Marketing Tactics
 - I. Product
 - II. Price
 - III. Place
 - IV. Promotion
- VI. Marketing Budget
- VII. Monitoring and Evaluating Market Response
- VIII. Marketing Plan Check List