

Direct Marketing in Agriculture

Nikki Royer
Royer Farm Fresh Beef, Lamb & Pork
Royer Livestock
Clinton, Indiana



Our History

- A family farm in Vermillion County Indiana since 1874
- Started by Nikki's great-great grandfather, Perry Overpeck
- We have been raising cattle and sheep starting as 4-H kids in the 1970's and selling direct to the consumer since 2000
- Graduates of Purdue University School of Agriculture

Royer Farm Fresh Beef, Lamb, and Pork



What is direct marketing?

- Selling direct to the consumer
- Being a price-maker not a price-taker
- Putting your name, your business, your reputation on everything you sell



Today's Topics

- Direct marketing action steps
- Keys to direct marketing
- Direct marketing avenues



Direct Marketing Action Steps

- Assess
- Determine
- Minimize
- Specialize
- Partner
- Value yourself
- Decrease inputs
- Make it easy
- Generate
- Compliment
- Utilize



Assess....Yourself!

- What do you enjoy?
- What are your unique talents?
- What do you believe in and value?
- What resources do you have?



Determine....

What do customers want that you can provide?!

- Our customers want to know the farmer
- Our customer want to know how the food was raised
- Our customers want great taste
- Our customers want to feel good about their purchase

Minimize (Labor)...Royer Farm Fresh Beef



- We calve out 40 cows in the spring and summer. Additional feeder calves are purchased from a neighbor. In 2008 we sold about 60 head for beef. That equates to 24,000 pounds of meat.

Specialize...Royer Farm Fresh Lamb



- Our mother ewe flock is comprised of 100 Suffolk sheep. Over 150 lambs will be born in January, March and April. The majority will be sold as meat. Additional animals are marketed as 4-H projects and breeding stock.

Partner...Pork from Royer Farm Fresh



- Feeder pigs are purchased and raised by us. We have been offering pork since 2006. This year about 60 hogs will be marketed yielding over 6,000 pounds of pork.

Value Yourself...Poultry at Royer Farm

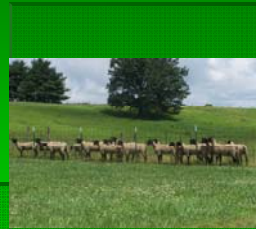


- Brown eggs are raised by us and Timberdoodle farm
- Whole, frozen broilers are sold several times a year
- All poultry is pasture raised

Decrease inputs...Forage chain at Royer Farm



Make it easy...For customers to buy!



- Great variety of meats
- Broad selection of cuts
- Be convenient and dependable
- Keep initial investment small

Generate...cash flow!

- Volume orders of ¼, ½, whole beef and ½ or whole lamb and hog.
- Corporate accounts



Compliment...What you already have!

- Are all your assets reaching their full potential?
- Hunting
- Custom grazing
- Trucking
- Custom farm work



Utilize...untapped resources

- Offer barn space for storage
- Rent an empty farmhouse
- Lease land for cell phone tower
- Be on the lookout for the next "big thing"



Keys to Direct Marketing Success



- Very high-quality product
- Compelling story
- Fair pricing
- Impeccable customer service
- Low market saturation
- Be a positive spokesperson for agriculture

Direct Marketing Options



- Restaurants
- Institutions (Schools, Hospitals)
- Grocery stores & Co-op stores
- Websites
- Neighbors & Family
- Farmers' Markets

Restaurants

- May serve as "free" advertising
- Builds credibility
- Can be slow to pay
- Chefs may have unrealistic expectations



Institutions

- High volume buyers
- May enter into contracts
- Good outlet for "simple" products
- Be careful of putting too many "eggs in one basket"
- May expect wholesale pricing



Grocery & Co-op Stores

- May require fresh, not frozen, product
- Need to consider product waste
- Could require UPC labels
- Demand excellent product availability



Websites



- Low fixed cost compared to bricks and mortar
- Excellent platform to tell "story"
- Help bridge the rural/suburban divide
- Increase media coverage
- Need to maintain a professional web page
- Should quickly fill orders and respond to inquiries

www.royerfarmfresh.com

- Need a unique, simple and smart website name
- Home page is critical
- Our pages: Home, About Us, Newsletter, Products, Order Form, Contact Us, and Recipes



Neighbors & Family

- Can start small
- May provide excellent feedback
- Difficult to extrapolate expenses and income to large scale business



Farmer's Markets

- Huge time commitment
- Limited number of viable farmer's markets
- Seasonal income
- Excellent customer base



Unmet needs

- Organic anything!
- Milk
- Fruit, especially berries
- Eggs
- Chicken breasts
- Chemical-free vegetables
- Ready-to-eat products

"New" Direct Marketing Opportunities

- CSAs (Community Supported Ag.)
- Buying Clubs



Thank you

Questions???

