

Community Assistantship Program

...a program of the Center for Urban and Regional Affairs (CURA)

Taking Advantage of this Moment and Opportunity

Prepared in partnership with
Agua Gorda Cooperative

Prepared by
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University of Minnesota

Spring 2020

CAP Report # CAP 236

*This report is available on the CURA website:
<http://www.cura.umn.edu/publications/search>*

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2019 | EMILY RENO, RESEARCH ASSISTANT



TAKING ADVANTAGE OF THIS MOMENT AND OPPORTUNITY

Regional market analysis and marketing recommendations

Prepared for:
Agua Gorda Cooperative

Spring
2020

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Central Regional Sustainable
Development Partnership

UNIVERSITY OF MINNESOTA
EXTENSION

TAKING ADVANTAGE OF THIS MOMENT AND OPPORTUNITY

May, 2020 | By: Emily Reno, Research Assistant

This is a co-publication of the University of Minnesota's Center for Urban and Regional Affairs (CURA), Central Regional Sustainable Development Partnership, and Cooperativa Agua Gorda. Project funding was provided by Central RSDP.

The Community Assistantship Program (CAP) is a cross-college, cross-campus University of Minnesota initiative coordinated by the Center for Urban and Regional Affairs (CURA) and the Regional Sustainable Development Partnerships (RSDP). Funds for CAP have been generously provided by the McKnight Foundation. The content of this report is the responsibility of the author and is not necessarily endorsed by CAP, CURA, RSDP or the University of Minnesota.

The Northeast and Northwest Regional Sustainable Development Partnership brings together local talent and resources with University of Minnesota knowledge to drive sustainability in agriculture and food systems, tourism and resilient communities, natural resources and clean energy. The Partnerships are part of University of Minnesota Extension.

North Circle Seeds is committed to creating an ecologically diverse, equitable, and inclusive food system. They do this through an intentional relationship with our seeds and our circle of Midwestern growers, who produce regionally adapted seed using chemical-free, sustainable and organic practices.

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CONTENTS

EXECUTIVE SUMMARY 4
.....

INTRODUCTION 6
.....

AGUA GORDA'S BACKGROUND 8
.....

METHODS 10
.....

REGIONAL DATA 13
.....

MARKETING CHANNEL COMPARISON 14
.....

INTERVIEW THEMES 21
.....

LIMITATIONS 37
.....

MARKETING STRATEGY RECOMMENDATIONS 38
.....

NEXT STEPS 55
.....

APPENDIX A: INTERVIEW QUESTIONS 56
.....

**APPENDIX B: RESOURCES AND OPPORTUNITIES IN THIS
MOMENT AND BEYOND** 60
.....

REFERENCE 62

EXECUTIVE SUMMARY



This project was supported by RSDP (Regional Sustainable Development Partnership). With the help of a graduate student (the author, hereafter referred to in first person) from the University of Minnesota, Agua Gorda Cooperative undertook a project from February to May of 2020 with the following objectives:

1. Research and develop a market analysis for Cooperativa Agua Gorda's local produce.
2. Develop a marketing plan for the Cooperative identifying opportunities for establishing and growing business partnerships.
3. Outline Cooperativa Agua Gorda's key network opportunities and recommendations for Central Minnesota region.

The motivation for this project came from seeking other options to sell Agua Gorda's products in and around Long Prairie, Minnesota. We used a 60 mile radius to determine the region for our market analysis and the following question to guide the research project:

How can Agua Gorda Cooperative use a marketing strategy and a regional market analysis to illustrate the value of their farm to the community, build partnerships with stakeholders, and take advantage of the social and capital resources available to farmers in the region?

As part of this project, I completed a literature review, conducted 39 interviews, participated in 5 webinars, organized an undergraduate internship to support Agua Gorda this summer, and continue to have conversations with stakeholders with regards to Agua Gorda's objectives to share resources and sustain the energy of this project.

HIGHLIGHTS OF THE FINDINGS AND RECOMMENDATIONS

Of all the information gathered as part of this research project, is it clear that there are many opportunities to improve the support for wholesale farmers and buyers. Some of the obstacles I identified that prevent the success of wholesale

TO START

farmers in West Central Minnesota include:

- The imbalance of advanced technical capacity of larger distributors and markets in comparison to small and medium-sized farm enterprises
- Poor use of data to communicate to the public and buyers the economic, social, and environmental benefits of supporting wholesale farmers
- Lack of cultural competency of employees of state agencies and the accessibility of state and federal resources for farmers whose first language is not English
- Need for technical and physical infrastructure to strengthen the regional coordination of food systems
- Messaging that fails to communicate to

institutions the multiplier effect of their investments in area farms and the potential to develop a regional agritourism brand

- Little technical assistance to help wholesale farmers with financing and marketing



SUGGESTED NEXT STEPS FOR AGUA GORDA COOPERATIVE, IN BRIEF

Within the next 3 months:

- Identify between 3 and 5 new markets or buyers to diversify your marketing channels. Use the resources in Appendix B to follow up on the conversations that we started with buyers in the region as part of this project.
- Invest money either in the technical tools or people who can take control of communication between what's happening on the farm and the buyers. Maintaining communication and the relationships is key for sales.
- Finish the website launch and take advantage of the marketing recommendations in this report to avoid having to come up with offers or specific messages.

Within the next 6 months:

- Make a list of local businesses and influential people in Long Prairie and communicate with them to highlight that Agua Gorda is indeed open and ask them about the opportunity to share updates through their newsletters, emails, videos on Facebook, etc.
- Begin to develop relationships with the restaurants in the region so that when they open they already have information about Agua Gorda's product availability.
- Identify between 5 and 10 people that can serve as mentors to improve the development of Agua Gorda as a business and ask them if they can provide advice.

Within the next year:

- Review 2020 finances with a certified public accountant to identify opportunities to refine the marketing strategy, set sales goals for 2021, and identify funding resources that can support these goals.
- Begin, or continue to develop, a relationship with the Department of Agriculture, nonprofits, the University of Minnesota and technical colleges in the region that can help with the recruitment of new farmer members for Agua Gorda.
- Review the website to see where there are opportunities to improve the copy and the ordering systems.
- Based on the opportunities and goals of Agua Gorda, seek local businesses you can work with on projects to increase the visibility of the Cooperative in the community and the region.

COVID-19's disruption of the food system in March 2020 represents a unique moment in history and an opportunity to evaluate which systems we want to preserve, change, and eliminate altogether. The losses for farmers this year illustrate the fragility of the systems that control the production and movement of food at all scales, but they also indicate the coming of a new era. I hope that the information in this report advances the conversation of developing infrastructure for wholesale farmers, systemic racism, and ways that we can move forward with love, compassion, and humility to do better at the community, state, and regional level.

2 | INTRODUCTION

Between March and May of this year, the National Sustainable Agriculture Coalition expects a decrease in sales of up to \$688.7 million and economic losses of up to \$1.32 billion throughout key local and regional food markets (including farmers markets, Farm2School, food hubs, and restaurants).¹ This statistic is indicative of the market shock that farmers suffered during the writing of this report. It in no way describes the full impact that the food and farming industry will experience in the coming months and years as a result of Coronavirus. The pandemic in many ways has removed the covers from a food system fraught with fragility. It highlights the humans behind the produce we eat, forcing us to reconcile our human rights practices with a desire for cheap food, and to ask ourselves what we mean when we say 'support local'.

While the purpose of this research project was to conduct a regional market analysis in Long Prairie, I used a wide definition of 'market' to think not only about the buyers, but the relationships that would help develop and advance Agua Gorda Cooperative's mission and objectives. As such, my findings and conclusions go beyond simple messaging recommendations. We quickly realized we needed to switch from a survey concept to interviews, all of which ended up highlighting the challenges and opportunities for wholesale growers in rural Minnesota. The findings serve not only Agua Gorda Cooperative in their marketing goals and to sustain themselves in the community, but stakeholders with a vested interest in the farming community to understand that resources designed to serve farmers are really only accessible to a specific segment of the population. The following pages



KEYWORDS

outline what we did, how we did it, the most salient themes of the interviews, and finally marketing recommendations and additional resources for Agua Gorda.

Supply chains: For this report, we are referring to the infrastructure that supports a food system. This includes the growing community, distribution, processing, the retail environment, etc.

Wholesale: This refers to the largest marketing channel - to institutions, schools, restaurants, retirement homes, and other buyers that buy in large volumes.

Retail : This refers to the smallest marketing channel, of markets and buyers that buy in a small volume.

Direct marketing: This refers to the style of marketing in which farmers have direct access to buyers, or don't have to work with intermediaries to sell their products.

COVID-19: According to the World Health Organization, COVID-19 is "an infectious

disease caused by coronavirus. Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness."²



AGUA GORDA'S BACKGROUND

3

AND ECONOMIC POTENTIAL

Agua Gorda Cooperative is located in Long Prairie, Minnesota. The Cooperative, at the time of this writing, comprised four members that are a part of the farm. Two people work full-time and the other two members work part-time. The table on the next page provides basic information intended to summarize the agricultural production practices, sales, and equipment to get a better sense of the Cooperative's capacity.

BASIC STATISTICS ABOUT AGUA GORDA

With 52 acres y 37 acres in production, Agua Gorda focuses on wholesale vegetable markets in the Long Prairie, MN, region.

LABOR

2 full-time employees
2 part-time employees

PRODUCTION METHODS & SEASON EXTENSION

Organic and GAP Certification
7500 ft2 of greenhouse space

PRODUCTS

Fruits, vegetables

MOST RECENT PRODUCTION CHANNELS

Shared Ground - 99% sales in 2019
Long Prairie elementary school - 1% sales in 2019

SHARED GROUND FARMERS CO-OP

Shared Ground is a marketing and distribution cooperative founded by seven farmers in the Twin Cities region. Shared Ground sells sustainably grown vegetables directly to consumers through a CSA program, restaurants, and through wholesale contracts with Farm 2 School.

ELEMENTARY SCHOOLS

Currently, Agua Gorda Cooperative sells products to the local school district. Even though the market potential exists, there are obstacles for buyers that prevent them from placing larger orders.

STORAGE CAPACITY

Nothing on the farm but space is available in town

DISTRIBUTION CAPACITY

There is not a vehicle with refrigeration at this time.

VENTAS

~25K in 2019
Contracts for 2020: 50K

4 | METHODS

We decided to use a 60-mile radius for this project due to the costs of distribution and Agua Gorda Cooperative's capacity to produce enough products for these markets. The information that I gathered as part of the literature review I used to create a section of this report that characterizes different channels in the wholesale market. Later in the semester I decided to include information about direct marketing.



LITERATURE REVIEW

The following questions guided my search for information during this project:

1. What strategies have cooperatives similar to Agua Gorda used to commercialize and sell healthy, sustainable, and local fruits and vegetables to regional schools, health systems, retirement homes, businesses, and other community institutions in small/rural communities?

To approach this question I decided to look for information about farmers that sell wholesale because Agua Gorda's capacity is more like a farm instead of a cooperative at this moment. Agua Gorda doesn't have other members that contribute to sales. I used information from reports from the University of Minnesota, books for wholesale farmers and interviews with service providers that work with Farm 2 School, Extension, the Department of Health and the Department of Agriculture, and nonprofits.

2. Which of these strategies are the most economical according to Agua Gorda's ideal clients and sales goals?

For this part of the research project I made a table comparing the different marketing channels. When selling wholesale there are different market channels, which are outlined in section 6, but because of the changes in the project due to coronavirus, there is also information about selling directly because this is currently more profitable.

