**Module 4: Marketing**

**Unit 2.4 Collaborative Marketing**

**UNIT OVERVIEW**

*This unit will emphasize the collaborative marketing of agricultural products and outline considerations for collaborative marketing in terms of logistics, farm mission/vision, and how farms cooperate to ensure quality. Students will learn about the importance of understanding what collaborative marketing is, how wholesale buyers view it, and how to gauge if it fits within the farm’s vision for expansion of marketing channels. The Unit contains a lecture on collaborative marketing, a hands on activity to illustrate collaborative marketing considerations, and a group discussion activity of role-playing scenarios related to collaborative marketing.*

**MODES OF INSTRUCTION**

POWERPOINT/LECTURE (30 MINUTES)

This lecture will enable understanding of collaborative marketing in the greater scheme of marketing to a wholesale buyer. Through a case study example students will be able to relate concepts introduced in the presentation.

HANDS-ON ACTIVITY #1: Collaborative Marketing Checklist (40 MINUTES)

During this activity the students will have the opportunity to explore logistical and personality related aspects to collaborative marketing in order to make a decision as to whether they would like to pursue it.

HANDS-ON ACTIVITY #2: Role Play Scenarios (15 MINUTES)

This activity will enable the students to understand the importance of the group dynamic in collaborative marketing, as well as common issues which may arise, including food safety, quality control, financing, etc…

**LEARNING OBJECTIVES**

CONCEPTS

* What is collaborative marketing?
* Why, how, & when this fits best in a wholesale channel
* Common challenges in collaborative marketing

SKILLS

* How to identify personal and logistical farm-based criteria for collaborative marketing
* How to identify potential collaborative marketing partners
* What to put into a contract

**LECTURE OUTLINE (See Powerpoint 2.4 Collaborative Marketing)***for the instructor*

**OVERVIEW**

*This powerpoint/lecture will enable understanding of collaborative marketing as a potential way to enter wholesale without totally committing to all aspects, through the introduction of concepts and then applicability to a farm case study.*

**LECTURE OUTLINE**

**Collaborative Marketing**

1. (Slide 3) What is collaborative marketing
2. (Slide 4-5) Who, Why, What, When & How of collaborative marketing
	1. When is it the best fit
	2. Importance of Documentation
	3. Formalizing the relationship
3. (Slide 6) Examples/types of collaborative marketing
	1. Collaborating around product, transportation, aggregation, point of sale
4. (Slide 7) How to Set up Successful Collaborative Marketing Relationships
	1. What do you bring to the table?
	2. What do you value?
	3. Need to understand who your ideal & target customers is/are
5. (Slide 8) Responsibility of Marketing
6. (Slide 9) Case study with Stick & Stone farm
7. (Slide 10) Group exercises (can do one or both – depending on group interest)

**HANDS-ON ACTIVITY #1: Checklist & Contract***for the instructor*

**OVERVIEW**

*Understanding how a farm’s values and current business operations fit within collaborative marketing is imperative to whether the farm should move forward with collaborative marketing. This checklist will help farms decide whether collaborative marketing is for them.*

**PREPARATION TIME:**  5 Minutes

**ACTIVITY TIME:** 40 Minutes

**PREPARATION AND MATERIALS**

1. Break students into groups of 3-4 each (depending on class size)
2. Instruct each group to pretend they are exploring collaboratively marketing a specific product (or type of products) to a grocery store.
3. Ask each group to work through the following two collaborative marketing worksheets: a) Checklist for Evaluating Collaborative Relationships and b) Green Acres Collective Farmer Questionnaire (15 minutes)
4. Then, instruct the groups to see how they could structure a contract that would make all the farms happy by filling out worksheet c) Collaborative Marketing Contract for Green Acres Collective (10 mins)
5. Have students come back as a group and then talk about common challenges or points of discussion among the group.
	1. **Checklist for Evaluating Collaborative Relationships**

**Marketing:
\_\_** *Who is responsible for marketing the product(s) within the group and once it leaves?*\_\_ *How will my product be marketed?
­­*\_\_ *Will my product retain it’s identity?*\_\_ *Labels?*\_\_ *How will my product be displayed?*

**Transportation:
\_\_** *Who is responsible for transportation of product(s)?
\_\_ When is liability assumed?*\_\_ *When is product required to be delivered?*

**Reimbursement:**\_\_ *What price can I expect to get for my product(s)?* **\_\_** *How will I be reimbursed?*\_\_ *When will I be reimbursed?*

**Types of Products, Amounts, Timing, etc…
\_\_** *What types of product(s) are looking to be purchased/sold?*\_\_ *How much?*\_\_ *How often would delivery occur?*\_\_ *Am I the only provider of this type of product? Are there competitors?*\_\_ *Any food safety or other certification requirements?*

