Evaluate Your Current Situation. Examine your goals: physical, financial, and marketing resources; and potential customers. Start by asking yourself the following questions before you begin your business:

**Ask Yourself: Where Am I Now?**

**Goals**

What are my business and personal goals? Prioritize them with the most important first.

1. __________________________________________________________
2. __________________________________________________________
3. __________________________________________________________
4. __________________________________________________________
5. __________________________________________________________

**Full-Time or Part-Time?**

Do I want a full-time enterprise? Yes ___ No ___

**Labor**

Will my family be involved and supportive? Yes ___ No ___

Will my spouse be involved in the enterprise? Yes ___ No ___

(A spouse’s knowledge of and interest in related areas such as medicinal herbs, cooking, landscaping, etc. could spin off additional enterprises. A spouse could also be involved
directly in the business by doing the bookkeeping, labor management, maintaining facilities, marketing, etc.).

If yes, how will my spouse be involved? __________________________________________

Is family labor available? Yes ___ No ___

If so, how much? __________________________________________

Is off-farm labor available? Yes ___ No ___

If so, what type of labor is available? __________________________________________

Can I afford it? __________________________________________ Yes ___ No ___

Customers

Who are my potential customers?

(This will help you know how to reach these customers and target your promotional activities).

Are they low _____, medium _____, or high _____ income?

Are they young _____, middle-aged _____, or elderly _____?

Is their highest level of education high school _____, college _____, post-graduate _____?

Are they local _____, tourists (e.g., they will pass your farm and buy tomatoes on the way to the Jersey shore?) _____, or from more distant locations _____?

Are they mostly White _____, African American _____, Hispanic _____, Asian _____, Other _____?

Are they blue-collar _____ or professional _____ workers?

Are they male _____, female _____, or both _____?
Are they rural _____ or urban _____ residents?

Are they homemakers _____ or working spouses _____?

Do they purchase in large _____ or small _____ quantities?

Are they motivated more by price _____ or high quality _____?

Would they be interested in agri-tourism?       Yes ___ No___

If you are in the wholesale market, you will have to do more work to find out what your consumers want. You will need to communicate with the broker, co-op, or other marketer to receive any additional feedback (other than price) to better know your market.

What are my customers' needs? This applies whether or not you are selling to the final consumer or to intermediate buyers such as brokers, wholesale florists, garden centers or big box stores.


Given my customers' needs, what kind of products am I considering?

What type of promotion would best target this audience?

Skills and Resources

What knowledge and skills do I have to produce and deliver the product?
What additional knowledge and skills do I need?
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

What plans do I have to get the skills and knowledge that I need?
(This could be taking a class, hiring someone with the expertise, etc.)
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

What physical resources like greenhouse, headhouse, land, delivery vehicles, machinery, water, buildings, etc. do I possess?
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

What additional physical resources will I need?
_______________________________________________________________

Do I have the facilities I need to produce and deliver the product? Yes ___ No ___

If I don't currently have the facilities I need to produce and deliver the product, what plans do I have to get the facilities that I need?
(This could be renting facilities, purchasing them, building appropriate buildings on land you already own, etc.)
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

Profitability

If I raise and sell the products, will I make a profit? Yes ___ No ___

Where can I go to get the data I need to do this analysis?
Trade Magazines  Yes ___ No___
USDA Ag Marketing Statistics  Yes ___ No___
USDA Statistics from the Agricultural Census  Yes ___ No___
County Extension Service  Yes ___ No___
Private Marketing Research Firms  Yes ___ No___
Internet Searches  Yes ___ No___
The Competition  Yes ___ No___
My existing customers if I already have a greenhouse business?  Yes ___ No___
Other _______________________________  Yes ___ No___
Other _______________________________  Yes ___ No___

How can I best access such resources?
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

What analysis can I use to determine whether or not I will make a profit?
(This can be partial budgeting, costs and returns analysis for the business, cost accounting, ratio analysis, cash flow analysis, etc.)
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

If the analysis shows I will not make a profit, what adjustments, if any, can I make to make this a profitable venture? Or even if it is profitable, what can I do to make it more profitable?
(Examples could be look for different markets, add value by packaging, produce different sizes, etc.)
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

Do I have access to financial resources in the form of savings, credit, or investment by family or friends?  Yes ___ No___

Products

What are some of the crops that grow well in my area that will fetch the price I need?
Who is my competition and what is my competition doing?
(What products are they producing, at what price, and in what markets?)

