



# **Marketing Collaborations to Improve your Farm's Bottom Line**

September 2023

# CFAES Center for Cooperatives at Ohio State



Cooperatives are mutually-owned, democratically-controlled businesses based on values of self-help and equity. Our team assists entrepreneurs, educates the community, and generates knowledge about the cooperative business model with a special focus on food, agriculture, and rural communities.

# Ohio State University South Centers in Piketon, Ohio





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# CFAES Center for Cooperatives at Ohio State

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# Today's Approach



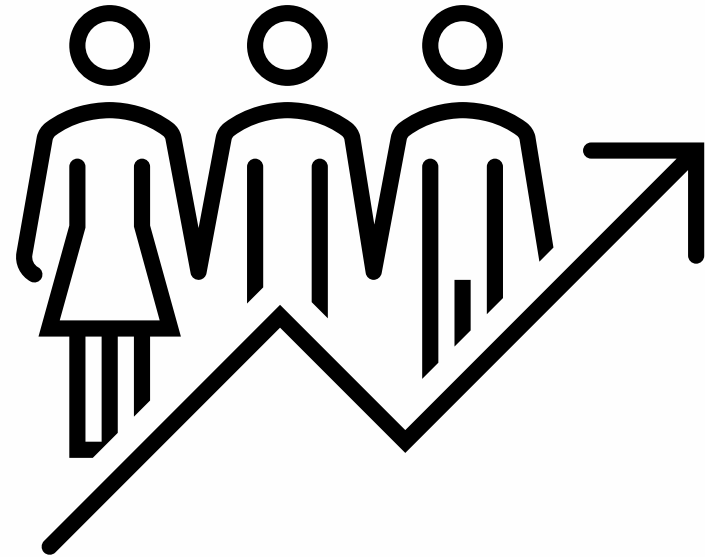
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# What is marketing?

“creating, communicating, delivering, and exchanging offerings that have value...”

(American Marketing Association, 2017)

- Product
- Price
- Place
- Promotion



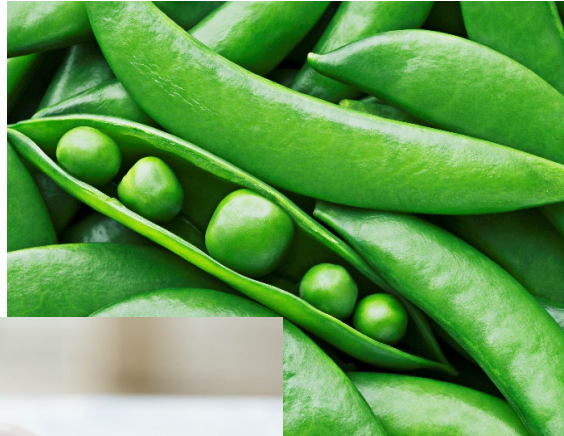
# Develop a Simple Marketing Plan

Target Market	Product/Service	Competitive Advantage	Promotion Strategies	Sales Forecast (goals)	Measures of Success	Date	Cost
Women age 25-35 with children	U-pick strawberries	Experience for families	Facebook	Increase sales on Wednesdays by 10%	Sales of week days, likes on Facebook	Weekly	\$25

(Welch, 2021)



# Some! Collaborative Marketing Approaches



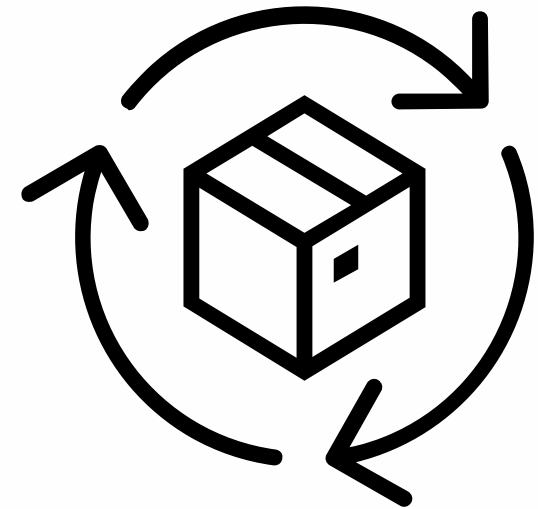
- Cooperative advertising/consumer outreach
- Cooperative supply purchasing
- B2B sales/Multi-farm CSA
- Producer cooperatives to reach new marketing channels

(Gilbert et al, 2014)



