

Niche Marketing Strategies for Agriculture

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Outline

- *Niche vs. Commodity*
- *3rd Party Certification & Organics*
- *Direct Farm Marketing*
- *Producer Examples*
- *Resources*

Niche Marketing

- *Product-service focused on a subset market of mainstream providers.*
 - + *organic apples*
 - + *U-Pick organic apples*
- *Target customers narrowly defined.*
 - + *geographic area*
 - + *demographic group within an area*
- *Targeted product-service attributes and customer profiles.*

Niche Marketing Challenges

- *Finding a market segment small enough to be overlooked by others but large enough to be profitable for your business.*
- *Repeat customers and a growing market base are key to successful niche marketing.*
- *Why have others not already taken advantage of your identified niche market?*

Size & Product Differentiation

Product Differentiation

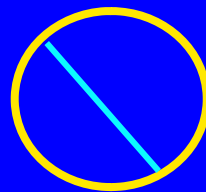
(value added)

niche producers and marketers

Farm Size

very
small

very
large



large scale
commodity
growers

(commodity)

3rd-Party Certified Labels



Credence Attributes



Hierarchy of Consumers' Food Preferences

Certification and Labeling Considerations for Agricultural Producers

8.99/LB

free

HOMEMADE ICE CREAM

Barley Flour

WHEAT FREE!

