Collaborative Marketing Models

How can an entity assist multiple farms to reach value-added markets?

Business Models for Review:

Independent Farm Marketing

Certification & Promotion Programs

Enhanced Certification & Promotion Program

Coordinated, Independent sales

Farm-to-Market Models

Live Animal Aggregators

Distributor/Food Hub Model

Branded & Coop Programs

Hybrid and Tiered

CornellCALS
College of Agriculture and Life Sciences

PRACTICAL FARMERS
of Iowa

Dyson
Cornell
SC Johnson College of Business

Definitions

- **Value-added channel:** A channel differentiated from commodity channels. For example, "local," "all natural," etc..

- **Fulfillment:** Packing the order and getting it to the customer, whether by shipping, customer pick-up, or home delivery.

Marketing Responsibilities

- In essence, the various models distribute marketing responsibilities between the farm and company in different ways.
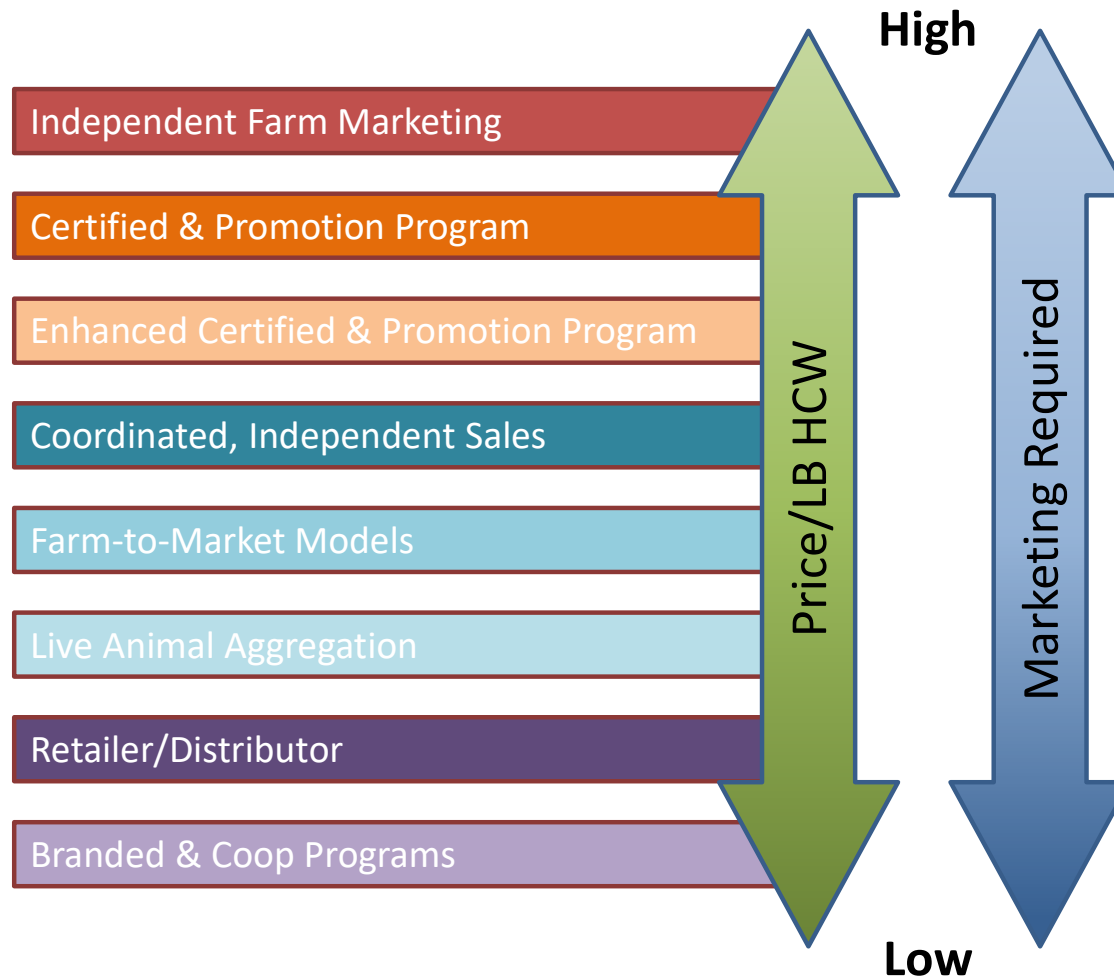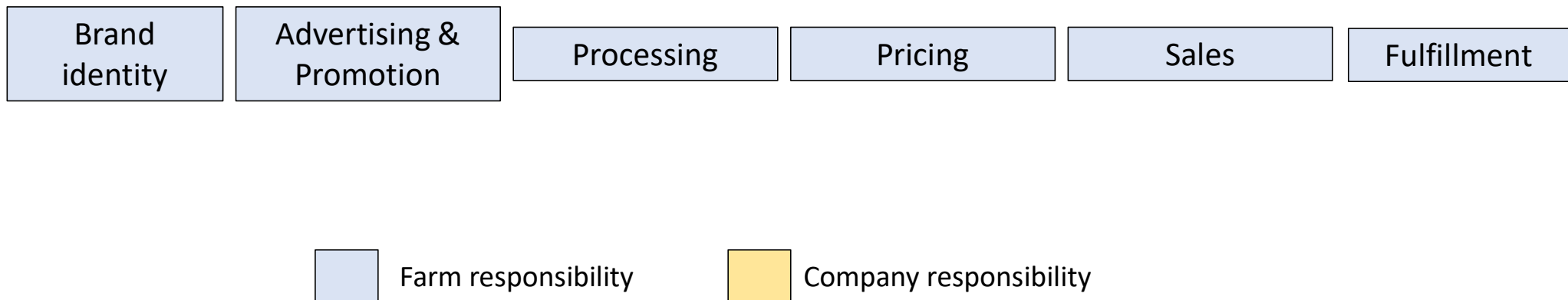
- The major marketing functions are:

