Marketing Your Product

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Direct Marketing

- Selling Products Directly to the Consumer
  - Making a connection with the consumer
  - Determining the consumer wants or needs
  - Offering products that meet these needs

Advantages

- Higher Prices
- More Net Income
- Build Relationships with Customers
- Personal Satisfaction and Fulfillment
- Working at Home
- Maintenance Autonomy or Independence
Disadvantages
• Time Consuming
• Must Have People/Salesmanship Skills
• Must Have Proper Facilities
• Consistent Supply

Important Topics
• State Law Requirements
• Business Plans/Marketing Plans
• Liability Insurance
• Competition

N.C. Egg Law
• Richard Hoyle
• Poultry Programs Administrator
• North Carolina Department of Agriculture and Consumer Services
• 2 West Edenton St. Raleigh NC 27601
• Phone:919-733-7576
• Richard.Hoyle@ncagr.gov
General Statute 106-245.15
Labeling

- **Grade**
  - Under 30 dozen sold from your production may be labeled as ungraded

- **Size**
  - Must show weigh class (Small, Medium, Large, Extra Large, or Jumbo)

- **Numerical Count**
  - 1 Dozen, 12 Eggs

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General Statute 106-245.15
Labeling

- **Name and Address**
  - Must show the name and address of distributor or packer

- **“Eggs”**
  - Must have the word “eggs” on the principal display panel.

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General Statute 106-245.15
Labeling

- **“Fresh”**
  - May only state fresh if the eggs meet the USDA Grade A Standards

- **Obscure Incorrect Labeling**
  - Eggs sold in used containers must be clean and free from odors and have the previous labeling that is incorrect obscured.
106-245.19
Invoices

- All Eggs Sold For Resale Must Be Accompanied By An Invoice Containing
  - Date of Sale
  - Name and Address of Seller
  - Quantity
  - Grade
  - Size
  - Must be maintain at site of sale for 30 days

Advertisement

- When Price is Designated the Following Must be Shown:
  - (Does not apply if you fall under the 30 dozen per week exemption)
  - Applicable Grade
  - Applicable Size
    - (Eggs may be labeled smaller than the actual egg size)

Sanitation

- Food Establishment
  - Eggs must be graded, packed and stored in accordance with food establishment requirements
- 60°F or Less Pre Processing
  - Ungraded eggs must be stored at 60°F until processed or graded. Eggs sold as ungraded must be stored at 45°F or less after gathering
Sanitation

- 45°F or Less Post Processing
  - All eggs must be stored, displayed, and sold at 45°F or Less
- Sanitary Methods of Cleaning Eggs
  - If eggs are washed they should be washed in water 20°F or warmer than the eggs and should contain 200PPM of bleach

Organic

- Must be Certified by One of the Following Agencies in Order to be Labeled as Organic:
  - State
  - Federal
  - Accredited Organization
  - The agency must be Identified on the Container

Marketing Requirements

- For any Marketing Claims the Producer Must be Capable of:
  - Maintaining Identity
  - Provide supporting Evidence
Exemptions

- **Own Production**
  - Up to 30 dozen per week may be labeled as ungraded eggs
- **On Premises of Production**
  - Under grade eggs (cracks & dirties) may be sold on the site of production if they are properly labeled and sales do not exceed 30 dozen per customer.

Business Resource Web Sites

- www.ncagr.com/markets/gradnreg/reglator/egglaw.htm
- http://chatham.ces.ncsu.edu/growingsmallfarms/meatandeggs.html
- www.agmrc.org/agmrc/business
- www.sbcn.nc.gov/
- /www.ncreal.org/

Market Segments

- Farmers Markets
- On Farm Sales
- Restaurants and Institutions
- Internet Sales
Which Market

- Each Market Requires Different Approaches
- Target Consumer Demographics
  - Who purchases your type of product
  - What are the reasons for buying
  - What are they willing to pay
  - Population figures
  - Income

Farmers Markets

- Market Rules/Cost
- Days and Hours of Operation
- Customers Need to Know When & Where
- Travel Time

On Farm Sales

- No Transportation Cost
- Market Area/Demographics
- Advertising/Marketing
- Other Products & Services
Restaurants and Institutions

• Chefs on Cutting Edge of the “Buy Local” Trend
• Steady Market
• Consistent Product and Supply is Key
• Labor Saving Priority
• Fresher Eggs/Improved Performance in Cooking & Baking

Restaurants and Institutions

• Details are Important
• Who calls whom
• Regular Delivery Schedule Vs Demand Basis
• Payment Terms
• Encourage Feedback
• Invite Staff to Your Farm

Internet Sales

• Web Sites
  – www.ncfarmfresh.com/
  – www.eatwild.org
  – www.localharvest.org
  – www.carolinafarmstewards.org/
  – www.localharvest.org/
Positioning Your Product

- Why is Your Product Different
  - Product Quality/Freshness/Locally Produced
  - Organic/Free Range/Natural/ Cage Free/ Free Roaming/Pasture Raised

Prospecting

- Barriers
  - Lack of Motivation
  - Fear
- Overcoming Fear of Rejection
  - Strictly a Numbers Game

- Be Organized
  - Keep Detailed Records of Contacted customers
  - Customer Contact Information and Preferences
- Establish Goals
  - Review Regularly
- Value Vs Price
- Qualify Prospects
Qualification Criteria

- Method, Date and Name of Initial Contact
- Customer’s Current and Previous Supplier
- Contact’s first reason for inquiry (poor service from previous supplier)
- All Contact Details Throughout Experience

Objectives of Prospecting

- Identify Yourself and Farm (Sell Your Story)
- Identify Benefits, Features and Advantages to Customer
  - How can you or your product help them
- Involve Customer
- Ask Questions
  - Focus on Customer Needs

When Prospecting

- Make Eye Contact
- Speak Clearly
- Don’t Rush or Deliberately Talk Slow
Build Relationships

- Know Your Customers
- Emotional and Physical Connections
- Word of Mouth is King
- Customer is Always Right

Pricing is Key

- Who is Your Competition
  - Other Producers, Supermarkets, other Food Suppliers
- What Products
- What Message
- What Price

Know Your Cost

- Production Cost
- Processing Cost
- Marketing Cost
- Transportation Cost
Production Cost

- Type of bird
- Type of Feed
- Facilities
- Replacement stock

Processing Cost

- Type of Equipment
- Packaging
- Distance From Market
- Number of Deliveries
- Labor
- Water, Electricity, Refrigeration, Taxes

Marketing Cost

- Brochures
- Carton Development
- Display Signs
- Print, Media, Radio Advertising
- Sample Product
- Liability Insurance
Transportation Cost

- Vehicle Maintenance
- Gas
- Insurance

Price - Cost = Profit

- Must Establish or Wasting Time

NCDA&CS Marketing Assistance

- “Goodness Grows In NC” Program
- “Got to be NC” Advertising Campaign
- Foodservice and Retail Marketing Specialist
- www.ncagr.com/markets
- www.ncfarmfresh.com