_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

Marketing

How will I distinguish my product from my competitor's product? This is your “Value Proposition.”
(Examples: better quality; better service; quicker delivery; lower prices; different varieties, grades, sizes, etc.)

_______________________________________________________________
_______________________________________________________________
_______________________________________________________________

Does my business plan include consumer education? Yes___ No___

If yes, how? _____________________________________________________
_______________________________________________________________
_______________________________________________________________

(This applies to both wholesale and retail growers. An example of a wholesaler who knows the final consumer is Frieda Caplan, who founded Frieda, Inc., a specialty wholesale produce marketing company in Los Alamitos, California. Frieda changed the way America eats by introducing specialty produce to consumers.

Frieda explored the marketplace and quickly zeroed in on the lesser known, less popular fruits and vegetables. To her delight she saw that no one in the wholesale produce industry was bothering to exploit this market. Literally, it was hers for the taking. Most of the fruits were unknown to the American public. Even though Frieda was a wholesaler, she accompanied the produce with product descriptions, usage, handling and storage tips, country of origin, complete nutritional information to contact her for kitchen-tested recipes, and an invitation to contact her for free recipe brochures.

She renamed Chinese gooseberries kiwifruit because they came from New Zealand, and she became the leading marketer and distributor of specialty produce in the U.S. You can read her story at http://www.hort.purdue.edu/newcrop/proceedings1996/V3-122.html#THE%20FRIEDA%20STORY).
What are the marketing resources in my area?

- Community farmers' markets ___________________________ Yes ___ No ___
- On-farm market/roadside stands ________________________ Yes ___ No ___
- Cooperatives _______________________________________ Yes ___ No ___
- Auctions ___________________________________________ Yes ___ No ___
- Terminal markets ____________________________________ Yes ___ No ___
- Brokers/buyer-shippers _______________________________ Yes ___ No ___
- Retail stores _________________________________________ Yes ___ No ___
- Garden centers ______________________________________ Yes ___ No ___
- Big Box stores______________________________________ Yes ___ No ___

Which, if any of the available resources in my area fit into my marketing plan? ___  ___  _______________________________________________________

A community farmers' market is an excellent resource if you want to try selling your products directly to customers. The other resources above are helpful if you want to wholesale your products. You can still sell through either market if these resources don’t exist, but; if no markets exist, you will probably have to develop the markets yourself. You may want to sell in one market while you develop the other one that you really want.

For example, you may want to establish a marketing cooperative for your bedding plants, but while you are convincing your neighbors to join you to sell together you may want to sell through your own greenhouse.

Check with your local Cooperative Extension Agent, State Department of Agriculture or other agricultural service providers such as the Farm Bureau for marketing resources in your region.

Do any of the following vendors buy locally raised flowers and plants?

- Restaurants ................................................................. _Yes ___ No ___
- Supermarkets ............................................................... _Yes ___ No ___
- Specialty grocery or health food stores............................. _Yes ___ No ___
Home improvement stores .......................................................... _Yes___ No___

Hardware stores ...................................................................... _Yes___ No___

Garden centers ....................................................................... _Yes___ No___

Landscapers .......................................................................... _Yes___ No___

Farm stands owned by other producers ................................... _Yes___ No___

Other producers who will retail or re-wholesale
your products ........................................................................... _Yes___ No___

Other greenhouses ................................................................ _Yes___ No___

Other vendors ......................................................................... _Yes___ No___

How can I use these in my business?

_______________________________________________________________
_______________________________________________________________

Ask Yourself: What will I offer to the buyer?

Below, list the products your plan to sell and the features, service aspects, marketing season, and benefits to the buyer that your products will offer.

Products
Examples: Bedding plants, cheese, grain, sweet corn, etc.

_______________________________________________________________
_______________________________________________________________

Product Features
Examples: Raw farm product, semi-processed, branded product, performance, availability, size, quality, freshness product mix, varieties/new variety, types, color, shape, organic, selling points, etc.

