

# The Marketing Channel Assessment Tool for Small-Scale Specialty Crop Producers

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This project funded by:



**Cooperative  
Extension**  
Tompkins County



*NY farm viability*

INSTITUTE

# Wholesale

Selling to a buyer who  
is not the end user.

Packer

Restaurant

Grocery/Retail

Distributor

Auction

Institution/Food Service

# Direct

Selling directly to the  
end user.

Farmers' Market

Freezer Trade

CSA/Buying Club

Farm Stand/Store

Web

# Opportunity is knocking...

CSA

Farmers' Market

U-Pick

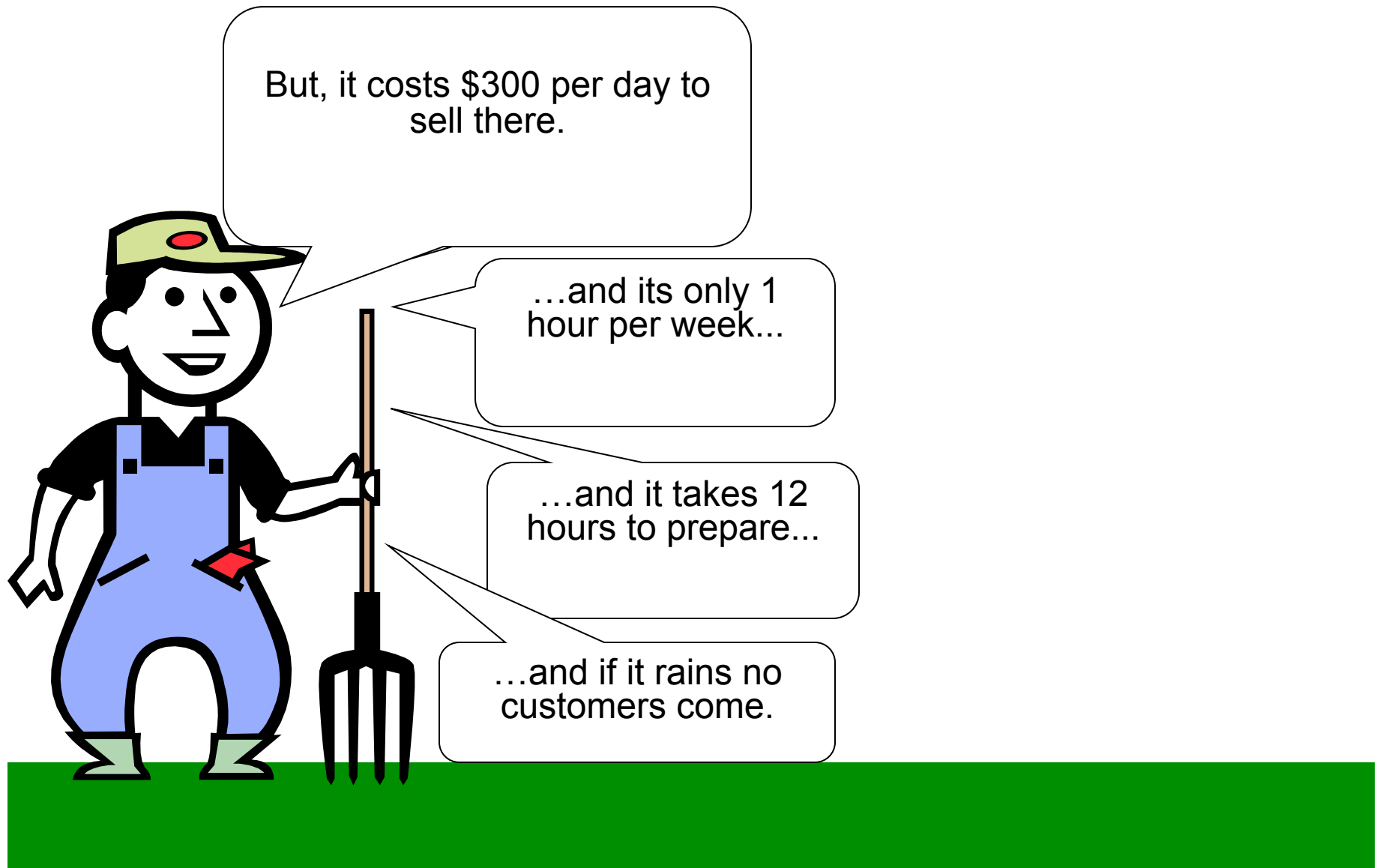
Restaurant

Grocery

Cooperative

Distributor

Farm Stand



But, it costs \$300 per day to  
sell there.