To find the information for that section, I used information from a variety of sources including



many from the University of Minnesota but also articles from various publications with open access in the space of local foods. There was a lot of information about selling to restaurants through YouTube videos.

3. What are buyers' preferences with regards to product variety, organic price points, amounts, cultivation interests, regulatory norms and marketing tendencies for wholesale products?

This was the most difficult part of the research project because when I already had the research questions for buyers ready, coronavirus increased in severity and it was almost impossible to get in touch with them to set up interviews. Buying preferences were also changing with shifts in consumer preferences each week with new information from the government and the Center for Disease Control (CDC).

4. How can Agua Gorda take advantage of multiple market channels to receive the highest value for their products along every point in the production and harvest cycle?

I did not have time to approach this part of the research due to a lack of time.

INTERVIEWS

As part of this research project, I completed 39 stakeholder interviews, including buyers, service providers, farmers, and local businesses to learn more about their desires for specific varieties, the challenges for farmers and sources of resources. Details about the interviews and the common themes are included below.

INVOLVEMENT IN EVENTS AND FOLLOWING THE NEWS

To understand what was happening in the market, assure that the recommendations were up to date, and familiarize myself with resources available to farmers at this moment, I participated in five webinars and many conversations with employees of the Minnesota Farmers Union, Extension, and farms in the region. From these conversations we began to identify new market channels and resources which are included in the Appendix.

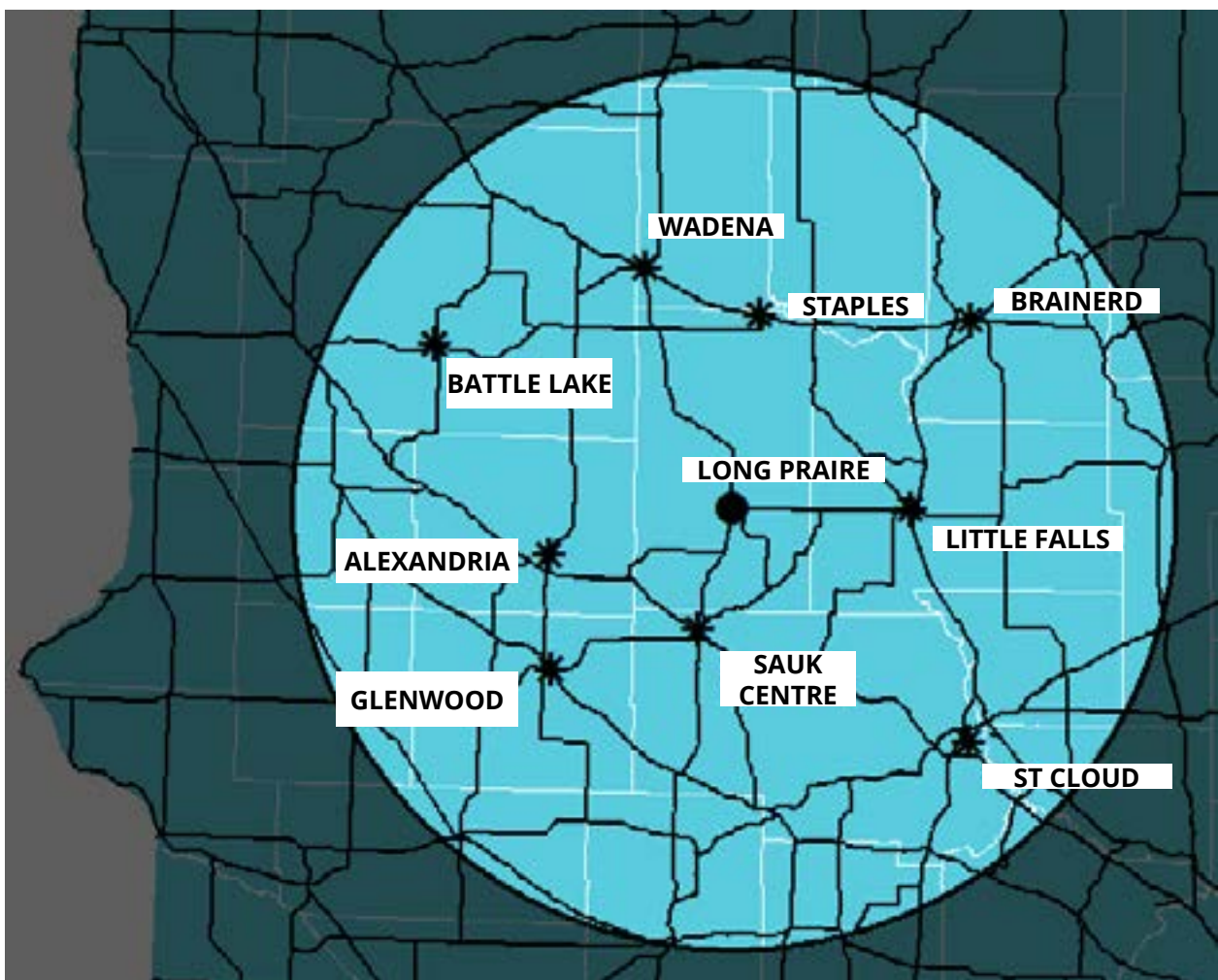
THE REGION IN FOCUS FOR THIS INVESTIGATION



We used a 60-mile radius around Long Prairie, MN, for this research project.

The map below identifies the parts of the region we identified that have the greatest capacity for selling wholesale produce. The stars represent the cities other than Long Prairie with the greatest potential, and the black lines represent the largest highways for potential distribution routes.

REGION OF FOCUS AND PRINCIPAL MARKETS



LEGEND

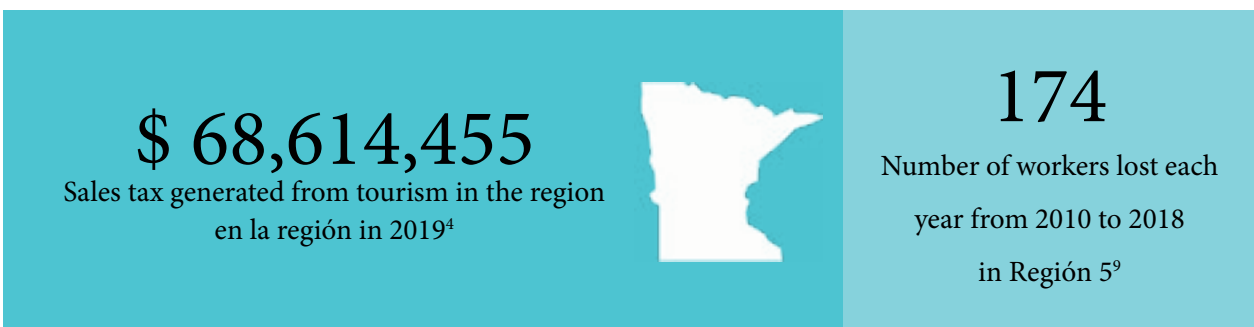
- Regional Market Analysis Focus Area
- Long Prairie, MN
- Major markets for wholesale produce
- Major highways

The largest markets were selected based on population and proximity to Long Prairie.

5

REGIONAL DATA

The infographic below indicates the economic potential that exists in the region using data from state agencies. This information demonstrates that rural communities will experience many changes in the demography, age of farmers, and land ownership. With these changes, and the information about tourism, there is a lot of potential to embrace new marketing opportunities not only for the region's farmers, but for economic development directors. Information about this specific region was difficult to find because depending on the agency, regions are built differently. The economic region with the most information about the counties was Region 5.



MARKET CHANNEL COMPARISON

The information on the pages that follow is a summary of the literature review for this research project. Each section includes the advantages, disadvantages, ideal time for creating contracts with buyers, relevant paperwork for the client, and the key messages to have in mind when you consider working with these clients. The comments at the top of the page ('key') are things to keep in mind when selling to that particular market channel.

GROCERY STORES

Key: The expectations of buyers are so high in terms of quality and consistency that selling to these markets should be handled with care or you risk losing the entire market. Costs of packaging and design; distinguishing yourself from competitors and having a product that is recognizable, especially for products that should be packaged (i.e. herbs, salad)

ADVANTAGES

The potential exists to present the Cooperative through signage. You will have an advantage with season extension.

DISADVANTAGES

High standards for appearance; corporitization of buying systems with large markets

WHEN TO SPEAK WITH BUYERS

As soon as possible in the season. Many grocery stores don't sign contracts with farmers¹⁰

RELEVANT PAPERWORK

All the paperwork for organic and GAP certification, pricing sheet, contact information

KEY MARKETING MESSAGES

Based on the specific grocery store or cooperative's values and their target market; for many places, consistency is key



RESTAURANTS

Key: Sell small. Invest in relationships with the buyer. Focus on the effectiveness of the delivery. High turnover exists in the restaurant industry. Don't sell to a new restaurant because they tend to not know what they're doing. 80% of restaurants close within the first year. If they lose an invoice, don't deliver until they've paid. Learn to read people. Find the types of people that you want to work with and don't worry about associating with the others. Don't deal with poor buyers. In the beginning your standards can be slightly lower. Cast a wide network. See what works and what doesn't, and then duplicate what works.

ADVANTAGES

You can scale your products; when you develop long-term relationships you can begin to offer suggestions for products that buyers will like; smaller restaurants have more flexibility in changing their menus and ordering from the Cooperative with the season; it's easier to work with smaller restaurants because they buy in a smaller volume; restaurants can promote the Cooperative

DISADVANTAGES

Word of mouth; if it's negative, you'll quickly lose contracts; depending on the restaurant, it can be difficult to convince them to buy the product; restaurants are notorious for not paying invoices; high-stress environment

WHEN TO SPEAK WITH BUYERS

During slow times of the year and the day (11 a.m. to 3 p.m., weekdays)

RELEVANT PAPERWORK

Fresh list (includes products that you have, prices based on unit size, delivery days, contact information), business card

KEY MARKETING MESSAGES

Consistency; sizing based on units that they already buy in; flexibility in types of payment; fresher ingredients than they can obtain through existing distributors; fresh; of high quality; constant quantities



ELEMENTARY & HIGH SCHOOLS

Key: The biggest obstacles for buyers include uncompetitive prices, inconsistent quality, nonstandard packaging, inadequate supply, lack of ease for ordering, uneven delivery frequency, problems in transport or distribution, problems with food safety, and insecure commitment from buyers. With COVID-19, buyers don't have time or extra money to buy local food and only the food service directors that already have connections to farmers would be likely to succeed in entering this market. For summer 2020, Farm to Summer week is the 17-31 of July. This would be a good opportunity to make sales to schools in the region.

ADVANTAGES

Possibility of education for students¹¹; contracts are large; for every dollar spent on Farm 2 School, \$2.16 are generated in the local economy¹²

DISADVANTAGES

Employees without training, competition with low prices of staple foods, limited installations of storage and processing equipment; politics of bidding and acquisition can compete on price; the cost of processing food can be an obstacle for buyers

WHEN TO SPEAK WITH BUYERS

Year-round to maintain relationships, but also before buying seeds and during the winter

RELEVANT PAPERWORK

GAP and organic certification, depending on the market, but a visit to the farm is normal

KEY MARKETING MESSAGES

Helps the local economy. With a fresher product, this translates into less spoilage and money savings; higher quality; safer food; better flavor; the ability to buy small; less use of pesticides, without chemicals, without preservatives¹³

DIRECT MARKETING

Key: Make the consumer the hero in the context of coronavirus; people want the opportunity to help during this moment of uncertainty. Accept SNAP or EBT online or supporting people with discounts will be key considering the long-term effects of COVID on food security and employment.