**Alignment of farm mission, values, personality, etc…
\_\_** *Does this farm/business mission, values, personality align with mine?
\_\_ Am I comfortable being confrontational when necessary?
\_\_ Is there adequate financing (either human or $$) to keep the group going until $$ comes in?*

**Where Will Products be sold?
\_\_** *Farmers Market stand*\_\_ *Farm store*\_\_ *Health food store*\_\_ *Restaurant Menu
\_\_ Grocery Store
\_\_ Through a food hub
\_\_ Through a distributor*

**How Will products be sold?
\_\_** *Consignment
­­­*\_\_ *Outright purchase*\_\_ *Am I locked into selling for a certain period of time?*\_\_ *What recourse does either partner have to back out of agreement?*

**Risk Management:
\_\_** *Insurance Requirements?
\_\_ Dispute Resolution methods
\_\_ Responsibility for losses/damage
\_\_ Does proper storage exist for products to maintain quality?*

* 1. **Green Acres Collective Farmer Questionnaire**

Green Acres Collective is currently seeking additional farm partners. Please fill out this questionnaire so that we can learn more about you and evaluate your fit with our group.

**Farmer Questionnaire**

**Contact Information:**

Farm Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Farmers Names: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ State: \_\_\_\_\_\_\_\_\_ Zip: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

County: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Website: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Social Media: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Facebook)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Twitter)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Pinterest)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Instagram)

**Number of Acres:**

\_\_\_\_ Fruit

\_\_\_\_ Vegetables

\_\_\_\_ Pasture

\_\_\_\_ Managed woodlot

\_\_\_\_ Other (please specify): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Number of Years Farming (for each farmer named above):**

**Please describe the history of your farm, including the year founded, the evolution of the operation, length of tenure on current land, and the past experience of each farmer:**

**Do you have a farm mission and vision statement?** \_\_\_ Yes \_\_\_ No

**If yes, please share either/both here: ­­­­­­­­­­**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| **Current Markets:** |
| **Market Type** | **Approx. % of Sales (must sum to 100%)** |
| Farmer’s Markets |   |
| CSA |   |
| Wholesale |   |
| Other: |   |
| Other: |   |

**Do farm owners actively work on the farm?** YES NO

**Full Time Staff #:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Wage Range:** $\_\_\_\_\_\_\_\_\_\_\_\_\_ - $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part Time Staff #:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Wage Range:** $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Unpaid Interns #:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Do you use other forms of labor on the farm (WWOOF, H2A, etc.)?** YES NO

**If yes, please explain:**

**What other benefits are provided to farm workers (housing, food, health insurance, retirement, etc.)?**

**How would you best describe the growing practices on the farm? What, if any, certifications do you have?** (Eg. Certified Organic, Naturally Grown, Fair Trade, Certified Humane, Animal Welfare Approved, Biodynamic, etc.)

**Do you utilize season extension techniques? Please explain which and for what products/varieties.**

**Do you routinely test water (annually)?**

**Do you store product in a cooler? Do you keep a temperature log?**

**Do you wash produce before packing?**

**Where do you pack product (field pack, pack house)?**

**Do you have a food safety plan?**

**Does the farm have any food safety certifications (GAP, HACCP, etc.)?**

**For meat producers: Where do you process your meat? Is it a USDA certified facility?**

**Do you use a 20C kitchen? Or do you operate under home exemption?**

**Would you welcome visitors and Green Acres Collective farmer members onto your farm for scheduled visits?** YES NO

**What products are you hoping to sell through the Green Acres Collective?**

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| *Are you interested in or currently able to supply any of the following items:* |
| *Check each column as applicable* | Able to Supply | Interested | Varieties | Seasonal Availability |
| Grassfed beef |   |   |   |   |
| Grassfed lamb |   |   |   |   |
| Pastured pork |   |   |   |   |
| Pastured chicken (meat) |   |   |   |   |
| Pastured chicken (eggs) |   |   |   |   |
| Annual vegetables |   |   |   |   |
| Annual fruits |   |   |   |   |
| Perennial fruits |   |   |   |   |
| Storage/Winter crops |   |   |   |   |
| Early spring crops |   |   |   |   |
| Dry beans, grain, corn |   |   |   |   |
| Dairy/Cheese |   |   |   |   |
| Fermented/Preserved foods |   |   |   |   |
| Honey/Maple |   |   |   |   |
| Prepared Foods |   |   |   |   |
| Baked Goods |   |   |   |   |
| Flowers |   |   |   |   |
| Other: |   |   |   |   |
| Other: |   |   |   |   |
| Other: |   |   |   |   |

