



AEDI News & Views

AGRICULTURAL ENTREPRENEUR DEVELOPMENT INITIATIVE

Customer Driven Product Marketing

Understand what benefits and desires your customer wants

by Kim Tack

In Lee County, a 60's something farmer sat listening to his friends talk about creating a market for corn. After listening to the discussion for awhile, he quietly said, "Why don't we just give our customers what they want?" Further north in McHenry County, a group of producers had identified a custom market opportunity. However, they were concerned that the customer would not make the necessary changes in the procedures for handling the product to take advantage of this opportunity. After talking to the customer, they realized they need to adjust their marketing approach to meet their customers needs.

A basic marketing premise in customer-driven marketing is to first determine the market for the product by understanding needs of the customer and the benefits that he expects, and then to develop the product to meet his needs and expectations.

In this issue, we have provided some examples of producers that are marketing to their customers' benefits and desires, such as **Tom & Jessica Arnold**. The Arnolds have developed a thriving business on their Elizabeth (Jo Daviess County) farm. They have created a web site (<http://www.arnoldsfarm.com>) that provides in story form who they are and what benefits their customers will get when buying from them. Below is a view of their Home Page and their story as told by them.

What the Arnold Farm is all about!

We, along with our daughter and two sons, farm in the Apple River valley and surrounding hills near Elizabeth in the heart of beautiful Jo Daviess County, Illinois. We specialize in the production of beef, hogs, pastured poultry, sheep, hay for horses, firewood, and organic produce and flowers. We are the fourth and fifth generation of Arnolds to farm this land and take great pride in caring for it. We strive to produce our products in harmony with the natural environment and use systems that need few commercial inputs, such as rotational grazing for the livestock and crop rotations for the fields.



We bring our food products to you just the way we would want to eat them ourselves. We prefer chemical and antibiotic-free food which is pure and wholesome, yet tender with good texture and excellent flavor.

Gatherings at the Arnolds' are relished by all for this good food and company. Our beef, pork, and lamb are processed by Lena Maid Meats in Lena, IL, a state-inspected processing plant with an excellent reputation, and packaged in easy to use size portions. The poultry is processed by Comò Processing, Como, IL, also state inspected. We think you will find our meat a purer, fresher, and more flavorful product than generally found. We encourage your comments and questions. Please call us at 815-858-2407 or send E-mail to ArnoldFarm@juno.com.

Tom and Jessica Arnold

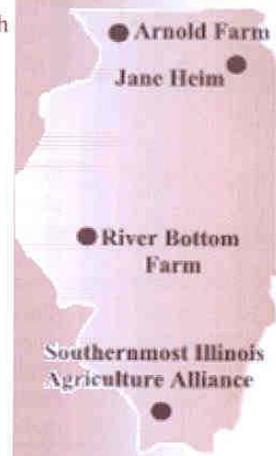
Their well thought out Web Site incorporates in addition to a story of their operation, reasons you should buy from them (your benefits), the products that they offer, how to order, and directions on how to pickup your order.

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Serving Producers Across Illinois Featured in This Issue



**UNIVERSITY OF ILLINOIS
EXTENSION**
College of Agricultural, Consumer and Environmental Sciences

Marketing Organics to Farmers Markets—by Gina Backes



Jane selects high quality peppers for the farmers market.

“Winter is the time to be creative and plan for summer, as once the season hits it’s really hard to stay on top of things, let alone do any creative thinking!”

In 2002 Jane Heim was certified organic. At the same time she “realized” a wonderful opportunity by being able to participate in The Wheaton French Farmer’s Market, a highly successful venue with 1000-2000 people walking through the market on any given Saturday. Being Certified opened this door.

“I was given a booth next to Great Harvest Bread Co., which really draws the customers. I designed my booth over the winter as well as made large signs announcing my farm name and organic produce. Winter is the time to be creative and plan for summer, as once the season hits it’s really hard to stay on top of things, let alone do any creative thinking!”

Jane knew nothing about farmer’s markets when she started. She learned quickly what her customers wanted. They responded well to her wide array of wild and native plants, starting with her wild asparagus. “Wild asparagus looks and tastes so different from domestic asparagus. It went over well. My customers also loved my mesclun and mixed greens. I was always careful about giving them the best quality with *all* my produce. Many people still have the outdated notion that organic means it looks bad. I love to dispel that myth.”