_______________________________________________________________
_______________________________________________________________

_______________________________________________________________
**Service Features**

*Examples: Delivery, unloading, stocking shelves, processing, packaging, instructions, and range of services offered, discount, credit terms, ease of parking, convenience, guarantees, etc.*

---

**Marketing Season**

*Months or seasons (fall, winter, spring, and summer), in which your product/service is offered or available. For example, fruits and vegetables are produced seasonally, but the market requires products throughout the year. You may sell fresh products during and shortly after harvest, and process the rest to meet demand during the remainder of the year, or you may choose not to market in the winter.*

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**Product Benefits**

*Examples: Long lasting, fragrant, low in sodium, heart healthy, etc.*

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### Ask Yourself: Is Wholesale or Direct Marketing for Me?

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do I want to do the marketing myself?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I like to work with people?</td>
<td></td>
<td></td>
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<tr>
<td>Do I have a location that would allow me to retail to consumers?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I have a large parking lot, or a place to put one?</td>
<td></td>
<td></td>
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<tr>
<td>Do I have the facilities that I can use to sell directly to consumers?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the consumer base large enough to support direct marketing?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
? Am I willing to develop markets for my products?  Yes ___ No ___
? Do I have funds to promote my products?  Yes ___ No ___
? Would my customers like to buy direct-marketed products?  Yes ___ No ___
? Is a roadside stand feasible?  Yes ___ No ___
? Have I considered the potential for entertainment farming and tourism?  Yes ___ No ___
? Am I willing to take on the legal risk of having customers on my farm?  Yes ___ No ___
? Are my target customers interested in how the product was produced?  Yes ___ No ___
? Do I have a large volume of product?  Yes ___ No ___
? Do markets already exist for the products I plan to produce?  Yes ___ No ___
? Would I prefer to work through these existing markets rather than develop my own markets?  Yes ___ No ___
? Do my customers prefer buying at mass retail outlets where price is the main consideration?  Yes ___ No ___
? Would I prefer to pay someone else who I do not have to train to market my products?  Yes ___ No ___
? Do I prefer to be producing products on the farm rather than selling products to customers in the farm stand, farmers' market, or other venues?  Yes ___ No ___
? Do I want to lock the door and go home at 5 PM?  Yes ___ No ___
? Do I want to specialize in producing only a few products?  Yes ___ No ___

If you answered yes to the majority of questions 1-13, you should consider direct marketing and go to the **Direct Marketing Section** to review direct markets in more detail.

If you answered yes to most of questions 14-21, you should consider wholesale marketing and go to the **Wholesale Marketing Section** to review wholesale marketing options in more detail.

If you are not a people person, you probably want to consider wholesale marketing. Much has been said about “cutting out the middleman” and marketing directly to the final consumer. However, that “middleman” performs a valuable function of selling the products. If you don't use a middleman, then you will have to perform those sales functions yourself, allowing you to devote less time to production.
However, if you are a people person and have a good location to attract customers, then direct marketing can allow you to capture more of the consumer dollar. You will also want to consider what existing markets are in your area. Established markets (wholesale or retail) can give you and easy entry into farm marketing.

**Ask Yourself: How Do I Price My Product?**

How much will it cost to produce my product? ______________________________

How much are customers willing to pay for my product? ____________________

What price will I charge? ________________________________________________

Will the price I choose support my
  - Product? Yes ___ No ___
  - Sales objectives? Yes ___ No ___
  - Distribution? Yes ___ No ___
  - Promotional strategies? Yes ___ No ___

Which of these practices do I intend to use?
  - Produce high quality products. Yes ___ No ___
  - Carefully grade my products. Yes ___ No ___
  - Focus on good post-harvest handling techniques. Yes ___ No ___
  - Look for niche markets and products that consumers want especially those that other producers are not supplying. Yes ___ No ___
  - Offer good service. Yes ___ No ___
  - Be in the market at the right time. Yes ___ No ___
  - Make sure you know the cost of production so you know your bottom price. Yes ___ No ___

What plans are my plans for obtaining the highest price possible:
  1. ________________________________________________
  2. ________________________________________________
  3. ________________________________________________
  4. ________________________________________________
  5. ________________________________________________
Ask Yourself: Who are my customers?

Who are my potential customers?

(This will help you know how to reach these customers and target your promotional activities).

Are they low _____, medium _____, or high _____ income?

Are they young _____, middle-aged _____, or elderly _____?

Is their highest level of education high school _____, college _____, post-graduate _____?

