

Marketing tips

Producing a good product is not enough. Without marketing, a business does not exist. It is one of the most important determinants of success. Holly Vyner provides some marketing advice.

Marketing tips for producers

There is a lot of talk about supply not meeting demand in our industry. It should be noted, however, that while the industry is growing out of its niche market capacity, undersupply can easily turn into oversupply. It is important that growers research where markets exist before investing in them.

From a grower's perspective, marketing may be defined as the total system of business activities designed to plan, price, promote and distribute products or services that satisfy the wants or needs of potential or present customers, while achieving the business objectives.

Ben Kirchner, from Adelaide Hills Regional Development, says the major emphasis in this definition is the customer, first and foremost. The business that provides the customer with what is wanted, when and in the required form, will be the most successful.

"Even if a demand exists for an organic product you can supply, there is no point in doing so unless you can do it at a profit," he says.

"Successful marketing depends on developing a thorough marketing plan that outlines how to supply the produce reliably, consistently and at a profit."

While developing a market plan alone cannot guarantee success, it does ensure that factors affecting the profitability and survivability of the organic business are considered. This is especially important for organic produce, the marketing of which does not always follow traditional channels.

In the case of organic produce marketing, it is probably best to pursue several different segments with different marketing approaches for each segment – targeting two or three segments including a primary market, a secondary market and a salvage market.

The primary market is the market in which the organic grower would like to compete. The secondary market is one in which prices may be lower but the market may be closer in prox-

imity, allowing the grower to compete more directly. The salvage market may be a direct market alternative or a direct wholesale operation directed toward final consumers.

For each of the target markets selected, the grower should attempt to assess the following buyer needs or characteristics:

- grades, sizes and volume to be purchased;
- shipment and delivery dates;
- prices to be received (any adjustments);
- transportation costs;
- quality of produce when delivered;
- guarantees or return policies;
- optimal time to contact buyer for orders;
- actual or estimated share of buyer's total volume;
- problems encountered (delivery, pricing, volume, uniformity); and
- special requirements of the buyer (lot size, delivery, etc).

Contacts with potential buyers to assess this information should begin at least six months before harvest.

Samples or photos will give buyers an idea of the quality of produce. Previous business references and estimates of prices desired and expected/potential volume should be given to buyers to aid in their decision making. At the initial meeting, the grower should convince the buyer that he or she has the necessary expertise to grow high-quality produce organically.

Certification documents should be presented to help assure the buyer of this expertise. Once agreements between the buyer and seller have been reached, the grower should contact the buyer at least a week before shipment to indicate produce availability. Most buyers would prefer two to three weeks notice of upcoming produce availability.

Regional marketing

Working collaboratively through existing industry groups and networks

can help promote the interests the organics industry.

The South Australia Food Centre employs 12 regional food officers around the state to help grow the regional food industries through regional food groups – such as Adelaide Hills Food – which are instrumental in regional branding of food in South Australia. It is an innovative partnership between food industry organisations and government agencies to provide a 'one-stop shop' for food companies who want to grow their businesses. Further information can be found at: www.safoodcentre.com/about/pages/contactus/fidos/

Victoria's Department of Primary Industries also has a regional marketing project called Naturally Victorian. The project aims to demonstrate that Victoria is a reliable supplier of high-quality, safe food products from environmentally responsible and ethically sound agricultural systems, especially for developing export markets. For more information contact DPI Customer Service Centre on 136 186 or email: <customer.service@dpi.vic.gov.au >.

Alliance marketing

Problems of supply in the Australian organic industry are not only due to lack of organic production. Again and again, the issues of con-

REFERENCES

The South Australian Food Centre

< www.safoodcentre.com >

Department of Primary Industries Victoria

< www.dpi.vic.gov.au >

Department of Primary Industries Queensland,

< www.dpi.qld.gov.au >

Biological Farmers of Australia

< www.bfa.com.au >

Ben Kirchner

Adelaide Hills Regional Development, *organic workshop presentation*



Buronga Organics selling goat meat at the farmers' market.

sistent quality supply are raised by buyers, including retailers, processors and wholesalers. Being part of a producer group or other alliance can allow you to build supply capabilities and ensure consistency.