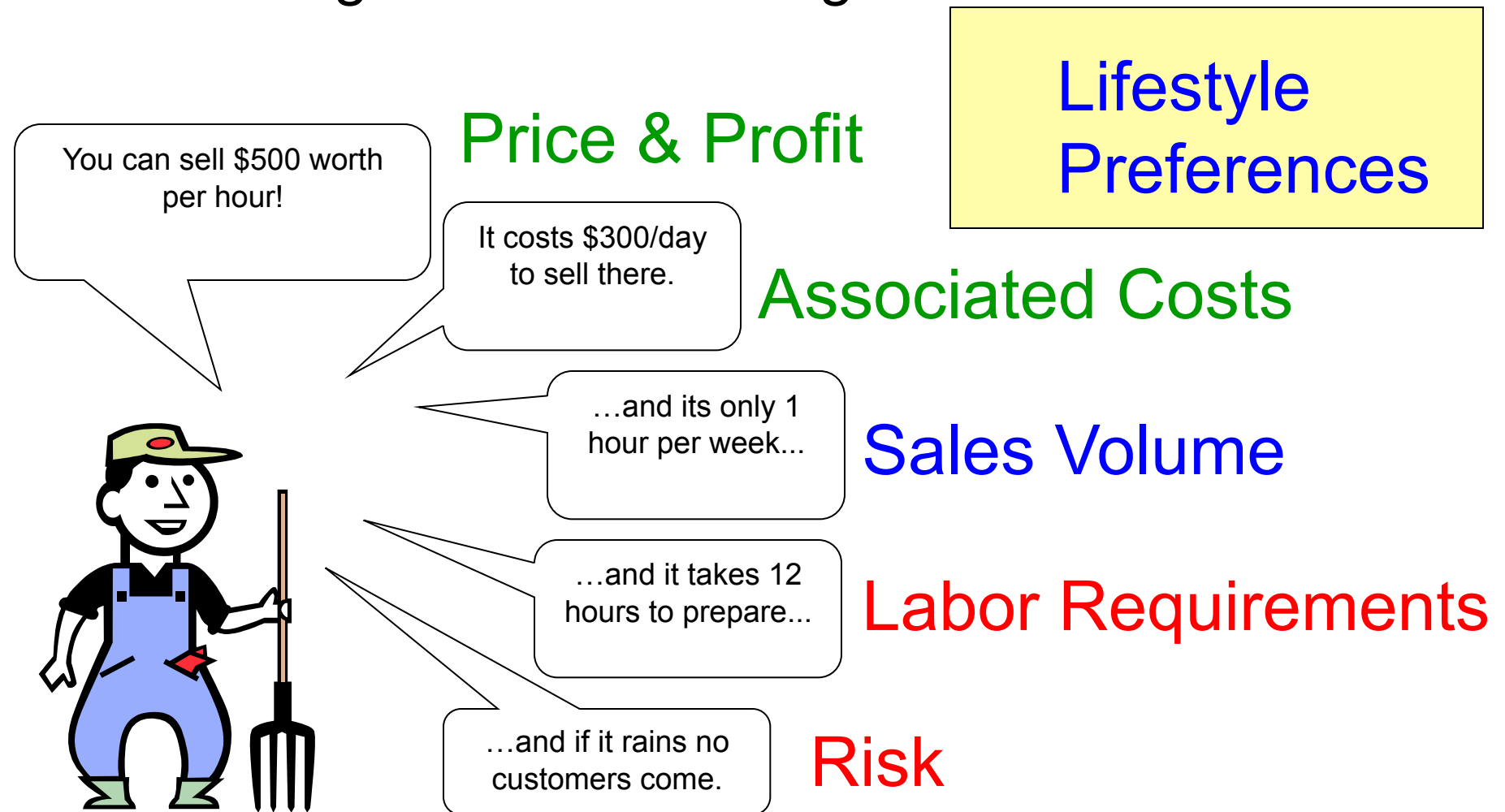
...and its only 1  
hour per week...