Brand identity	Advertising & Promotion	Meat Processing	Pricing	Sales	Fulfillment
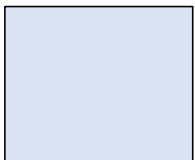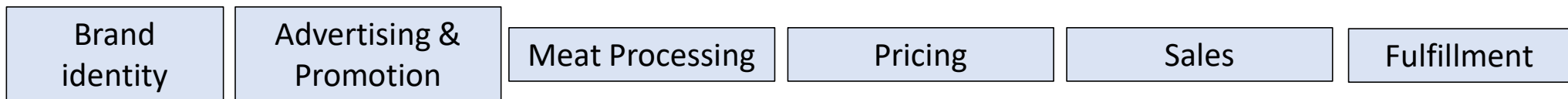
Blue Shading =
Farm responsibility

Yellow Shading =
Company responsibility

Farm Marketing Involvement and Price Received

Independent Farm Marketing

Certified & Promotion Program

Enhanced Certified & Promotion Program

Coordinated, Independent Sales

Farm-to-Market Models

Live Animal Aggregation

Retailer/Distributor

Branded & Coop Programs

High

Low

Price/LB HCW

Marketing Required

Independent Farm Marketing

- Farm is in charge of their brand identity, advertising, sales and fulfillment.

- Farm sets the prices.

- Farms arranges for processing.

- Includes online services like Barn2Door, Shopify, etc…

Brand identity	Advertising & Promotion	Processing	Pricing	Sales	Fulfillment

Farm responsibility   Company responsibility

Certified & Promotion Programs

- The Company provides branding and outreach assistance.

- The Company offers a seal/logo to use on materials.

- Signifies important traits of brand identity such as: Iowa-grown, pasture-raised, or farm participation in the program.

- The Company has a website and farm directory.
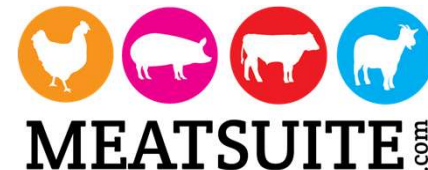
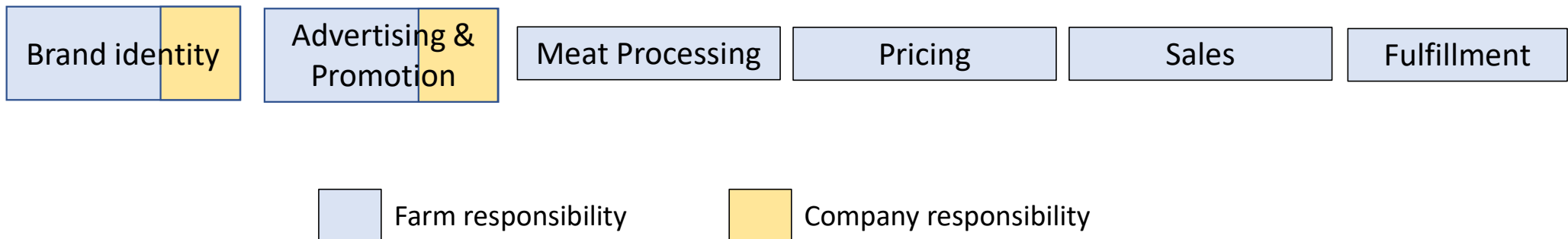| Brand identity | Advertising & Promotion | Meat Processing | Pricing | Sales | Fulfillment |

Farm responsibility   Company responsibility

Enhanced Certified & Promotion Program

- The Company provides branding and outreach assistance.

- The Company offers a seal/logo to use on materials.

- Signifies important traits of brand identity such as: Iowa-grown, pasture-raised, or farm participation in the program.

- The Company has a website and farm directory.