MADE WITH ORGANIC BLUE CORN

33¢ EA

Organic Roasted Tahini

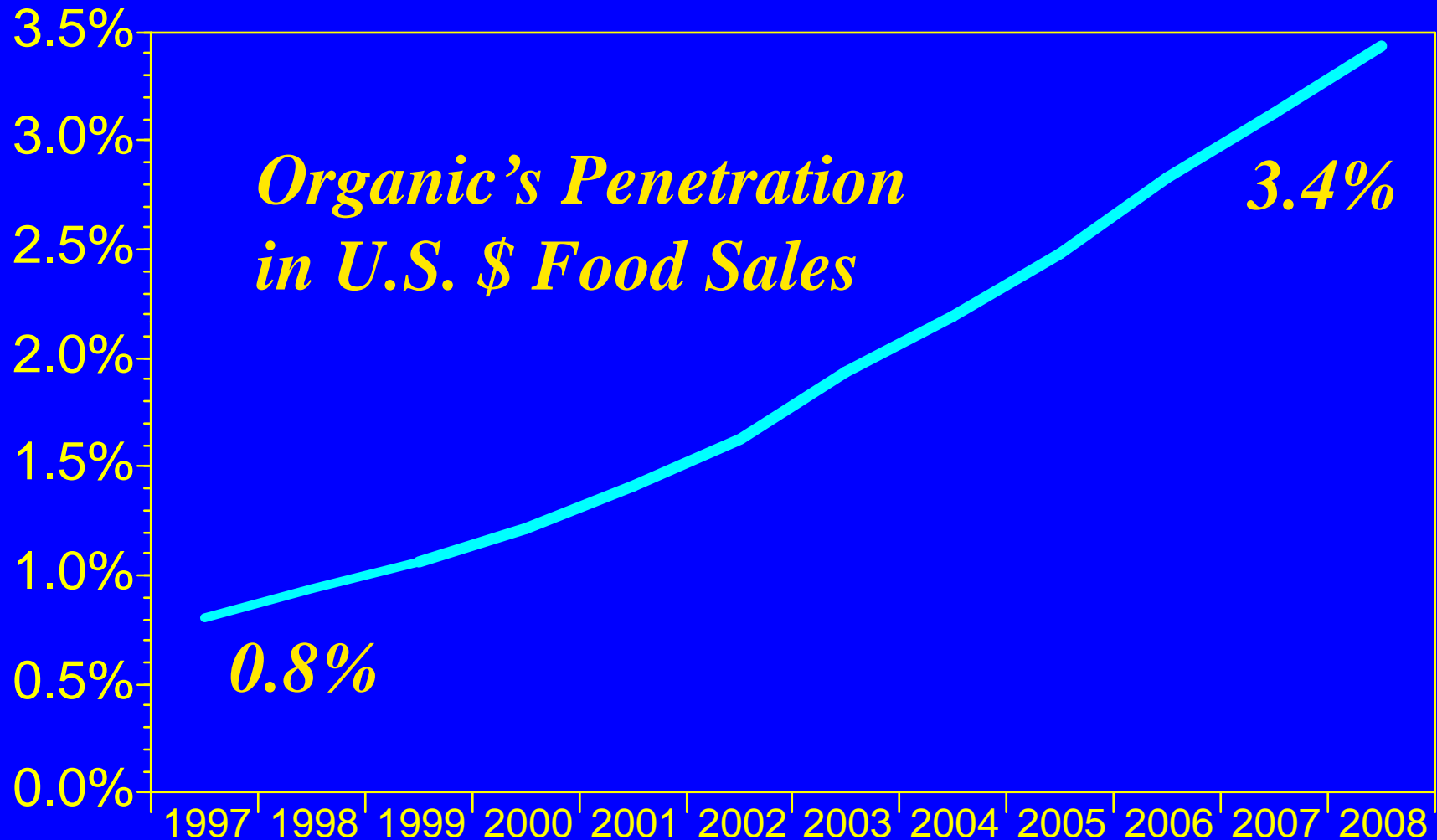
USDA ORGANIC

Western Extension Marketing Committee

Cooperative Extension Publication 1372
THE UNIVERSITY OF ARIZONA

www.valueaddedag.org

Organic's Mkt. Share, 1997-08



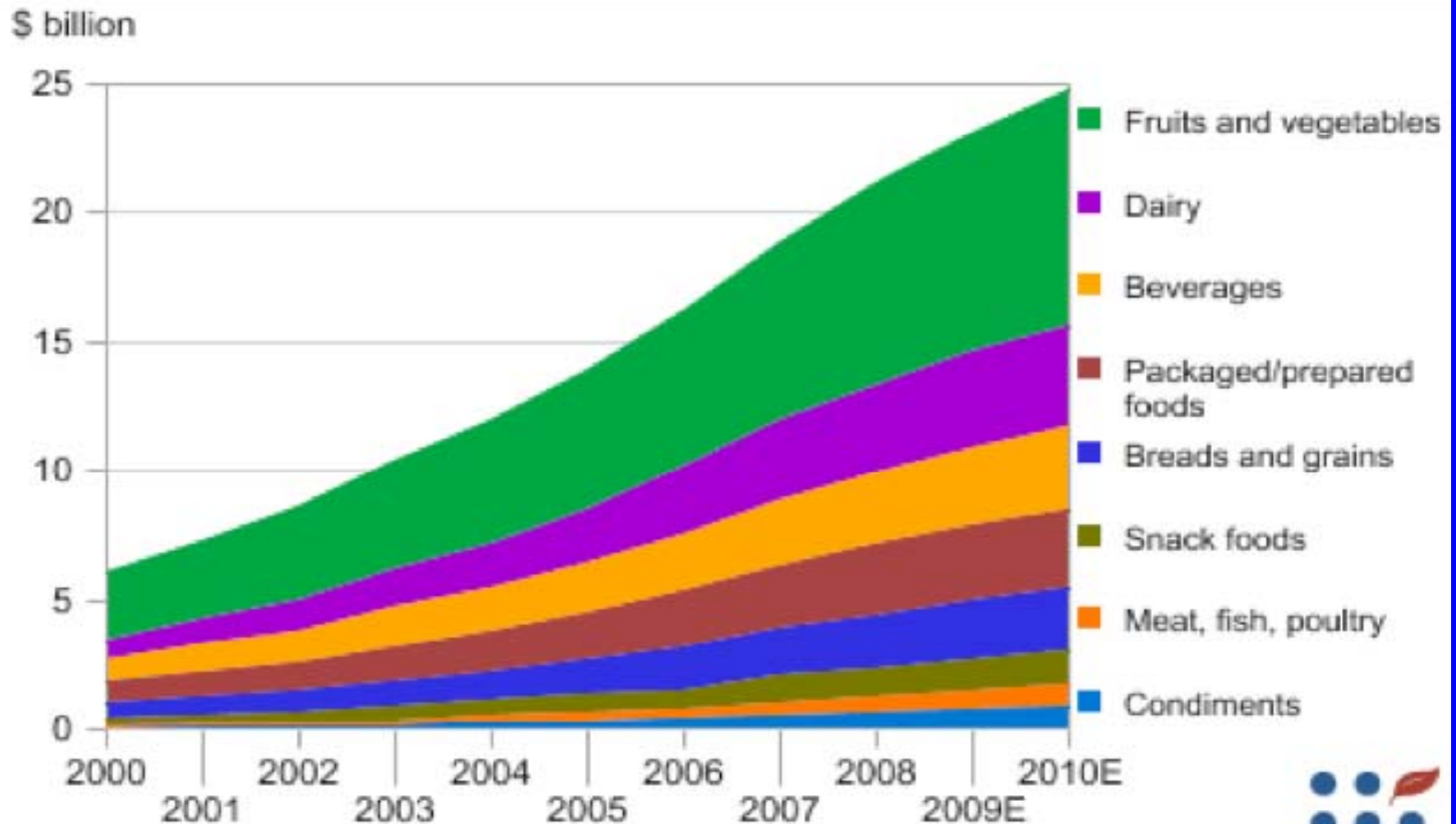
Source: Nutrition Business Journal and USDA/ERS

