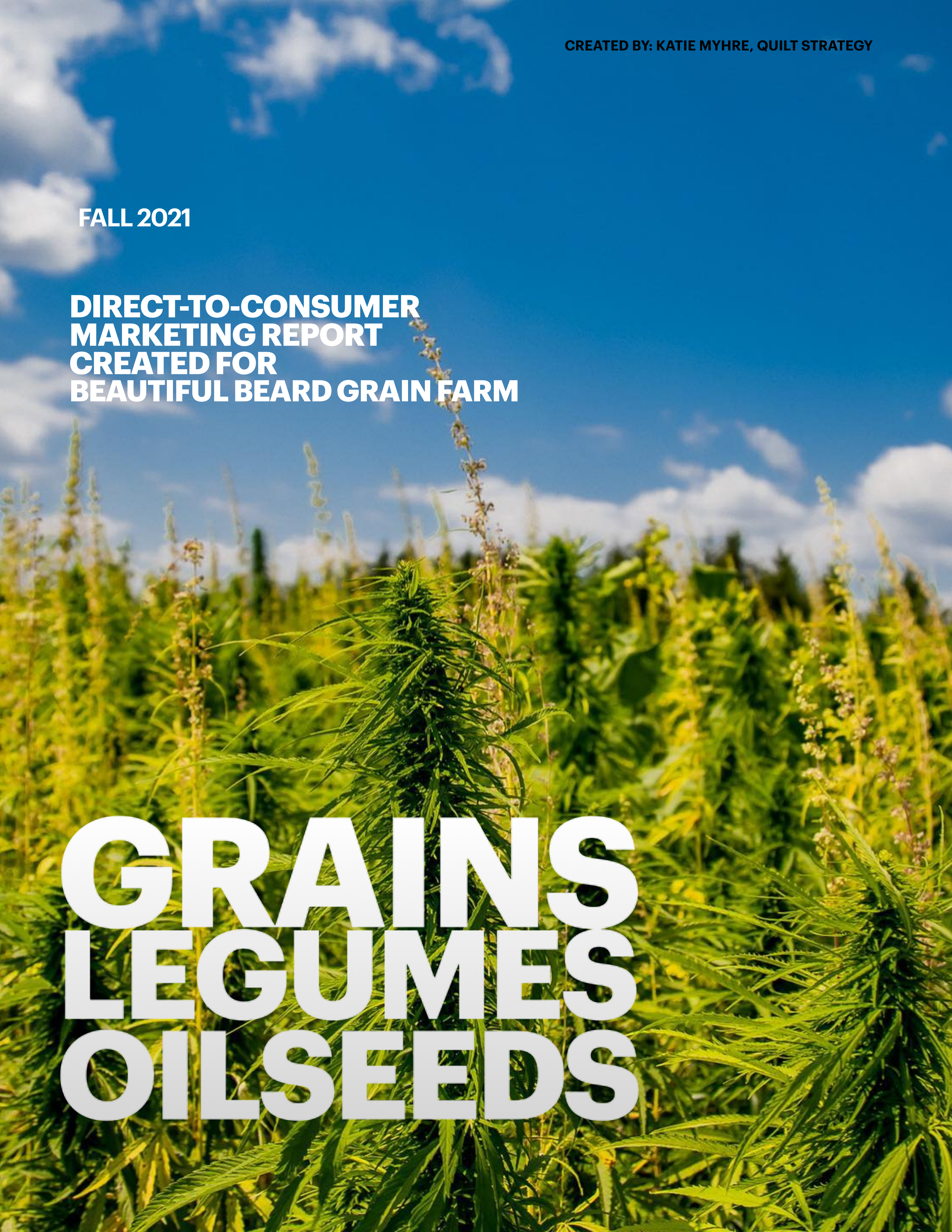
CREATED BY: KATIE MYHRE, QUILT STRATEGY

FALL 2021

DIRECT-TO-CONSUMER MARKETING REPORT CREATED FOR BEAUTIFUL BEARD GRAIN FARM



GRAINS LEGUMES OILSEEDS

INTRODUCTION

Beautiful Beard Grain Farm produces grains, legumes, and oilseeds in Lake City, Minnesota. The farm itself is new but relies upon age-old, proven techniques of crop rotation and biodiversity. Lead farmer Rob talks with urgency about the power that rotational grains, legumes, and oilseeds have to sequester carbon and create homes for pollinators. With ambitious environmental goals, his farm represents a new paradigm for production and its relationship with our diets.

This report was funded by SARE and seeks to offer farmers like Beautiful Beard Grain Farm (BBGF) a chance to evaluate the economic opportunities of direct marketing grains, legumes, and oilseeds to an evolving local customer base. We'll specifically look at early adopters of grains, legumes, and oilseeds in the midwest through a survey and focus groups, but insights gained will likely apply throughout the US.

Marketing plans to sell grains, legumes, and oilseeds implemented by (comparatively) small footprint producers like Rob face a variety of challenges; scale is one of the first. Farmers producing commodity-like products are often pressured to price match a market based on the very commodity prices that are not always favorable to producers. In the case of this report and BBGF, our goal isn't to price match but price *set,* meaning we will use direct-to-consumer marketing as a tool to dictate a price that works for both the farmer and their customers, leaving middlemen out of the pricing equation. Pricing higher will also leave cushion for wholesale margins down the road as BBGF expands to different markets in the long term. The direct marketing component of the business will help lay a foundation for diversification; it's not intended to completely replace other channels, and BBGF should continue to pursue wholesale relationships that can help anchor their business model in markets like breweries and distilleries.

Another challenge is knowledge of niche grains, legumes, and oilseeds. Not only are farmers tasked with educating consumers on the production practices of rotation cropping, but they're often doing so with locally or regionally differentiated products that haven't reached beyond the focus of niche consumers. Consumers are creatures of habit; they need options that match their comforts, skills, and values. Our survey work intended to narrow in on those particular comfort zones and values that influence purchasing to support BBGF and other farms in marketing their products more effectively to an appropriate audience.

BACKGROUND.

First, let's place BBGF's products within the broader context of grain, legume, and oilseed consumption nationally as it relates to trends in our target market. We'll speak pretty broadly in this section about high level trends observed in widespread consumption patterns.

The Whole Grains Council recently published results from their 2021 National Consumer Insights Survey. Many of their findings point to the suitability of Beautiful Beard Grain Farm's grain products in the market based on broad trends highlighting **plant-based diets, increased health consciousness, and environmental sustainability.** Overall, the survey data suggest that grain consumption is on the rise based on its connection with health and sustainability, as those trends are steadily increasing over the years, increasing from 12% of general consumers to 19% of general consumers within a three-year period. While this 19% is small comparatively to the general population, it gives us a clue to the challenges of positioning BBGF's products solely as "sustainable" without looking into the intersectional values at play with grain consumption.

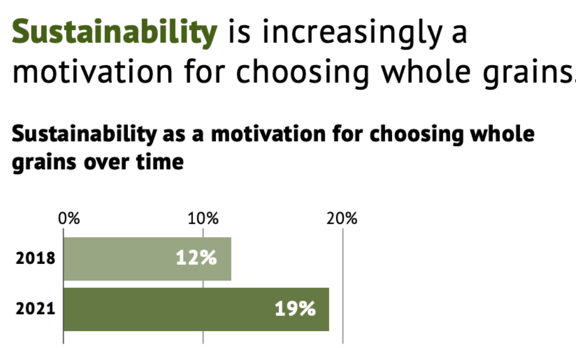


Figure 1.

