

Direct marketing is one of many ways to make your farm a financial success. The goal is to sell to the end consumer, people who eat or use what you produce. Typical direct marketing strategies include selling from your farm, farm stand, U-pick, Internet/mail-order sales or through a farmers market, Community Supported Agriculture (CSA) and even selling directly to restaurants, hospitals, grocery stores and schools.

According to the 2007 Census of Agriculture, 13.8% of Washington farms do some form of direct marketing. This is over twice the rate for the United States as a whole. In 2009, Washington State has more than 140 farmers markets with reported 2008 sales of \$58 million (including crafts and prepared foods). We also have over 500 farm stands and over 200 CSA farms. As the natural, organic and local food movements grow, more independent grocery stores, food co-ops and restaurants are interested in featuring Washington farms.

Direct marketing is not just for small farms. Even larger farms that primarily sell to commodity markets, processors, or packing houses, can benefit by diversifying their markets and selling some product directly.

This fact includes:

- why do direct marketing;
- overview of direct marketing strategies;
- getting started;
- knowing your market;
- customer lists;
- consumer education about farming and products;
- farm listings and farm maps; and
- social networking as a marketing tool.

## Why Do Direct Marketing?

Direct marketing may not be for everyone. It can be very labor and time intensive. It can also be socially demanding and may not fit your product mix. Cash flow can be uncertain. However, there are several reasons to consider direct marketing:

- direct marketing allows you to set the price of products;
- products are sold closer to retail prices, capturing more of the “food dollar” or overall value;
- regular sales increase liquidity and regular cash flow;
- most products do not need to be sized or graded and can be sold in small quantities;
- customers give you feedback on your products and may generate ideas for new ones; and
- customers get to know you and may develop loyalties to your farm.

Direct marketing is also a means of diversifying your markets by having more than one outlet for sales and helping you to manage your farm’s overall market risk.

## Overview of Direct Marketing Strategies

Three common direct marketing strategies are selling direct to the consumer, to retail operations, and to institutions. Marketing directly to the consumer includes selling at farmers markets, on-farm stands, U-pick, Community Supported Agriculture (CSA), Internet and mail order, and agri-culinary tourism. By developing their own relationship, farmers are able to bypass middlemen to sell directly to restaurants, grocery stores, co-ops and other retail operations. Institutional sales involve selling and delivering directly to institutions such as schools, hospitals, rest homes, correctional facilities and corporate campus with cafeterias. Each of these strategies is discussed in detail in its own fact sheet.

WSDA has a new Farm to School Program to support farmers interested in selling to schools and institutions. Visit <http://agr.wa.gov/marketing/farmtoschool>, email [FarmtoSchool@agr.wa.gov](mailto:FarmtoSchool@agr.wa.gov), or call (206) 256-6150.

## Getting Started

Direct marketing starts with a solid marketing plan that is driven by your farm goals. It also relies on good information about production costs, supply and demand, what prices people are paying, what sizes they want, how frequently they would buy it, how much cash flow you need, and regulations for direct marketing. This can be a real challenge as direct marketing does not have economic institutions dedicated to tracking this information like the commodity markets. Local farmers market managers, your customers and other farmers can be your best sources of information.

Direct marketing also draws heavily on specific skills and interests. On the production end, farms that direct market often manage a diverse range of products throughout the season, each with its own needs and timing. Direct marketing also tends to be highly social and can require a significant amount of time talking with customers and traveling to markets. Communicating with your customers is extremely important in direct marketing, so be sure your marketing plans include the costs of business cards, market signage, newsletters, Web sites, farm map listings, and additional advertising.

WSU's Cultivating Success and Ag Entrepreneurship courses help you develop a marketing plan. ATTRA offers a wealth of marketing materials online ([www.attra.ncat.org](http://www.attra.ncat.org)) and will send them to you free if you call (800)346-9140. Also see the "Getting Connected" fact sheet.

