



Consumer Focus

► by **Linda Robbins**, editorial assistant

Niche markets

From the marketing and community-building concept of cooperative relationships among farmers and urban residents called Community Supported Agriculture (CSA) to farmer's markets, a growing number of farmers and ranchers are reaching out directly to the food-buying public. Recent articles in publications ranging from the Chicago Tribune to Food Systems Insider have highlighted the ongoing personalization of food production.

The new rock star

When the *Chicago Tribune* suggested, "Farmers are the new rock stars" while listing food trends for 2007, it cited a growing appreciation for the folks who work to produce food. Most U.S. food typically travels between 1,500 and 2,500 miles from farm to plate, according to the Worldwatch Institute. While the long-distance food system offers unparalleled choice and economic opportunities, some farmers and consumers believe it weakens local culinary traditions, eliminates food varieties that don't travel well, and favors large, corporate farming businesses over family farm operations.

Many farm owners and consumers also believe this system consumes enormous amounts of fuel and contributes to the rise of greenhouse gases and other environmental pollutants while adversely affecting human health. For these reasons, many consumers are turning to local farmer's markets or joining with other consumers and family farm operations to

form CSA cooperatives among farmers and urban residents.

In 1990, according to www.localharvest.org, the number of CSA operations in the U.S. was estimated at 50. As of January 2005, there were more than 1,500 CSA farms across the U.S. and Canada. While still constituting a small percentage of total food production in North America, CSAs, farmer's markets and direct farmer-to-consumer marketing are part of a fast-growing niche market in the food business.

Partnerships, farm entrepreneurs

At their best, CSA operations offer their members a seasonal supply of fresh, reasonably priced, mostly organically grown produce, a direct relationship with the farmer growing their food, an opportunity to learn about agriculture and local ecosystems, and a community-building connection with farmers, neighbors and landscapes.

While no two CSA farms are alike, most provide one or several products ranging

from vegetables and fruits to herbs, meats, grains, berries, nuts, eggs, flowers, honey and even firewood. Some cooperatives require members come to the farm to pick up their shares, while others have centrally located distribution sites where farmers can deliver their crops for members to pick up.

Many CSA farms ask members to devote time and labor to the operation in order to lower costs. The hands-on participation allows members to learn more about what it really means to grow food, and how to divide the harvest in both plentiful times and in the event of crop failure.

Other farms have sufficient labor and invite shareholders to learn more about farm life and raising food through farm visits, volunteer opportunities and potluck meals. Some CSA farmers produce newsletters for their current and potential shareholders while others communicate through listservs or web sites describing their program in detail, with pick-up or drop-off locations, prices and payment schedules, and harvest calendars, along with recipes using the goods they produce.

There are drawbacks to CSA cooperatives, however. A season of weather extremes or pest control problems can limit the harvest to be shared among members. Or, in good years, members tire of the responsibility of storing and preparing an abundance of produce each week. In addition, unfamiliar vegetables and preparation requirements can challenge CSA members; they wistfully recall the days of freely choosing items, in the quantities they wanted, from the grocery store.

Farmers may not pay themselves a living wage, and may feel overworked and underappreciated, while having to rely on volunteers, family members and underpaid interns for labor. For some CSA operations, a 30%-40% attrition rate each season is not uncommon, according to Dan Guenther's study, "Community Supported Agriculture: Niche Market or Paradigm Shift?" Farmers may not experience a community of shared responsibility and partnership if they have to regularly spend time marketing and promoting new memberships.

Regional and national surveys show a majority of CSA farmers are women, and, on average, they are also younger (at 45 years)



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than traditional farmers (55 years) and tend to be college graduates.

Pricing is the most difficult part of direct marketing of food to consumers. Farmer's market and CSA farmers consider consumer willingness to pay more than the market price for their products when determining price. While many farmers do consider operational costs when setting prices, they typically do not include the cost of their own labor or that of family members, particularly in the start-up phase of the operation.

Research, planning, pricing

Whether starting a farmer's market business or evaluating CSA as an option for your farm, consider the following.

- **Location.** Can you find enough members or customers? Can they drive to your farm; or do you need to establish

community drop-off sites for a CSA? Is there a farmer's market close to you? Are they open seasonally, or do they have a permanent structure for year-round sales?

- **Labor.** Do you have enough paid support or volunteers to handle the extra jobs involved in CSA, such as packaging? Do you have enough people to carry any goods to the farmer's market, handle the booth space and conduct sales?
- **Communication skills.** Are you willing to sponsor events on the farm, publish a newsletter and provide other services that help customers feel connected to the farm? Are you comfortable talking to people about your farming methods and differentiating your products in a competitive atmosphere?

Instead of a traditional CSA, many producers choose to market directly to

consumers not only at local farmer's markets, but through personal web sites. Farmers can also offer value-added products to consumers to generate year-round sales and a steady income. Value-added products are any items made for sale from the products grown on the farm, such as jams, jellies, pies or cobblers, dried flower wreaths, bread or muffin mixes, and frozen or canned goods. These entrepreneurial enterprises operate as an alternative to or in conjunction with traditional farming and marketing. For those farmers or ranchers interested in alternative methods of selling their products, from vegetables and fruits to eggs and meat, visit www.localharvest.org or www.nal.usda.gov/afsic/pubs/csa/csa.shtml.

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Direct marketing for Angus breeders

Amy and Dan Saunders, American Angus Association members from Lawrence, Kan., started their operation 11 years ago with the intention of being seedstock producers. Dan is a foreman for a well-known seedstock producer. When they were having a difficult time establishing themselves in a very competitive market, someone jokingly suggested they sell their beef at the farmer's market.

Amy first chose to sell direct at the local farmer's market in 2003, while still in school and caring for a 1-year-old. "He attracted a lot of attention," she says, referring to her son. "And it was a great opening for me to start my spiel and convince people to try our product."

Starting with the bulls they had already bred to pass on tenderness traits, they promoted their beef as leaner with no added hormones and a healthier alternative to grocery store meat.

As a way to maintain steadier sales and to market cuts that weren't as well-utilized, Amy created what she considers her own version of a CSA. She calls the program "Savvy Suppers." Members receive grocery lists, recipes and cooking tips plus a 10% discount on the cuts of meat featured for the planned meals. Amy sees the program as an educational and valued-added service to their now more than 500 customers.

"It's like a rewards program for our regular customers," Amy says. "It not only saves them time and provides delicious meals,



► Amy, Dan, Tucker and Ethan Saunders.

some customers tell me it has even created competition over who gets to cook that night."

They will not sell to grocery stores because they want direct feedback from their customers and they want the chance to find out what happened if a customer has an unsatisfactory experience. Amy will ask how the item was prepared and what was unsatisfactory about it. She will try to find a way to fix it, either by giving the customer's money back or by replacing the meat with instructions on how to best prepare it.

Being young, female and willing to try alternate methods puts Amy right in line with the average CSA or other alternative farmers found in national and regional surveys. She says women bring a different perspective to farming or ranching, and they are willing to diversify their operations and to be flexible in a way traditional farmers sometimes aren't.

As for getting started in direct marketing, Amy contends that setting prices was the most difficult task. Also representative of the surveys, she says she undervalued their product when they first began selling at the farmer's market.

While she still struggled with it, the most recent price changes, made in November 2006, are the first sustainable prices she has set. Talking with her customers about setting prices at a level that keeps them in business, Amy says, helped her overcome some of the hesitation she felt about raising prices.

"They told me they would be willing to pay more if that's what it would take to keep us in business and to keep them supplied with our beef," she says.

For more information about Amy's Meats and her Savvy Suppers program, visit www.amysmeats.com.