ADVANTAGES

Higher prices means that you can sell less and achieve sales goals; open doors to make connections with consumers and find clients that share Agua Gorda's values

DISADVANTAGES

Marketing costs are higher in this channel

WHEN TO SPEAK WITH THE BUYER?

With the greatest frequency possible; consumers want to know the history of Agua Gorda and have someone to trust in

RELEVANT PAPERWORK

GAP and organic certification (Have this on a prominent part of the website)

KEY MARKETING MESSAGES

Sanitation; that you have a food safety plan on the farm for employees and for agricultural products

Key: To conform with the prices that Sprout is able to offer, Agua Gorda will have to improve their level of efficiency to lower their production costs. Most farmers that already know their production costs, the gaps in the market, and have already researched the market tend to be more successful. For food hubs, it's easier to control distribution and delivery instead of finding buyers.

ADVANTAGES

Location close to Long Prairie; Sprout has control of marketing and doesn't expect the farmers to already have an end market for their products; access to a network of wholesale farmers in the region; opportunities for education and professional development

DISADVANTAGES

Finding markets that can pay high prices; maintaining your own fixed costs; achieving a scale of equilibrium to maintain finances¹⁴

WHEN TO SPEAK WITH BUYERS

Before the season starts; at the beginning of the year; with the greatest frequency possible to maintain good communication

RELEVANT PAPERWORK

GAP and organic certification

KEY MARKETING MESSAGES

We have unique products that you can't find with other farmers; we have good systems of communication and delivery; we have diversification with our marketing channels to not depend only on this channel; we have done our market research to know what people want and where there is a gap in the market



INTERVIEW REPRESENTATION (INTERNAL & EXTERNAL)

For this research project I completed 39 interviews, 4 internal and 35 external. The information below represents the interviews by sector.

KEY: SECTOR (NUMBER OF INTERVIEWS)

Cooperativa Agua Gorda (4)

BUYERS (9 TOTAL)

Health Institutions (2)	Grocery stores and cooperatives (3)
Food hubs (2)	School district (1)

SERVICE PROVIDERS AND FOOD SYSTEMS INNOVATORS (24 TOTAL)

Farm 2 School (2)	Department of Agriculture (3)
National Resource Conservation Service (NRCS) (2)	University of Minnesota (SNAP-Ed, Supply Chains, Rural Grocery, Applied economics, MISA) (7)
Nonprofits focused on food (1)	Company that consults for food package design (1)
Financial lender for farmers (1)	Innovators that work in food delivery and supply chains (in California and Minnesota) (2)
Organizations that support Latino success (in Minnesota and Nebraska) (2)	Chamber of Commerce in Long Prairie (1)

FARMERS AND LOCAL BUSINESSES (3 TOTAL)

Meat, wine, cognitive development services (3)

TOTAL NUMBER OF INTERVIEWS

39

7 | INTERVIEW THEMES

The information in the following pages describes the common themes based on the content of the interviews. The themes have more to do with support for farmers than buyers' desires because the majority of the interviews happened with service providers. These themes, in combination with the literature review, were the most important for

the development of the marketing recommendations. For a list of the questions used for the interviews, visit the Appendix. I used the code below to identify links between the interviews with Agua Gorda, buyers, services providers, innovators, farmers, and local businesses in the region.

LIST OF TERMS USED TO CATEGORIZE INTERVIEW THEMES

OPPORTUNITIES	STRENGTHS	OBSTACLES	GOALS
WHAT PEOPLE WANT	FRUSTRATIONS	SPECIFIC WORDS THAT APPEAR FREQUENTLY	VARIETIES IN DEMAND



THEME 1: THERE ARE FEW SUPPORT SYSTEMS FOR MINORITY FARMERS

This includes all the documents, paperwork, loans, grants, and free site evaluations for Spanish speakers. It was difficult to find Spanish speaking employees in almost all the areas of work (the Department of Health, Agriculture, Extension, etc.). There also does not exist a social or learning network to serve the Latino farmer community in any part of the state of Minnesota. If it exists, it is very informal and does not have a presence online or in social media.



“Last year, a woman talked about cultural barriers [to NRCS], like what the values are of her culture. Sometimes they’re insulted by people throwing all of them under the same category when they’re from different cultures”

“[NRCS] has been a little bit more difficult [to develop relationships with] because of their limited staff, they’re not able to work with some groups like they would with the English groups; Latino farmers also work full-time in plants; sometimes their jobs don’t let them get off of work; most off at 3 or already gone into work; don’t have time during day to meet because of other responsibilities; limited staffing; this has been one of her biggest pet peeves; there are things that they put in with their concerns; they need a face, they need to build that trust”

“tools available from the USDA Risk Management Agency and the USDA Natural Resources Conservation Service, that are much more easily accessed by the larger scale farmers.”

“Do you know where you would go to find resources that could help you with sustainable resource management? ‘I don’t know anything about this, where to go, I think we have something, but it’s for beginners, not for farmers who have been working year after year”

“the smarter they are, the better they are the smarter they are, the more they can do you know it’s, it builds on itself. And if you’re coming in as a new farmer, and all you know is how to grow, and maybe you have language problems disadvantaged, maybe you don’t own your own land. It just makes it really hard to get sophisticated with your business.”

“But how do we do that? How do we make this equitable? How do we, you know, food access to me is really about family farms, you know making a living. No, that’s what it’s got to be, it’s got to be equitable all the way through the food supply chain.”

“There are no formal Latino farmer networks”

THEME 2: THE MARKET FOR WHOLESAL FARMERS LACKS A LOT OF INFRASTRUCTURE TO SUPPORT THEM, OR IT ISN'T ENOUGH TO OFFER SUSTAINABLE PRICES

This includes systems for distribution and ordering products, technical assistance (package design, selling online, making financial calculations). The services and resources that do exist are offered by different agencies and platforms. The Minnesota Grown directory for wholesale farmers is not designed for UX, or user experience for buyers. Many resources for farmers focus on those that sell to the Twin Cities, but not rural markets. Farmers are missing access to support, education, and case studies in which the financial models and marketing mix include rural contracts.



"There's a severe shortage of people to work in food service in the schools as well as a shortage of people who are in the system who know how to prepare food; there are also significant limitations on the schools (often less so in rural places, where the schools still have the capacity before foods were shipped in frozen) to accommodate changes in the infrastructure (i.e. purchasing new stovetops, etc.)" "we're looking at setting up farmers markets to act as food hubs but without the brick and mortar structure that has been so expensive and has wound up not being used by food hubs."

"They, they're like other customers you know they want to do the right thing they want to put their product in a more sustainable package and recycle material. And I think that's great. But as a professional packaging person I think it's also my responsibility to give them the lowdown on what's going to happen when you go through this path. One, your costs are going to be increased. And you absorb that additional increase because so many things what, what I do is, any business people like I

can't get on right now I want to, they want to change anything by just changing that you're probably in drove up your price by about two cents."

[Response to the question 'What is Agua Gorda missing?' according to members of the Cooperative] "More workers, more contracts, investment, expansion; more animals, which causes more hours of work"

[Response to 'How many hours do you work on the farm?'] "4-5 hours daily"; "3-4 hours a week"; "I only harvest, hours change from week to week"

[Response to 'Can you describe the distribution system at this time, and if sales increased, what you would do to satisfy the demand?'] "Packing clean boxes, Agua Gorda sticker, if there's an increase in the markets, it would take longer, we would have to plant more, delivery would be...we don't have anything to refrigerate, harvest, sell, no refrigerator, it wouldn't be fresh vegetables...the only thing that can be that way, fresh"

THEME 2: QUOTES CONTINUED

"...in the nonprofit world, there seems to be a lack of new farmers overall; LSP having a hard time attracting new people for their program"

"there's an actual report that comes out like monthly. And that includes the prices for all the commodities that are tracked by the USDA and then there are a couple of pages in there that show parity prices, which are benchmarked to 1948. In some cases to 1911 in other cases but it shows the difference between what the farmers are actually getting paid now and what they would be getting paid if commodity prices had kept pace with the inflation, that has been applied to every other sector of the economy. And currently the parity price for commodities pretty much across the board is about three to four times higher than the pros farmers are actually getting."

"There's great disparity between the more established sophisticated growers and their ability to work with us, and smaller growers who are just starting out who say, 'What do you want me to grow?' It's a very hard question for me to ask, especially this time of season, especially this year. And especially if you layer on my concern for them as a small family farm. If I steer them wrong. Oh my god, it could be, it could be devastating. If I'm off by a thousand dollars it can be a big deal for them."

"So, people have been talking about demand forever. And I've been yelling from the sidelines that no it's supply. We just don't have the food. And so it's not just enough food. I'm telling you about the kind of food that I personally think is the right kind of food. I know it's super like elitist or whatever but I do. I am really concerned about the supply side of the right kind of food. And so how do we encourage, how do we place beginning farmers who have that same, you know, ethos, on to the farm?...We're gonna have a massive, massive amount of farmland in the next 10 years like insane. How are we going to move that, who is going to control it? Is it going to go into a family trust? And then, so a dentist, like Maura is going to own like 400 acres. That's just dumb. We need to have farmers owning that land, who you don't have a real connection to it, they're not renters, they're farmland owners. How do we move our economy from our economy for our farmland ownership, how do we move that back to...Aristotle, you know, has the concept of the best fertilizer is the farmers footprint, right? You know that concept of, like, how do we get those farmers back on the land? Who can resupply, a local economy? And that I think is the biggest deal and where do I need that help. I need that help from the feds, we need it from the state, we need it from. How many people are talking about, like, equity and food access? Now, a lot of them don't really kind of trace the food very far back, they trace it back to the cost. And I'm like, bro. Look, let's look at the farmer research. These are



hardworking folk how do we support them, how do we create more of them, how do we make it so that, you know, that the car that their parents bought them when they graduated from high school, isn't the last new car they ever get in their life, when, how do we do that, how do we create a system where farmers are equally sustained for better food than the commodity market has been producing"

"Yes, I did like that and that's something that's been getting a lot of discussion in sustainable circles. You know, looking at where federal farm subsidies go for large scale cash grain farmers, right. And if some of that subsidy turns towards smaller scale farmers and supported their income in the same way, you

know, then, we would be in a different world"

"Part of her job will be focusing on wholesale as part of the Minnesota Grown directory; improving the usability of the directory's website; "As a farmer you can list yourself on [the MN Grown wholesale directory]. No verification required; there's never been intentional recruitment for this"

"I also believe that's what [local grower] did, I think that's the route that they're taking currently. They created a market and they have buyers but I think I don't think they're distributing for themselves anymore they're working through other sources that way"



THEME 3: WE ARE NOT TAKING ADVANTAGE OF THE DATA AND TECHNOLOGY WE HAVE ACCESS TO IN ORDER TO COMMUNICATE THE MARKET POTENTIAL FOR LOCAL FOODS TO STAKEHOLDERS, ESPECIALLY TO EXISTING FARMERS, THOSE THAT WANT TO GROW, AND BUYERS.