...and it takes 12  
hours to prepare...

...and if it rains no  
customers come.

# How do you evaluate a market opportunity?

Six interacting factors impact the “performance” of a marketing channel including:



# The Moving Target

- Which channel is best?
- One channel does well in one way, poorly in another so how do you know?



# Muddy Fingers Farm

- Diverse vegetable & fruit production.
- Farmers' markets, CSA, & restaurants.
- No paid labor, 6 working shares, family & friends that volunteer.
- 2.5 acres in production.
- Over 45 crops.



# Methodology

- Collect logs of all marketing labor (from harvest to sale) for one typical, peak season week.
- Collect gross sales & mileage for the week.
- Collect ranking on lifestyle & risk.
- Collect weights for each ranked category.

## Why labor logs?

- Labor is the largest marketing expense.
- Consistent unit and format.
- Operators tell hired help to complete the forms.
- Each employee filled out their own sheets.



# Labor logs

Farm name

Name: Joe

Date: 8/5

Time spent (to nearest 15 min): 45 Vegetable(s): kale & chard

**Activity: Check all that apply**

☐ Create Pick list ☐ Harvest

☒ Cull/grade/sort/wash ☐ Bunch/Bag/Package/Pack orders/boxes

☐ Load/unload truck

☐ Travel to/from market/make deliveries

☐ Bookkeeping/Bills

☐ Sales calls

☐ Sales Time/Set up/Take down

☐ Other (please describe) \_\_\_\_\_

**Product Destination: Check all that apply** (when possible, please write name of biz)

☒ CSA

☐ Restaurant \_\_\_\_\_

☐ Ithaca Farmers' Market

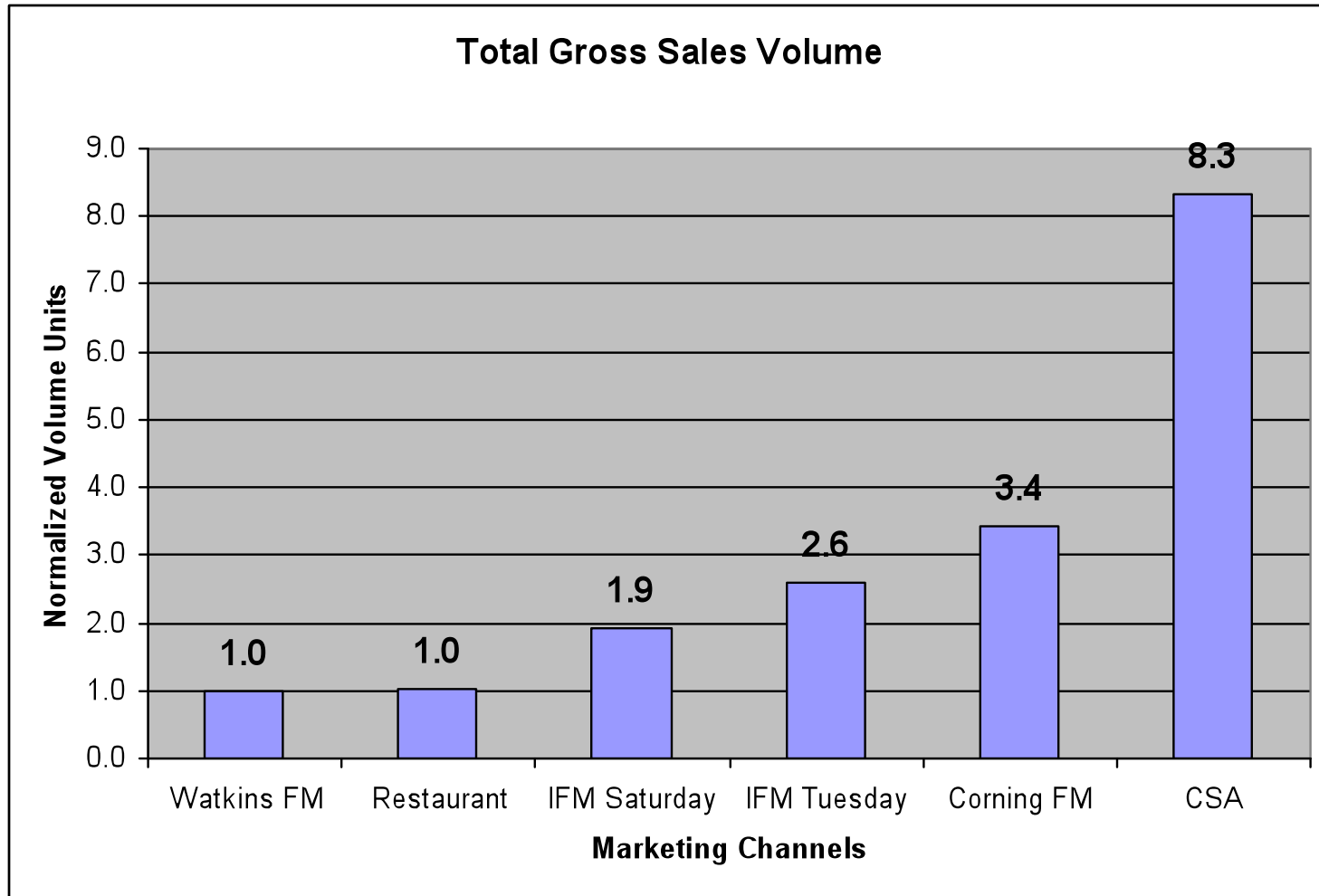