To beat the competition you must have excellent quality produce – not only good looking, but good smelling and tasting. “There are several vendors who have bigger tomatoes than mine, but they are mealy and have an unreal pink color. I’ve gained many customers who have tried these large, unreal tomatoes and have found them to be lacking flavor. The next week they are at my booth, buying premium tomatoes that are freshly picked and look and smell great.

Education is key for Jane. At the Wheaton’s farmer’s market, Jane uses a pictorial presentation to tell the story of where she grows her produce. When customers ask her if her tomatoes were really hers, she just points to the tomato plants in the photo outside her cottage. “I stopped outside the door and picked your tomatoes.” Jane will be presenting at the “Putting Small Acreage to Work” workshop for the University of Illinois Extension at Rock Valley College in Rockford, on Nov. 9th 2002.

Southernmost Illinois Agriculture Alliance—by John Pike



The SIAA meets to discuss integrating agriculture into economic development opportunities.

The Southernmost Illinois Agriculture Alliance (SIAA) was organized in February 2002 in an effort to identify possibilities to integrate agriculture into rural economic development opportunities to benefit rural residents throughout **Union, Johnson, Hardin, Pope, Massac, Pulaski and Alexander Counties**. This seven county region is a target area for the Illinois Workforce Advantage Program. The purpose of the Workforce Advantage Program is to coordinate the efforts of state agencies to improve the social and economic well being of designated regions and communities throughout the state.

As a result of this program, University of Illinois Extension, the Illinois Department of Agriculture, and the Illinois Value-added Rural Development Center (IVARDC) at Western Illinois University worked together to offer the Agriculture Community Action Planning Program (ACAP). This series of strategic planning sessions held in January and February, allowed local agriculture producers, land owners, lenders, and economic development professionals to examine current trends and discuss vital questions regarding local economic development issues related to agriculture and the rural community.

Since the SIAA was officially organized in February, the four project committees have continued to develop and search for information to make their goals a reality. These four projects involved 1) further development and coordination of the agri-tourism industry, 2) value-added processing for agricultural crops, 3) promotion and marketing, and 4) the development of premium grade livestock programs to promote locally grown freshwater shrimp, beef, and other livestock.

To date the Agri-tourism Committee has been the most active SIAA committee. This committee is comprised of a number of individuals interested in developing or expanding enterprises related to bed and breakfast facilities, fee hunting, farm markets, farm tours and heritage related attractions. The Promotion and Marketing Committee has assisted to work toward a goal of developing a brochure and a TV commercial to market agri-tourism attractions in the region.

Organic Task Force Created—by Martha Bazik and John Masiunas

In the fall of 2001, an Organic Task Force was established consisting of University of Illinois faculty, Extension Educators, and Unit leaders. Its objectives were to assess the needs of stakeholders; identify current activities and interest among University of Illinois faculty and staff; communicate the results of the assessments; and develop an ongoing communication process to ensure stakeholders provide input and learn about outcomes.

Examples of outcomes the Organic Task Force is starting to foster include organic field days, online databases, participatory research with organic farmers, a directory of local organic farmers, farmer markets and specialty stores, and allocation of land on the University of Illinois South Farms to organic research. For further information or to provide input, contact the Task Force Co-chairs Martha Bazik (bazik@uiuc.edu or 309-796-0512) or John Masiunas (Masiunas@uiuc.edu or 217-244-4469).

River Bottom Farm—by Kim Tack

In the Spring 2001 issue, we featured Karen and David Wittman, River Bottom Farm, Pearl, Illinois. Here is an update on their recent marketing success to “white tablecloth” restaurants in the St. Louis Area.

The Wittmans started their Specialty Fruits & Vegetables - Natural Growing Methods - From Seed to Chef, farm in the early 1990's by raising garlic. Karen (the production half of the team) can explain how to get four different marketable products from a garlic plant. Recently, they expanded into the St. Louis “white tablecloth” restaurant market by building a relationship with the chefs. In the fall of the year, they ask the chefs to select produce from a seed catalog. River Bottom Farm then grows the selected produce. Dave and Karen's product meets the desires of the chefs. In addition, they provide the chefs with a couple of “Surprise” products. Check out their homepage at <http://www.riverbottomfarm.com>.

