

# Great Lakes Fruit, Vegetable & Farm Market EXPO

December 9-11, 2008

DeVo Place Convention Center, Grand Rapids, MI



## Farm Marketing I

**Tuesday morning 9:00 am**

**Where:** Ballroom C

**CCA Credits:** PD(2.0)

**Moderator:** Bob Tritten, District Extension Fruit Educator, MSU Extension

9:00 a.m. Generally Accepted Agricultural Management Practices for Farm Markets - A Report on Progress

- Tom Kalchik, MSU Product Center
- Mark Skidmore, Agricultural Economics Dept., MSU

9:15 a.m. MI Farm Marketing & Agri-Tourism Association - An Update on Great Progress

- Steve Tennes, Association President

9:30 a.m. High Tech Tool Produces Higher Yields - Learn How the Internet is Today's Tool for More Efficiency and Profit on the Farm

- Jane Eckert, Eckert AgriMarketing, St. Louis, MO

10:15 a.m. Farm Marketing in Eastern Pennsylvania

- Kay Hollabaugh, Hollabaugh Bros. Fruit Farms & Market, Biglerville, PA
  - Ellie Hollabaugh Vranich, Hollabaugh Bros. Fruit Farms & Market, Biglerville, PA
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# **GENERALLY ACCEPTED AGRICULTURAL MANAGEMENT PRACTICES FOR FARM MARKETS - A REPORT ON PROGRESS**

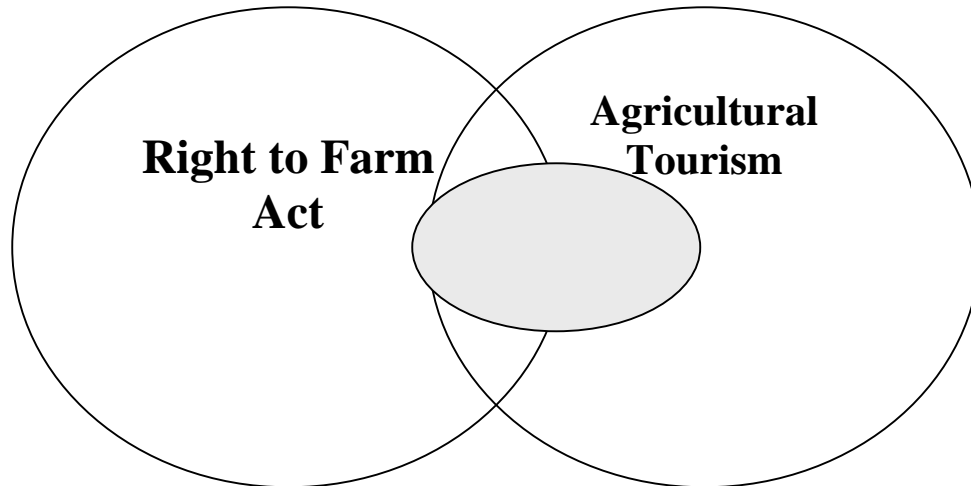
Tom Kalchik (517-432-8752) and Mark Skidmore (517-353-9172)  
Michigan State University  
Agriculture, Food and Resource Economics

Over the past 20 years agricultural producers have increasingly produced value-added products as means to increasing profits. One aspect of this trend has been direct marketing of farm products to final consumers. The result has been an expansion in agriculture tourism, including farm markets. As farm operations engaged in more on-site retail activity, conflicts have arisen regarding oversight of these emerging on-farm businesses. The purpose of the Farm Market Task Force was to explore ways that might make understanding this oversight responsibility more clear to both farmers and local officials.