Organic's Growth, 1998-08



Source: Nutrition Business Journal and USDA/ERS

U.S. Organic Food Sales



E = Estimate.

Source: Nutrition Business Journal.



Organic Price Premiums

Product Category Notes: Week of September 11, 2009

Organic prices are for fruit, herbs and vegetables delivered to large organic distributors based in the Los Angeles area. Conventional prices are from the Los Angeles terminal market. Los Angeles was chosen for its wide range of organic and conventional products.

Fruit			
Quality	Qty ?	Certified	Conv
Apples: Fuji			
PQ	72 Ct	na	\$ 34.00
Apples: Gala			
PQ	88 Ct	\$ 36.00	\$ 26.00
Apples: Golden Delicious			
PQ	100 Ct	na	\$ 22.00
Apples: Granny Smith			
PQ	100 Ct	\$ 55.00	\$ 22.00
Apples: Red Delicious			
PQ	100 Ct	na	\$ 24.00
Blueberries			
PQ	12 4.4-oz cups	\$ 49.00	na
Cantaloupe			
PQ	12 Ct	\$ 16.00	\$ 8.00
Grapes: Thompson conventional price listed for 19#			
PQ	16#	na	\$ 24.00
Lemon			
PQ	140 Ct	\$ 57.00	\$ 33.00
Oranges: Valencia			
PQ	72 Ct	\$ 28.50	\$ 19.50

Organic Price Report | Rodale Institute

Product Category Notes: Week of September 11, 2009

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Vegetables			
Quality	Qty ?	Certified	Conv
Artichoke			
PQ	18 Ct	na	\$ 38.00
Asparagus			
PQ	11#	\$ 63.00	\$ 28.00
Avocado: Hass			
PQ	48 Ct	\$ 63.00	\$ 55.00
Bok Choy price listed for baby size			
PQ	20#	\$ 29.50	na
Broccoli			
PQ	14 Ct	\$ 20.50	\$ 11.00
Cabbage, Green organic price listed for 45#; conventional price listed for 45#			
PQ	40#	\$ 13.50	\$ 14.00
Carrots			
PQ	24x2#	\$ 35.50	\$ 13.50
Cauliflower			
PQ	12 Ct	\$ 21.50	\$ 12.00
Celery			
PQ	24 Ct	\$ 23.50	\$ 11.00
Cucumber organic price listed for 22#			
PQ	20#	\$ 31.50	na

Niche through Direct Mktng.

- *Locavore*
 - + *a person who seeks out locally produced food*
 - + *more nutritious and taste better*
 - + *carbon footprint believed to be smaller*
- *Connection of consumer with grower*
 - + *customer intimacy*
 - + *support local community and environment*
 - + *food safety issues*