

*Niche Marketing for Produce:
Lessons from Innovative Western
Enterprises*

by

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What is Niche Marketing?

- ☞ Production-marketing strategy to address specific needs of specific customers*
- ☞ Often focused on relationships, smaller companies, and value added products*
- ☞ Niches are always undergoing change*
- ☞ Food Certification/Labeling areas
-- tools to differentiate product*

What may not be a Niche Market?



Field Day after the Rain

What may not be a Niche Market?

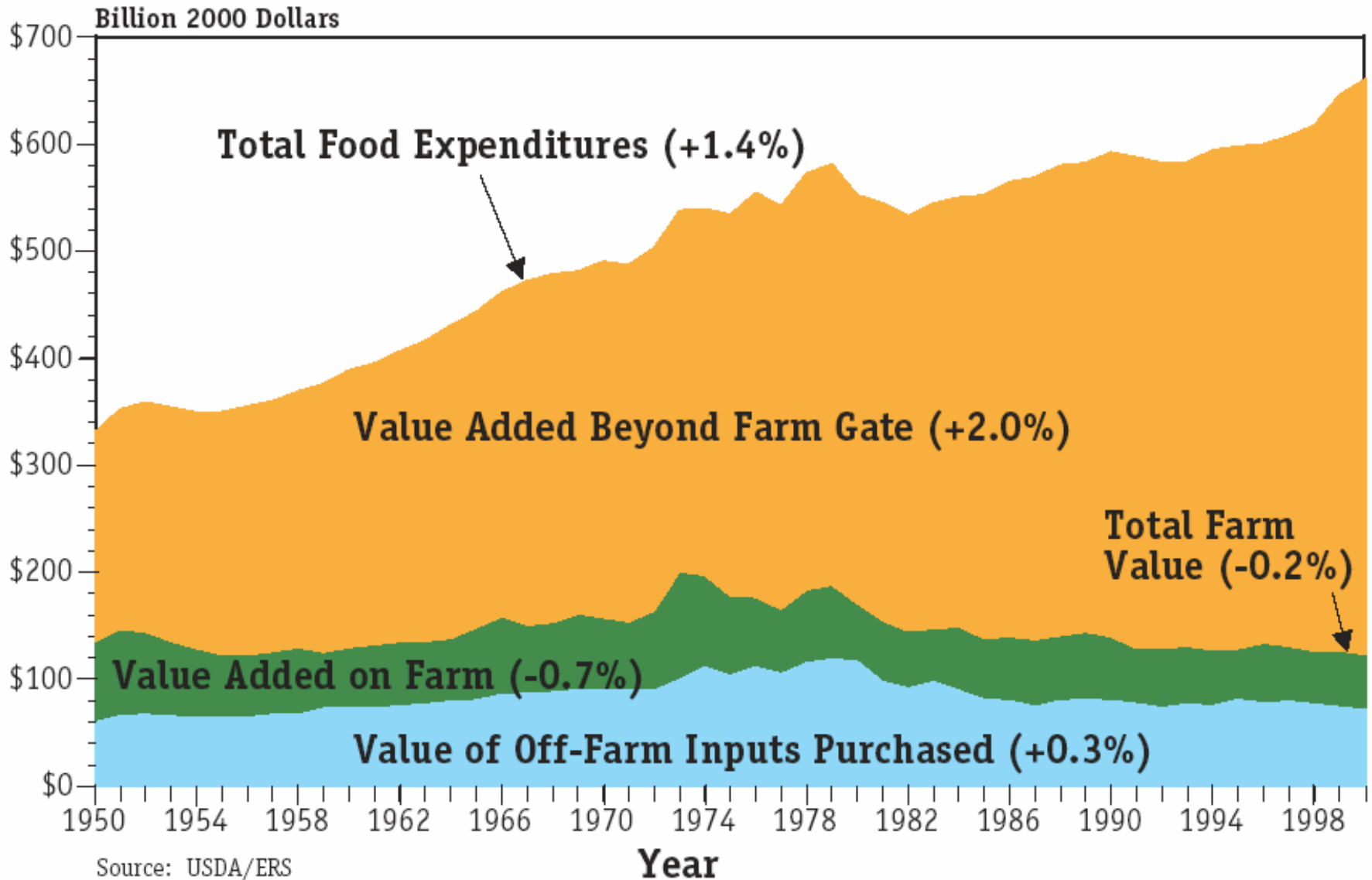
Grape Imports from Mexico



Why Niche Marketing?