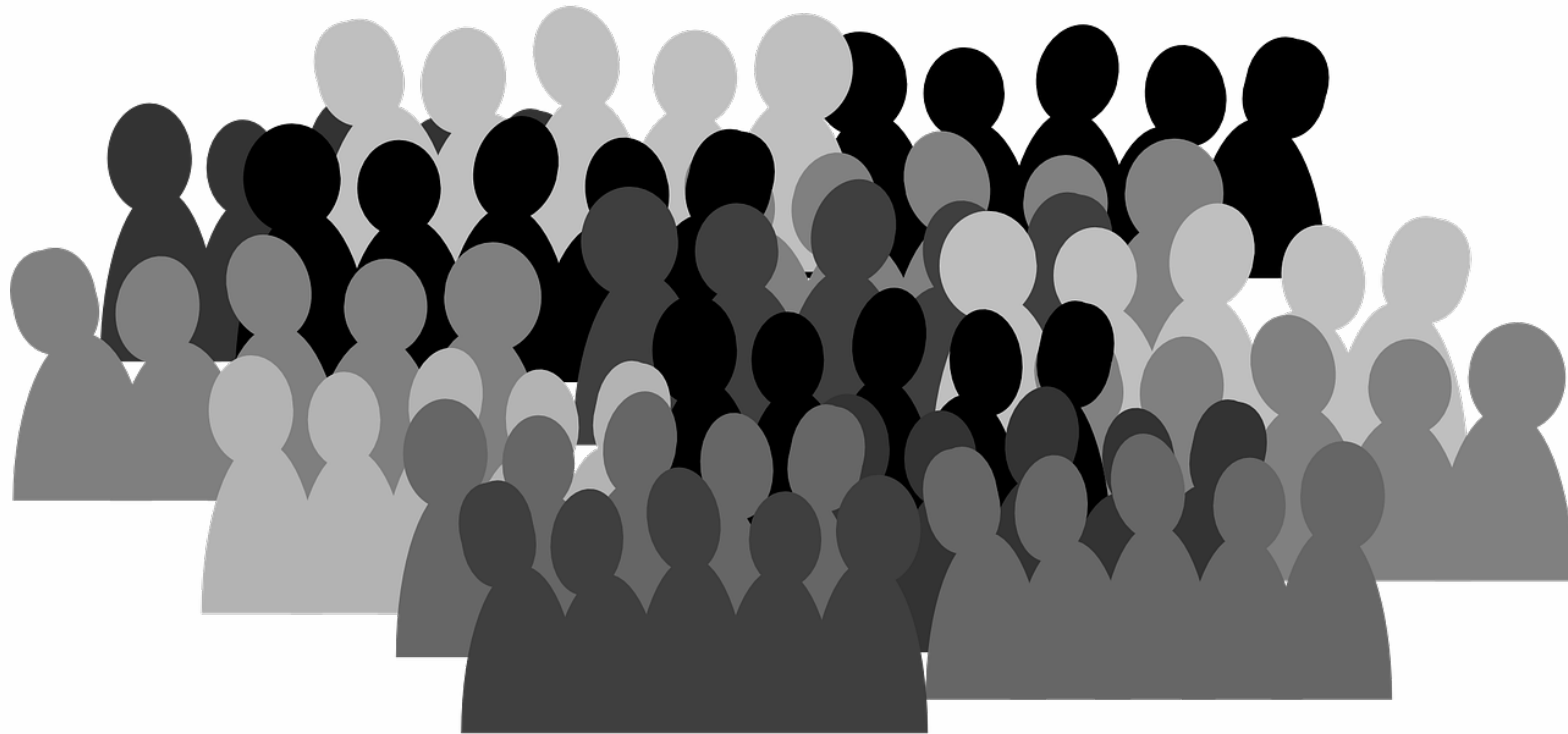
# Responding to Marketing Challenges Cooperatively

- Sharing marketing costs to lower cost per-farm
- Increasing volume, consistency, or product diversity to reach new market channels, hire staff
- Lowering cost of infrastructure on a per-farm basis
- Working together to improve production, e.g., GAP readiness or producer training



(“Co-ops 101,” 2012; Gilbert et al, 2014)

**Can you do something better *together* than  
you can individually?**



# Promotion: Collaborative advertising/consumer outreach



This directory showcases farms, grocery stores, roadside stands, restaurants and businesses that sell and serve locally produced food in our community.

### *What do we consider local?*

Food and other agricultural products that are grown, produced, or made in Pike County, processed and then sold. This can include wool, baked goods, fruits, vegetables, eggs, beef, honey, pork, salsa,



TO LEARN MORE, CONTACT:  
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*Local food for locals!*  
PIKE COUNTY LOCAL FOODS GROUP

([“Co-op Advertising Program”](#), [“Pike County Local Foods Directory”](#), [“Ohio Proud”](#))

# Some thoughts for collaborative promotion

- Are there existing programs your farm could engage simply and efficiently?
- Are there partners interested in promoting agriculture and/or local food in your community?
- How can your farm share promotions -- social media? materials at a farm stand?
- If you create materials, who will “own” keeping them updated?



