

ESTABLISHING A MARKET PERSPECTIVE

Preface: The following pyramid suggestions are provided based on the assumption that your product idea has already been established.



Your target market is the specific type of consumer that your product is being provided for. The variety of people groups that you are aiming to provide for can be as specific or as vast as you see fit.



Before entering a specific marketplace (area of the economy that you are looking to penetrate) as a local grower, it is critical that you consider what the recent trends have been, what future trends are projected to be, and what competition exists in the marketplace.



Virginia Cooperative Extension

Virginia Tech • Virginia State University



IDENTIFY PURCHASING PRIORITIES & MARKET BARRIERS

Purchasing Priorities: how are you delivering your good, what inputs are you required to obtain in order to provide your good/service, what volume are you operating at, etc.?

Market Barriers: what is potentially standing in your way as far as actually providing your good? Have you looked at pertaining FDA and/or USDA regulations? Are you familiar with new FSMA regulations?



DEVELOP BUSINESS PLAN

This is probably the most important big picture item to consider. For any potential producer's business plan, the following need to be considered:

Business Description: what type of local grower are you? What are your goals? This doesn't have to be too lengthy, just long enough to get your point across to anyone who comes across it.

Products & Services: give details on everything you are bringing to the table.

Sales and Marketing: just because you can pay for something, doesn't mean you can afford it. Be very strategic and thoughtful about this portion of your business plan; consult an ag-lender or a financial advisor before moving forward with your business to make sure your operation is feasible (provide them with a financial summary). Consider how you will be marketing your product, especially at the beginning, to get the word out (flyers in local-grower-friendly grocery stores, banners at farmer's markets, etc.)

Operations: define and outline the details of your operation such as where your headquarters are, where and how you can be contacted, your employees, legal relationships/partners, suppliers, credit policies, etc.

Contingency Plan: this is also a profoundly important part of your business plan. Contingency plans project future circumstances that may arise. Example, in the event that you do meet your sales goals, what are the next steps? Or alternatively, in the event you do not meet your sales goals, how do you plan to recuperate, do better next time, and account for that loss? You can never be over prepared.



MARKET PENETRATION

You made it! You're finally out there providing your good/service. How are you going to maintain your setup? After being in the marketplace, are there things you've discovered you don't need, things you should have established, etc.? Now is the time to make note of what you can do better for the upcoming seasons.



SUSTAIN BUYER RELATIONSHIPS

In other words, establish customer loyalty and define what is necessary for you to maintain the relationships you've developed. On the other hand, there will be times when you need to compromise with a buyer agreement. Be sure you are taking all factors into consideration and don't be afraid to have to move on from a relationship that just isn't feasible anymore.

Written and designed by Alexandra Battah, Ryan Knox, and Amber Valloiton. This resource is part of a project made possible by funding through USDA AMS Award #14-FSMIP-VA-0013.

Virginia Cooperative Extension programs and employment are open to all, regardless of age, color, disability, gender, gender identity, gender expression, national origin, political affiliation, race, religion, sexual orientation, genetic information, veteran status, or any other basis protected by law. An equal opportunity/affirmative action employer. Issued in furtherance of Cooperative Extension work, Virginia Polytechnic Institute and State University, Virginia State University, and the U.S. Department of Agriculture cooperating. Edwin J. Jones, Director, Virginia Cooperative Extension, Virginia Tech, Blacksburg; M. Ray McKinnie, Administrator, 1890 Extension Program, Virginia State University, Petersburg.