In other words, if we add up the information from a region about sales of food, it would be easier to translate these investments into benefits to the economy, community health, and soil health. Currently, there does not exist a central resource for buyers to know which products regional farmers have available each week. This stands in contrast to big distributors that have access to infrastructure and technology that calculates the cost of distribution and delivery. With regards to access for buyers, technical obstacles prevent them from taking advantage of SNAP.



THEME 3: QUOTES

“When using SNAP, the exchange of goods has to occur within 10 days of the time of the SNAP transactions. In addition, there are currently no platforms for small producers that can process SNAP-EBT payments. Therefore, for the moment, the only option is to process the SNAP transaction at the time of pick-up/delivery.”

“Some farmers didn’t have internet capability at their farm”

“We polled [farmers market] vendors to see if they had the online capability to attend a pre-order only market, and about half did not have a website at that point”

“And through your CSA program Do you accept snap dollars? Yeah, we have not yet, we could. We would have to invest in some infrastructure to have a mobile unit that’s strictly dedicated to snap EBT and swipe it every single time a person receives a CSA share. And we have not seen the demand for that to justify spending as precious dollars on that infrastructure”

“It’s also frustrating as a buyer because we don’t like to see anything go to waste. Right. Yeah. We can do value added production because because we have

the two licensed kitchens, so we can process and freeze for some creative and innovative, you know winter programs or specific products for bakers or, you know, artists and bakers or people who want you know local apples or rhubarb in the wintertime. There’s not much that you can do when somebody has an extra 100 pounds of cucumbers that are going to get flying right and so we feed them to the hogs, because we have relationships with hog farmers”

“I don’t need another networking opportunity, we need to take this seriously. And I think that’s probably information. And I think the state could help on that, I think the University could help create it. But if we had information that helped change the way that grocery thinks about local it could have a profound impact on on our food supply here, and on our public health”

“Here’s my dream. I want a website that also works as a presentation that MGA could do that talks about that stuff that I mentioned to you, why it’s important to include a local union merchandising plan, because it creates higher wage jobs, better working conditions, even some metrics...Here’s something that the state or the U could do. What are the metrics associated with farm to school



lunch? And maybe higher consumption of local foods. Is it higher graduation rates, fewer sick days? Better reading scores? You know there's some probably on the surface very dry metrics. And if you tie them to things like Farm 2 School lunch, but start a new conversation on why giving people good food, including local food is something we should support"

"We have created numerous opportunities for farmers to do GAP training. We know who hasn't who hasn't. We also were just before we had to close everything down, had worked very hard to do as a training for our Amish growers who have barriers because of access to technology."

"And I wish we did more or use a wholesale order portal which the abbreviation for this kind of system

is an ERP in industry it's an enterprise resource planner. And I have kind of a mini ERP. It's a system we lease called local food marketplace and you could get a look at it if you were curious I think outside the public facing pages local food marketplace.com. And so we pay. \$250. a month I think for a system that allows us to have a pretty professional order portal. And I can, customers can go in there, see what's for sale, and log in, see what's for sale, place orders and then I get the processing system. This system does not have the kind of reporting that I'm accustomed to from my other work in wholesale and distribution. It's really hard for me to go in and figure out, you know, who sells beets and how many did we sell you know and do any kind of granular reporting, so it's really weak on that side. And I know I don't really report, provide good reporting to our growers and that irks me"

THEME 4: MANY MARKETING OPPORTUNITIES EXIST TO HIGHLIGHT ALL OF THE SCALES THAT EXIST WHEN WE SAY 'BUY LOCAL'.



For many buyers, they think that 'buying local' means 'all or nothing'. There are also some who believe that local foods are not sanitary and require the blessing and credibility of state agencies to ensure that it is indeed safe. Other buyers worry about the prices of local foods, but not everyone knows that the cost can be the same when they take into account the labor costs associated with preparation. It could be that these messages come from education channels like in food safety training for food service directors.

THEME 4: QUOTES



"When it comes to any staff, they'll be skeptics [referring to food service directors at elementary schools]; they'll think it takes too long; once you guide them through a system; ex. Couple years of purchasing from local farmer, such as a local apple grower...I made the suggestion to start getting into proteins and had a lot of pushback; 'oh we can't do that'; When I walked in, the cafeteria was using very heavily processed foods, like beef crumbles"

"for instance, our superintendent... fantastic person, he supports healthy living, he supports organic food, local food all of that, he spent the entire day at the workshop. And he left completely surprised at the message that Farm to School is not all or nothing."
"Produce Safety Program at the Department of Ag there, who was someone she was able to view as a credible source, and that could help break the barrier a little bit."

"We had in [name of community] we had the...school district food service directors say that she wants to use local food as much as she can she grew up on a farm she believes in it. She works with several

farmers and just works, the product that they have into her menu and uses it as part of her regular menu, and then we have other school districts who, you know, you can just watch their eyes glaze over at that kind of concept. Like one special meal per month or two or three special meals during the fall months and then nothing the rest of the year. So, the deer river approach of using it regularly and incorporating it into the regular menu is I think what we've really liked but it's also not as common as the special event model."

"one of the goals of our project was to create a full toolkit. And they already exist. It was more to make it a local toolkit to speak to our local people and to highlight some of the Farm to School programs that are going on around us to kind of create a goal. Oh, they're doing this. I didn't realize they were doing this. I didn't realize they were doing this in Bemidji... That's the message I'm hoping you get. Why isn't our food nutrition program? So, part of the grant was to build in that one pager of 'this is the regulations in Minnesota, concerning current school, and how that's done.'"

THEME 5: IN THE CONTEXT OF COVID-19, THE LOCAL GOVERNMENT AND INSTITUTIONS HAVE THE OPPORTUNITY TO TAKE ADVANTAGE OF THE DISRUPTION TO INVEST IN FARMERS, NATIONAL FUNDS TO INCREASE ACCESS TO HEALTHY FOODS, AND BUILD THE INFRASTRUCTURE TO LOCALIZE THE FOOD MARKETS.

While federal support can be helpful for funding large-scale projects, communities can exercise greater agency over their circumstances by acting at the local level through their own marketing and procurement practices. Many structural investments required to relocalize the food system could fit within larger economic development strategies.

“Our chambers, our counties are changing their policies to give preference to local procurement right now. Our chambers are advocating for small businesses and are coming up with really creative ways to provide funds for small businesses to stay in business...economic development specialists have never been more dedicated and keeping our small businesses afloat. That messaging is going to resonate and that key messaging is what we need to hone in on. There’s like messaging that’s going on with all of these agencies that are working together to try to keep our small businesses in operation. There’s key messaging going on about buying local, but also people are hearing about dairy being dumped in the field, and all these pork processing plants that are going down because they’ve got, you know, super infections going on within facilities and market channels drying up and you know the Tribune had yesterday 61,000 chickens were euthanized. Yeah, people are hearing that and they’re understanding that if we don’t actually make changes in economic development through local procurement or local purchasing, we’re all going to suffer in the long run.”

“Exploring FEMA profit [to support food delivery interventions]; any nonprofit providing assistance; getting 75% of costs reimbursed”



“From a long-term planning perspective, they’re hearing more about vertical and hydroponic farming; resilience space because of climate change, etc. It makes a lot of sense that people locally are thinking about long-term sustainability dollars; where they will invest more now when more federal funds come through; it wasn’t working well before, weren’t filling all of the needs within the community”



THEME 6: IN THE NORMAL CONTEXT AND ALSO IN THE CONTEXT OF CORONAVIRUS, A FARM WITHOUT DIVERSIFICATION IN THEIR MARKETING CHANNELS IS FRAGILE AND WILL SUFFER IF THERE IS A MARKET SHOCK.

Diversification refers to the sources of income for farmers. Even for wholesale farmers, it's risky to expect that all sales will come from the same buyers. The quotes below indicate that even with years of investing in relationships with buyers, the ability to survive a market shock comes from adapting to the market, being innovative, and seeing new possibilities.



"99% of sales go to Shared Ground and the other, like one percent, goes to schools here in Long Prairie, but they don't buy much from us"

"We can only take so many Roma tomatoes, we can only take three of other growers that are growing cucumbers, right, we can't just, we can't buy them off in October, we're going to lose growers, as well. So our message to them was yes please go find your other market channels, but if you aren't in excess." "none of us necessarily anticipated what on the other hand, some of us in the farm community have known for a long time that we need to diversify diversify and not be putting all of our eggs in one basket and that's part of the training that has come out from extension over the years to the you know you need to look at your whole marketing mix and don't be dependent on one buyer, and don't be dependent on one sector"

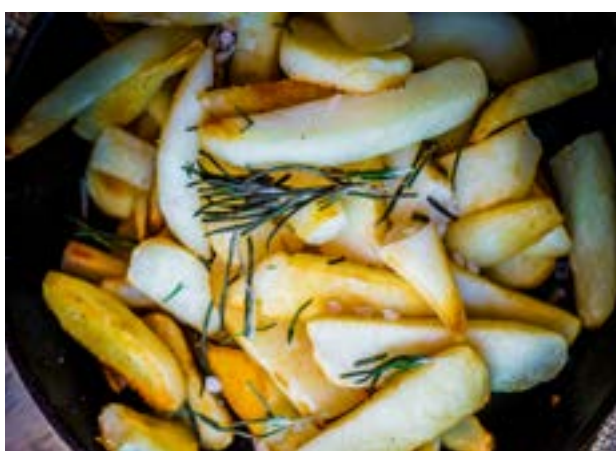
"being locked into one channel for your markets we've seen really vulnerable."

"You know, no idea if and when restaurants are going to reopen. And whether it's April, do we put those seeds in the ground. This week, do we need to start looking for alternative markets for items that are already growing in greenhouses and hoop houses. So farmers are pretty stressed right now. "

"I think it's important to you know to kind of make sure that you have options like I'm just learning for myself personally because I'm also a farmer, and I had Farm to School contracts, and I am a vendor at the...Farmers Market, a meat vendor, I sell meat. And despite five years worth of relationship building and development of the Farm to School program... All of that just got set aside because the schools can't deal with local farm product at this point, it's not a good match for the grab and go type meals that they're handing out on the bus routes"

THEME 7: INVESTING TIME IN RELATIONSHIPS IS KEY FOR THE SUCCESS OF WHOLESALE FARMERS

The growing season in Minnesota is so short that the majority of farmers only sell for part of the year. This is difficult for wholesale buyers because they expect food all year long. The seasonality of the harvest can be an obstacle for both parties because it can be easy to forget about farmers when they don't maintain communication during the winter or during slow times.



“yes relationships are so key in people person being open minded and being willing to see it their way, but also challenging them to open up a perspective and maybe find a solution that we need to the middle. Right. And it's not your idea and it's not their idea, but it's something that is both of your ideas, super key because in a working relationship like everybody has something to lose, and something to gain. Right. Yeah. And that's not just in in business it's in life too. I mean, all your friendships all your, you know, family members like you all have relationships with each other. You don't always get along, but you have that common understanding, you know”

“I had on my board, an independent grocer who a had 35,000-square foot grocery store, and she would like nothing more than to buy locally grown produce during the growing season. She just didn't have the ability without going through a wholesaler, and so the farmer would have to take their product to the wholesaler. But then the wholesaler is dealing with the fact that he or she's got to make a choice that particular season: Do they continue to buy products coming out

of California that are raised to sustain all kinds of abuse, have a long shelf life, and are coming in all year round? Or do they sacrifice that potential relationship to buy from a local farmer for three, four, six months in the hope that the California suppliers can supply them during the off-season, when Maryland is not producing the product? And I've sat with wholesalers that say, we're not going to make that choice because we're not going to run the risk.”

