

Something Better

Bakersville Community Market

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Bakersville, NC 28705

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Marketing Practicum

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1. Analysis of the market—“Where we are now”

a. Industry trends

The “Buy Local” campaign is growing throughout North Carolina, the nation, and the world. We acknowledge that there are similar efforts in our area, but none are located in Bakersville yet. The localharvest webpage states, “People worldwide are rediscovering the benefits of buying local food. It is fresher than anything in the supermarket and that means tastier and more nutritious. It is also good for your local economy...buying directly from family farmers helps them stay in business.” Bakersville and the surrounding areas are rural and still have much good farm land. With gas prices soaring and likely to stay that way, there is greater incentive than ever to source local food products. Bio-security comes into play as well, where local producers often know their clients by their first name, and buyers are familiar with the producer and the practices used on that farm. Additionally, this local system closes the circle of cash flow when it comes to our food dollars, keeping more of that money within the community rather than sending it out for products that we could successfully grow here at home.

b. Buyer profile and behavior

Our buyers are community members, both locals and transplants, that are interested in buying the freshest food possible for their families while realizing that they are contributing to the sustainability of our farms in our own community. They are willing to spend a little bit extra on the food they eat in order to ensure that it is safe and to know that they are supporting a good cause. Most tend to be educated, environmentally and health conscious consumers of all ages, interested in whole foods and alternatives to many of the pre-packaged items found in traditional grocery stores and markets.

c. Competitions strengths and weaknesses

Other stores in our area that provide similar products include: Wildflowers, The Mitchell County Buyers Club, Burnsville Health Store, and the Gateway. Of these stores, the Gateway is the closest. It is the only other “grocery” store within a half an hour from the location of the market. However, they carry different types of products. Wildflowers carries products more similar to ours. However, they tend to carry more vitamin related products which the market will not carry. There will be some products that the two stores have in common. Other larger grocery store chains will have the advantage over us when it comes to selection and price, however, through our buy local mindset, we will have the advantage when it comes to quality. Additionally, these large chains are not set up to buy directly from local producers, nor do they have a vested interest in the community.

d. Your products/firms strengths and weaknesses

We are unique in our area in that no other store nearby will offer the types of products that we will. Our focus is on buying locally and organically when possible. We are staffed almost entirely by volunteers, which is both a strength and a weakness of ours. We are able to accommodate special order of bulk goods, and we can provide a close relationship between many of our vendors and our customers. One of our main weaknesses is having very little operating capital to start out with. However, the whole purpose of this store is to provide a service to the community and make only enough money to continue providing services. We will also place an emphasis on sustainable practices for producing our products. Through educational programs that we will offer at the physical location of the market, we will teach customers about sustainable agriculture and why it is so very important to preserving our agricultural heritage.

e. Original research results

After the return of many of the surveys we sent out, the overwhelming reply was that there is great interest within the community in having such a market. Many of the respondents stated that they would be willing to volunteer time working in the store in exchange for a member discount. Others were simply excited about the opportunity to purchase local foods and meet more of their neighbors and likeminded people through contact with the store. We also found that there was little competition within the entire county when it came to our proposed niche in the marketplace. People wanted local or organic produce and meats, as well as cleaning products, bulk dried goods, eggs, etc.

2. Business Proposition—Where do we want to be?

a. Key planning assumptions (cite sources of information)

The market for chemical-free and organic foods is growing at a rate of 10-15% a year (USDA). We plan to tap into that market and to provide a marketplace for our producers.

b. Measurable and attainable goals-must be measurable and have completion dates

Our main goals are to support local farmers and food businesses, providing our community with the healthiest foods possible. At the end of our first year, we will be able to look back at how much we have helped local businesses through purchasing their products, while also knowing our total receipts will give us a good idea of the households we have served.

c. Target market—identify the specific market you want to reach

“Local Products from our neighbors’ farms and gardens” is our slogan. “People are rediscovering the benefits of buying local food. It is fresher, tastier, more nutritious, and supports the local economy” (www.localharvest.org). The markets in Buncombe and

Watauga Counties have a demand for locally produced fresh food. This can be documented with examples of the “Buy local” guide circulated by Appalachian Sustainable Agriculture Project (ASAP). Organic grocery options can be found on almost every isle of Ingles grocery markets. The “Slow Food” movement is international and their conference in Fall 2004 was well broadcasted. These movements portray a trend that is catching on to mainstream society.

Our customer base lives and/or works in or near Bakersville North Carolina. These people also include visitors to Bakersville. They are individuals or families of any age that desire high quality, locally grown, whole foods that are healthy choices for their diet. A survey has been distributed and has acquired responses from over 100 people/ households that think a cooperatively owned and run market is a good idea for the Bakersville community. We currently have 75 memberships, meaning that there is the potential to serve at least 75 interested families this year. We hope to boost that number up to 100 families by next spring.

3. *Strategies and action plan—How and when will we get there?*

b. Product attributes: size, quantity, service, etc.

Products offered by the Bakersville Community Market include:

Locally grown and/or produced: fruits, vegetables, eggs, cheese, fish/seafood, jams, jellies, other canned goods, Baked goods, ciders, pesto, salsas, meats, mushrooms, live plants, honey, etc. These products that are considered perishable are treated on a commission basis.