Digging deeper into the influence of sustainability, we find that health conscious consumers are more likely to create a link between their purchasing and sustainability. And, such health conscious consumers are more likely to seek out whole grain products, as well as are more likely to purchase food from local sources. The chart below (figure 2) shares more insight on the decisions consumers make to buy whole grain. This "health conscious" subset is likely to be a key target of BBGF's marketing efforts. Additionally, the survey data demonstrated that the connection between grain consumption and health seems to be more linked to plant-based diets and long term shifts than fad diets, which is a good sign of its lasting or "sticking" impact rather than its role a passing trend.

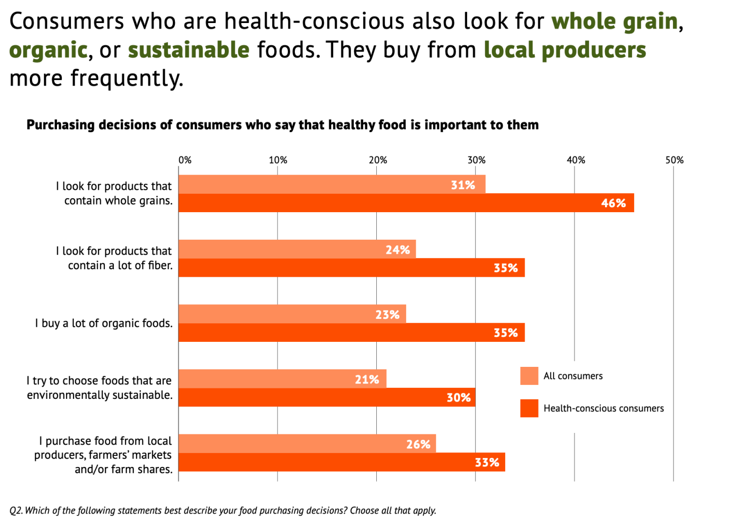


Figure 2.

Digging further into the value of a "plant-based" diet, numerous studies (see appendix) confirm an increasing interest in "plant-based" emerging as a greater importance to consumer health choices, while low numbers of consumers report going 100% vegan or vegetarian. According to the Institute of Food Technologists, "in the United States, 39% of consumers are now trying to eat more plant-based food....the healthy "halo" of plant-based diets is one of the main reasons for this growing interest." A natural byproduct of these trends is an increased interest in non-meat/animal product protein sources, and grains, legumes, and oilseeds may offer a great consumer product to answer to that call. Protein content and the ***specific*** health values that each distinct grain, legume, and oilseed can provide will be crucial as a foundational

But let's not forget - it's gotta taste good. While intuitively we know that's true, getting a population to try a new item needs to be done with respect to local comfort zones and taste preferences in mind. Through this process, we'll need to be conscious of recipe testing before sharing with customers and pay attention to the preferences

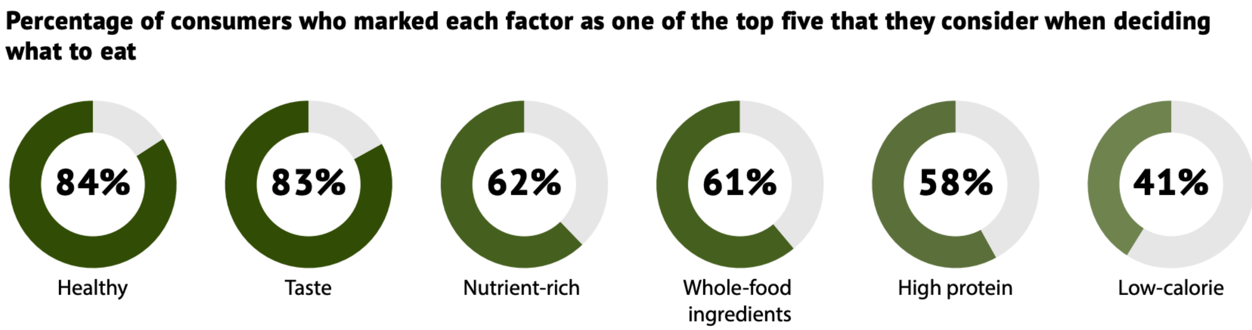


Figure 3.

All of these values combined help us paint a picture of what consumers are increasingly searching for. But, how do we reach *our* customers? What matters to our particular local customers? Are they looking at certifications or labels? While national data from the Whole Grains Council indicates that half of consumers read packaging labels "quite often" or "all the time," what labels should BBGF choose for their products?

The question at hand in this report is how to more specifically understand the Minnesota Twin Cities and surrounding region market, working to pinpoint their values and what will capture their attention in the market. We'll explore which grains they buy, why they buy them, what certifications matter or do not matter to them, and which channels may be viable to reach early adopting customers. These questions will help us build a more comprehensive picture of early adopting customers of grains, legumes and oilseeds.

CUSTOMER ANALYSIS

METHODS

With SARE funding, we conducted an initial survey in conjunction with the Artisan Grain Collaborative (AGC). This survey included 22 questions, plus 5 add-on questions specifically for BBGF's purposes; this collaboration with AGC enabled us to gather feedback from over 900 consumers about their consumption preferences, ranging from pre- and post-pandemic eating habits, dietary preferences, comfortability with buzzword and grains/legumes/oilseed-relevant terms, purchasing habits, and others. The survey was distributed to population samples in multiple communities across the Midwest, including Minneapolis. We then analyzed the data set as a whole.

From this initial analysis, BBGF dove deeper into questions of personal preferences of consumers and barriers to purchasing through two focus groups. The first focus group specifically included chefs, bartenders, and culinary instructors as key informants on consumption patterns and reticence to incorporating grains, legumes, and oilseeds into consumers' diets. The second focus group consisted of home cooks with varying experience cooking grains, legumes, and oilseeds.

While there are many customer segments that could work well for a farm like BBGF, in this report we'll focus primarily on the early adopters (farmers market customers and those with some interest in local food, regional grains/legumes/oilseeds) represented through the survey results here in the midwest. These early adopters, based on survey results, tend to gravitate towards values-based purchasing, which we will discuss more in-depth in the survey results. We will then compare our local data with national survey data from larger scale research conducted on grain preferences across the US. Comparisons will help to understand how to communicate the uniqueness of BBGF's products and understand their target market(s).

It's also worth noting that grains were of particular focus for most of this survey, based on the collaboration with the Artisan Grain Collaborative and the scope of this project via SARE. We explored consumer values and barriers to purchasing oilseeds and

SURVEY RESULTS

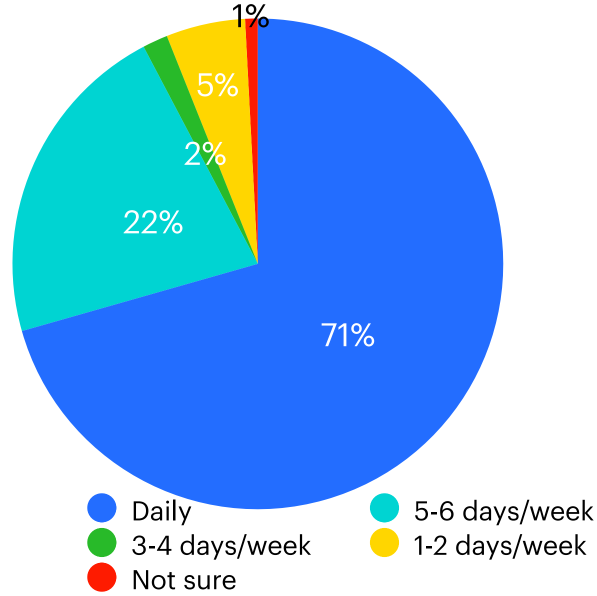
Who are we looking at? The survey was provided to grain consumers of all ages, genders, and demographics across the midwest and helped us first build a demographic picture of early adopters of grains, legumes, and oilseeds. Our dissemination focused on our social media networks and the email networks of those associated with farmers markets, sustainable agriculture, and

The "who" demographics helped us assess (1) *who* is in BBGF's existing network and therefore may have interest or connections to local/regional grains, legumes and oilseeds, and (2) *what key features define* this potential segment of the market.