“It is all about relationships. So if you are a people person. If you can form a close, almost like friendship with the people that you're working with. You will go so so far. So my number one recommendation is like. You haven't developed people skills like you need people skills, right, you need to be able to talk to people and have coffee with them without it being weird”

“everybody wants to feel like you're making a solid connection. Nobody wants to feel like, you know, or they're just coming in with an agenda, and they don't give you know, don't give a rat's butt about leave when they just want to get this accomplished when they're not like that's not what the point is right?”



THEME 8: SELLING WHOLESALE REQUIRES A CERTAIN LEVEL OF MECHANIZATION TO BE SUCCESSFUL, BUT OTHER THAN THAT, THE MARKET DOES NOT SUPPORT SMALL AND MEDIUM-SCALE FARMERS.

Mechanization has a direct link with labor costs and the prices that farmers can receive. Of the farmers that are having success in the region, it seems like many of them are Amish, women, or veterans.



“just the economies of scale, the cooperative development service based in Wisconsin has done a fair bit of research on the economics around food hubs and wholesale versus direct sale. Retail direct sale. And they have this really neat chart that shows the economy of scale and the level of mechanization that you need to be able to afford to sell wholesale basically. And it shows the increase in income or the change in income with increased volume of sale. And if you are not mechanized at a level that allows you to operate efficiently for a wholesale market, but you’re selling wholesale that puts you in what CBS terms the sweet spot.”

“You know that that equation has gotten tougher and tougher and tougher ever since the late 40s early 1950s. And so, when farmers are selling at a wholesale price. They are then competing directly with that vast national commodity market. That is, you know, 25, to 30% of parents. And that is why it is so hard for farmers to stay in a wholesale market because they can’t make it. They have to capture a higher percentage of that consumers total for dollar in order to make it pushes farmers into the direct sales growth.”

“Out of the top fifteen growers last year, I know this

because we all write the report together, nine out of the top fifteen are Amish or are farms primarily operated by women and two are veterans”

“I think it’s a really helpful way to think of it if you’re pushing farmers into wholesale sales but they’re not at a scale and level of mechanization, to be able to efficiently produce their product. They’re really at a disadvantage in that wholesale market.”

Deseos de Agua Gorda: “Hacer ventas por teléfono; confirmar un contrato; Mecanizar los trabajos; hacerlo un poco rápidamente; personas que siembras, la cosecha; quién va a distribuir”

“I’m elated to be honest with you, the largest growing constituency that we have that has the capacity to grow at a large scale and consistently are the Amish growers. Okay. And that’s where we will get a lot of times these producers will reach out to us after they’ve had conversations with maybe their neighbor or a family member in Amish community. And then, you know, give them our contact information and give us a call. We just have a new one the other day actually looking to see you know what they could grow.”

THEME 9: THE PRICES THAT FOOD HUBS IN THE REGION CAN OFFER ARE NOT HIGH ENOUGH TO COMPETE IN COMPARISON WITH MARKETS IN THE TWIN CITIES.

This has to do with the coordination among farmers, buyers, the planning and changes in the climate that can be difficult to find balance between supply and demand.



“So we’ve got our transition with institutional volume, and we’ve got their transition with who actually consists of aggregator of what are they actually growing, and our price that we’re able to pay as a rural food hub didn’t meet, what they wanted for a price point necessarily and as a business we have margins that we need to live within and read couldn’t meet their price point, which was also another I believe another crop fall”

“When restaurants are finally able to come back online we don’t know what they’re going to be relegated to outdoor seating only if they’re going to have to, you know, half their capacity to keep tables six feet apart. Nobody knows. Right, okay. But what we do know is when they do come back online.

They’re going to be squeezing every single little penny. And we are going to have to read the broad lines distributor price point, or we are not going to have a market. And so, we’re going to rely on our partners to tell us what they can actually afford to pay for versus what we tell them, we have to get for it. And then we have to make that crucial decision on what we are going to do with it.”

“We’ve got a calculator and if they order enough in the volume matches to meet our overheads and deliver. Okay, it’s all about that we have to cover our costs. So if, for instance, the Alexandria school district wants to participate Farm to School, to have their volume, their order has to meet a minimum in order for us to move the wheels.”



THEME 10: WHOLESALE FARMERS HAVE A HUGE OPPORTUNITY TO UTILIZE MARKETING CHANNELS THAT ALREADY HAVE INSTITUTIONAL AND LEGISLATIVE SUPPORT, SUCH AS FARM 2 SCHOOL.

Since there already exists the political infrastructure for Farm 2 School, the issue for farmers is to take advantage of the resources for implementation and building relationships with the schools in the long-term. The problem for service providers is dealing with the obstacles for employees to incorporate this into their systems of work.



“Our next step was to start reaching out to food nutrition at schools, and kind of figure out, okay, what’s the baseline? Where are you now, would you support working with a coordinator or a coordinator retired. Just kind of see where they’re at. And we didn’t even do that because it got to the point where school was cancelled and then it just felt almost offensive to be reaching out and asking them to think about this”

“So really, that to me is the biggest barrier that I have seen is that personal choice of nutrition food service directors cannot do it. And sometimes it’s valid because it’s hard. Right, right. It’s not what they want to do, because they already have tons of other work to do. But, how to make it doable for them so it’s seamless and it doesn’t become another part time job, which is where coordinator.”

“ There’s a statistic out there somewhere that food service directors, 80% of them grew up on farms and they are highly invested in environments. It’s a matter of convincing them meeting their price demand,

getting to a volume that makes it worthwhile for us, you know, peers is only 23 miles away from the stroke facility but if they’re only ordering 18 pints of cherry tomatoes, we’re not moving. For that, you know, part of building the food system is actually getting people to plan menus around season, true seasonality.”

“The only hard part is that the grower like they have to create that contract and that relationship, long before the season starts, because you know they need a certain amount of produce, and they need to be guaranteed that it’s gonna come in, so that way they can plan their meals accordingly.”

“schools are not properly marketing their purchasing of local foods to the parents”

“The easiest thing for farmers has been to focus on selling the items that schools are purchasing unprocessed, that way they can offer fair prices and don’t have to deal with the mark-up of processing; this makes it easiest for schools to purchase”

THEME 10: QUOTES



“Longest employee in her kitchen, going on 30 years; takes just as much time to chuck corn as open 20 cans”

“with the legislature, there was a clause that is allowing reimbursement for the purchasing of local produce...there is 400K allotted for this and they are currently in the process of identifying the pilot school districts for it”

“I don’t know if this qualifies as a support but it is that we’ve talked about institutionalizing Farm to School. So it starts becoming a personal decision on whether food service directors want to support it or not. And they actually had this conversation at the Farm to School workshop...where two of them commented about like when they retire, that Farm to School values go into the position description, so it becomes something that they’re required to do.”

“four years of a lot of work to get that little tiny change in the language but it does allow the Department of Ag now the flexibility to do direct reimbursements to school districts, and they were working on rolling out that program. And then, COVID-19 has been pushed back on, but the idea there was to pay the school extra money per lunch and kind of working number was five cents per meal. To enable them to buy more local food. So that basically does wind up being a subsidy for farmers who are selling wholesale schools, but it’s not.”



THEME 11: ANY MARKETING STRATEGY MUST ASSUME THAT PEOPLE ARE GOING TO COOK MORE IN THEIR HOMES IN 2020 AND THAT THEY WILL WANT EASY OPTIONS TO BUY ONLINE AND PREPARE FOOD AT HOME, ESPECIALLY FOR FAMILIES WHO HAVE KIDS THAT AREN'T IN SCHOOL.

This information comes from various news articles, comments during webinars, farmers, and farmers market managers. A necessity of 2020 and later will be finding methods to sell products directly to consumers with the greatest sanitation possible.

"I've also seen some of my customers who were producing x. Their volumes have gone up because they're selling products like beef, chicken, pork, that type of thing that demand has gone up because now people are eating more at home, even if they're having lunch. Because I was going to the office. And now I'm not, I still like lunch. You know I'm spending more at a grocery store or an online shop or to buy what I would normally buy at work. Their numbers increase so that has actually also pushed some of the same supply chain to increase in volume."

"CSA shares are selling fast"

"Think about both the target audience in terms of the buyer and the farmer: Upper middle class, pretty affluent that haven't lost their jobs, not economically impacted"

"online sales platforms and various types of advertisers are attempting to fill the breach by offering other pathways for farmers and makers to sell their products."

"We have heard that some Farmers Markets around the country are using Shopify to enable connections and make purchases, avoiding direct contact.

Due to the impact of COVID-19, Shopify is offering an extended 90-day free trial. By entering your email, you agree to receive marketing emails from Shopify."

"For the people who want to support local farmers

but don't want the social aspect, the online ordering



could actually be tapping into an entirely different market segment that hasn't really had a lot of representation up until now - (Farmers market vs. online ordering)"

"Consumerism will redefine itself"

"one of the things that I haven't seen are items that are considered packaging. Let's just take a look at a cereal product. You open it up for a little while you put it back on the shelf. So some people now are going toward single serve. So they don't they don't want the consumer to leave that package for fear that coronavirus fits into the package because we read stuff where the virus itself can last on paper, or packaging our door handle for 15 days. So there's a little bit of that fear in the food industry so I've seen things where my customers want to present an option for the consumer that's more of a single serve one time use package."

At the beginning of this research project we decided that we wanted to focus on a region within 60 miles of Long Prairie due to limitations in transportation to markets. Finding data about this region in particular was difficult because there already exist various regions of focus with regards to planning or economic development, so data about tourism, demographic changes, etc. were not perfect or exact to describe what is happening in this region. The data I collected indicates the changes for the region of the state in general and are useful to have a better idea of the context.

This research project is unique in that it suffered a dramatic change in March due to Coronavirus. With the closing of restaurants, schools, and other basic services, wholesale markets are in a process of constant change. The probability of selling to these markets became so small that I changed my work plan to respond to the new possibilities and my recommendations to include more than just selling to wholesale buyers. Even then, the majority of interviews reflect this focus on wholesale instead of direct marketing and retail buyers.

Resources for farmers in Spanish are practically nonexistent from the Minnesota Department of Agriculture (MDA) or the USDA. Basic documents about how to make a business plan, how to calculate production costs, or marketing, are unavailable. This fact strengthens the findings from a report from MDA in February of 2020 that Latino Farmers represent .58% of the total number of farmers in the state,¹⁵ representing more than 651 farmers total. Agua Gorda Cooperative represents just a handful of these farmers, so their struggles could be the same for other minority farmers. According to State

Demographic Center, Latinos will not be the minority for much longer.¹⁶ In this context, and in the context of aging farmers that already exists¹⁷, it is important to support all farmers, not just those who can navigate the systems of government documents in English. Furthermore, access to bilingual professionals represents a big obstacle for Spanish speakers because simply providing access to documents in Spanish does not help with understanding the technical language or navigating legal considerations.

With regards to the interviews, I conducted the majority of them before Spring Break and the beginning of the rise in Coronavirus cases. The purpose of these interviews were to help focus my literature review search and assure that the research would add to the information that we already know about selling in wholesale markets. Therefore, aside from individual situations, it was challenging to get in touch with grocery store produce buyers and elementary schools after March because they were all busy with the changes in the market and the large increase in demand for their services.