Ag Assembly—by Amy Bradford

At the second Statewide Ag Assembly held July 2002 in Springfield, representatives of the industry discussed the current realities of Illinois agriculture, and identified the strategies and resources needed to meet consumer demand and increase profitability. They outlined a set of core competencies that will help the industry adapt to this constantly changing world. Three basic categories – relationship competencies, business and entrepreneurial competencies, and broader focus competencies.

Relationship competencies focus on the number and nature of relationships that producers will need to manage in order to be successful in the future. Representatives acknowledged that producers benefit from proactively building positive relationships with a broad range of individuals and groups, including everyone from neighbors to others within the value chain. Producers will need to be adept at negotiating, leadership and communications. Additionally, successful producers will develop empathy for neighbors and others they do business with.

Business and entrepreneurial competencies articulated by Representatives include strengthening existing competencies as well as expanding the scope of the traditional business and entrepreneurial competencies. Producers will need to understand competitive advantage, make an honest personal assessment of their aptitude and preferences, be able to efficiently understand and evaluate the multitude of opportunities, manage change, manage capital, and efficiently access and analyze information.

Representatives determined that successful producers of the future will need to expand the scope of their thinking beyond the traditional boundaries. For example, successful producers will seek ways to optimize their efficiencies up and down stream.

The logical question is “So, what do we do next?” The Director of Agriculture and the Ag Assembly facilitators have spent considerable time discussing that very question. We are taking the competencies and resources articulated and identified at the Ag Assembly, and developing a strategy for building the core competencies. The strategy will involve all facets of Illinois agriculture – government, educators, producers, businesses, banks, food processors and others – to be successful.

“...an Organic Task Force was established consisting of University faculty, Extension Educators and Unit Leaders.”



Dave and Karen Wittman dine at one of the restaurants they supply.

“Representatives determined that successful producers of the future will need to expand the scope of their thinking beyond the traditional boundaries.”

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Question and Answer

QUESTION: Why do I need a business plan?

ANSWER:

There are two reasons why a person completes a business plan.

- *To Raise Money:* Inadequate capitalization is probable the biggest reason new businesses never get off the ground. If you want to attract investors or secure a loan, a business plan is a must. Bankers and would be investors will expect to see your completed plan before they even consider extending funds to you.
- *As a Management Tool:* Many entrepreneurs don't take the time to prepare a business plan for their own use but that is probably the most important reason to write a business plan. Running a business without a business plan is a lot like taking a long trip without a road map. You need to revise the plan frequently as you learn more about your business, but it forces you to plan ahead.

The plan is there to challenge you to identify aspects of your enterprise such as:

- why will people buy from you
- what are your core competencies
- who are the competitors
- who are your customers, what benefits will they realize for your product
- what challenges you are facing, i.e. Production and delivery

If you would like some additional information on a business plan and its components, visit AEDI's website's FAQ at <http://web.extension.uiuc.edu/iidea/faq.htm> or contact John Pike 618-453-5563 or Kim Tack at 309-796-0512.



Cool Links

AEDI—<http://web.extension.uiuc.edu/iidea>
This site provides educational support and technical assistance to the ag sector who are incorporating entrepreneur strategies.

Profitable Poultry: Raising Birds on Pasture—<http://www.sare.org/bulletin/poultry> features farmer experiences plus the latest research in a new "how-to" guide to raising chickens and turkeys using pens, movable fencing and pastures.

Appropriate Technology Transfer for Rural Areas—<http://www.attra.org>
Topics addressed by ATTRA can be categorized into three broad areas: sustainable farming production practices, alternative crop and livestock enterprises, and innovative marketing.

Agro-Ecology Sustainable Agriculture Program—<http://www.aces.uiuc.edu/asap/organics/> This website provides access to information about the opportunities and challenges of organic agriculture in Illinois for current and future producers and consumers of organic agricultural products.