> **Demographics.** We found that over 80% of respondents identified as women, and 87% identified as white. Ages were spread widely, with an average of 180 respondents representing each decade age. The highest rates of participation

were in the age categories of 30-39 and 50-65. Most were married or in a relationship, with only 20% identifying as single. About half were parents of children ranging widely in ages. Respondents had a predominantly college and above academic background, with 95% of respondents possessing some level of higher education and 46% having at least two higher education degrees.

Figure 4

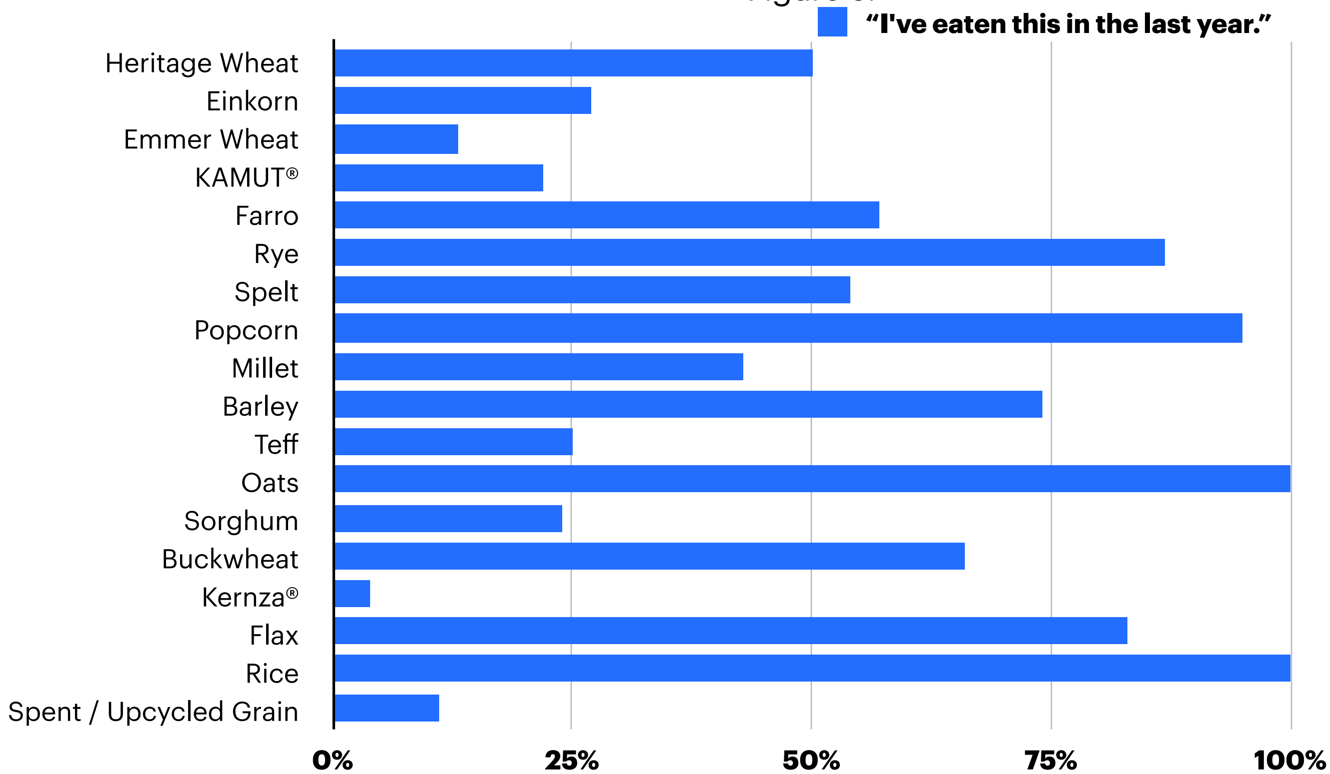


From this initial analysis we consider the average survey participant as a 40 year old woman who is married with children and likely a Master's Degree, or a late millennial in a relationship of some kind and at least college educated who likes to go to the farmers market. We'll focus our recommendations on these two general groups.

Which grains are consumers eating? The survey first sought to understand how often consumers eat grains and which particular grains they eat. The survey revealed that a clear majority (71%) of consumers eat grain* daily, and another 22% eat grain nearly every day (Fig. 4). From this particular distribution, we don't know which particular grains consumers are consuming daily, but this high percentage implies that there is a stable market for grain. Whole Grains Council consumer research whole wheat, oats and brown rice are the most popular grains. 9 out of 10 have heard of these grains and most have eaten them. This is consistent with our findings, with 100% of respondents claiming they have eaten rice and oats, while we didn't ask about "whole wheat" in general (Fig. 5).

We presented consumers with a list of grains and asked respondents whether they've eaten them in the last year, without asking about frequency of each grain. (Fig. 5). describes which grains BBGF's particular target market is eating and the results are below. Unsurprisingly, 100% of consumers claimed they have eaten rice and oats, with popcorn close behind. This is consistent with national findings from the Whole Grain Council. It's reasonable to expect that there may be some habit changing that would need to occur around rice and oats. Of the more uncommon products, there was plenty

Figure 5.



of variability between whether or not customers have eaten it in the past year, with millet coming in just under 50% and sorghum under 25% — again, habit forming will need to occur, but it may be more *adding to* the diet than *substituting conventional rice or oats* with local grains.

Figure 6a.

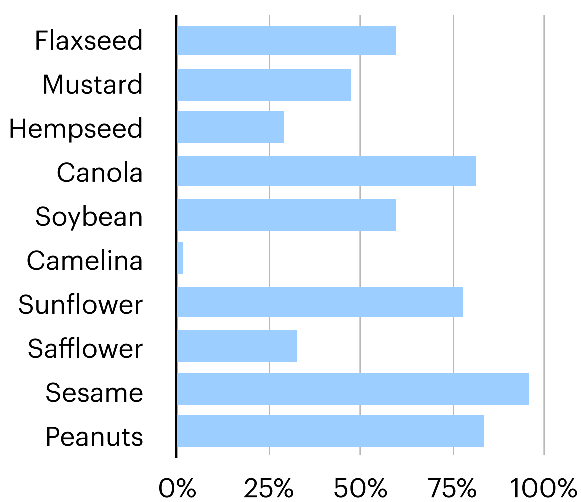
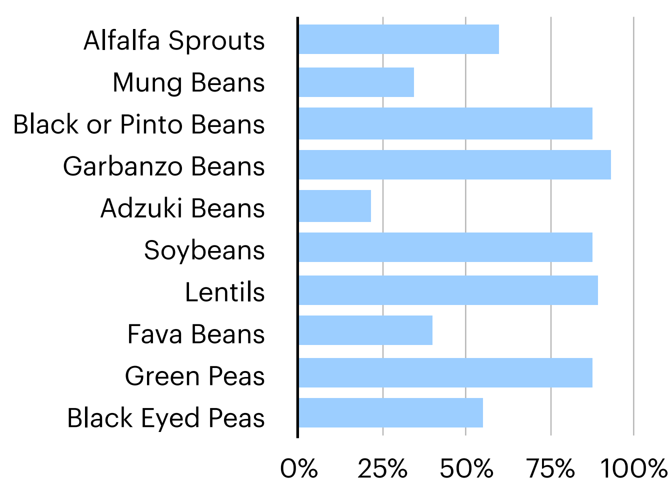


Figure 6b.