In order to address the inconsistencies between townships in addressing the regulation of farm markets, the Task Force recommended the following:

- Efforts should be made to assure the adoption of the Model Zoning Ordinance Provisions within the Agricultural Tourism Local Zoning Guidebook created by the Michigan Agricultural Tourism Advisory Commission.
- The Task Force sees a role for the Right to Farm (RTF) Act as part of the solution and recommends that a Farm Market GAAMP committee be created to further clarify the relationship between RTF, farm markets and other organizations and agencies that have responsibility for activities that occur at those facilities.
- There are a number of aspects of agricultural tourism operations that the Task Force did not believe were covered under RTF, but also need to be addressed. The Task Force therefore recommends that these issues be addressed through legislative action.
- It is also clear that very little is known about the economic impact of agri-tourism. A study should be conducted to better understand what is suspected to be a very sizable economic contribution to Michigan's economy.

A major issue the Task Force wrestled with is in understanding the relationship between farm markets, the Right to Farm Act and agricultural tourism. Co-facilitator Dr. Mark Skidmore created a Venn Diagram to assist the Task Force in this understanding. This diagram depicts the potential relationships between the Right to Farm Act, Agricultural Tourism, and Farm Markets. Farm Markets largely fall within the domain of Agricultural Tourism. Components of both Farm Markets and Agricultural Tourism fall within the domain of Right to Farm. The overlap of these three “universes”, however, is fuzzy and potentially subject to interpretation. One task force objective is to define these relationships more precisely.



The diagram helped the Task Force recognize that certain aspects of the Right to Farm Act and agri-tourism overlap, and that farm markets exist in both domains but largely in the domain of agri-tourism. The Task Force recognizes that the RTF Act does address farm markets in a very limited sense, mainly in the realm of roadside stands. However, more advanced practices of farm marketers may reach beyond to scope of RTF.

By consensus the task force identified specific farm market activities that fall under the protection of RTF, and has identified activities which require approvals from various local, state and federal authorities. While it is very difficult to completely identify all the activities that might occur in the context of farm market activities, it is anticipated that a number of basic farm market activities will require nothing more than following the guidelines to be provided in the proposed farm market GAAMP. However, the task force recognizes that a number of activities will require approvals from different levels of government. For example, any structure in which the public will be allowed to enter must comply with state construction codes. Similarly, the processing of raw materials must follow the guidelines set by the Right to Process Act. In cases where processing is occurring, farm market operators must also obtain zoning approvals from local authorities because the Right to Process Act specifically states that all processing activity must first be approved by local zoning authorities.

Finally, the Task Force developed a definition of a farm market.

A **Farm Market** is a farm retail facility<sup>1</sup> and is part of a farm as defined by the Michigan Right to Farm Act.<sup>2</sup> At least 50%<sup>3</sup> of the farm products<sup>4</sup> marketed through the farm market must be produced by the farm with which it is affiliated<sup>5</sup> (measured over a five year timeframe to limit exposure of the farm market to crop failure). It includes the packing, processing and otherwise converting the farm products into a form that makes them saleable to consumers. The farm market may process foods more extensively in accordance with Michigan Right to Process laws. It can operate seasonally or year around, and may include marketing activities to attract consumers and facilitate transactions between consumers and the farm market operator.

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<sup>1</sup> The term “facility” does not necessarily mean a physical structure. It can simply mean an area where a transaction between a consumer and producer can be consummated.

<sup>2</sup> According the RTF Act, a “farm” means the land, plants, animals, buildings, structures, including ponds used for agricultural or aquacultural activities, machinery, equipment, and other appurtenances used in the commercial production of farm products.

<sup>3</sup> For purposes of evaluation by the Michigan Department of Agriculture, the primary measure will be 50% of the floor space devoted to sales and, if that is questionable, then 50% of the gross sales dollars of the farm market will be used.

<sup>4</sup> According the RTF Act, a “farm product” means those plants and animals useful to human beings produced by agriculture and includes but is not limited to forages and sod crops, grains and feed crops, field crops, dairy and dairy products, poultry and poultry products, cervidae livestock including breeding and grazing, equine, fish and other aquacultural products, bees and bee products, berries, herbs, fruits, vegetables, flowers, seeds, grasses, nursery stock, trees and tree products, mushrooms and other similar products, or any other product which incorporates the use of food, feed, fiber, or fur as determined by the Michigan Commission of Agriculture.