You will notice that in the representation of those who I interviewed, there are no retirement homes. It was not easy to determine which of the retirement homes had a central kitchen and which ones had individual kitchens. I ran out of time to pursue this further. A final limitation is that with restaurants, once I found out that they bought from a larger distributor, I decided not to continue with the interview. This was based on the literature review, which said that these restaurants would be less likely to start buying from farmers.

9

MARKETING STRATEGY RECOMMENDATIONS

Using information from the literature review, stakeholder interviews and the webinars, which tools and strategies will support Agua Gorda to enter and sustain wholesale sales in Central Minnesota? This question guided the following recommendations, but please note that with the constant changes of COVID-19, these should be taken with a grain of salt.¹⁸ Recommendations for each of these components are included in the sections that follow, taking into consideration the impact of COVID-19 on the markets for vegetables, especially in wholesale markets.



SELLING WHOLESALE VS. SELLING DIRECTLY TO CONSUMERS

Due to the changes in the market because of Coronavirus, wholesale markets have been diminished to the point that the partnerships that farmers have invested years in developing are not serving them. According to the National Sustainable Agriculture Coalition, local and regional markets (including farmers markets, Farm 2 School, food hubs that serve other institutions and restaurants), there will be a decrease in sales of up to \$668.7 million and an economic loss of up to \$1.32 billion from March to May of 2020.²⁰ Therefore, this report includes information about selling to both wholesale and direct markets.



Target Customers & Segmentation

At the beginning of this project, we established that the ideal market and the focus of the research would be on wholesale markets, within a 60 mile radius of Long Prairie. The map on page 12 represents the region of focus, the largest communities, and the largest highways. This information help to understand possible transportation routes and markets.

The towns with the largest populations in the region represent the strongest markets with the possibility of establishing partnerships with potential clients and community organizations. Future research projects would benefit from using more specific data about each community's population, county-level income from tourism and agritourism, the number of schools, restaurants, and other farmers in the region.

SEGMENTATION

Segmentation is a way of taking potential clients and categorizing them according to specific characteristics.¹⁹ Some of these characteristics can include geography, demography and behavior. This information helps to develop key messages for

each of your key clients. For example, if you choose three marketing channels (i.e. health institutions, restaurants or cafes, and marketing directly to families), you can create three segments that represent these consumers and a strategy for each with key words and phrases.

Using information from the interviews from this research project, I created 'typical buyers' and 'typical service providers' (or personas) that represent the mentality, challenges, desires, and other key thoughts of a person from this segment. You can use this model to put yourself in the position of the person and create promotions, marketing materials, and other offers. Note: The interviews highlighted the importance of developing partnerships with members of the community and institutions to promote the Cooperative. With this in mind, not all the examples below are typical of buyers. The information from the service providers can help establish these relationships in the long term and attract more resources and new buyers to Agua Gorda.

FOOD HUB PRODUCE BUYER

KEY PHRASE: 'IN SEARCH OF FARMERS THAT UNDERSTAND HOW TO RUN A BUSINESS'



THE EXPERIENCE THAT THEY'RE LOOKING FOR WHEN THEY BUY FROM FARMERS:

- The farmer has done market research
- The farmer has a list of products and knows what their bottom line is for their costs of production
- Frequent communication with updates about product availability
- Organic and GAP certification
- Products that are unique and different from what other farmers in the region are offering

VALUES AND GOALS

- Strengthening the support for local foods through wholesale sales
- Achieving the acceptance of local foods procurement

QUOTES FROM REAL CLIENTS:

- "It's also frustrating as a buyer because we don't like to see anything go to waste. Right. Yeah. We can do value added production because because we have the two licensed kitchens, so we can process and freeze for some creative and innovative, you know winter programs or specific products for bakers or, you know, artists and bakers or people who want you know local apples or rhubarb in the wintertime. There's not much that you can do when somebody has an extra 100 pounds of cucumbers that are going to get flying right and so we feed them to the hogs, because we have relationships with hog farmers"
- "We have created numerous opportunities for farmers to do GAP training. We know who hasn't who hasn't. We also were just before we had to close everything down, had worked very hard to do as a training for our Amish growers who have barriers because of access to technology."
- "There's great disparity between the more established sophisticated growers and their ability to work with us, and smaller growers who are just starting out who say, 'What do you want me to grow?' It's a very hard question for me to ask, especially this time of season, especially this year. And especially if you layer on my concern for them as a small family farm. If I steer them wrong. Oh my god, it could be, it could be devastating. If I'm off by a thousand dollars it can be a big deal for them."

PROBLEMS THAT THEY HAVE TO DEAL WITH:

- Finding balance between supply and demand
- Equipping farmers with technical assistance to meet the demands of wholesale buyers
- Identifying the final markets and establishing relationships with buyers
- Estimating sales for the following year to make contracts with farmers

MOST COMMON OBJECTIONS TO WORKING WITH FARMERS:

- It's not unique
- Poor communication
- They don't have the capacity to fulfill contracts
- They haven't done their market research
- They don't know what their production costs are

DEPARTMENT OF AGRICULTURE AND USDA

KEY PHRASE: 'SUPPORTING FARMERS TO UNDERSTAND THE ASPECTS OF RUNNING A BUSINESS IN MINNESOTA AND PROVIDE SUPPORT THROUGH LOANS, GRANTS, AND TECHNICAL ASSISTANCE'



THE EXPERIENCE THAT THEY'RE LOOKING FOR WHEN THEY BUY FROM FARMERS:

- Farmers possess the ability to clearly articulate their challenges and what they need to overcome them
- Initiative on the part of the farmers to navigate the resources and technical assistance that is available
- Farmers know what the requirements are to run a successful business

VALUES AND GOALS

- Promoting the development of the agricultural industry
- Gathering, compiling, and providing statistics and information
- Cooperating with state agencies
- Promoting non-traditional agricultural products

PROBLEMS THAT THEY HAVE TO DEAL WITH:

- Maintaining the stability of the agricultural economy for the state
- Understanding and addressing the challenges of rural communities
- Addressing problems with changes in the demography of the state's farmers and what this means for land ownership
- Address problems with consolidation in the agricultural industry

MOST COMMON OBJECTIONS TO FORMING PARTNERSHIPS WITH FARMERS:

- Cultural norms or cultural competency; first language is not English
- Online systems that are difficult to navigate or not having the capacity to work with farmers on their applications
- Technical language that prevents people from applying for support
- Lack of ethnic or racial diversity among the employees to improve communication and accessibility

QUOTES FROM REAL CLIENTS

- "Sometimes they're insulted by people throwing all of them under the same category when they're from different cultures"
- "[NRCS] has been a little bit more difficult [to develop relationships with] because of their limited staff, they're not able to work with some groups like they would with the English groups; Latino farmers also work full-time in plants; sometimes their jobs don't let them get off of work; most off at 3 or already gone into work; don't have time during day to meet because of other responsibilities; limited staffing;... they need a face, they need to build that trust"
- "tools available from the USDA Risk Management Agency and the USDA Natural Resources Conservation Service, that are much more easily accessed by the larger scale farmers."
- "Do you know where you would go to find information that could help you with sustainable management of natural resources?" "No I don't know anything about this, where to go, I think we have something... but for me it seems like it's for beginners...not for those who have been farming year after year"

POTENTIAL PARTNERSHIPS



THE EXPERIENCE THAT THEY'RE LOOKING FOR WHEN WORKING WITH FARMERS:

- Having the desire to explain the value of the programs and services offered
- Feedback on what farmers want to learn and what are the programmatic, informational, and technical needs
- Farmers that are interested in collaborating with other members outside of specific events

VALUES AND GOALS

This varies depending on the nonprofit, but could include:

- Strengthening the local food system by breaking down the barriers between urban and rural communities
- Educating consumers about where their food comes from
- Supporting farmers through peer learning networks, workshops, and site visits to farms

QUOTES FROM REAL CLIENTS:

- "You could talk to somebody else...and they might disagree but I think it's about the eater, and trying to help them connect to how their food was made and how to talk to them."
- "We try very hard to follow up and get feedback in responses...our feedback has been really positive for the programs and the concepts that we've introduced and whatever...we do call them personally and get feedback, but any nonprofit tells you that they know what the impact the specific impact of their programming is extrapolating, you know, I mean, like, you know, so, um, I know we're doing a good thing, because we have the same people come back to us, year after year for different trainings for different programming for different projects.We have the same sponsors who come back."
- "we're doing things that are super innovative and super nimble and we see good ideas in other places in the country. And we're not afraid to like pick them up and do it here"
- "I was in a meeting with [a state agency employee], a couple years ago and he was like, what he loved most [our organization] was that we could do things in a week, that would have taken him, you know, six months, because we're not a state agency, we can just flip a switch and do that."

NONPROFIT ORGANIZATION

KEY PHRASE: 'WE CAN DO THINGS IN MERE WEEKS WHAT WOULD TAKE THE STATE YEARS TO ACHIEVE'

PROBLEMS THAT THEY HAVE TO DEAL WITH:

- Finding funds to sustain the nonprofit
- Finding ways to quantify the qualitative results with concrete quantitative metrics
- Communicating to the public the importance and value of the local food system
- Convincing more farmers to use soil health as a metric to measure farmer success

MOST COMMON OBJECTIONS TO FORMING PARTNERSHIPS WITH FARMERS:

- There is no mutual benefit
- It's not financially sustainable
- Lack of capacity for administrative oversight or event/program planning
- The goals of the partnership are not in alignment with the organization's mission

UNIVERSITY OF MINNESOTA EXTENSION

KEY PHRASE: 'TAKING ADVANTAGE OF THE RESOURCES AND THE EXPERTISE OF THE UNIVERSITY SO THAT FARMERS PROSPER'



THE EXPERIENCE THAT THEY'RE LOOKING FOR WHEN THEY BUY FROM FARMERS:

Farmers that have a clear idea of how the research process works, including how to:

- Create a study
- Measure the results
- Communicate the results
- Have a long-term plan for financial sustainability

VALUES AND GOALS

- Provide information based on empirical evidence and factual data
- Stay up to date with the needs of the agricultural community
- Support community-driven projects and communicate the results through public documents

QUOTES FROM REAL CLIENTS:

- "We can only provide funding for things that would fall under the category of technical assistance, not building capacity"
- "Local Foods College is an interactive distance learning opportunity for gardeners and farmers interested in community-based food systems. These free online classes are available to anyone interested in strengthening food systems."²¹
- "Extension brings Minnesotans together to build a better future through University science-based knowledge, expertise and training."²²

PROBLEMS THAT THEY HAVE TO DEAL WITH:

- Information availability and accessibility to the public; communicating the results of research projects to the people who would benefit
- Finding shared solutions for the viability and sustainability of farmers working with state agencies, local governments, and nonprofit organizations that share the same values

MOST COMMON OBJECTIONS TO FORMING PARTNERSHIPS WITH FARMERS:

- Farmers' goals are not aligned with the technical support that Extension provides
- Other candidates for grants or projects have a greater need
- Farmers don't fulfill the criteria for funding, projects, loans, or grants



Joint Ventures & Partnerships

Joint ventures and partnerships are key to increase the capacity of the Cooperative. One of the biggest challenges for Agua Gorda will be to create a harvest plan in a way that satisfies the demand in the market for vegetables. Therefore, it will be essential to work with buyers to make contracts at the beginning of the season, during the winter or at the beginning of spring. The table below outlines recommendations for ways that Agua Gorda can use partnerships and joint ventures to overcome these obstacles and more, which were identified from the internal interviews with members of the Cooperative:

RECOMMENDATIONS TO INCREASE AGUA GORDA'S CAPACITY THROUGH JOINT VENTURES AND PARTNERSHIPS:

CHALLENGE	POTENTIAL PARTNERSHIPS
Labor	Work with Central Lakes College to find ways of creating applied learning experiences for students
Mechanization to reduce labor costs	<p>Work with the Department of Agriculture to find grants that you can use to invest in tools that will improve the operation's efficiency</p> <p>Find other wholesale farmers that can serve as mentors or from whom you can rent agricultural implements</p>
Storage	<p>Restaurants in Long Prairie that have extra freezer, refrigerator space, etc.</p> <p>Sprout has extra space in their fridge and freezer</p> <p>*You should expect to pay to leave your products in these places unless you can find another mutually beneficial arrangement, such as an exchange of goods/services</p>

RECOMMENDATIONS

RECOMMENDATIONS TO INCREASE AGUA GORDA'S CAPACITY THROUGH JOINT VENTURES AND PARTNERSHIPS:

CHALLENGE	POTENTIAL PARTNERSHIPS
Value-added production	If you intend to expand to make value-added products, it will be cheaper to use someone else's commercial kitchen before investing in your own on the farm
Marketing	Partnerships can serve as a marketing strategy. More people will be familiar with Agua Gorda when they see the name and logo associated with the University, community organizations, etc.