# Price (controlling costs): Joint purchasing of marketing supplies

Does your farm use marketing supplies that others also use?

Purchasing supplies as a group may:

- Lower cost per-unit
- Consolidate transactions to reduce costs
- Reduce inventories
- Coordinate shipping
- Control quality attributes



# Some thoughts for collaborative purchasing

- Will joint purchasing save costs on goods and/or shipping?
- Be aware of potential risks and plan for them – e.g., prepayment? agreements around timing, quantity, etc.?
- Do the logistics work for the group?
- Ensure group members understand and agree on supplies being purchased...communication about what, when, where, cost, etc.

# Product: B2B sales/multi-farm CSA model

## Potential benefits

- Risk management through diverse crop portfolio
- New market access
  - new, diverse products
  - increased volume
  - better consistency

## Potential challenges

- Additional labor needs
- Additional management needs

(Woods, Ernst & Tropp, 2017; Roos, 2021)



# Some thoughts for B2B sales/multifarm CSA

- How will you manage for quality of products?
- Does product diversity actually help your sales?  
Does the price point make sense for your market?
- Will a sales agreement help manage risk and set clear expectations around terms of sales?
- Does your market channel allow for B2B sales?  
E.g., farmer's market rules



## Place: Producer co-ops to reach new market channels

Some market channels need higher volumes and increased consistency that can be challenging or risky for individual producers.

Marketing cooperatively may:

- Increase volume, diversity, and/or consistency of product
- Consolidate transactions to reduce administrative costs
- Generate sales volumes to hire shared staff
- Share costs of adding value or distribution



## User-Owned

Members are the joint legal owners of the business enterprise

Members provide equity to finance the cooperative

Members are the major users of the enterprise

## User-Controlled

Members govern the enterprise directly and via a board of directors elected from and by the membership

Control is shared democratically

## Proportional Benefits

Members share benefits based on use

Benefits might include: market access, reduced costs, access to goods or services, political action, etc.

## Some Considerations for Working Cooperatively

- Membership – Who will be engaged? What is their role?
- Governance – How will the group make decisions?
- Legal structure – How will the group be formally organized?
- Risk management – How can the group manage risk?
- Business planning/feasibility exploration – Will working together provide the intended benefit?



(Gilbert et al, 2014)

# Globally Recognized Cooperative Principles

1. **Voluntary & open membership** 
2. **Democratic member control** 
3. **Member economic participation** 
4. **Autonomy & independence** 
5. **Education, training, and information** 
6. **Cooperation among cooperatives** 
7. **Concern for community**  (“Cooperative identity, values & principles.”)



# Advantages



## Shared knowledge

## Pooled resources

- Economies of scale
- Market access
- Bargaining power
- Reduce individual risk

## Member control

- Accountability to members
- Member benefit

# Limitations



## Control and Profits

- Is everyone willing to share?
- Does it make sense to share?



## Financing

- Co-ops are organized for member benefit. Not to maximize profit.

## Complexity

(Zueli and Cropp n.d.; Sexton & Iskow (1988); “Co-ops 101: An Introduction to Cooperatives” (2012))

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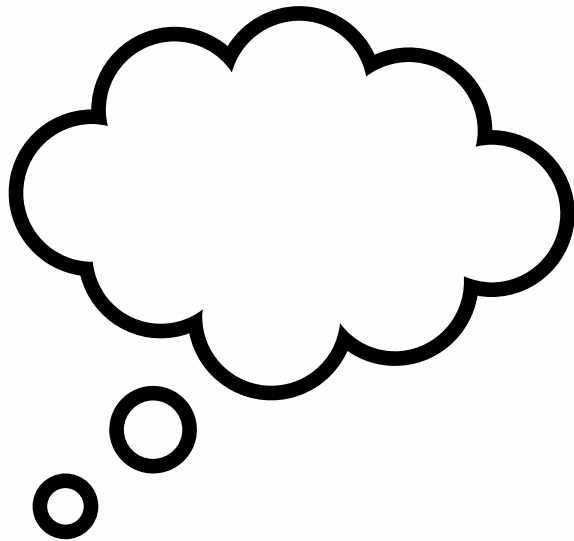


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# “Cooperative Farming: Frameworks for Farming Together”

- Find the guide online at Northeast Sustainable Agriculture Research and Development  
<https://northeast.sare.org/resources/cooperative-farming/>





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