

**Research Poster from the
Consumer and Market Demand Agricultural Policy Research Network
Enabling Research for a Competitive Agriculture**



ABSTRACT CMD-03

Farm Direct Marketing: Challenges, Barriers and the Need for Performance Analysis

Andreas Boecker and Melanie Lang

Department of Food, Resource and Environmental Economics
University of Guelph

In the past decades, farm direct and local food marketing have gained momentum. In particular small and medium sized family farm operations have turned to direct marketing to increase and/or diversify income, as they find it increasingly hard to cover cost of production in wholesale marketing.

Provincial governments have given considerable support to organizations and initiatives that promote farm direct and local/provincial food marketing. For example, Farmers' Markets Ontario, Ontario Farm Fresh Marketing Association, and Foodland Ontario work jointly in the Farmers' Market Strategy Group with the Ontario Ministry of Agriculture, Food and Rural Affairs, OMAFRA.

Performance monitoring of these organizations and initiatives has primarily focused on volume indicators, such as number of farmers' markets, number of vendors, or number of on-farm markets. While these numbers have been increasing and quite a few operations have been expanding their direct marketing business successfully over the years, the financial performance of farms in direct marketing is not known. In addition, when investing in selling direct to consumers, farmers face a number of challenges and barriers that may impede business performance.

The current research and development project has been funded by the Ontario Ministry of Agriculture, Food and Rural Affairs, to support the Farmers' Market Strategy Group activities in an effort to assist farmers in identifying and overcoming these challenges and barriers. Based on a small scale pilot study with 20 participating farmers, this poster will:

- Present an overview of the different types of challenges and barriers farmers are facing when entering or expanding the business of marketing direct to consumers;
- Highlight key outcomes of the research and development project – amongst others instructive case studies, spreadsheet-based tools for planning and performance

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monitoring, and suggestions for effective data collection – and which challenges they address;

- Discuss options for effective and efficient institutional and organizational arrangements to facilitate financial and marketing performance monitoring through supporting and leveraging the intrinsic motivation of entrepreneurs;
- Discuss in which areas policy – primarily at municipal and provincial level – could effectively assist in reducing challenges and barriers related to taxation, health and food safety regulation.

The research and development project has been concluded on July 31, 2011 and is currently in the Knowledge Translation and Transfer phase. We gratefully acknowledge the funding of this project by OMAFRA.

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