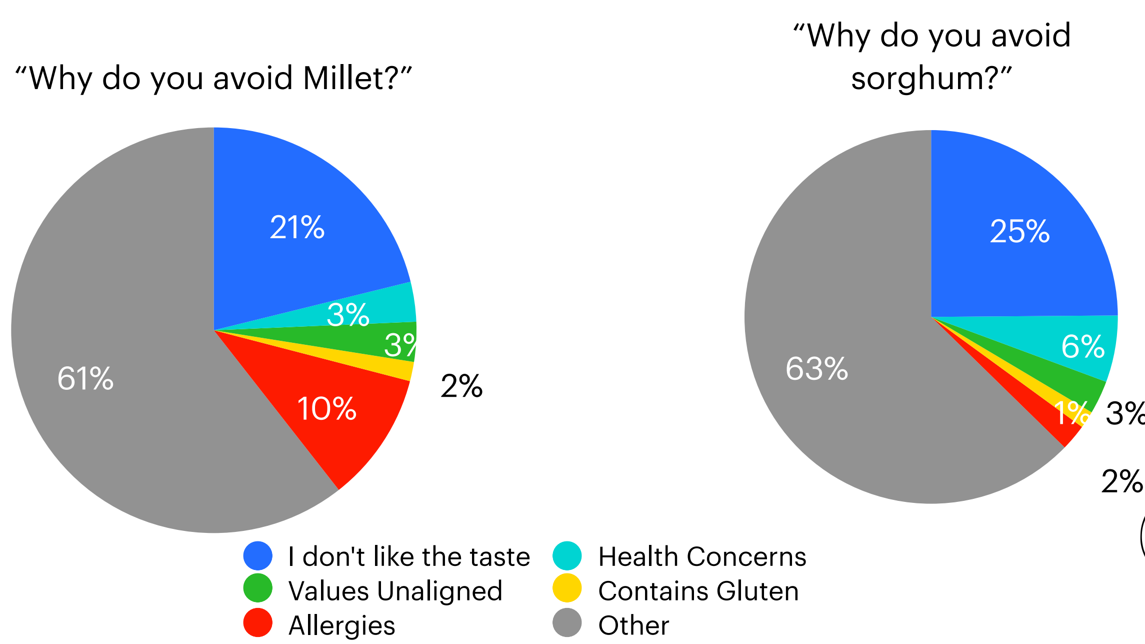


I've purchased, cooked with, or eaten this in the last year

We asked a similar question to consumers about legumes and oilseeds, adding an additional option "I've purchased or cooked with this in the last year." Since consumers could only choose one option, we added the percentages within each crop to generate the total percentage of those who have eaten, and/or cooked with a particular oilseed or legume. Adzuki beans are a key crop in 2021 for BBGF, and it appears that is not common in surveyed customers, which implies that **BBGF may have to do a little upfront education on its differences and similarities to more popular beans, such as black/ pinto.**

Rather than simply asking about which grains they've eaten and which grains they know about, we also targeted those who avoid grains. Across all of the grain types, an average of 7% of respondents claimed they "avoid" each particular grain, which were each asked about separately. Within that question, respondents were also asked about their reasoning for not consuming a particular grain. They were given the choices of "I don't like the taste," health concerns, values unaligned, contains gluten, allergy/medical issues, and other. Below, in Figures A and B, you can see examples of These minority responses suggest that there may not be a significant link between any of these issues and consumer inaction on purchasing, and it's likely something . We did not inquire about convenience of purchase, knowledge of recipes, price, and other potential barriers to purchase, so we decided dig into "other" barriers for why consumers don't purchase, so that will be a key question within our focus groups.

We collected data about the above on an individual grain basis, and have the examples of Millet and Sorghum (as two prospective 2021 harvest crops for BBGF). You can see a relatively similar break down of preferences, with sorghum avoided more frequently due to its taste, suggesting taste preferences may be a slightly higher barrier for sale of sorghum.



What affects consumers *purchasing* choices? A stable market for grain consumption may present a challenge for BBGF, as consumers are likely to have already found sources. BBGF's task is to distinguish their product in the market based on an emerging and evolving value set of their target customers. It also may involve changing consumer habits. There are a range of factors influencing the purchase of products. For this survey, we sought to understand at a high level what values and trends are driving consumption behavior to better position BBGF's products within existing value sets.

Dietary Preferences. One common, broad conception is that consumers are avoiding gluten at increasing rates, seeking out "gluten free" products. Our data found that only 2% of respondents avoid gluten consistently, and only 15% avoid gluten "sometimes." From this, we can infer that ***Gluten-Free certification does not need to be a key feature of marketing labels, but can be included as "naturally Gluten Free" on the labels as appropriate, without need for formal certification.***

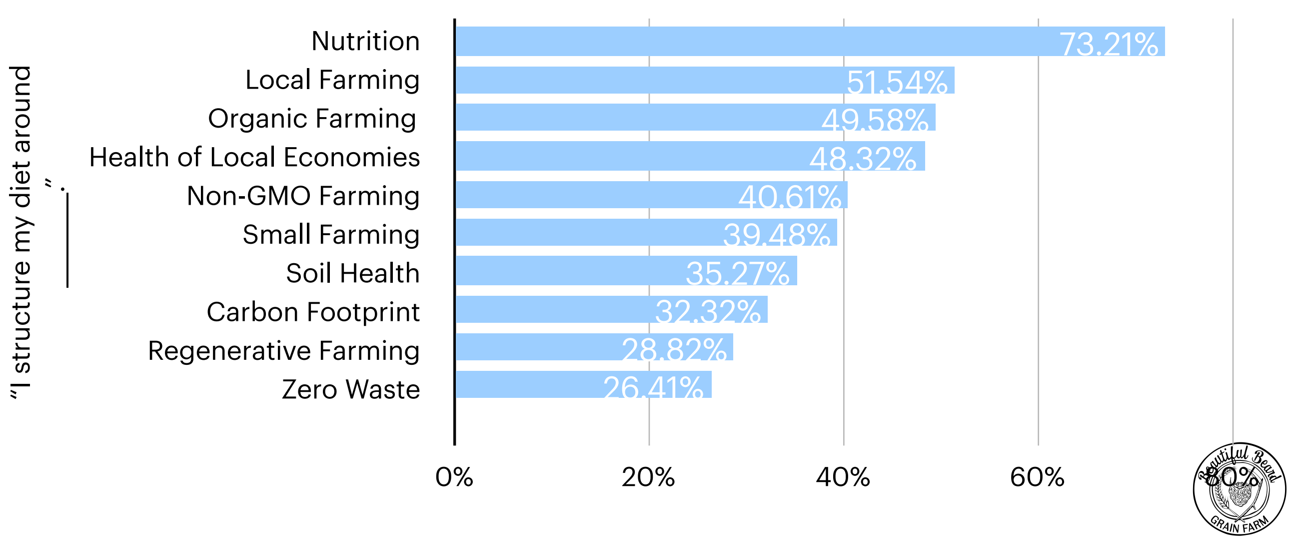
Respondents were also asked about their history with "vegetarian, intermittent fasting, plant-based, low-carb, vegan, high protein, keto, paleo, cleanse, whole 30, raw, and Freegan" diets. Within this category, meat-free diets were of notable interest to respondents, with over 47% of respondents claiming that they have "tried, done something, or been" vegetarian, vegan, and/or plant-based in the past year. Respondents were also given the chance to elaborate on the diets or trends that they've followed, and many of the anecdotal comments touched on limiting meat in their diets, ***suggesting an opportunity for BBGF to highlight the protein content of grains, legumes, and oilseeds as a vital meat substitute on a regional basis***.

