

Advanced Techniques for Sustained Marketing Success of Team Farmers

Final Report for FNC04-515

Project Type: Farmer/Rancher

Funds awarded in 2004: \$17,146.00

Projected End Date: 12/31/2006

Matching Non-Federal Funds: \$21,180.00

Region: North Central

State: Minnesota

Project Coordinator:

[Constance Kartens](#)

Project Information

Summary:

PROJECT BACKGROUND

The headquarters for this project, Liberty Land & Livestock, is a 180-acre family farm. The farm is primarily planted in permanent pastures that are intensively rotationally grazed.

The main cooperator raises approximately 250 Dorset ewes. The sheep are on an accelerated lambing program in order to have a steady fresh year around supply of lamb. Beef, turkeys, chickens and eggs are also marketed as well as other products. The main cooperator has been strongly practicing sustainable agriculture for 20 years.

At the time of the grant, the main cooperator already had a successful business of selling their farm raised products direct to consumers. This advanced project collaborated the efforts of several farmers who are lead by proven entrepreneurs who have successfully sold direct to consumers. The main cooperator already marketed products through four channels: 1) restaurant sales, 2) on-farm retail store (The Lamb Shoppe) & USDA processing facility, 3) live sales to ethnic markets and 4) state fair ready-to-eat food booth. All of these markets are still in the growth phase and require a team of farmers to supply the demand. This project helped to expand these various markets, and it ensured the continued success through improving and honing already existing skills.

PROJECT DESCRIPTION AND RESULTS

This grant request builds on the success of the previous grant #FNC00-290 "Expanding, Enhancing and Diversifying Sales with Team Farmer Marketing" (2000-2002). Because of the work already underway with the help of the previous grant, our group of farmers have successfully marketed many of their products direct to consumers.

However, as the marketing process continues to expand, some gaps have been identified as a result of the previous grant. In order to maintain and ensure continued success of this marketing project, this grant addressed these targeted

gaps. This new grant proposal originally identified five problem areas to work on.

- 1) Necessity to develop a mail order service for long distance customers.
- 2) Create and update a record keeping system which includes a data base of customers and setting up an improved accounting system.
- 3) Generate consistent product labels for all product lines & incorporate new products.
- 4) Continue to build and nurture relationships with key consumer bases.
- 5) Persist in education/training of project leaders.

As this grant project progressed, we found it best to make some slight modifications from the original proposal. It seems that the most successful businesses adapt to changes as necessary and we found the same to hold true for our project. Overall, we feel that our grant project has been tremendously successful.

In terms of results of this grant, each of the above problem areas and goals will be addressed individually. Both the steps involved in the project and the results of the grants are stated below.

1) Mail Order Service - In the first year of the grant, we put a lot of effort into this area. We advertised in a national publication geared toward eating healthy (Weston A. Price Foundation) and had a good response. As we shipped products, we found it very time consuming. A lot of time was spent on the phone and or email with many potential customers across the USA. We found that shipping meat products was a challenge and very costly. In addition, it turned out that more time was spent getting price estimates for potential customers who didn't actually purchase product in the end. The main reason customers chose not to order was because the price of shipping was too much, often times more than the product itself. The packaging material was also very expensive. As a group, a decision was made to terminate the mail order portion of the business as it was not very cost effective. In addition, we felt that it would be better to promote that consumers should buy their food locally. So in the second year of the grant, we took the remaining money that was earmarked for the mail order service and put it toward more local sales operations. However, although we have chosen to primarily do local and regional sales, we still found it of utmost importance to keep our website updated and readily available for locals to order from. We found that many customers within driving distance like to order from the website in advance before coming to the retail store or waiting for a delivery to their area. Moreover, the website serves the purpose of a "store catalogue" and it is very useful to our current customers as well as new customers.

2) Record Keeping & Accounting System - In the second year of this project, we saw some real progress in this area. We teamed up with a local college and a professional accountant to set up a professional accounting system. We found a student who was willing to put time into our project and mentor under the certified public accountant for us. We are very fortunate that the student will continue to work with us through 2007 with our financial records so we can get a strong foundation in this department. A data base of customers has also been set up so that we will be more efficient in our business dealings. Record keeping is a very important part of our business and it takes time to do. It can be difficult to for one person, or even a couple, to balance all the aspects of a growing business especially when there is a lot of "hands-on" time with creating, growing and processing the product so having an efficient set up for the record keeping should prove to be very worthwhile.

3) Product Labels and Product Development - Labels were created, printed and used. This has been an improvement, but we have found that this, too, is an ever-changing and a constantly improving project. An offshoot of this, we created some excellent display material. We found that the in-store signage and display material

was equally important, if not more so, than the actual packages purchased. So, we developed display material about our sustainable farm, product quality and with our logo. It has been very effective. We also have recipes available for the various cuts of meat, this had helped us in the sale of some of the harder to sell cuts. Besides that, we have cookbooks for grassfed meats available for purchase. In terms of product development, we have worked with the Agriculture Utilization Research Institute (AURI) and have continued our work on the gyro recipe. With the help of AURI's meat technologist, we have successfully developed a recipe free of MSG and soy products (two ingredients many of our customers are allergic to and/or do not wish to eat). Next, we plan to find a processor to make this, develop packaging material, and then distribute it to stores and restaurants. The animal by-product and pet food markets have still yet to be tapped as we found that we cannot supply the amount of liver there is a demand for. We hope someday in the future to look into this market potential.