- ☞ Capitalize on markets that have been overlooked by others*
- ☞ Opportunity to add value with desired attributes at farm gate and beyond*
- ☞ Your goals, managerial talent, and farm resources may compliment each other with niche production-marketing.*
- ☞ Have fun!*

Components of Food Expenditures, 1950-2000

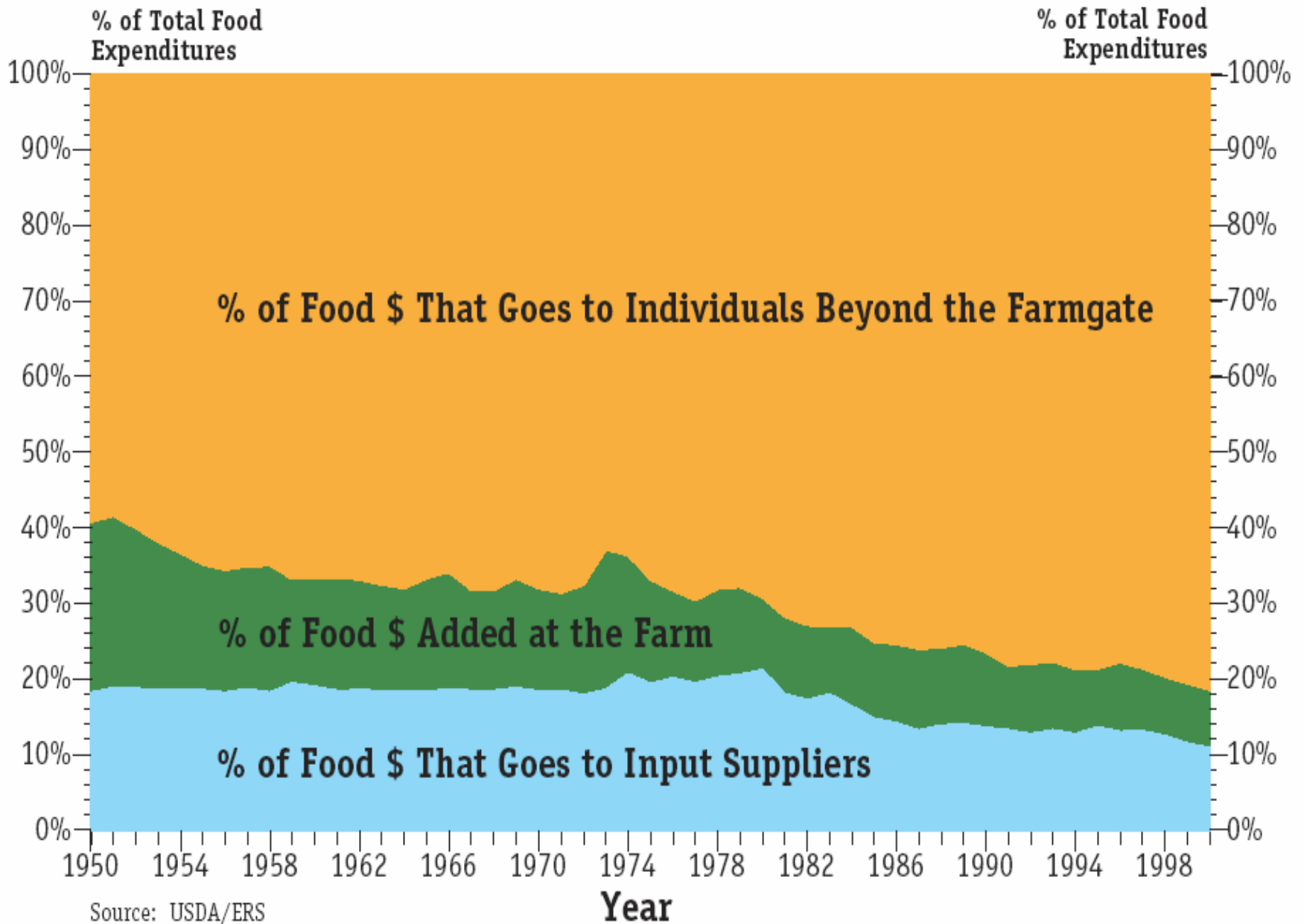


Source: USDA/ERS

Note: Expenditures Deflated by the Consumer Price Index

Compounded Annual Percentage Change is Given in Parentheses

Percentage Composition of Food Expenditures, 1950-2000



Now versus Before -- Convenience