That said, there were also multiple mentions of "grass-fed beef" as an important feature in diets, suggesting that many target customers still value meat that has been produced with grass-fed standard. Most anecdotes pointed to the concept of balance and gradual changes, such as phasing out meat or phasing in grains or vegetables. This cultural anecdote is of importance to describe BBGF's potential early adopting community of consumers; they are clearly following high level environmental trends such as limiting meat intake, but recognize the need for balance in their lives in lieu of "all or nothing" diet plans. In fact, one respondent mentioned that if "grains were marketed with many of the labels asked about, I wouldn't buy that product." Recognizing that customers may occupy many junctures of a gradual journey towards eating more sustainably, nutritiously, and locally minded will be an important feature of any marketing plans from BBGF, as will the importance of offering grains as a compliment to a wide range of existing value trends, which will be discussed below.

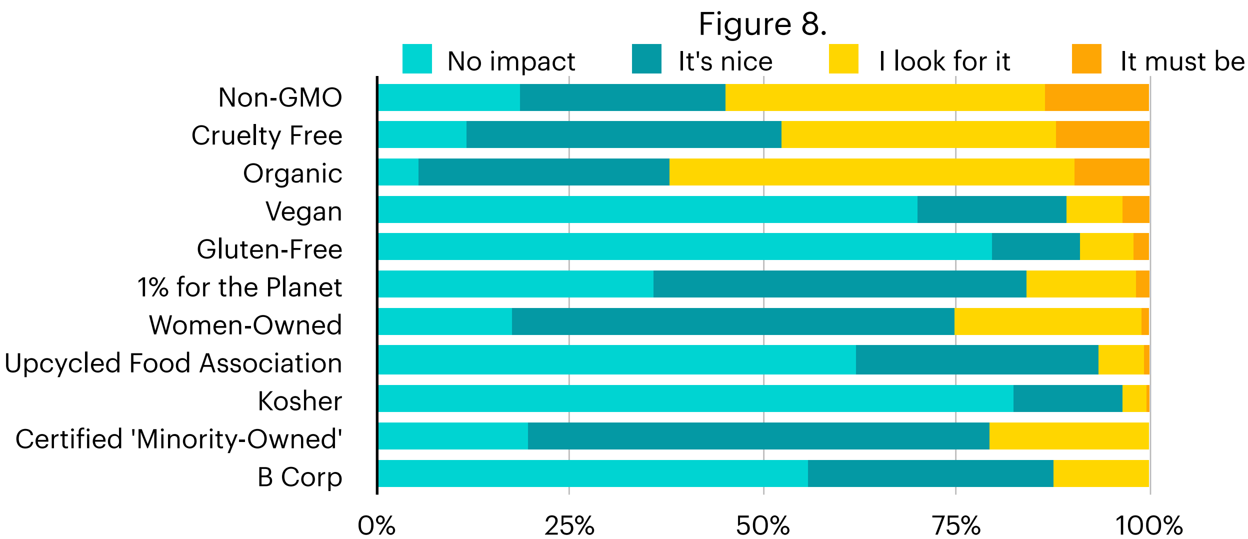
Values-based influence. When asked about their number one reason for buying local grains, 36% of respondents cited "value alignment," 29% cited "local to me," and only 14% mentioned better nutrition. While local to me and better nutrition could be seen as values, we can assume some fluidity between the relationship of broader value sets and invidual priorities; customers are not often making decisions based on a single factor, so ***BBGF will have to think carefully about its offerings within a intersection of multiple consumer values.***

The above findings on value alignment tell part of the story; a deeper dive into the particular values and how they relate to each other tell another. Respondents were asked about how particular values influenced their food purchasing more broadly; respondents claimed that they "structure their diets around" the values that are displayed in the chart below. Nearly 74% of respondents claimed that nutrition was a value they structured their diet around, with about half of respondents noting that local farming, organic farming, and local economic health. ***The intersection between nutrition and the value of BBGF's local farm will be key marketing features to capture this majority,*** while understanding that these values may fluctuate in importance based on how they are presented, the context, and their intersections.

Figure 7.



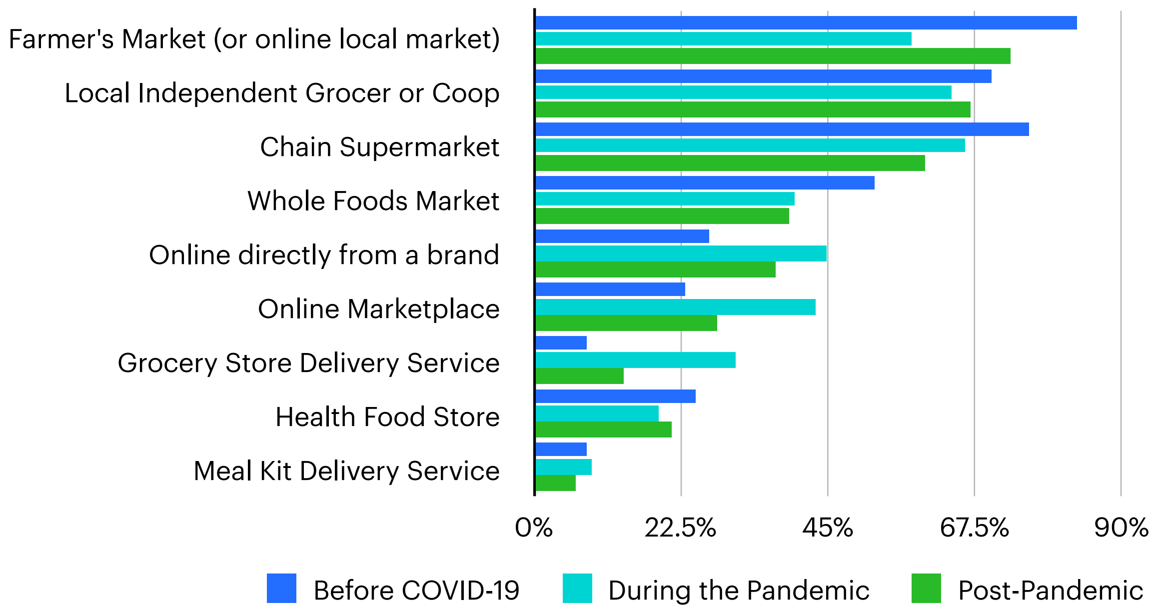
What terms or certifications are customers seeking? Surveyed consumers were also asked about the difference that certain certification makes on their purchasing habits, based on the qualifiers found below (Fig. 8). Surprisingly, gluten free had the *least* impact on labelling requirements for consumers, and organic, non-GMO, and cruelty-free were among the most desired labels. Some additional research should likely be done based on each individual product from the farm and potential associated target market preferences, but the figure below is a good early indicator that terms like Kosher, Gluten Free, Vegan, etc, were not of high priority.



