



Florida A&M University

Cooperative Extension Programs

Market Development for Small-Scale Farmers

What does the small-scale producer need to consider?

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Although marketing is probably most important, it is the last thing a farmer considers in his farming operation. Understanding marketing involves recognizing that it is part of every aspect of farming. It is influenced by everything a farmer does in his operation: what is grown, how it is grown, when it is grown. Developing a marketing plan allows the farmer to focus efforts on what the customer wants. This allows the farmer to be more efficient and reduce farm risk.



MARKETING CONSIDERATIONS

- What to produce?
- How to prepare products for sale?
- When & where to buy and sell?
- How to reduce price risk?
- When to change the enterprise mix?
- When to cease production?

Where Do I Start?

This is not hard, but will require you to take a minute and think about the interaction between your farm business and your customers. Answering these few questions will help build the foundation of a good market development plan.



MARKET INFORMATION

1. **What goals do you have for your farm business? For your family?**
2. **Who are your customers?**
3. **What products do you produce for sale? How much? At what price?**
4. **How do you produce?**
 - planting times
 - production practices
 - irrigation needs
 - post-harvest handling needs
5. **Where do you produce and sale?(facilities)**
 - location
 - insurance
6. **How do you promote or advertise your product?**
 - Who is targeted customer
 - What type of media is available (news, radio, TV)
7. **Are you making a profit from sales?**
 - when do you sale
 - how much do you sale
 - how much does it cost to produce and sale
 - what is your revenue (price X quantity)
 - what is your profit (revenue minus cost)
8. **Are there any local, state, or federal regulations?**
 - taxes (sales, employee, etc)
 - health codes
 - zoning restrictions

Markets and Potential Customers

- Based on farm business goals, resources, and market options
- Determines marketing opportunities

Product Selection

- Based on customer wants and your resources
- Defines markets; match products with specific markets

Determining Prices

- Price is related to profit
- Know how much it costs to produce
- Research existing prices and adjust your prices, if necessary
- Lower prices do not always eliminate competition

Advertising

- Get your message to your customers
- Use ads to educate, not to sell
- Don't talk price; emphasize location and name

Heed Regulations

- Check local, state, and federal regulations and requirements (zoning, taxes, health codes)

Facilities

- A sales facility can be anything (truck, shed)
- But remember your facility is a reflection of your product and you

Other Considerations

- Value-Added Opportunities
- Information Resources (extension, other producers, etc)

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