Basic Challenges of Niche Mktng

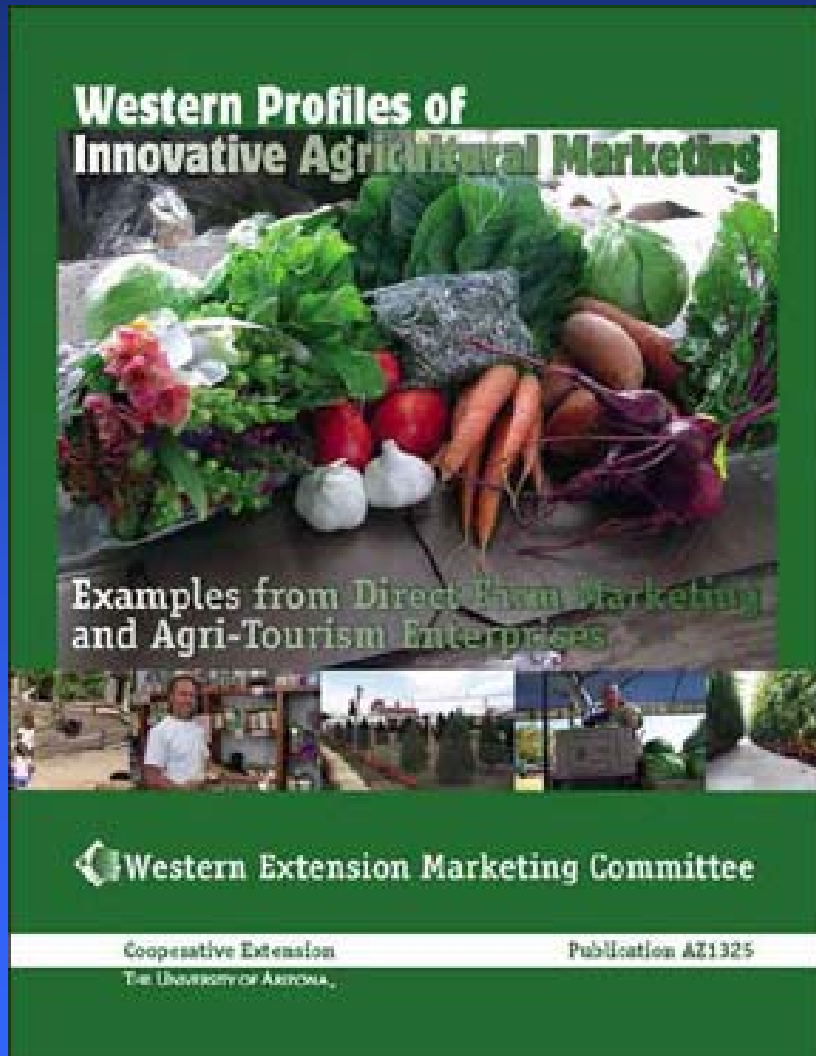
- ☞ Find product/service in area where someone is not already established*
- ☞ Group small enough to be overlooked by competition*
- ☞ Group large enough to produce the volume of business needed*
- ☞ Several niches that compliment each other*

The Discipline of Market Leaders

(Treacy and Wiersema)

- ☞ *Customer Intimacy -- meeting specific needs of select customers (Nordstrom, Airborne Express)*
- ☞ *Operational Efficiency -- low cost producers (Wal-Mart, McDonalds)*
- ☞ *Product Leadership -- first with new products (Intel, Nike)*