What channels should we choose to reach customers? While we won't dive in too deep to analyzing pandemic trends, we thought it was relevant to understand how people observed and perceived their habits around food purchasing and cooking changing, given that Beautiful Beard Grain Farm's initial year of marketing will fall within the extended season of COVID-19, during fall harvest 2021. Respondents were asked to share anecdotes about how their shopping habits have changed, and experiences varied widely. 10% of respondents mentioned "delivery" anecdotally in their answer as something that had changed in response to the pandemic, but many cited that their delivery habits are likely to change in the "post-pandemic" lifestyle.

Farmers Markets experienced the highest relative decrease among respondents during the pandemic, while grocery store delivery service and online shopping from both brands and marketplaces experienced significant increases. Those numbers may settle back towards their pre-pandemic levels, but it's unclear through which the timeline that will occur, and whether or not consumers will follow through on their anticipated actions.

Figure 9.



Given the current context of the pandemic and continued lower numbers at farmers markets, it will be important for farms to consider offering online options for pre-order pickup at markets to meet consumer demand and ease worries of COVID-19 transmission.

CSA as a Market Channel? Of respondents, 62% claimed they have not subscribed to a CSA in the past 3 years, and just under 20% have only subscribed once, leaving about 18% that have actively subscribed to a CSA in the past three seasons. We expect that an even smaller number have subscribed to winter CSAs in the recent past, as there are fewer farms offering these products. From a data perspective, the surveyed customers are not likely to subscribe to a CSA, an add-on is not a viable channel to reach a majority of consumers. However, that does not mean that a group of 100 CSA customers wouldn't be interested in a grains, legumes, and oilseeds CSA product. Offering this product as a CSA add-on, or a CSA subscription could be considered a strategy to target a specific small group of customers, rather than an exclusive plan, to retain a high margin for products with minimal marketing efforts and cost, test out logistics, develop relationships with customers from a particular urban neighborhood, and solicit particular feedback on grain product.

Home-cooking, beyond the market channel itself. Many respondents mentioned that due to the pandemic, they have retained the habit of shopping much less frequently, and by association cooking a bit more simply. Here are some personal anecdotes shared:

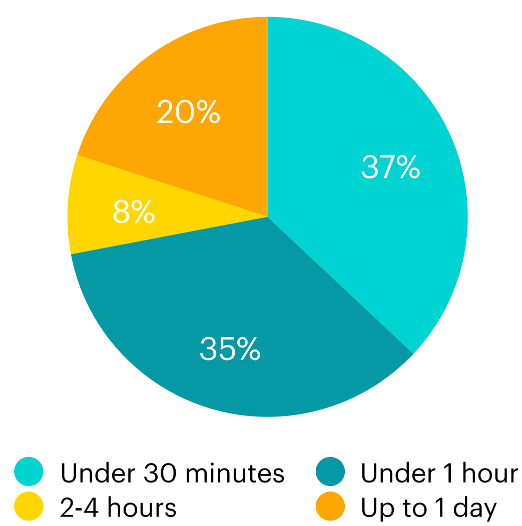
- *Bought groceries only every 7-10 days.*
- *Shop much less frequently. Buy more backup products to build up in-house stock*
- *Buying more in bulk, mindfully cooking and meal planning based on what I have*
- *Buy more at 1 time to stock up. More in freezer & fridge.*
- *A lot more weekly, regular re-purchasing. Not reinventing the wheel (meal plan) every week. More time spent preparing whole foods for myself and eating less processed junk.*

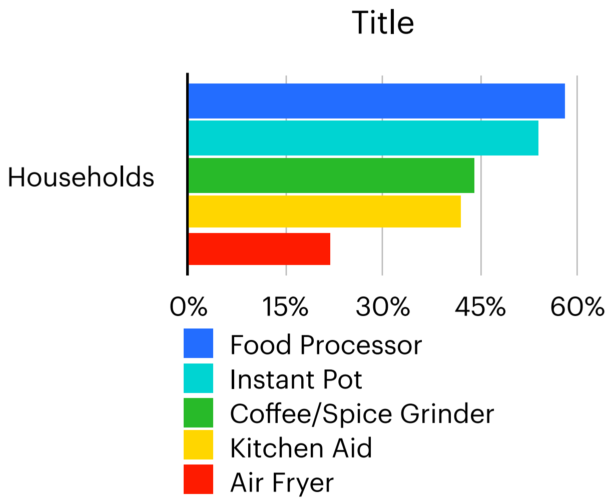
Most of these trends translate well to the marketing of BBGF's grains, legumes, and oilseeds, especially if consumers are offered the chance to stock up on some kind of rhythm in the future. **A key future question will be understanding customers' frequency of purchasing; this number can be used to base product sizes and market opportunities off of.**

Respondents were also asked about their access to home appliances and the time they were willing to spend on cooking grains. Respondents preferred recipes that could be cooked in less than 30 minutes or up to an hour, with a minority of respondents willing to cook for longer periods of time (Figure 10.), which suggests some flexibility on recipes, which we'll dive more deeply into in our focus group work.

"You can bend the hands of time with an instant pot."
-Survey Respondent

Figure 10.





We were also curious about the appliances home cooks used, and found that about half of respondents had an instant pot and/or a food processor.

Key Takeaway: *Given its prevalence in households and its usefulness to speed up the cook time on particular ingredients, the Instant pot may be a particular appliance to orient BBGF recipe creation around.*

FOCUS GROUP TAKEAWAYS

We hosted three focus groups — 2 initial focus groups in July 2021 that examined individuals' relationships to grain, legumes, and oilseeds and their barriers to cooking these products. Comments shared here represent a target of mostly women, white, Minnesotan residents, and thus may be more applicable to targeting within our region.

It's worth noting that throughout these sessions, participants were presented with a list of grains, legumes, and oilseeds, and the conversation continually returned to grains. This suggests a general lack of knowledge or comfort with discussing legumes and oilseeds, or the tendency to refer to "grains" as the category label for a wide range of products. Participants were also asked to speak more about their relationship with grains, legumes, and oilseeds in general, rather than honing in on the local aspect of their consumer choices, though some mentioned the farmers market and CSA at various points throughout our discussions.

Q1: WHAT ARE YOUR THOUGHTS/FEELINGS ABOUT GRAINS/LEGUMES/OILSEEDS?

Participants were asked about their general thoughts on these categories of products. One general theme among one group of participants was unsureness. They cited "basic" understanding of these categories of products and mentioned familiar products as instant rice, oats, brown rice, and quinoa, but beyond that mentioned that they, people in their families, and peers "*lack breadth of knowledge and exposure beyond 'basic' stuff.*"

One participant didn't know where to find them, and another mentioned that she gets overwhelmed with the range of grains that each have their own methods of imparting flavor or texture. The categories of grains, legumes, and oilseeds were presented with numerous examples in each column to participants, and it was clear participants didn't know where to start, which may be analogous to their experience shopping for grains as well.