Are they local _____, tourists (e.g., they will pass your farm and buy tomatoes on the way to the Jersey shore?) _____, or from more distant locations _____?

Are they mostly White _____, African American _____, Hispanic _____, Asian _____, Other _____?

Are they blue-collar _____ or professional _____ workers?

Are they male _____, female _____, or both _____?

Are they rural _____ or urban _____ residents?

Are they homemakers _____ or working spouses _____?

Do they purchase in large _____ or small _____ quantities?

Are they motivated more by price _____ or high quality _____?

Would they be interested in entertainment farming and tourism? __________________________ Yes ___ No___

If you are in the wholesale market, you will have to do more work to find out what your consumers want. You will need to communicate with the broker, co-op, or other marketer to receive any additional feedback (other than price) to better know your market.

What are my customers' needs? This applies whether or not you are selling to the final consumer or to intermediate buyers such as brokers or terminal markets.
(Do they need convenience? A particular size? Saturday deliver? Unique products? High value products? Large volumes? etc.)

Given my customers' needs, what kind of products am I considering?

What type of promotion would best target this audience?
Ask yourself: What is my image?

Are my facilities neat and clean? ___ Yes ___ No ___

Are my marketing trucks neat and clean? ___ Yes ___ No ___

Are the areas around my farm, office, and buildings uncluttered? ___ Yes ___ No ___

Are my products top quality, fresh, clean, and graded? ___ Yes ___ No ___

Are my products labeled? (This applies to retail and wholesale farmers) ___ Yes ___ No ___

Are my displays neat, full, and convenient? ___ Yes ___ No ___

Are my employees who come in contact with customers appropriately dressed? ___ Yes ___ No ___

Are all the management and staff courteous, friendly, and helpful to customers? ___ Yes ___ No ___

Are owners and employees constantly looking for ways to improve the business and benefit customers? ___ Yes ___ No ___

Do I seek assistance from outside advisors such as my local Extension staff? ___ Yes ___ No ___

Who are my competitors? (Are they other farmers, or vendors who produce competing products for your customers’ dollars, i.e., if you are selling potted plants, your competition may be with wine or candy rather than the nursery next door who sells landscape plants.) __________________________________________
________________________________________________________
________________________________________________________

What is the population in my target area? ________________________________

What are the trade patterns in my area? (Do things sell locally or do customers buy from other states?) __________________________________________
________________________________________________________
What are the strengths of my product compared to competing products?
_______________________________________________________________

What are the weaknesses of my product compared to competing products?

How much are my customers willing to spend for my product? ____________

How will I attract customers to my farm or to my products?
  6. ___________________________________________________________________

What promotional plans do I have for my farm?
  7. ___________________________________________________________________

How much do I plan to budget for promotion and where?
(For example, $500 for direct mailing newsletters, and $500 for a newspaper ad with a
coupon.)

_____________________________________________________________________
_____________________________________________________________________

Additional things to consider are:

Dress. Consider how you and your employees dress during the event. Having distinct-
tive tee shirts with my business logo lets customers know who to ask for help. Cus-
tomers like to shop where they know someone cares.
  • Describe any special dress, name tags, logos, etc. to identify my employees to
customers.
    • __________________________________________________________________
    • __________________________________________________________________
    • __________________________________________________________________
    • __________________________________________________________________

Value-added services. Consider value added services such as gift-wraps, shipping,
and accepting credit cards.
  • Describe any value-added services such as gift-wraps, shipping, accepting
credit cards.
    • __________________________________________________________________
    • __________________________________________________________________
    • __________________________________________________________________
• ____________________________
• ____________________________

**Include employees.** Brainstorm with your staff. Coming up with ideas on your own is difficult. Getting your team together will enable you to come up with different ideas. Once you have brainstormed ideas, set a budget for the events and ensure the entire team is aware of the event and the budget.
  - List any additional plans I have to include employees or customers in the planning and promotional process.
    • ____________________________
    • ____________________________
    • ____________________________

After the promotional campaign, **evaluate** whether or note it was worth it.