Western Profiles Publication



- ☞ *17 enterprises from West*
- ☞ *“Everything that can be counted doesn’t necessarily count; everything that counts cannot necessarily be counted.” Al Einstein.*
- ☞ *“Low-Cost” commodity producer to “Consumer Intimacy” strategy*

Four Key Strengths of Enterprises

- ☞ Customer Intimacy. Ongoing communication/relationship with customers.*
- ☞ Personality type and interpersonal skills. (People Skills)*
- ☞ Superb Product & Service Quality: especially if no unique experience.*
- ☞ Business Savvy. Profit centers, product mix.*

Creative Growers



☞ *Noli Oregon: 25 miles W. of Eugene*

☞ *Aaron & Kelly Silverman*

Creative Growers

- 👉 *Product Mix: Organic veggies (63%), pastured poultry (26%), flowers (11%)*
- 👉 *Veggie Sales*
 - Restaurants 90%*
 - CSA 10%*
- 👉 *Plow down a crop with low quality*
- 👉 *Excellent communication with Chefs*

Cattail Creek Farm

 *Junction City, Oregon*

 *Jon Neumeister*



Niche of Cattail Creek Farm

- ☞ *Never uses GMO feed, antibiotics, or rental pasture*
- ☞ *Provides superb service with restaurants*
- ☞ *Collaborates*
 - refrigerated truck*
 - deliveries*