One participant mentioned the "big bag of grain on the shelf at home" - sitting in the pantry unused. Participants discussed that large quantities of these products were a barrier to using them because they "don't want a massive bag taking up space." However, the desire to utilize the products was present, with participants asking, "are there simple ways I can apply it beyond that one recipe I bought it for?....I'm sure there are but I didn't even look."

One group seemed a bit more comfortable with grains, legumes, and oilseeds, but cited that their first thought is "they take pre-planning and time." One participant said "sometimes you have to build your pantry around a legume -- do i have to buy a bunch of other ingredients to make this ingredient taste good?" This effort also takes time.

Despite the barriers, the benefits came up as well. One participant stated that she loved grains because they are "*super nutritionally powerful*" — given the high nutrients, you get *"more bang for your buck"* and you have the opportunity to *"pull back on meat, and pull forward on grain."* On the other hand, price seemed to be a barrier for another participant, who mentioned that niche grains are both more expensive and *"require more effort"* in the way of *"What do I do with it?"* Another participant expressed a similar sentiment regarding the importance of knowledge on how to prepare, stating that *"it's intimidating to do anything else other than [rice]."* ***In order to reach price sensitive customers, it will be important to run numbers and emphasize the relative protein content of your farm's grains/legumes/oilseeds as a price comparison to their meat counterparts, as well as potentially to other grains, legumes, and oilseeds. Highlight this comparison through your marketing work to debunk key myths about pricing.***

Participants also equated grains with convenience, with group consensus on *"convenience is huge."* One participant mentioned the desire for a "quick" grain breakfast using healthy grain products, linking our conversation to her own experience accessing

Quick Oats as a healthy and nutritious breakfast. Our focus group findings linked back to our survey results, which indicated that the majority of households spend less than To bring back the batch cooking suggestion, **it will be important to highlight convenient methods for preparing grains, legumes, and oilseeds, seeking methods that take less than less than an hour, consistent with survey data.**

Q2: WHAT DO WE KNOW ABOUT COOKING GRAINS/LEGUMES/OILSEEDS?

We then discussed the baseline of home cooking knowledge as a base of information across the group. From a basic level, one participant described the process of making a grain as *"the grain is produced dry, and you present a hot liquid to it; then, it expands."*

Some great feedback was provided on ways of cooking grains, legumes, and oilseeds, as well as barriers. One participant mentioned using spelt to make waffle batter, then use that batter as breading *"for a range of things."* Another participant mentioned that "I *never cook a grain for just one thing. You can freeze them and use them at every meal. I throw them into everything. I throw them into my eggs every morning"* — illustrating the power of incorporating batch cooking into a weekly rotation and simplifying the systems we used. This insight is also inline with our survey data, as households started to incorporate freezing more items during the pandemic.

The barriers individuals mentioned when trying to incorporate grains into their diets were numerous. The challenge of feeling "locked in" to recipes was discussed, and how Minnesota culture is demonstrated by individuals' unwillingness to stray from a recipe or make substitutions. This particular participant said *"we get stuck thinking that certain foods have certain applications, but that's not true."* She asserted *"recipes are a modern day invention; that's not how food techniques were passed on traditionally,"* and went on to say that she's concerned that recipes only teach people the specifics of one dish, rather than being able to flexibly apply grains, legumes, and oilseeds in a range of settings. And yet, many participants said recipes and education would be a very helpful tool for them to expand their use of these products - "[flexible use of grains, legumes and oilseeds in a range of dishes] isn't where we're at. We need to bake flexibility into any recipes shared, and outline some opportunities for substitutions. ***A recommendation of any recipe-based marketing is that it should prioritize the technique itself for using the grain/legume/oilseed itself, as well as focus on pairing it with an easy and accessible recipe application.***

Another barrier to incorporating grains, legumes, and oilseeds is getting people to try new foods. According to Group #1, we have a *"culture of protecting picky eaters,"* and one participant even reframed picky eaters as "*ignorant eaters,*" perhaps pointing to a lack of opportunity to have tried one of these foods, or the cultural support to feel confident about trying new foods. A few female participants discussed the challenge of cooking for their husbands and children who were resistant to trying new products, asking "How can I translate certain grains into something my husband might like?" In these scenarios, **consider opportunities in your farm's marketing content to make connections to food that is accessible in your region such as incorporating millet into an egg scramble, or using millet in place of white rice**. Such suggestions should always be paired with the reason for substitution, such as protein content or flavor profile.

Q3: WHAT TRENDS ARE YOU SEEING RELATED TO GRAINS/LEGUMES/OILSEEDS?

Participants were asked about trends they noticed around these categories of products. Both groups brought up the prevalence of plant-based cooking as a trend in their networks. Short-form recipes with visuals were also mentioned as a trend, as TikTok and social media dominate our collective attention. The key takeaway is incorporating short form media will be an important priority for marketing grains, legumes, and oilseeds.

Meal prepping was brought up as both a trend and a challenge to participants — who *"would love to do it,"* but *"not if it takes up my whole Sunday."* Grains, legumes, and oilseeds offer a great solution to these challenges. Along the line of meal prepping, meal kits and simply meal formats like "B*uddha bowl type things*" were also brought up as helpful addition to cooking routines.

MARKETING PLAN

GOALS

Beautiful Beard Grain Farm seeks to sell their first harvest in 2021, using the opportunity to test out some direct market channels while retaining a comfortable retail margin. We recommend that BBGF starts their sales at Farmers Market in key geographic areas that are in line with their long term sales goals during the late 2021 Farmers Market Season.

Depending on volume, BBGF should consider testing out their products in multiple key direct marketing outlets that can offer different advantages to their longer term marketing plans, including CSA add-ons, direct sales online, and potentially a BBGF grains, legumes, and oilseeds standalone share. The marketing plan's focus will be on education about niche grains, legumes, oilseeds, creating customer exposure to new products, and relationship-building within early adopting customer bases. BBGF should primarily use in-person farmers market sales and online pre-sales to get a sense of their customer base, and as needed lean into CSA add-ons and wholesale sampling to move 2021's harvest products.

Shown throughout our surveying and focus group work, it is clear that consumers are curious about regional grains, legumes, and oilseeds, but knowledge, the need for convenience, and existing habits remain barriers for regular purchasing of such products. BBFG will need to consider how to incorporate convenient purchasing options, based on their initial group of customers.

STRATEGY 1: SELLING SAMPLE KITS AND 3-5# BAGS AT THE FARMERS MARKET

"I'M UNLIKELY TO GO OUT AND BUY SOMETHING IF I'VE NEVER TRIED IT. "

The Farmers Market is a key channel for reaching a wide, captive audience of curious customers for unique products like BBGF's grains, legumes, and oilseeds. Around 70% of those surveyed claimed they shop at the farmers market as part of their routines, though it wasn't clear how regularly they shop there. Farmers Markets customers are often more inclined to try new products, or seek out products that are in line with their range of values related to labor practices, health, and ecological environment. However, farmers markets can be a strain on resources, due to the supplies they require upfront (table, tent, signage, merchandising, etc.). So, farmers markets must be treated as an investment in BBGF's future customer base as its first step into sales, using the market as a sales, marketing, and testing opportunity for future marketing plans. It also has to be profitable enough in order to cover those set-up costs.

Grains, legumes, and oilseeds are notably absent from Twin Cities metro farmers markets, providing an opportunity for BBGF to reach many customers that fall directly within the targeted value sets that BBGF's products represent. Other existing legume producers, as an example, easily sell out their product at high price points. Therefore, sales are not likely to be an issue; but before you choose a market, select it for the particular demographics you want to cultivate, which could relate to geography, socioeconomic status, or community connections. Survey results indicated that primary demographics are women aged 40-60 with one or more college degrees, which is a key demographic within farmers markets.

