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Extension's Role in Facilitating Collaborative Initiatives: Direct Marketing Farm Products on the Internet

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Abstract

Using the Internet to direct market farm products provides multiple opportunities for producers to expand their existing businesses. Most often, these initiatives are undertaken by individual businesses. However, recent efforts in Central Pennsylvania suggest ways in which Extension can facilitate collaborative initiatives to direct market farm products online. In addition to increasing the profitability of small producers, collaborative marketing efforts can also contribute to sustainable community outcomes. Inherent in our discussion is the assumption that the principals of facilitating collaborative initiatives to direct market farm products online can be used to facilitate collaborate initiatives in other programmatic areas.

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Introduction

Using the Internet to direct market farm products provides multiple opportunities for producers to expand their existing businesses. Most often, these initiatives are undertaken by individual businesses. However, recent efforts in Central Pennsylvania to facilitate multi-producer marketing initiatives suggest ways in which the Internet can be used to direct market farm products collaboratively. An appropriate role for Extension is to facilitate collaborative efforts to use the Internet to direct market farm products. In addition to increasing the profitability of small producers, collaborative marketing efforts can also contribute to sustainable community outcomes. Inherent in our discussion is the assumption that the principals of facilitating collaborative initiatives to direct market farm products online can also be used to facilitate collaborate initiatives in other programmatic areas.

Background

Direct farm marketing provides the shortest link between consumers and food producers. Growing interest in food safety, food transportation costs, and sustainable agriculture has helped support the growth of direct marketing sales. Consumers with these interests often prefer to buy local food products directly from growers to ensure that producers meet their health and environmental

standards (Gale, 1997, p. 19).

An increase in online shopping parallels changes in consumer preferences. Approximately 70% of Internet users in the United States have reported that they shop online (Pew Internet, 2006). Producers have begun to take advantage of the Internet by developing their own Web sites to promote their products to a wider audience that they may not have reached through traditional, face-to-face direct marketing strategies.

While individual online direct marketing has helped some farmers increase their profitability (Ball & Duval, 2001), Klotz (2002) highlights some of its limitations. First, producers must consider how they will distribute food products through ground transportation, local pick-ups, or shipping. Second, shopping online occurs seasonally; approximately one-third of overall online shopping takes place outside of the growing season during the months of October, November, and December.

Additionally, producers must have the necessary expertise or hire someone to develop and manage their Web site for which they must pay Web hosting fees. They must also regularly update their Web site to announce the availability of current products, as well as maintain a current e-mail list to correspond with buyers. Although making use of the Internet can expand customer bases and be convenient for shoppers, such sites minimize the personal, face-to-face connections that more traditional marketing initiatives, such as roadside stands and farmers markets, provide.

Collaborative initiatives, however, can help overcome some of the limitations associated with individual online direct marketing by taking advantage of economies of scale in advertising, packaging, and transporting products. Additionally, Bregendahl and Flora (2006) have documented ways in which collaborative agricultural marketing efforts contribute to sustainable community outcomes, such as healthy ecosystems, vibrant regional economies, and social equity and empowerment. These community outcomes offer extended benefits that are not as readily observable from individual producer initiatives. By facilitating cooperative marketing initiatives Extension involves a wider, more diverse audience in its efforts to support vibrant, local communities.

Discussion

As described above, Extension can facilitate local farmers' interest in identifying and implementing online collaborative marketing tools. To support such initiatives, we recommend that Extension educators carry out the following steps.

1. Determine Interest Level

Conduct a needs assessment by contacting local producers and potential buyers (individual or institutional) to determine if interest in and a need for such an initiative exists. Initial contacts with producers and buyers should lead to others with potential interest in online marketing.

2. Form a Steering Committee from Initial Contacts

Encourage the most interested producers and buyers to serve on a steering committee. In their study on the effectiveness of community-based steering committees, Banach, Zunz, and LaPointe (2006) suggest that Extension personnel can play an important role in the development of collaborative projects by helping to recruit steering committee members who exhibit strong leadership skills. Doing so ensures sustainability of the group when Extension steps away from the project. Steering committee members should represent diverse interests, including those of producers, individual consumers, and institutional buyers.

To develop collaborative initiatives to direct market farm products online, the steering committee should evaluate various online software models, develop a business plan, pilot the program using online software, and serve as liaisons to other interested producers and buyers. The Oklahoma Food Cooperative <<http://www.oklahomafood.coop>>, Winter Harvest <<http://www.farmtocity.org>>, and Locally Grown <<http://www.locallygrown.net>> offer software models for collaborative online marketing.

3. Be Transparent

Keep all individuals with whom you have discussed the initiative apprised of new developments by sending updates via an e-mail distribution list or occasional mailings. Continue to encourage individuals to join and contribute to the collaborative initiative at all stages of the project. Representatives of those who can potentially benefit from online marketing must be involved in its planning, implementation, and evaluation to ensure long term sustainability of the initiative.

4. Be Flexible

Considering the context of the community, help the steering committee identify what will work best for the group in terms of delivery, financial transactions, and the management of other logistical concerns. Start small and allow the initiative to grow naturally.

5. Evaluate Continually

Things change constantly; continually monitoring and evaluating business plans to reach future goals is important. This oversight includes incorporating a marketing plan for growth and sustainability.

6. Measure Impacts

Track number of sellers and buyers, number of sales, and dollar amount of sales at implementation and at regular intervals thereafter. Using previous accounts of sellers, buyers, and sales provides a documentation of actual impact. Such evidence is often useful as well as necessary to secure future investments in and funding for the project.

Conclusion

Extension educators have a long history of supporting individual producer initiatives. Facilitating collaborative online marketing initiatives can help individual producers expand sales plus extend additional benefits to the community by contributing to sustainable community outcomes. In a climate of decreasing resources, Extension must be involved in programming that positively affects wider, more diverse audiences and interests. Collaborative online direct marketing is one example of such innovative programming.

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