Seabreeze Organic



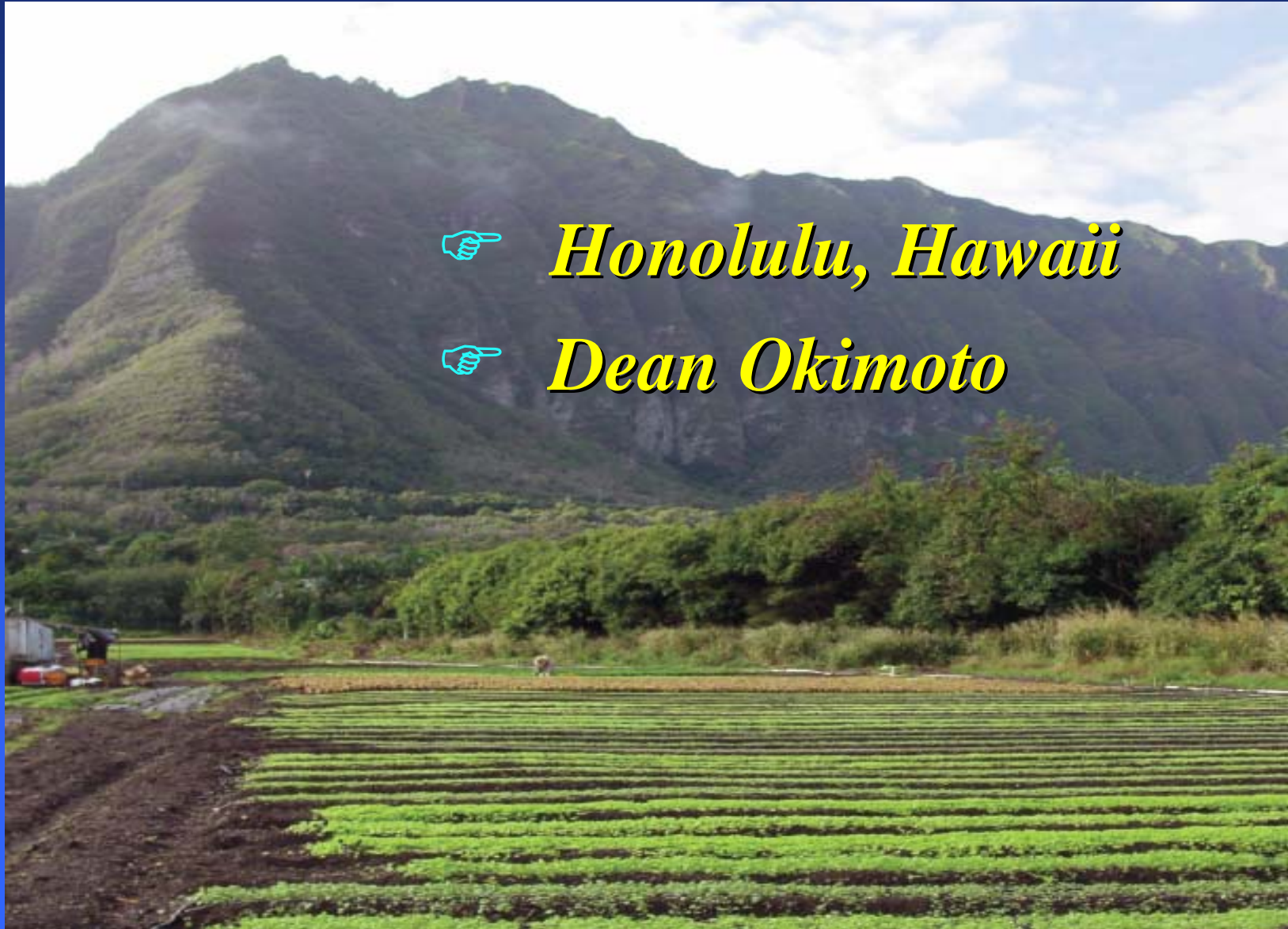
San Diego County

Stephenie Caughlin

Seabreeze Organic

- 
- ☞ Began as a political and environmental statement*
 - ☞ Organic veggies, salad greens, fruits, and citrus*
 - ☞ 200 weekly deliveries within 10 miles of farm*