4) Build and Nurture Relationships - Throughout this entire grant we have found that we spent the most time and effort in this area. We worked very hard to develop new markets for this project. We spent many hours driving to potential customers, talking with them, showing material about our product, and giving samples of our product. Interestingly, enough, this facet of the business continues to grow and change just as the other sides do. We created and put together a profession booth display for trade shows. We attended the Green Living Expo in May 2006 with our booth display and made some great connections with businesses and individual customers. We have found that it requires a lot of time to make people aware of your business and it could easily be a full time job just making sales connections and contacts. Many livestock producers have neither the desire nor the talent to do this work and these producers are grateful to have someone else do it for them.

Dozens of contacts were made with stores, distributors, restaurants, and meat markets. In the end, we found two new major markets that turned out to have a long-term commitment: one natural food co-op store and one trendy restaurant. Both of these new customers are located in Minneapolis and are getting regular weekly deliveries from us. It is estimated that these two new clients will purchase a minimum of 300 lambs per year.

Through this grant, we applied for certification with the Midwest Food Alliance and were accepted. This connection has been very useful for us. They have teamed up to try to find new markets for us. This has been an excellent organization to work with and would highly recommend it to others.

Several attempts were made to work with buying clubs. The success with this has been quite limited for us. Also, another restaurant in Minneapolis and a Mediterranean market in St. Paul were purchasing small quantities of lamb for a limited time. A meat market had been purchasing a few carcasses from us as well. Neither one of these turned out to be long-standing or substantial markets.

Another thing that we tried during the grant was a new farmers' market that featured only locally raised food. We teamed up with another group of farmers for this, but the volume was too low for all of us and it seemed best for just one farmer to handle this market. We are considering being a temporary vendor serving ready to eat food on certain occasions in the future.

Live animal sales to ethnic markets have only been somewhat successful, but steady. We have found that these customers tend to be unreliable in showing up when they say they will or even at all after making an appointment and also that they tend to try to barter in price. These two factors make the other markets more favorable for our purposes.

Originally, we planned to work with the Community Education Programs to provide healthy meats for cooking classes, but we simply ran out of time and money to pursue this any further. We did, however, attend some Metro-area cooking classes that worked with lamb and began to “plant some seeds” with the chefs. These types of relationships seem to take some time to build up and we may not see any results immediately.

5) Education/Training - Funding provided through this grant has provided some excellent continued training for the main cooperators. The education that the main cooperator gets benefits the whole farmer team. This shared information helps make informed decisions for the group. Learning circles were formed to disseminate the information. The project leaders attended the 3-day Acres USA conference in 2005 and 2006. The seminar travel expenses that were planned in the original budget were shifted over to travel expenses to actually get new markets. It was decided that the money would be better spent for the producers getting real markets that would sell actual animals, rather than just learning about them.

Another type of education that the main cooperators were involved with was a trip to the American Sheep industry Association and the American Lamb Board in Denver, Colorado. The main cooperator investigated the opportunity of getting Mark DeNittis from Colorado, a master chef who trains other chef and meat cutters in lamb. However, it was decided not to pursue this due to the high costs involved. The main cooperators made several other contacts with national lamb experts who specialize in meat cutting so new ideas in products could be incorporated. More of this work will continue in the future.

Producers involved as a result of the project: 14 families

Businesses involved as a result of this project: 12

Organizations involved as a result of this project: 10

The results of this grant project have impacted a number of farmers and business. Because of The Lamb Shoppe's increase in business, the following farmers and businesses and organizations have been impacted:

Listing of other producers involved as a result of the project:

Scott & Theresa Hoff

Mike & Brandon Braucher

Warren Youngbloom

Steve, Cindy & Ruthie Calvin

Gerald Hoff

Justin Witte

Adam Leske

Bill Arndt

Victor Hoff

Otto Brothers

Bob Flemming

Laverna Just

Don Popp

Dave Witte

Organizations involved:

Agriculture Utilization Research Institute

Ridgewater College

Hutchinson High School

Sustainable Farming Association

Land Stewardship Project

Midwest Food Alliance

Minnesota Grown
Minnesota Pasture Products Cooperative/PastureDirect
Weston A. Price Foundation
Minnesota State Fair

Businesses involved as a result of this project:

The Wedge Natural Food Coop
Spoonriver Restaurant
Café Barbette
North Country Meats
Potpourri Health Food Store
Natural Food Market
Kadejan
PastureLand
Spiro's Market
Casper Sugar Shack
Carlson Meats
French Lake Butcher Shop

OUTREACH

The outreach has been an on-going effort during the two-year grant period and it certainly will continue into the future. There were several tour groups that came directly to the farm for tours. Among these were 4-H, FFA, and various community organizations. In addition, about 20 private tours were given to individuals.

Several talks were given to various groups about our marketing project. We were unable to attend one seminar because of a conflict. But in general, this year we gave more individualized information one-on-one to people who would come to us. There were a few articles published as well. We had a field day in 2005 that was sponsored by the Land Stewardship Project with about 20 people in attendance.

Probably the most outreach we did was directly to customers. This type of outreach may, eventually, may have the most impact because we are talking to metro-area people who are so removed from the farm. Once they learn about the type of agriculture we represent, they are very eager to support us by purchasing our products. We did countless hours of consumer education, particularly at our state fair food booth.

PROGRAM EVALUATION

We are very pleased and honored to have been part of this program for another grant opportunity. We can truly say that it has helped boost our business in a substantial way. As participants we have had a very positive experience with the people working and the program in general. We hope this program will continue to help others as it has done for us.

Research

Participation Summary

Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture or SARE.



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