## Knowing Your Market

Market research on consumer trends in the "sustainability" or "natural" customer segments has shown that people are looking for "authenticity" and "trust" in their food. There is an actual market segment called "Lifestyles of Health and Sustainability" or LOHAS that focuses on health and fitness, the environment, personal development, sustainable living, and social justice (see [www.lohas.com](http://www.lohas.com)) that may be a good fit with your product mix. The Hartman Group, located in Bellevue, does market research on sustainability, health, natural, and green niches. Visit their website for more resources including free newsletters and webinars on market trends: [www.hartmangroup.com](http://www.hartmangroup.com).

Customers may want to know about your growing practices, what varieties you grow, where you get your seeds or starts, when you will be at the market, when products will be ripe, if you could custom grow a product, if you have seconds or bulk discounts, what forms of payment you take, and what recipes you recommend. It can be personal: seeking the "story" of your farm, your family history, how long you have been farming, how you got started, what your animals names are, and if they can come and visit. Answering customers' questions helps build relationships. It is helpful to build this time and effort into your overall plans. And remember that relationships are two-way. These conversations can be built into your "market research" to get honest feedback on your products and ideas.

## Customer Lists

Perhaps the single most important marketing tool direct marketers have is one they create themselves: their customer list. Knowing who your customers are and knowing how to reach them is a tremendous asset, especially in a field where relationships are prized. You can target your marketing efforts, create "special offers," or send out seasonal updates. To start, you will want to collect your customers' names, addresses, phone numbers and email addresses. You can build from there. To do this you will need some way to collect and keep track of this information. It could be as simple as a clipboard and 3x5 index cards. It could be with an Excel spreadsheet or database. The key is to do it, do your best to keep it up to date, and then use it to communicate with the people

who already like your farm and products. Electronic and online services can be useful for managing contacts and communicating with customers. Some are free and some require subscriptions.

## Consumer Education about Farming and Products

Fortunately, Washington State has a strong network of small farm advocates and organizations that are dedicated to educating the public about our food system, the merits of local foods, nutrition education, and the community and environmental value of local farms. Through their publications several organizations put together these values as reasons for customers to buy locally grown food. Many organizations feature local farms to help highlight these points and “put a face back on food.” In addition, many communities have organized “buy local” campaigns which generate materials to educate the public and promote local products.

## Farm Listings and Farm Maps

Adding your farm to local farm listings and farm maps helps customers find you. Many print and online farm maps are available in Washington. Some are free and some charge a fee. “Local Harvest” website is free and searchable by zip code. WSU has a farm finder on the Small Farms Program Web site. The “Puget Sound Fresh” guide is published annually and is one of the largest farm directories in the state. Tilth Producers also publishes an annual directory. There are also active farm maps in many counties. Try contacting your local farmers market manager, co-op store, extension office, county agricultural program, local farm organization or Chamber of Commerce to find out how to get listed.

## Social Networking as a Marketing Tool

The Internet can be an efficient marketing tool for promoting your farm and direct marketing your farm products. From “tweeting” to “You Tube,” the array of Internet communications options can be daunting even for tech-savvy businesses. With today’s technology, many of your customers will search the Web to learn more about your farm. So it makes sense to consider creating a Web site even if it is very simple. A few photos with your contact information can be enough to start your Web site. Some farms find it easier to start with a “blog.” A blog is like a Web site, but its content is more like a journal with regular updates and entries organized by date. Foodies, farms and farmers markets all have created blogs to share what they do.

Social networking through sites like Facebook is another popular option. Facebook enables you to set up a free Web site, add photos and interests, and then invite other people (“friends”) to join your site. The effect is to connect to an endless number of people with similar interests, geography or other criteria. Every time you update your Facebook page, they are sent emails to alert them to new information. Social networking tools can be creatively applied to your farm, alerting customers about new products, promotions or daily life on the farm.

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**Recommended Fact Sheets:** Getting Connected, Selling to Consumers, Selling to Restaurants and Grocery, Selling to Institutions.

For further assistance or to make suggestions on how to improve this fact sheet, please email [smallfarms@agr.wa.gov](mailto:smallfarms@agr.wa.gov) or call (360) 902-2057 or (360) 676-2059.