- The Company offers templates, graphic design, & marketing services for member use.

- Not aware of a current example.

Brand identity	Advertising & Promotion	Meat Processing	Pricing	Sales	Fulfillment

Farm responsibility   Company responsibility

Coordinated, Independent Sales:
The Etsy Model

- Farm has complete control and responsibility.

- Farm sets the prices and lists items on the site.

- Farm owns and fulfills product orders.

- The Company recruits customers.

- The Company facilitates sales on their site.

- Not aware of a real-world example with meat.

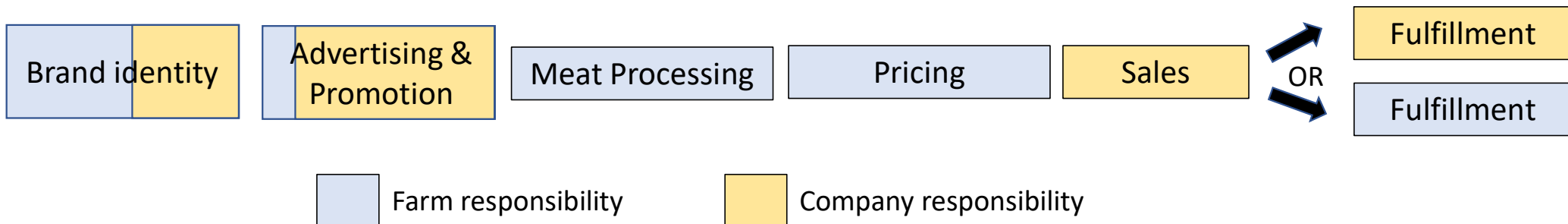| Brand identity		Advertising & Promotion		Meat Processing	Pricing	Sales	Fulfillment

Farm-to-Market Models

- Farm participates in the program.

- The farm has minimal advertising responsibility.

- Farms notify the Company of available inventory.

- The Company recruits consumers & sells products.

- Either the company OR the farm fulfills orders.

- The Company has largest advertising & sales responsibility.

- The farm owns the product until the sale to the consumer.

| Brand identity | Advertising & Promotion | Meat Processing | Pricing | Sales | OR | Fulfillment |
| | | | | | | Fulfillment |

Farm responsibility   Company responsibility
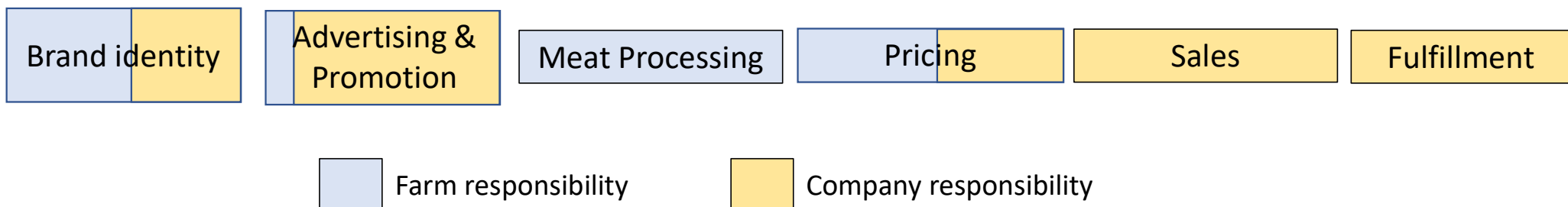
Live Animal Aggregation

Buy Virginia Cattle

- The Company arranges for animal pooling, for buyers.
- Livestock Auctions do this in one sense.
- Value-added pooled feeder sales are being done in VA successfully.
- The pools have management criteria (protocols).
- Could be done with finished livestock as well.
- Animals are USDA-graded and sorted before the sale.

Retailer/Distributor/Food Hub

- The Company <u>purchases</u> multiple products from multiple farms.

- The Company then conducts marketing without the farm involvement.

- This may include selling the product with the farm's brand identity or the Company's.

- The farm has minimal marketing responsibility.

- Farms can negotiate price with the Company.

- Company sets retail prices.

| Brand identity | Advertising & Promotion | Meat Processing | Pricing | Sales | Fulfillment |

Farm responsibility   Company responsibility

Branded & Coop Programs

- The Company purchases products from multiple farms.

- The Company handles processing.

- Based on specific value-added criteria (protocols).

- The Company then conducts marketing without the farm involvement.

- The Company has its own brand identity.

Brand identity	Advertising & Promotion	Meat Processing	Pricing	Sales	Fulfillment

Farm responsibility   Company responsibility

Hybrid & Tiered

- There could be any combination of traits from models discussed.
- There could be "tiered" participation.

- For example:
- A program that buys finished animals and markets meat, but also arranges for value-added feeder sales.
- A company that purchases meat cuts from farms to retail, but also carcasses for in-house cutting.
- A company that sells its own products, but also provides a platform for Etsy-style sales.