☐ Other \_\_\_\_\_

Harvest → Process & Pack → Travel & Delivery → Sales time

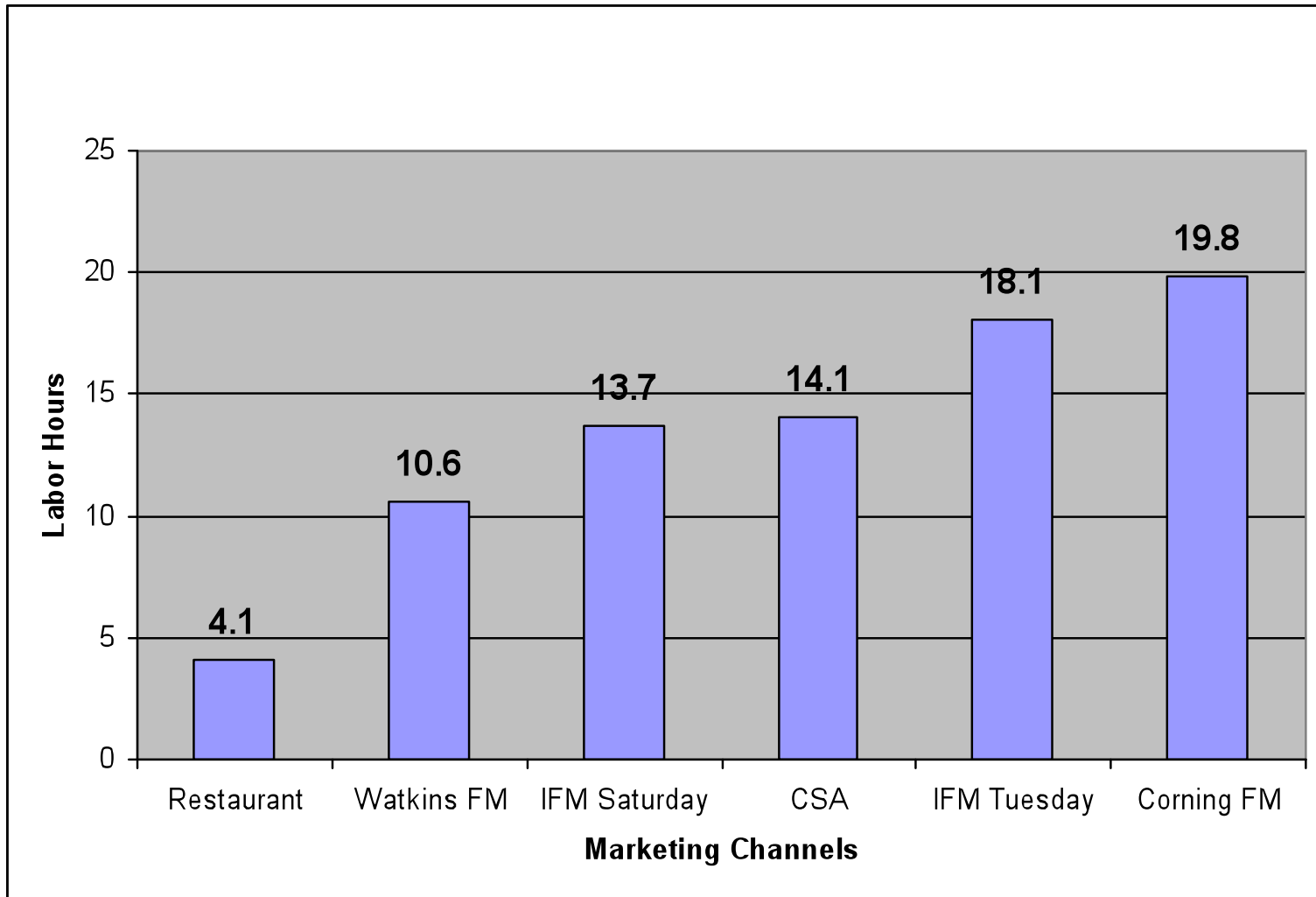
# Methodology

- Use data to rank and compare channels:
  - Profit (gross sales – (labor + mileage cost))
  - Labor hours required
  - Sales volume
- Also use farmer ranking for :
  - Risk perception (financial risk, lost sales, etc...)
  - Lifestyle preference (enjoyment, stress aversion)

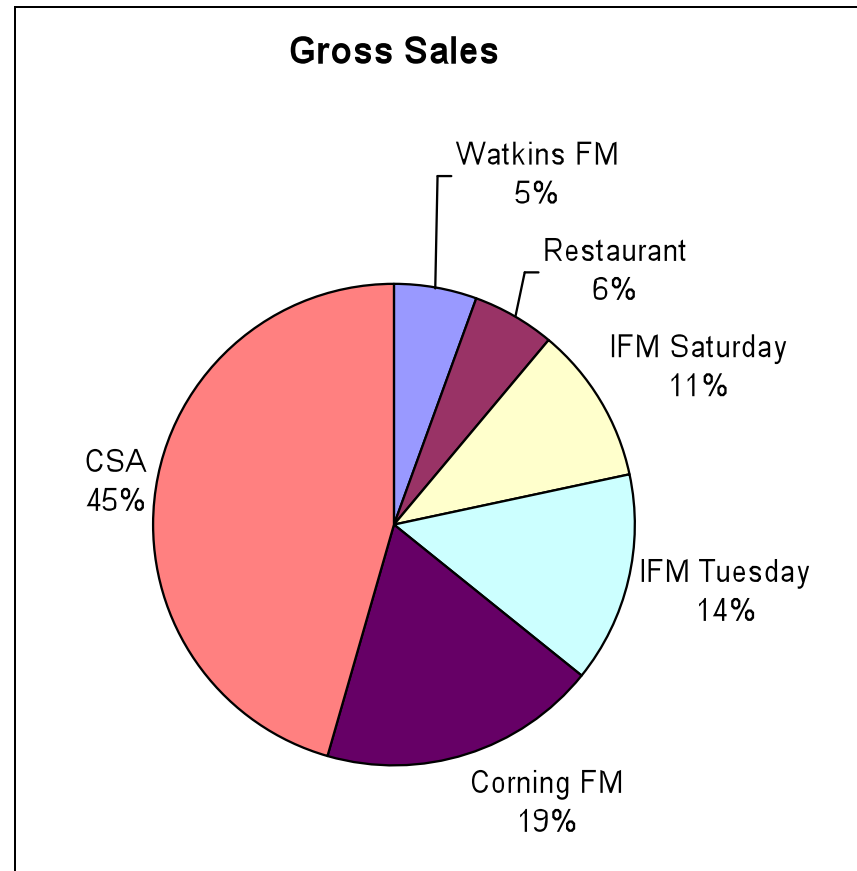
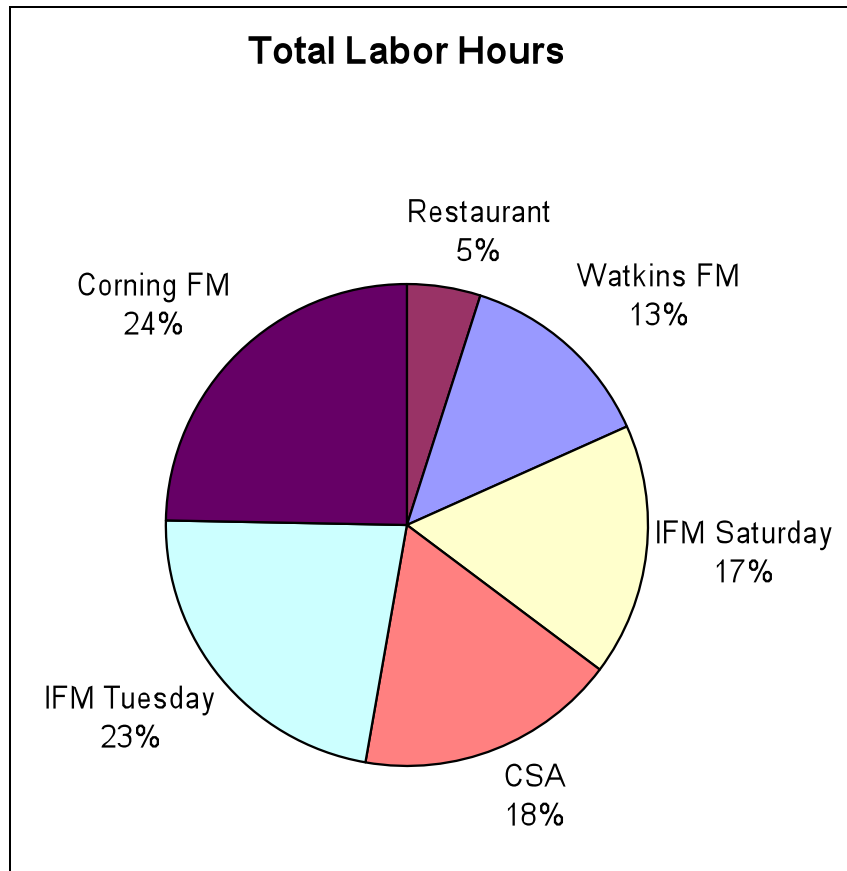
# Sales Volume by Channel