* 1. **Collaborative Marketing Contract for Green Acres Collective**

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Farm A) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Farm B) agree to enter into a collaborative marketing relationship to sell \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (product 1), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (product 2), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (product 3) to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (famous grocery store). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Farm A) agrees to provide \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (acres, pounds, pallets, bushels, quarts, etc… - pick one) at a price of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ($x/unit) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Farm B) agrees to provide \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (acres, pounds, pallets, bushels, quarts, etc… - pick one) at a price of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ($x/unit). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ will be responsible for all marketing aspects of the products, including speaking with potential buyers, etc…. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ( ) will be responsible for transportation of the product to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (grocery store). \_\_\_\_\_\_\_\_\_\_\_\_\_ ( ) will be responsible for safe (food safety-wise) storage of the product until it is transported to the buyer. Each farm must supply proof of the following: \_\_\_\_\_\_ (product liability insurance $$), \_\_\_\_\_\_ (proof of food safety plan –y/n), \_\_\_\_\_\_ (proof of GAPs/HACCP – y/n), \_\_\_\_\_\_\_\_\_\_\_ (certified kitchen/other). Liability for the product is assumed at the point of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (farm drop off at store, farm drop off with partner farm, other). Product guarantees will be provided to the buyer \_\_\_\_\_\_ (yes/no).

**HANDS-ON ACTIVITY #2: Group Role Play***for the instructor*

**OVERVIEW**

*Collaborative marketing is based almost exclusively on relationships and a high degree of trust among partner farms. There are common challenges which arise when groups are working together in this type of atmosphere: quality control, food safety, financing, etc… These role plays will help the group think through potential solutions and then brainstorm as a larger group on other ideas.*

**PREPARATION TIME:** 5 minutes

**ACTIVITY TIME:** 15-20 minutes

**PREPARATION AND MATERIALS**

1. Using the table below, make a copy of each challenge and approach separately (so a group can look at one without seeing the other).

2. Divide students into groups of 4 and give each a copy of one of the problems.

3. Have small group discussion about each of the problems and potential approaches (10 minutes)

4. Have each group share out their proposed approaches to see how they match with the provided (but not only) answer (3-5mins/group)

5. Have larger group share any additional thoughts on approaches and process (5 mins/group)

**Collaborative Marketing: Problem Scenarios**

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| **Scenario 1: Matching the needs of the buyer with the capacity of the collaborative** Marketing as a farmer group has the advantage of increasing the supply of product, but it has the disadvantage of increasing the scale of mistakes. The collaborative could run into a misalignment of what the buyers want and what the collaborative has available. |
| **Scenario 2: Inadequate post-harvest handling**A collaborative marketing group could wind up with a lot more product than their storage can handle. When products are aggregated, temporary storage capacity (dry, refrigerated, or frozen) has to be able to keep up. |
| **Scenario 3:** **Variability in certification and credentials**Some farms in the collaborative may be certified for organic labeling, food safety credentials, or other designation. With multiple certification programs, the “least common denominator” may drive what the group can accomplish. |
| **Scenario 4: Lack of money: Small farm marketing collaborations need to spend money to develop the collaboration fully**. There are expenses related to changes in production practices (e.g. more mechanized equipment), storage (e.g. new cold storage units), and staffing (e.g. coordinator). |

**Collaborative Marketing: Proposed Approaches**

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| **Scenario 1: Matching the needs of the buyer with the capacity of the collaborative** Designate one of the collaboration members as a communications coordinator. Their duty is to stay in touch with buyers regarding product availability, timing, transportation, and other logistics. The coordinator of communications needs to know what the buyer is expecting and work with the other farms to meet the expectations. If the collaborative may fall short, then the communications lead needs to handle that right away with the buyer. |
| **Scenario 2: Inadequate post-harvest handling**Long before harvest, establish several options for storage of larger quantities of farm products anticipated by the collaborative. The cooling, packing and storage facilities can be centralized to one farm or rented from another business or entity. Make sure that security and sanitation are maintained. |
| **Scenario 3:** **Variability in certification and credentials**Documents and operating agreements should include specific expectations of maintaining whichever certifications the collaborative will use for marketing. For example, if the collaborative has a food safety certification standard, the consequences of one of the collaborating farms losing those credentials should be clarified in writing. Certifications need to be consistent among all participating farms. |
| **Scenario 4: Lack of money: Small farm marketing collaborations need to spend money to develop the collaboration fully**. Develop an enterprise budget with thoughtful figures about how much money needs to be spent each month. All collaborators should have a chance to review, edit, and eventually agree on the expense projections for the expected duration of the venture. Some expenses to anticipate include: § Labor – coordination, bookkeeping, recordkeeping, marketing, communications, quality control, transportation and delivery. § Equipment and supplies – cooling, washing, packing, and product handling. § Building – use of storage, rental, construction expenses. § Management – compensation for leadership roles, consulting, and legal & accounting fees. In most cases, the funds for the collaboration expenses will be shared by the participating farms. Efforts to obtain grants and other incentives incur new expenses for grant administration and reporting. |