PARTNERSHIP OPPORTUNITIES IN THE CONTEXT OF COVID-19

CHALLENGE	OPPORTUNITY
Making sales from direct marketing	Form partnerships with farmers that are experiencing above average sales (i.e. meat)
Distribution	Use your own website to manage sales or form a partnership with a company or organization that already has the infrastructure. For an example of a company that is working with a community organization, see MNTable . Offer 'curbside pickup'
Local sales	Form a partnership with other farmers or producers to promote local products in kits. A good example is Vikre Distillery, with their cocktail kits (https://www.instagram.com/vikredistillery/). For Agua Gorda, perhaps you can offer a kit to make healthy foods for the entire family, something special for kids, etc. It would be a good idea to think about holidays and other celebrations to sell special kits, such as Father's Day, July 4th, etc. The most important thing is thinking about how you can create an experience for the clients. It's not the product that they're buying, but the experience. Think about how the family or an individual can create special memories with Agua Gorda's products. Consider using ideas from Explore Minnesota to associate products with healthy activities. They have many suggestions on their website to explore the state, virtually and in person. ²³



Online Marketing Strategy

The language on the website should reflect the audience with whom you want to communicate and offer a response to all of the buyers' complaints and worries

- This can be achieved using an FAQ page (frequently asked questions)
- If you choose to use multiple marketing channels, it will be useful to have navigation pages for each one (i.e. "order delivery" vs. "place wholesale order")
- The communication strategy should change based on the marketing channel



Unique selling proposition

A seller's strengths, stories, voices, values, quirks, and unique personal style that practically eliminates their competition. - Marie Forleo

Discover your strengths and build a business around them as part of the way you work and the brand. Suggestions to achieve this include:

- Ask others for comments about your strengths
- Make a list of 10 things that you love
- Use the information and the answers to develop the culture of the business and the personality of the brand

RECOMMENDATIONS

CHARACTERISTICS THAT DISTINGUISH AGUA GORDA FROM THE COMPETITION

CHARACTERISTICS OF ALL FARMERS	THE AGUA GORDA ADVANTAGE (TO USE ON THE WEBSITE OR OTHER MARKETING ELEMENTS)
Fresh	Super fresh --"We partner with our distributors to ensure that you receive the freshest product available"
Local	Hyperlocal; "Food will stay fresh for longer because it wasn't shipped from overseas"
Nutritious	High nutritional quality from being certified organic: "We know you care about your health and the planet. That's why all of our products are certified organic, so that you can purchase with peace of mind that no chemicals or harmful pesticides were used."
Honest	A family-run business: "When you buy from Agua Gorda, you're putting dollars back into the local economy by supporting a family-owned and operated business"
Supporting the community	Working so that everyone has access; solidarity shares or a donation for medical workers or for people who lack access to food. In this case, you could form a partnership with an organization that provides food to people in need



Referral strategy

This can be something that you offer immediately after someone's first purchase from Agua Gorda.

- For examples, you receive \$10 and your friend receives a 10% discount

As part of the message that a buyer receives after making a purchase, you could include links to Facebook, Instagram, and Pinterest so that they can share the information with their friends. Key here is to use language in a way that invites the person to do it. For example:

- Excited for the arrival of your fresh vegetables? We are too! Share with your friends here [buttons]



Pricing & position strategy

PRICING

- Know where your product stands in relation to others in the market. Recognize that the prices are going to change based on the clients. Vegetables sold through direct marketing should be positioned as a premium product that receives a higher price. Wholesale products should have a premium position but the prices should be lower and the products sold in higher quantities.
- Determine how much income you want to generate and calculate how many units you have to sell to get to this point. I recommend changing the numbers with your marketing mix until you arrive at a combination that you're satisfied with and that you feel confident you can achieve.

Pro tip: Do as much as you can with what you have. Begin as cheaply as possible. Starting small doesn't mean that you have to think small.²⁴

5 FACTORS THAT INFLUENCE HOW MUCH YOU CAN CHARGE²⁵

1. Trust

- Do you trust in the product you're selling?

2. Social proof

- Do you have excellent references, a ton of client reviews, endorsements from community leaders?

3. Authority

- Are you the best at what you do? Do you behave as if you were the best in the world at what you do? Do you demonstrate that your clients matter and that you are always improving your service?

4. Passion

- Do you have the energy and the commitment to attract other people to your work?

5. Positioning

- Do you have a positioning with specific offers based and based on results?

RECOMMENDATIONS

POSITION

- **Position your products in any family activity.** Can you form partnerships with teachers who can design an at-home activity what incorporates your food? Ex. Pizza Luce's Pizza Kits
- **Associate with any recreational activity that is popular in the region.** In other words, "Take some products for a healthy snack before going to Lake X..."
- **Position yourself as the easy option for parents when caring for children at home.** "Your health matters. So does your kids'. Our organic products serve as an excellent refreshment in any moment to ensure that they are happy, healthy, and less distracted from school at home.
- **Distinguish yourself from the 'risk' associated with buying from a grocery store.** "No lines. Effective without complications. Reduce the risk for you and your family using our simple online ordering system and delivery or curbside pickup"
- **Grow vegetables that no one else has aside from the basics.** Your success will increase once you know what others in the region are selling so you can differentiate yourself from this.

Food for thought: Consider your offers and describe how much impact your products have on the lives of your clients. Are they saving time buying online? How much? Are you eliminating their visit to the doctor because your foods have a higher nutritional quality and contribute to a stronger immune system? Is the additional focus that their kids have on school because they are eating fresh fruits and vegetables? Get as many testimonials as you can from customers about the benefit they receive upon buying your product to understand its value and how you can quantify it.



Distribution Plan

Considering the storage and capacity limitations to manage distribution, it will be key to use partnerships to increase the geographic region in which Agua Gorda can sell their products. For example, Redhead Creamery, an operation that sells cheese, is distributed to markets in Kensington, Glenwood, Alexandria, Fergus Falls, Moorhead, Fargo, Detroit Lakes, and Perham. It could be that if they arrive in Alexandria on the same day as Agua Gorda, you can make a product delivery to other markets. In this way, you will receive more money from the sale than you would if working with a traditional distributor. Redhead Creamery would benefit by receiving a payment in exchange for their truck space.

RECOMMENDATIONS

- Another option would be to get together with other farmers in the region to employ someone to make the distribution for everyone. In this way, you wouldn't have the responsibility of paying their entire salary, but just a fraction.
- Choose a site where buyers or clients would come to bring their products. This depends on the marketing channel mix. For wholesale sales, the expectation would be that you bring products to clients, but for direct marketing, it could be more convenient to have a specific time to pick up the vegetables.
- If you choose to do delivery, establish a delivery area. An example is this map from [Pizza Luce](#). Alternatively, you could offer pick-up at the farm.

Key: After calculating your production costs, calculate transportation costs and establish the minimum order to cover these or add an extra cost to the bill. For a range of common delivery fees, you can visit the websites of restaurants or CSA farms.



Conversion Strategy

Not everyone who visits your website is going to buy a product. Therefore it is useful to understand your clients and best strategies to convert sales. Conversion strategies can be used to change prospective clients into paying customers. A strategy that you can employ is a discount on their first order. Finding a good discount is important for financial sustainability in the long-term. It could be that for a particular strategy you find governmental support or from other sources to cover these costs, especially if it is for a specific promotion. A specific promotion can be useful for introducing clients to your products and increasing sales afterwards

STRATEGIES TO BOOST CONVERSIONS

Create and refine sales pitches

Have a clear and short message when you communicate the advantages of the Agua Gorda's products to prospective clients. It will be best to have two or three versions depending on who you talk to (for example, a script for food service directors at schools, vegetable buyers in grocery stores like Coborn's, restaurant chefs)

RECOMMENDATIONS



STRATEGIES TO BOOST SALES

Content marketing	Content marketing, for every dollar spent, generates approximately three times more sales prospects in comparison to traditional marketing and costs 62% less. ²⁶ This means that Agua Gorda can be an information resource for their clients. Depending on the market channels, it could be that you have information for buyers with regards to Farm 2 School regulations and how to buy from farmers for institutions, or for direct markets, it could be recipes of what you can cook with the vegetables, tips for parents that want their kids to eat more vegetables, etc.
Testimonials on the website	Include quotes from past clients to establish the high quality of your products, service, and ease of ordering and receiving products
Create a landing page and utilize a variety of element to improve the functionality of the web page	<p>Title and subtitle²⁷ - This helps to make the connection between your clients and the desired action. For example, the title could be "Be the hero of your own health" and the subtitle could be "Sign up for your first doorstep delivery of organically grown, local produce today!"</p> <p>Text - The specific language that you use to optimize the page and improve the understanding of the information for visitors</p> <p>Image - Use images that speak to the brand or illustrate the products or services, to establish the tone and increase the click rate</p>

RECOMMENDATIONS



Your offers

- A discount on your first order for new clients when they subscribe to a newsletter or alerts or text messages - This could be a percentage or a fix amount such as \$5
- Specials for direct market clients - When they agree to purchase for 4 months, they get a discount on the total price. The time can be chosen based on what is most convenient for Agua Gorda. Having more than one option might be better to increase the number of potential clients.
- Specials or discounts for medical professionals



Marketing materials

The table below includes recommendations for marketing materials to promote Agua Gorda to current and future clients, including the website, brochures, business cards, etc.

STATUS OF MARKETING MATERIALS

MARKETING MATERIAL	STATUS
Logo	Finished
Website	In progress
Brand guidelines	In progress

RECOMMENDATIONS

MARKETING MATERIAL	STATUS
Facebook Page	Finished
MN Grown Application	In progress
Price list	Finished
Shirts, bags, hats, or other accessories	Recommendation for the future
Promotional video	Recommendation for the future
Additional social media platforms (Instagram, Twitter)	Accounts not yet created but possibly in the future. Instagram is especially useful to tell stories using video and photography.