# Total Labor Hours



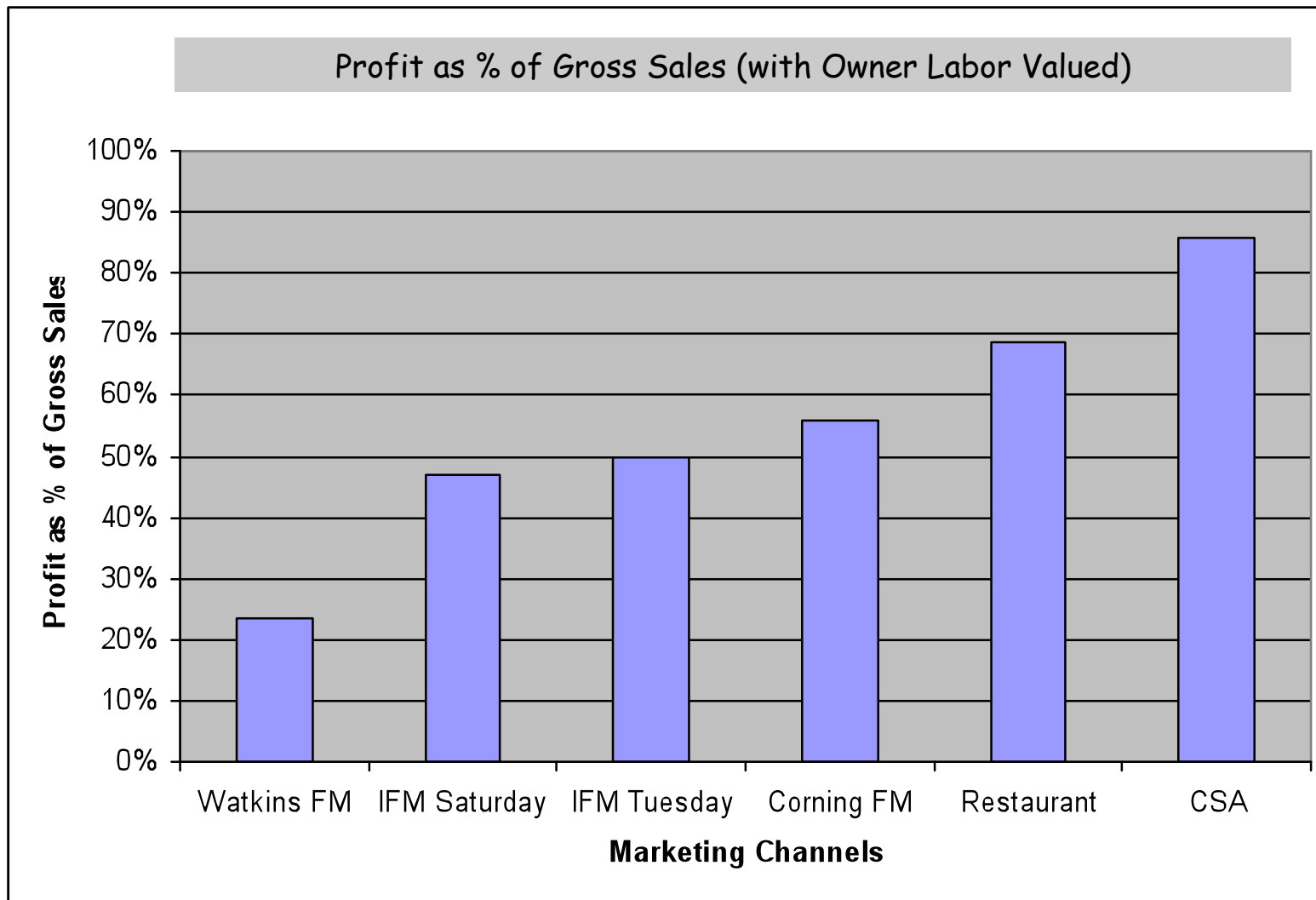
# Simple Comparison of Labor & Sales



CSA: 18% of weekly labor, 45% of weekly gross sales.

Watkins Glen FM: 13% of weekly labor, 5% of weekly gross sales.

# Profit



# Risks & Preferences:

Labor requirements

Price risk

Customer turn-out

Competition

Buyer back-out

Processor is booked

People on the farm

Customer interaction

Time in the field

Wash & pack

Displays



# Rank & Compare Opportunities for Performance Factors

	Sales Volume	Labor Hours	Profit Margin	Financial Risk	Lifestyle	Final Scores	
	Rank	Rank	Rank	Rank	Rank	Unweighted	Weighted
IFM Tuesday	4.9	5.4	3.9	2.0	1.0	3.4	3.2
IFM Saturday	5.4	4.0	4.1	2.0	1.0	3.3	3.1
Corning FM	4.3	6.0	3.4	2.0	1.0	3.4	3.2
Watkins FM	6.0	3.1	6.0	2.0	1.0	3.6	3.5
CSA	1.0	4.2	1.0	1.0	1.0	1.6	1.6
Restaurant	6.0	1.0	2.4	2.0	1.0	2.5	2.0

Based on 5 factors and farmer chosen weights.



# Practical Application: Marketing Decisions

- Considering a marketing change, what should it be?
- Reduce participation in weakest performing channel.
- Increase participation in best performing channel.
- Strategic channel combination to maximize sales and reduce risks.

# Practical Application: Marketing Decisions

- Muddy Fingers Farm has been considering a marketing change, what should it be?
- Could drop the Watkins Glen Farmers' Market and add 12 shares.
- Weekly gross sales remain equal.
- 8-9 hours/week less labor.

# Seeking farms to participate in the Marketing Channel Assessment this season

## REQUIREMENTS:

At least 3 different marketing channels.

No more than 12 people working (including owners & family).

For farms producing fruits, vegetables, &/or fresh cut flowers.

## Farmer Benefits:

1. Informed decision making
2. Increase in profitability, enjoyment of work.
3. Decrease in labor needs, stress, risk.
4. Benchmarking against similar farms.

# Contact information:

Matthew LeRoux

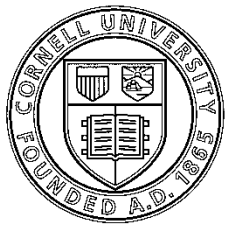
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