Nalo Farms: High End Restaurants



Honolulu, Hawaii



Dean Okimoto

Nalo Farms: 3 Keys to Success

- 
- ☞ Top Quality*
 - ☞ Consistency*
 - ☞ Customer Service*

Love Family Farms: Kona Coffee

 *Kona, Hawaii*

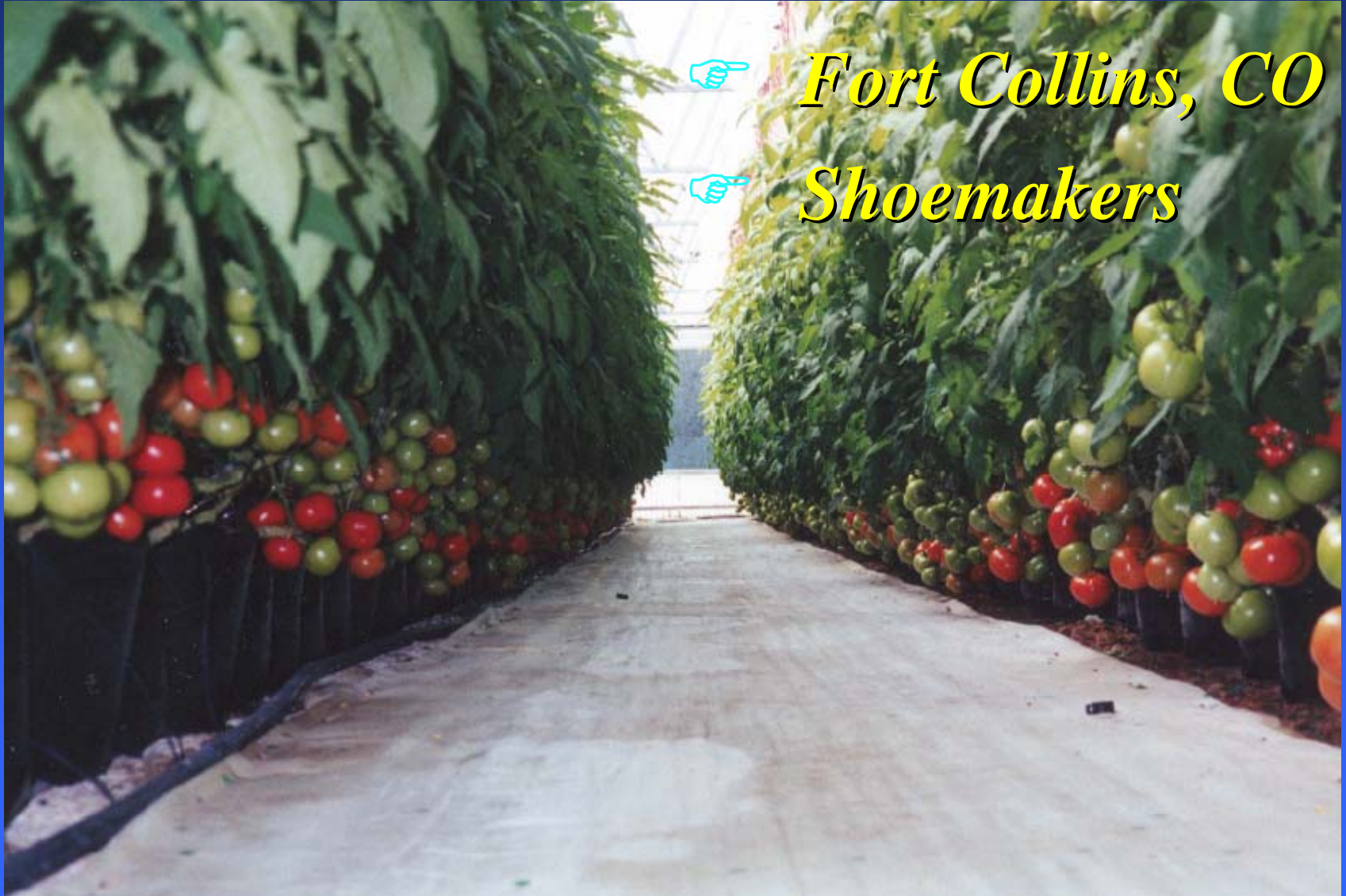
 *Ken Love*

Love Farms: Niches Developed

- Processes coffee at cooperative facilities*
- Designs own custom labels*
- Targets Japanese consumers*
- Tree Rental Program*
- Exotic Fruits*



Honeyacre Produce



Fort Collins, CO



Shoemakers

Niches of Honeyacre Produce

- ☞ *Products: tomatoes, seedless European cucumbers, tri-colored peppers*
- ☞ *Outlets: retail, restaurants, & farmers' markets*
- ☞ *Transformed from a year-round to freshness Market Niche*
- ☞ *2 Mkt Segments*
 - health conscious*
 - consumers seeking taste*

Southridge Farms



Santaquin, UT

Phil Rowley

**Farm
Market**

**Gift
Barn**



**Apple
Sales**

Niches of Southridge Farms

Our jams are
farm fresh
and delicious!

☞ *Moose Droppings for Sale*

☞ *Country Store*

☞ *Gift Packages*

☞ *Sleep at night -- more price control*

Jam
\$3.49

Harward Farms







Springville, UT



Judd Harward

Niches of Harward Farms

-  *Quality Sweetcorn \$3.50 vs \$1.00*
-  *Personal name basis*
-  *Sweetcorn and alfalfa sales
compliment each other*
-  *Displays identify their product
(common green banner)*

American Pet Diner

Eureka, Nevada

Schoemakers



Niche of American Pet Diner

- ☞ Timothy hay sold as pet food*
- ☞ Internet focused company*
- ☞ Provide superior product and service*

Which Apples you Prefer?

Food

versus

Tourism



farm price ~\$.20/lb.

Quality Factor at U-pick



Niche of Experience & Product



Summary of Key Points

- ➡ Superb produce quality/ service and/or unique experience*
- ➡ Experience vs. Cosmetic Appearance*
- ➡ Year-round opportunities for retaining good help.*
- ➡ 5Ps of Marketing Mix: people skills*
- ➡ Education Opportunities*
- ➡ Goals and Objectives of Farm/Ranch*

Resources

- ☞ *Western Profiles Publication:*
 - *22 page color publication, \$10*
 - *CALSmart, 520-318-7275*
 - cals.arizona.edu/arec/wemc/wemc.html*
- ☞ *Southwest Mktng Network Conf.*
 - *Flagstaff, AZ; March 14-16*
 - *www.swmarketing.ncat.org*