Strategy to increase transaction prices

- Work with catering businesses that have contracts for events with the city of Long Prairie; by working through them, you will have access to bigger orders
- Make contracts with businesses that have a large client base (For example, resorts in Alexandria, retirement homes, etc.)



Promotion Strategy

With regards to promotion, it will be key to use communication channels that your followers already use. For example, many organizations have a newsletter. At the moment, many people want to find ways to support local businesses. You can ask if these organizations are willing to share your new website, a specific promotion, or simply the information that you are open for business. Some recommendations include the Long Prairie Chamber of Commerce, Todd County Development Corporation and the list of farmers from the Minnesota Farmers Union.



Retention Strategy

Even better than acquiring a new client is maintaining a client that already exists. This does not just help the return on investment but lowers the marketing costs.²⁸ Selling to an existing client has a success rate of between 60-70%, but the success rate for a new client is between 5-20%.²⁹ A client retention program is an initiative or some initiatives designed to increase the value for the clients and entice them to buy again and promote the product or service of a company.³⁰

Client commentary to create a feedback loop

In other words, you are not going to know how to improve the service or products without asking clients what it is that they liked and did not like when they bought Agua Gorda's vegetables. Having an automatic system after someone buys a product or receives an order that they ordered online would help reduce labor costs. It should be short to increase the probability of receiving responses, between 3 and 10 questions max. It's also important to share the information with the right people, such as if the information has to do with delivery time and you are receiving negative feedback about this, it should be shared with the driver or whoever is in charge of delivery.³¹ For more examples than what is listed below, I recommend reading the article from HubSpot included in the Appendix.

A communication calendar

This serves to maintain communication with clients and remind them that Agua Gorda does indeed exist and has products available to sell. It could be a table that has the information with the last time you had communication with a specific person and indicates when a client has not interacted with the Agua Gorda brand. This makes it easier to launch a promotional offer and record the people who subscribe.

Newsletter

A newsletter is a common way to maintain communication between the company and the clients. To make the work easier, you can find a software that has automation for sending messages and updates regarding products or special sales. Mailchimp is a good service that I would recommend because you don't have to pay until you have more than 2000 subscribers. The link for this website is in the Appendix.

Rewards members club

This could be connected to a newsletter or text messages. For people that choose to be part of the club, they receive information about discounts and things that the public doesn't have access to. With this, you can offer things like a virtual punch card. If the clients spend a certain amount of money, they receive a discount on their next order.

NEXT STEPS



WITHIN 3 MONTHS

- Identify between 3 and 5 new markets or buyers to diversify the marketing channels. Use resources from Appendix B to follow up with the conversations that we started with this project.
- Invest money or in technical tools or people who can take control of communication between what is happening on the farm and the buyers. Maintaining the communication and the relationships is key for sales.
- Finish launching the website and take advantage of the marketing suggestions in this report to not have to think about offers or specific messages.



WITHIN 6 MONTHS

- Make a list of local businesses, influential people in Long Prairie and communicate with them to highlight that Agua Gorda is indeed open and ask them about opportunities to share marketing messages through a newsletter, email, FB videos, etc.
- Begin to develop relationships with restaurants in the region so that when they open they already have information about Agua Gorda's products that they can buy.
- Identify between 5 and 10 people that can serve as mentors to improve Agua Gorda's development and ask them if they can offer their advice.



WITHIN THE NEXT YEAR

- Review 2020 finances with a certified public accountant to identify opportunities to refine the marketing strategy, set sales goals for 2021 and identify funding sources that can help.
- Begin to form a partnership with the Department of Agriculture, nonprofit organizations, the University of Minnesota, and other technical colleges in the region that can help with the recruitment of new farmers for Agua Gorda.
- Review the website to see where there are opportunities to improve the language and ordering systems
- Based on the opportunities and Agua Gorda's goals, seek to find businesses that you can work with on more projects to increase visibility of the Cooperative in the community and the region

APPENDIX A: INTERVIEW QUESTIONS

Here you can find a list of the questions that I had for Agua Gorda and the stakeholders. The interviews were semi-structured, so I didn't always ask all of these questions because many participants didn't know enough to answer them or they had more interest in talking about other things.

Questions for Agua Gorda:

Review of research question:

How can Agua Gorda use a marketing strategy and a regional marketing analysis to illustrate the value of their farm to the community, build partnerships with stakeholders and take advantage of the social and capital resources that are available for farmers in the region?

Interview purpose: To have a better idea of the stakeholders' interests and the capacity of the members of Agua Gorda and make marketing recommendations

Responsibilities

- Can you describe your role on the farm and how many hours a week you work?
- Can you describe a little about your daily routine and how it changes over the course of the year?
- Which farming activities do you enjoy the most?
- Which farming activities do you not enjoy?
- What are your desires for the future of Agua Gorda with regards to its position within the community and the experience of selling products?

Challenges and opportunities

- In your opinion, who could be the most important partners for Agua Gorda's success? (This could be in Long Prairie, in the region, or in the state of Minnesota)
- In what ways do you feel someone could help you to improve your work?
- In what ways would you like the farm to change in the next few years?
- What are the greatest challenges that prevent improvement or progress between where you are right now and where you want to be in the years to come?
- In your opinion who is the consumer or ideal buyer and how does a transaction occur between Agua Gorda and them?

The market

- With regards to consumer interactions, do you prefer to work on the farm or do you like to have interactions with clients or buyers?
- Have you sold value-added products, or things like salsa, jelly, etc.?

The land

- Can you describe the ways that you invest in soil health? Or in what ways do you care for the land, such as adding fertilizers, using a crop rotation, or something like that?
- Do you know where you would go to find resources that could help with the implementation of sustainable resource management?

The brand

Something that could perhaps help with Agua Gorda's marketing is to share a bit about the culture, the traditions, or other aspects of Mexican culture with consumers through the brand. Therefore, the following questions are to help with brand development.

- What are the things about Mexican culture that could be useful to share with consumers about the family or food roots?
- If you had to choose between 1 and 3 words to describe how clients feel when they buy your products, which words would you use?

Abilities

- What are the strengths that you bring to the farm?
- Are there skills that you would like to improve? (If the answer is yes, in what ways would you like to improve your skills?)

Physical capacity

- Can you describe the current distribution system, and if sales increased, what you would do to satisfy the demand?
- What technical things are you missing at the moment and what are the most important for the farm's success and your goals right now (for example, a refrigerator or freezer, some kind of specific machine, etc.)

Extra comments

Would you like to share anything else?



QUESTIONS FOR STAKEHOLDER INTERVIEWS

Name:

Title:

Organization/Company:

Age (rough estimate if possible):

Sector (i.e. restaurant, retirement home, grocery store, healthcare institution, etc.):

QUESTIONS

Theme: Position and industry resources

- Could you briefly describe your position at _____ and the menu planning process?
- What resources do you utilize to learn about what is going on in your industry, or where do you go for inspiration to try to improve your work?

Purchasing experience:

- Could you characterize the best relationships that you have with your suppliers?
- What is communication like (frequency, type, etc.)
- Platform for making purchases?
- How far in advance do you make your purchase orders?
- How late can you accept information about produce availability before you need to make your purchase orders?
- What are features of websites or other ordering platforms of suppliers you order from that you find the most useful or effective? (Having an account, access to data, payment options)
- What kinds of data and information do you use regularly from your suppliers, and/or what information do you wish you had access to?
- What is the most challenging aspect of this interface and why? What could be added to make this process easier?
- What is your process like for adding another supplier?
- Is there a particular segment of the market (your own customers) that you have a hard time reaching due to your inability to provide a particular menu item?

Sourcing Locally

- Would you be willing to buy direct from a farmer or would it be necessary to source through a distributor?
- How much more are you willing to pay for an organic product? A local product? What if it's both local and organic? (Provide ballpark range)
- What are the biggest challenges you face in adding local produce to your current supply? (i.e. food safety, certification of production practices, quality, reliability, price, etc.)

COVID-19 & Food Safety:

- How have your purchasing behaviors shifted (if at all) in terms of buying produce and how do you anticipate this changing over the course of this year?





- Do you anticipate shortages or increases in the price of any imported produce in particular, and if so, would you switch to an organic and locally grown equivalent if it was available at the same price or less?
- What kinds of information provides reassurance of the safety of the food that you are purchasing?
- Looking at the impacts of COVID-19 on your community and work, what do you perceive as an underutilized asset and/or opportunity in terms of matching an overabundance with scarcity of resources?

Regional Support:

Do you have any wishes or desires from the local, regional, or state-level that would make it easier for you to justify/afford spending more money on local produce? (i.e programmatic support, adequate distribution channels)



APPENDIX B: RESOURCES AND OPPORTUNITIES FOR NOW AND IN THE FUTURE

These resources come from the interviews, the literature review, and more conversations with service providers that serve farmers in Minnesota. Additional resources will be shared in a Google Drive folder.

Social media marketing

[Want better results? Start with social testing - Sprout Social](#)

[How to Create and Track Great Social Media Campaigns \[with examples\] - Sprout Social](#)

[Creating a 30-Day Social Media Plan](#)

USDA

Natural Resource Conservation Service (NRCS):

NRCS has a Hispanic Emphasis Program Manager that can help with the promotion of NRCS programs and works with Latino farmers. They also offer interpretation services for farmers that need it.

Contact:

Yara Gonzalez (Spanish speaker)

763-567-5367

yara.gonzalez@usda.gov

Minnesota Department of Agriculture

Minnesota Water Quality Conservation Program:

They can offer farm evaluation and recommendations for tools that you can use to improve water conservation on your farm. This process is free, and if you consider their recommendations, the technical assistance providers with USDA Soil and Water Conservation will help you to find funds to do it.

[Pilot Agricultural Microloan Program](#) - Between 10-20K

Contact:

Deja Anton

Todd SWCD

District Manager

Riparian Protection; Water Planning;

AIS; Cost-Share; Livestock Management & Planning

320-732-2644 Office

320-874-1101 Cell

Historic Courthouse 215 1st Ave S Long Prairie, Suite 104, MN 56347

Education, training, and business development

Training

[Kiss the Ground Scholarship](#) - Carlos - August 31st deadline

Business development

[SCORE](#) - You can find a mentor that has experience with managing a business. There are chapters all across the state of Minnesota. This is a free service. I don't know how many mentors speak Spanish.

[ATTRA](#) - They offer this website in Spanish, research resources

Selling online

[Graze Cart](#) - Education to sell online

[SMS](#) - Text message integration

[Review of the best tools for Landing Pages of 2020](#) - This website offers help to have more conversions for visitors on your website without having to write a special code or use a special software.

[Mailchimp](#) - Useful and easy software to send emails to many people at a time. You can have an account with up to 2000 emails. There is a limit to the number of emails you can send per day, but the templates that they have are elegant and sophisticated.

[Melissa's](#) - Good example to see how you could present information about recipes, the farm, the farmers, etc.

Health safety and sanitation during COVID-19

For a template that Agua Gorda could use and put on their website, see the Google drive folder or find the information from the University of Minnesota Extension [here](#).

Sources for grants and information about COVID-19:

[American Farmland Trust Farmer Relief Fund](#)

[MISA COVID-19 Resource Page](#)

[COVID-19 Información y recursos de MN DEED](#)

[Metro Food Justice Network COVID-19 Resources](#)

[Twin Cities Restaurant Coalition Resource Guide](#)

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