Would I do the same thing again? _________________________________

What would I change? _________________________________

---

**Ask Yourself: How Do I Develop My Market?**

? Who is your target market?
______________________________________________________

? What product are you providing?
______________________________________________________

? Why will consumers want this product?
______________________________________________________

? How will you entice customers to buy it?
______________________________________________________

---

**Ask Yourself: How Do I Develop My Market?**

? Who is your target market?
______________________________________________________
What product are you providing?
______________________________________________________

Why will consumers want this product?
______________________________________________________

How will you entice customers to buy it?
______________________________________________________
Ask Yourself: How do I plan to market my product and manage my risk?

Please read the examples on Robin's Gardens and Tony's Vegetable Farm. Then consider your own farm and use the space below each question to describe the product you plan to produce on your farm.

Examples:

- Robin's Gardens produces vegetables, fruits and flowers.
- Tony's Vegetable Farm produces winter squash, sweet corn, tomatoes, cucumbers, and peppers.

What would you like to produce?

____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

What are your product features?

____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

Examples:

- Robin's Gardens markets fresh produce. It also produces unique varieties of bedding plants and hanging baskets in two sizes (8 inch and 10 inch pots).
- Tony's Vegetable Farm markets fresh produce. They focus on having high quality products. They are careful about grading and post-harvest handling to insure top quality.

How do your products differ from your competitors' products?

____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

Examples:

- Robin's Gardens grows varieties that aren't readily available elsewhere. This allows them to sell at higher prices than the big box stores. They also grow a wide selection of vegetable varieties such as heirloom tomatoes that aren't readily available elsewhere, thus allowing them to charge a premium.
- Tony's Vegetable Farm grows several varieties of vegetables. They focus on quality, and use high tunnels so that they are in the market earlier than other producers and obtain a premium price.
Examples:

- **Robin's Gardens** washes their vegetables and fruit and displays them to appeal to consumers. Bedding plants are packaged or enhanced in various ways to increase their value to Robin's Gardens' consumers. Some are planted in bowls and planter boxes to add value and can be sold at a higher price than plants would be if sold individually.

- **Tony's Vegetable Farm** puts look up codes on the produce, washes the produce and carefully handles and cools produce if needed after harvest to insure freshness.

Questions:

- **What are your product features?**

  - __________________________
  - __________________________
  - __________________________
  - __________________________
  - __________________________

- **What is your marketing season?**

  - __________________________
  - __________________________
  - __________________________

Examples:

- **Robin's Gardens** provides easy parking to its customers. Its' customers benefit from the freshness, high quality, large selection of unusual products, value-added products, and the lower prices of their vegetables via pick-your-own operations in June (recreational event).

- **Tony's Vegetable Farm** provides stick- ers with look-up codes for ease of check out. The produce is the freshest around.

- **What benefits do your products/services provide to your customers?**

  - __________________________
  - __________________________
  - __________________________

Examples:

- 80 percent of total sales of **Robin's Gardens** are generated from the first of May through the end of October, and via pick-your-own operations in June. The remaining 20 per cent of sales are sold all year at a nearby farmer's market.

- **Tony's Vegetable Farm** sells produce from May through October.
What types of production risks do you face?

______________________________
______________________________
______________________________
______________________________
______________________________
______________________________
______________________________
______________________________
______________________________
______________________________
______________________________
______________________________

Examples:

- **Robin's Gardens** faced production risks or yield risks caused by drought and frost.

- **Tony's Vegetable Farm's** number one risk is hail, followed by drought, and too much rain which occurs every 4 to 5 years. Even though Tony irrigates, in a severe drought, he cannot get enough water to the crops to overcome the drought. Also, drought, also usually brings excessively high temperatures, which stunt the crops and reduce yields. The third biggest risk is too much rain, which occurs every 4 to 5 years.

What are your risk management strategies for dealing with production risks?

______________________________
______________________________
______________________________
______________________________
______________________________
______________________________

Examples:

- **Robin's Gardens'** responses to production risks are: crop diversification, using a greenhouse for production of plants, irrigation, and crop insurance.

- **Tony's Vegetable Farm** carries Catastrophic Risk Protection (CAT coverage). Tony irrigates, but, in a severe drought, he cannot get enough water to the crops to overcome the drought.
Use the information above to write your marketing plan.

You can use AgPlan, the Free Business Plan from the Center for Farm Financial Management at the University of Minnesota: https://www.agplan.umn.edu/.

New users need to "Register" (under the Login button).

You can allow reviewers by giving their e-mail address. Feel free to add me: brumfield@aesop.rutgers.edu.