

## Get Ready to Retail Your Products

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Agricultural products may move through many hands before becoming a part of someone's meal or snack. The farmer may sell to a wholesaler, a food processor, or to a retailer and therefore, every company in the marketing channel from the producer to the final consumer should be seen as a customer by the agricultural producer. Customers do not have the same needs, which present producers with challenges in trying to understand their existing and potential marketing channels.

In developing a marketing strategy producers must examine the customers and the competition in order to developing the four Ps of *Place*, *Promotion*, *Price*, and *Product* that are found in a marketing strategy.

In order to assist in understanding how to develop a marketing strategy, Whole Foods Market, an operation that specializes in healthy living products is used as an example.



*Maui opening of Whole Foods  
Photo courtesy of Elyse Ditzel, Whole Foods.*

### Place

Whole Foods Market wants to ensure that their products are high in quality and as healthy as possible because they depend on repeat customers who trust them. They want to develop good communication with producers in order to foster a successful, long-term relationship. Should something happen that prevents the producer from filling an order; they want to know immediately so they can plan ahead and also assist the producer, if possible. No substitutions on an order should occur without prior permission.

Whole Foods Market prefers organic products, although non-organic products are purchased by Whole Foods. Producers must have a \$1 million of general liability insurance and allow Whole Foods Market to visit the farm. Operators with food safety certification are preferred with salad greens, sprouts and processed vegetables facing stricter requirements, if a producer is not food safety certified. Operators can deliver directly to the store or use a distributor. Receiving protocols that include delivery hours, invoice procedures and packaging issues need to be followed by every vender.

### Promotion

Operators that say their products are organic must provide copies of their certifications. Other packaging issues such as labels and size represent an area of collaboration. Satisfying customer preferences, reducing costs and decreasing waste are important for Whole Foods Market. For example, reusing delivery boxes might be a way to decrease the producer's costs, but the producer's organic certification may prohibit this practice. Whole Foods Market wants to work with operators to achieve a mutually agreeable option.

### Price

The minimum selling price for any product should be based on its cost of production. If direct store delivery or special packaging is provided, these costs of these should be included to cover the costs of

the distribution services. Producers must understand that wholesale and retail pricing margins differ from the margin farmers generally receive because wholesalers and retailers generally provide services to the consumers that farmers do not. At the same time, the pricing of the competition must be taken into consideration. For example, organic and local products can sell at a premium, but if the premium is too large, the consumer will recognize it and wonder why. Consumers need to understand what makes the product worth more. The package or label must clearly explain it or the product will not sell.

Consumers generally do not eat a lot more food just because the food is less expensive or eat much less when it is expensive because they tend to eat about the same number of calories daily. This means that when a product is in season or the supply increases, the price will tend to drop in order to encourage a sale. In order to obtain higher product prices, avoid bringing in a product that is often in large supply. Whole Foods Market strives to offer a large variety of healthy products so operators who engage in development to identify new, desirable products will be more successful.

### Whole Foods Market's Desired Products

- Spinach
- Non-sweet potatoes
- Carrots
- Non-sweet onions
- Organic melons
- Grapefruits
- Stone fruit
- Rhubarb
- Lemons and limes with great consistency
- Any type of berry
- Organic zucchini, squash, pumpkins
- Organic tomatoes
- Organic eggplant, particularly globe variety
- Garlic
- Cauliflower
- Organic cabbage
- Hot peppers
- Celery
- Apples
- Organic bell peppers
- Button and crimini mushrooms
- Taro
- Corn (non GMO)
- Brussel sprouts



*Photo courtesy of Elyse Ditzel, Whole Foods.*

If you are interested in selling to Whole Foods, please contact Claire Sullivan at [Claire.Sullivan@wholefoods.com](mailto:Claire.Sullivan@wholefoods.com)  
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