Best Practices. First, place a high value on the face time you'll have with customers; this time should be used as a key opportunity to confirm, modify, and/or deepen BBGF's understanding of your initial customers, as well as evaluate existing product offerings. Some of this feedback will happen naturally, but think carefully about what you're asking customers. Questions should be based off of specific goals, such as packaging and consumer preference. You will ideally have at least two representatives operating the tent to be able to maximize conversation time with each customer in early markets, asking questions like:

- Do you currently buy any of these products directly from local farmers?
- If you do buy this product locally from a farmer or another source, what size do you purchase? What's your preferred method for getting a product like grains, legumes, and oilseeds?
- Would you be interested in signing up for our email list, or for our CSA in 2022?*

**cultivating an email list is absolutely crucial to engagement. It is absolutely critical to growing your farm sales online and in person, and establishing a powerful network to sell future products to, or survey for feedback.*

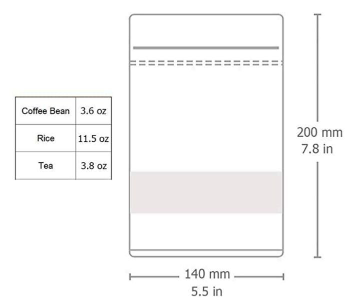
Second, it might be useful to assume that many farmers market customers fall into two categories: (1) have never tried many of these products and/or don't cook with them on a regular basis and (2) regularly purchase and use these products, or are likely to have a consistent use for grains, legumes, and oilseeds. Recalling a quote from the focus groups, "I'm unlikely to buy it if I haven't tried it," combined with the general unfamiliarity with grains, legumes, and oilseeds, we come to the importance of sampling for category (1) of your two customer groups.

(1) At the Farmers Market, **sampling will be a key tactic for increasing the likelihood of purchase and use of products**. One focus group member, who happened to be a chef, said "I'm unlikely to go out and buy something if I've never tried it." Sampling, though also resource intensive, will give customers a chance to try the product, as well as linger longer at the farmers market stand. COVID-19 poses a challenge to sampling in many markets, but it's a proven tactic

that increases the likelihood of purchase in many cases by up to 83% (360Factory).

Given COVID's sampling challenge mixed consumers' demonstrated need to try something before buying it, it might be helpful to consider a safer and more profitable means of sampling. One particular strategy is offering a farm-wide sample pack, with family size household portions. A sampling pack of grains to both encourage new customers to jump in to trying something while making money off of the product. This could work well for some of your unfamiliar products, and could be presented as a holiday gift pack at an even higher price point. It's also a low commitment offering, since unsold sampling packs could also be distributed to chefs, distillers, and other potential wholesale partners.

(2) Consider selling uniform 1#, 3#, or 5# bags to accommodate customers who are used to purchasing similar products, but don't rush to compare pricing to the bulk bin at the co-op or elsewhere. Highlight the uniqueness of your crop rotations while you make the sale, and encourage customers to purchase one for themselves and one for a friend to share as a holiday gift or a harvest party special occasion.



STRATEGY 2: PRE-SEASON CSA ADD-ON ORDER

While CSA customers did not represent the bulk of our survey responses, they can easily be described as an additional target market for BBGF's work in establishing a customer base, especially in absence of a grain/legume/oilseed-based CSA model.

PRICING.

A note on pricing — Pricing models should be based holistically on the farm's production and sales models. The first numbers to analyze are the costs of input (including production costs, land/equipment rentals, infrastructure, packaging, and marketing). The second is the cost of labor — which includes both your time to produce the product and your time to *market the product. From here, we compare these numbers to what the market will pay — if the wholesale market is below what will meet our costs, farms must look to direct marketing. This equation is a bit complicated, but it's an important calculation that should be measured as a metric of understanding the true cost of your product, regardless of the going price in the market, at your existing scale and operational structure.*

SUGGESTED CONTENT.

Your social media content should focus on the "three e's," as told by Barn2Door: education, entertainment, and e-commerce. Balancing the three of these will help narrow your promotional strategy, helping your organize your time and effort. Building content based on what we have found through our research to be challenges, or barriers, facing customers is a good start. One examples on content that could be useful is a **short** email or social media post at a certain cadence (i.e weekly, monthly) that shares "how to use grains." —

List of tips to get started on your grain/legume system:

(1) Start small and just buy one grain type at a time. Buy a small amount and learn how to cook with it, and how to use it in a variety of settings. Seek out recipes related to this particular product, and try out a range of applications. Prioritize the technique, and repeat this process for a few months as you get more comfortable.

  (a) **answers to the "what do I do?" problem. Many of your posts could relate to this first bulletpoint.*

(2) Ask a friend what's worked for them — schedule a monthly dinner where you try out a new grain, legume, or oilseed in some application.

  (a) **answers to the barrier of learning mindset, accommodating others' taste preference, and time required to cook — don't try to make it a routine right off the bat, make it a social occasion.*

METRICS TRACKING

TBD

CONCLUSIONS

"For me, the question is why would I try it? I won't get bored of potatoes, so why would I incorporate this something new into my diet?"

Small, niche grain operations are up against some significant challenges when it comes to direct marketing their products, but have some key advantages based on emerging trends, specifically related to health benefits and evolving cooking interests.

We define a value proposition as the characteristic that makes a business unique from its competitors, that main thing that customers know you for, and keep coming back because of. Farms like Beautiful Beard Grain Farm must hone in on their key value that sets niche and heritage grain farms apart from conventional grain, legumes, and oilseed producers. Based on our research, this "value proposition" needs to hinge on taste, health for personal nutrition, and health for planet (within that, soil, pollinator, air, and water) sustainability — combined with the type of customer service the farm plans to provide.

Within that, farms like BBGF has numerous practices that they can use to tell their story within these categories, teaching about their unique blend of crop rotation and range of products that promote human, soil, and pollinator health. Crops are selected based on their ecological interactions with each other rather than simply on marketability. While it's easy as a farmer to get excited about the production aspects of agriculture — it's vital for farms to remember that their customers are professional eaters, not professional farmers. Focus on the products' *benefits* to your customers' personal lives as a core foundation, while taking opportunities to highlight the farms rotation practices as an add-on or touchpoint rather than a central theme. From our research, we've found that the two foundational benefits to key target markets are taste and nutrition, followed by sustainability (a broad and subjective term).

Sources

https://wholegrainscouncil.org/whole-grain-stamp/its-working

https://www.grownyc.org/files/gmkt/Grains/marketing_v7_web.pdf

https://factory360.com/the-benefits-of-product-sampling-why-you-should-do-it/

https://www.foodnavigator-usa.com/Article/2020/07/14/SHIFT20-How-are-consumers-thinking-about-plant-based-eating-Mattson-unveils-new-survey-data#:~:text=HTTPS%3A//WWW.FOODNAVIGATOR-USA.COM/ARTICLE/2020/07/14/SHIFT20-HOW-ARE-

CONSUMERS-THINKING-ABOUT-PLANT-BASED-EATING-MATTSON-UNVEILS-NEW-SURVEY-DATA

https://www.ift.org/news-and-publications/food-technology-magazine/issues/2020/october/columns/nutraceuticals-plant-based-protein-market-grows-stronger