The cost structure presently in place needs to be more detailed and potentially increased. The previous model and cost structure was based on minimal requirements from the market and most responsibility on the growers to maintain this section. One possible change to the current structure would be that the market would take a 20% commission from produce sales. The increase in costs will be balanced by increased responsibility on the part of the market to manage the produce section and provide shelving, cooling, or other necessary equipment to the growers. The market would also help coordinate farmers to complement each others harvests.

Dry Goods/Other products:

The store will begin with a basic offering of: beans, rice, nutrition yeast, TVP, Tofu and try not to keep extraneous products in inventory. These products will be ordered in from different vendors that are discussed in the “suppliers” section that follows. Mark-ups are generally 33% on bulk items and vary for different products. Dairy products have the lowest mark up so as to move them through sales rather than have them spoil on the shelves. A more detailed description of mark-ups is included in the “Pricing strategy” section. The market should not carry vitamins as they are already carried at Wildflowers in Spruce Pine.

c. How will you distribute and sell—marketing channels and physical distribution modes

We will make all attempts possible to use vendors that are local purveyors. If this qualification can not be met, we will utilize purveyors that are cooperatives, in support of local agriculture, or provide high quality healthy food choices. A list of vendors and their terms is as follows:

Something Better: **Terms:** Deliveries can be made to Bakersville on an every other month schedule. There is a \$450 minimum order. A delivery fee of 10% is added to all deliveries. There is a seven day term to pay invoices.

Ference Cheese: Asheville, NC (828)658-3101 **Terms:** They have a \$50 minimum on orders. They deliver on Wednesdays and Fridays. There is a surcharge if the minimum order is not met.

Great Eastern Sun: Asheville, NC (828)665-7790 **Terms:** \$100 minimum

Lindley Mills: Graham, NC (336)376-6190 **Terms:**

NorthEast Buying Club: Brattleboro, VT with a warehouse in Atlanta, Ga 1-800-451-4520

United Natural: **Terms:** There is a \$500 minimum on orders from them.

Frontier: 1-800-669-3275 **Terms:** No minimum. Can receive net 30 on approval.

Mulberry Gap Farm: Fairview, NC (828)649-2194 **Terms:**

Tree Huggers: 255-4196

All stock is stored, maintained, and sold from 23 Crimson Laurel Way. We live in a small community where lots of people grow their own food. We will attract people from the Little Switzerland area who are interested in local food. We have a short growing season that limits how long local produce can be made available by local growers.

d. What will be your price structure—how much will you charge?

Mark-ups of products are as follows:

Gross Profit (33-35%)

Grocery – 35%

Perishables, dairy – 23%

Bulk – 33%

Health and Beauty – 45%

Frozen – 35%

Bulk Herbs – 50%

Produce – 25%

- e. **How will you promote the product--what promotional activities are appropriate for your product? How much can you afford? What method will you use—word-of-mouth, radio, newspaper, mass media, billboards, etc.**

Promotions include running stories in the county newspaper, mailings, posting flyers, brochures, and holding special events. An open house was held on December 6th 2004 to introduce the Bakersville Community Market to the community. Three stories, to date, have been run in the Mitchell County Paper which have announced the open house and the auction. Newsletters have been mailed out monthly since January 2005. Brochures have been created. A Brochure has been included.

There was an excellent turn out with over 100 people coming for a visit and learning about the market. An additional ten people added their names to the list of people who are interested in the market. Our next big event was to hold a fundraising auction, where we raised over \$2,500 off of donated goods and services. In the future the store will hold educational and community meetings in the upstairs area of the store to provide additional services and a sense of community involvement and ownership of the market.

A model railroad of the Toe Cane Valley is being installed along the upstairs railing. This railroad model will attract people to view a replica of our local history.

Other promotional events to establish direct contact with community members have been implemented, such as participation in the first annual “Creek Walk Festival”, where volunteers sold chili and other refreshments. This provided us with the opportunity to talk with many folks and better explain the mission of the market.

Next we are planning a barn dance fundraiser to rejuvenate the enthusiasm that we started out with, in addition to making a bit of extra income for the store.

Other advertising/promotions:

Monthly: Newsletters
Bimonthly: Membership Meetings
Twice Yearly: Yard Sales
Yearly: Update Brochure

- f. **Develop a mission statement and predict competitor’s reaction.**

To develop and provide a physical location and gathering place to help build community and the local economy of Bakersville. We will build community and develop the local economy by:

- Aiding local farmers/producers by providing a common market place for goods.
- Assisting farmers/producers with marketing and distribution opportunities.
- Offering fresh produce and whole foods for reasonable and fair prices.

- Educating the public, youth and adults, about a variety of issues relating to agriculture and local economy.
- Educating the public, youth and adults about health and nutrition in relation to food and food systems.
- Creating a more self supporting community.

The Health of the Market is based on trust, good communication, and accountability.

5. *What are any legal issues that must be considered—are there permits, fees, licenses, inspections, etc.*

Business License- Federal ID# (Form SS-4)

Incorporation- Articles of Organization (NC Secretary of State, Corporations Division)

Liability insurance- Farm Bureau (1,000,000 General and Product)

Safety issues-OSHA

Compliance with American Disabilities Act- Proper Facilities

NCDA regulations- Inspection of facilities/handling/packaging/storage, etc.

Payroll taxes, sales tax, income taxes- NC Dept of Revenue, IRS (Form AS/RP1-Sales and Use Tax Withholding Form)

Lease on building

Compliance with building codes- Office of State Fire Marshall

6. *Evaluation—Did we get there?*

- a. **Specific measurable tools to assess the accomplishments of the plan**
- b. **Recommendations for the future-contingencies**