Buronga Pastoral Co has shown marketing initiative by realising its own weakness and lack of resources in the marketing field and approaching a marketing expert. The company has found markets for Buronga's organic chevon goat meat. In order to keep up supply however, Buronga is needing to buy meat from other producers of quality organic goat meat and label the meat under Buronga Organics or another label. (See Buronga Organics advertisement this page).

Tourism and organics

Nola Craig is regional cuisine co-ordinator and marketing manager for Australian Tropical Foods. She says that Australia is one of the leaders in culinary tourism with some great success stories. State governments are now seeing the benefits of supporting sustainable regional tourism.

Primary industries need to evolve and add value to survive their current economic decline. "Tropical North Queensland has evolved from mining, timber, fishing and agriculture to its now largest industry – tourism," says Nola. "With 2.5 million visitors per year, it stands to reason to embrace culinary and farm tourism."

People are interested to find out the origin of food. They have gone for too long without questioning what they eat, and organics is perfectly poised to service this niche market.

Farmers' markets

The growth of the farmers' market movement in Australia has been prolific. Markets offer consumers a diverse arrange of produce – yesterday's picked produce, fresh meat, dairy and more, away from the industrial food market.

Recent research undertaken by DPI Victoria indicates an estimated \$20 million turnover passes through Australian farmers' markets annually with an economic impact of \$40 million. Farmers' markets are therefore an important part of the food chain and driver of regional economies.

Selling at markets can provide an additional income source as well as opportunities for networking with other growers and people in industry.

Community supported agriculture (CSA)

CSA is a concept that encourages local, environmentally sustainable food production and supports both farmers and consumers. Various models of CSA exist; they involve families and individuals subscribing to the farm, allowing them to pick up their produce from the farm direct and, often, play a role in the production and working on the farm. This mutually supportive relationship helps to create stable farm operation in which members are assured the highest quality produce, often at below retail prices. Farmers and growers are guaranteed a reliable market for a diverse selection of crops.

Farmers groups and networking

Local organic farmers groups provide valuable networking for keeping informed and often establishing local marketing initiatives.

As a larger organisation, BFA can help organise networking opportunities and facilitate marketing support for industry sectors via its sub-committee groups and publications.

At national and international trade events BFA represents products on behalf of its members. The BFA website also has a Buy & Sell section where members can place free ads for a particular produce or product.

Please contact the BFA office if you have any questions about the above services for members.

Adding value

Value adding and innovation is also important to successfully marketing organic products.

It is important to recognise that simply being 'organic' may not be enough to sell your product. Consumers are complex decision-makers. Other attributes that consumers may look for are taste, packaging appeal, convenience, health, price and so on. The organic market is also relatively unexploited in terms of product development, and there are many opportunities for new products which can meet consumers' needs.

Value adding is not limited to processing. It could mean ensuring product freshness, providing after-sales service or simply washing your produce.

Presentation and labelling

The presentation of your end product is important. To the consumer, the packaging reflects the type and quality of the product inside.


It is important to note that many consumers are still not educated about organics and the benefits of buying organics. Labelling that effectively markets the benefits of choosing organics will help with initial sales and in hooking consumers in to a good thing.

BFA has brochures available that answer consumers' basic questions on organics. Should you wish to use the wording on your own marketing materials or would like some brochures for your own use, please contact the marketing department.

Conclusion

The most successful organic businesses are forward thinking and progressive, with skills in networking, marketing and strategy.

Remember, no one can market alone. Forming alliances with like-minded people and marketing together is a cost-effective way to penetrate the market place.

Getting your organic product into the market is about relationships. It's about communicating with the supply chain – producers, wholesalers, chefs, – as well as being reliable and having a passion for quality. 

Holly Vyner is the BFA media officer