McRey Farm Collaborative Marketing Case Study

McRey Farm is located in Glen Aubrey, NY on ~200 acres. Pete Reynolds and Carol McGree intensively rotationally graze livestock (pigs, cows and sheep) and provide all their grazing inputs on-farm (only buying in feed for the pigs). They sell only USDA cuts of meat through both direct and collaborative marketing channels.

At the start of the project (spring 2014) McRey Farm was selling through four collaborative marketing venues, which included health food stores and restaurants. They also sold at one local farmers market and on-farm. They were selling all that they could produce and were buying in some of their inputs (some hay to make it through the winter months as well as feed for their pigs).

At the end of the project they are selling through three collaborative marketing venues, having dropped one restaurant. They also started focusing on decreasing their herd sizes so that they could provide all inputs from their own farm. However, demand had also increased; they were taking less product to their direct marketing outlets to satisfy their collaborative marketing/wholesale channels.

This led to in 2015 Pete & Carol with a decision – how would they keep all their customers happy without scaling back up their production? They started two informal collaborative marketing relationships: one with their butcher to resell his products to keep their direct marketing customers happy; and informally collaborating with another local farm who would provide them with year-old feeder calves. The first did not last through 2015 due to their increased costs; they were just breaking even. The second will be continuing into 2016 due to decreased costs for them. It is more expensive for a farm to keep a bred cow and raise the calf the first year than purchase when the calf is one year old and grow it out for slaughter. They trust their partner farm, their production practices and quality standards. This relationship will allow them to grow their business while keeping their costs down. They will start with purchasing 7-8 feeder calves in 2015 and will evaluate on the need for increasing this relationship at the end of 2015.

The farm’s biggest concerns about collaborative marketing were having the right product mix and scheduling deliveries. Through their participation in this project they have done a better job at tracking their inventory using quickbooks and discovered they sell the entire animal (always with pigs and lamb and mostly with beef) and don’t keep custom cuts unless specifically asked and paid for in advance. They have started coordinating deliveries to their collaborative marketing partners as well as increasing their pricing structure. Their labor and input costs have been lowered due to starting to collaborate with a farm on production, which in turn has led to total increased profit (not just increased sales).

Pete & Carol will continue to work in their collaborative marketing relationships informally. They do not feel it is necessary to formalize the relationships as they are built on a foundation of partnership and quality. This may change in the future but not right now. They did utilize the checklist to better think about what topics of conversation with their partners should be. They will continue to refine the product mix they offer to their collaborative marketing partners as well as scale back participation in direct marketing as it is quite labor and marketing time intensive.