MARKET READY

FARM TO E-COMMERCE WEBINAR

APRIL 01, 2020

This webinar is brought to you by Virginia Cooperative Extension and Virginia Department of Agriculture and Consumer Services. Supported by a USDA AMS Local Food Promotion Program grant.
Audio
Attendees will remain muted throughout the webinar. We will not be using the Raise Hand feature.

Q&A
Please enter your questions using the Q&A feature. Participants can up vote and answer questions. We will be moderating questions periodically throughout the webinar and also reserve time at the end.

Chat
The chat box will be used to post links and resources from the panelists. Please do not conduct conversations in the chat box.
INTRODUCTIONS

MODERATOR:

Caitlin Miller, Market Development Specialist, VDACS

PRESENTERS:

Dr. Kim Morgan, Extension Economist, Virginia Tech
French Price, Value Chain Coordinator, VA Cooperative Extension
Margaret Hutcheson, Madison County Farmers Market
Dr. Katie Hoffman, Fall Line Farms & Local Roots
Matt Coyle, Piedmont Environmental Council
Sam Lev, Local Environmental Agriculture Project (LEAP)
AGENDA

E-commerce Solutions for Virginia Agribusinesses

Introduction to Virginia MarketMaker

Best Practices & Models

Moderated Q & A
E-COMMERCE = ELECTRONIC COMMERCE
Still all about the 4P's of the Marketing Mix

Place
Websites, email and online databases, social media

Price
Include e-commerce costs (labor and capital) in pricing strategy

Product
Include e-commerce costs (labor and capital) in pricing strategy

Promotion
Peronsal vs. Non-personal
STILL OPERATING IN IMPERFECTLY COMPETITIVE MARKETS

Defensibly different

Price Setting
   Set margins to maximize profits

Minimize Costs
   Financial and Human

Minimize Risk Exposure
E-COMMERCE PLATFORMS

E-commerce is an alternative supply channel with its own economic geography, and may include:

- Websites
- Email Databases
- Online Databases
- Social Media Presence
E-COMMERCE PRICING STRUCTURES

Select pricing structure based on YOUR costs

Adjust your margins to include any additional e-commerce costs:

- Time
  - e-commerce channel marketing takes TIME

- Training
  - In-house or outsourcing?

- Identify and access resources available to you

- Build and/or leverage existing networks
E-COMMERCE PRODUCTS

Select e-commerce supply channel based on your product offerings

- Product Form
- Product Lines
- Substitutes & Complements
- Number of Units

Consider storage capacity

Consider delivery options
Build On Your Brand
It is the face of your farm when you are not in the room, always important, even more so with e-commerce

Share your farm story
via social media networks, public relation connections, local news outlets, etc.

Encourage trials and volume purchases
Offer BOGO or other sales promotions

Encourage Referrals
Offer loyalty rewards
MANAGE YOUR RISKS!

MITIGATE YOUR BRAND, AND HUMAN, RISK EXPOSURE

- Check with your insurance carrier for coverage details
- Document non-contact/clean delivery procedures
- Document storage arrangements
- Document and follow all food safety procedures
MANAGE YOUR RISKS!

MITIGATE YOUR BRAND, AND HUMAN, RISK EXPOSURE ALONG ENTIRE SUPPLY CHANNEL

- A picture is, indeed, worth a 1,000 words
- So is a written date/time stamped transaction logbook
- And, written employee training manuals and training dates
- And, written liability share/release from your buyers
“Problems are just opportunities in work clothes.”

Henry Kaiser, American Industrialist
INTRODUCTION TO VIRGINIA MARKETMAKER

French Price, Virginia Cooperative Extension
MarketMaker

NON-PROFIT ORGANIZATION
Founded by Extension Specialists, Managed by a board of Extension Economists from across the country

NATIONAL NETWORK
Over 20 states and growing!

OPEN TO ALL
Any food or agricultural business can create a profile

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VIRGINIA MARKETMAKER

va.foodmarketmaker.com

SEARCHABLE MAP
Searchable database of local foods

BUY/SELL FORUM
*Classified section* for wholesale producers and buyers to post product needs and availability

MARKET RESEARCH
Learn more about the demographics and competitors in your target market

New! ONLINE STORE
Set up inventory for an online store integrated into your profile

*5% transaction fee*

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1) REGISTER

Using your email and secure password
va.foodmarketmaker.com/register

2) SELECT YOUR BUSINESS TYPE

Choose your main enterprise. You can add others after the initial registration
4) ADD CONTACT INFORMATION

You can choose what to share with the public and also set multiple administrators.

3) ADD BUSINESS FEATURES

This is how your business will appear in various search results. Make sure to add "Internet" to methods of sale.
ADD YOUR AFFILIATIONS AND CONNECTIONS!

PLUS ANY BUSINESSES YOU SELL TO OR WITH!

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MarketMaker
Online Store

Integrated Into Your Profile
You do not need an existing website to begin selling online.
**This service is only available for individual farmers**

Uses Third Party Company
Manage your inventory and accept credit card payments, using service called Local Line

Costs
Local Line’s monthly subscription fees are waived, but they do charge a 5% transaction fee on all sales
LEARN FROM YOUR PEERS

BEST PRACTICES AND MODELS
MADISON FARMERS' MARKET
Margaret Hutcheson
http://www.madisonfarmersmarket.info/
Mission Statement:
To support local economies and agriculture, to protect rural landscapes and traditions, and conserve natural and historic resources.
How Our Market Works

• Members order Friday through Monday online.

• They choose the items they want, then pay.

• Producers bring the items to our Thursday morning “farmer flash mob.”

• Each item is labeled with the customer’s name and the pickup location.

• Sorters at the pickup location put individual orders together for customers, who arrive to pick them up during the appointed hours.
Tips for Success in Selling Online

- Instagram pictures and buying page pictures are different animals (or vegetables)

- An Instagram post might be a large, overflowing basket of succulent strawberries. Meant to draw people to your site.

- On the buying page, you need to post a boring green paper pint of strawberries. They'll expect to receive what they see when they order.

- Many clients read descriptions to see what kinds of ingredients are in a product or what growing methods were used. Be accurate.
FALL LINE FARMS & LOCAL ROOTS

Dr. Katie Hoffman

https://flflr.luluslocalfood.com/
PIEDMONT ENVIRONMENTAL COUNCIL

Matt Coyle

https://www.buylocalvirginia.org/
LEAP FOR LOCAL FOOD

Sam Lev

https://leapforlocalfood.org/markets/onlinemarket/

- SNAP internet purchasing restrictions
- Solution using Lulu’s Local Food to incorporate SNAP and matching incentives
- Lessons learned from week one
- Future solutions and development
POLL: WHAT DO YOU STILL NEED?

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Q & A
POLL:
OTHER WEBINARS?
THANK YOU

Additional Questions?

Contact French Price at frenchprice@vt.edu

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“Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be a more productive than energy devoted to patching leaks.”

Warren Buffett