<sup>5</sup> The concern here is that the working farm might not be an ideal location for a retail operation. In such a case, the retail location could conceivably be off the farm (e.g., at main rural intersection), but a farm market cannot be located in a non-rural area. For example, a “farmers market” is typically located in an urban area, and this is clearly not a “farm market.”



**Michigan  
Farm Marketing &  
Agri-Tourism  
Association**

MichiganFarmFun.com

## Update on Progress

Steve Tennes – President  
Country Mill, Charlotte, MI



## What have we done for you lately?

- ▶ Promotion
- ▶ Education & Networking
- ▶ Governmental Affairs

## History



- ▶ 2005–2006:  
12 Farm Marketers + 1 PhD Candidate  
+ 2 Ext. Agents + Project GREEN \$ = MI-FMAT
- ▶ 2007: 57 members
- ▶ 2008: 234 members
- ▶ 2009: ??



## Growth



- ▶ Must serve and connect ALL segments of Agri-Tourism
  - Riding Stables, Dairy, Christmas Tree Farms, on-farm B&Bs, Farm Museums, and more
- ▶ Executive Director
  - Hired Julian-Vail LLC to serve as executive director for MI-FMAT in Nov 2008
  - Registered Lobbyist
  - Improved Organization & Member service
  - MI-FMAT Office 235 N. Pine St. Lansing, MI 48933 517-484-3912 or 866-964-3628

## EXPO Farm Market Bus Tour



- ▶ 2007– 1<sup>st</sup> Tour in SW Michigan
- ▶ 2008 – Yesterday
  - Partnership– Great American Publishing (FGN & VGN), MI-FMAT, MSU Ext., EXPO
  - Educational stops at 5 destinations
  - Networking– 2 buses of peers to learn from
- ▶ 2009
  - West Michigan area
  - Monday of EXPO
  - What do you want to see?



## Right to Farm Market??



- ▶ **Past– Farm Market Task Force**
  - 1) Initiated by the MDA at the request of MI-FMAT and MFB
  - 2) Six months of work on Farm Market GAAMPs for the Right to Farm Act
    - Two MI-FMAT members represented us
  - 3) Report was accepted by the Michigan Agriculture Commission
- ▶ **Future**
  - 1) Farm Market GAAMPs that fall under the current Right to Farm Act **WILL** happen, but the details must still be written by a new task force
    - Will work to ensure MI-FMAT representation on new task force
  - 2) Right to Farm Market **MAY** happen if bill can be sponsored and passed at the state level.
    - Executive Director will assist as a lobby agent

## New Format for the Directory



- ▶ Build upon success
- ▶ Five regional foldout maps
- ▶ Increase distribution
- ▶ Partnership continues with MI-FMAT Association, MDA, Farm Bureau Insurance
- ▶ Only MI-FMAT members listed
- ▶ On-line searchable directory at [www.MichiganFarmFun.com](http://www.MichiganFarmFun.com)

## Visit Booth



- On left hand side in the Farm Market Section
- Register to win one-year's membership (\$100)
- Sign up today at our booth!
- Deadline is January 31<sup>st</sup> for Directory
- Out of state? You can join.
- Bus tour - What do you want in 2009?

## Come See Us!



### ▶ Social Gathering

- Today - 5:00pm, **Upstairs**, Rooms G & H
- Members and potential members welcome
- Light refreshments served
- Annual meeting - *Vote* for board members
- Farm Market Roundtable to follow at 6:00 pm

# High Tech Tool Produces Higher Yields:

Learn How the Internet is Today's Tool for  
More Efficiency & Profit on the Farm



Great Lakes Expo 2008

Jane Eckert  
Eckert AgriMarketing

## It's Time to Be Tech Savvy!

- E-Newsletter
  - Web site
  - Online sales
  - Online advertising
- 
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## Benefits to Your Farm

- Access to the world (24/7)
  - Very cost effective
  - Instantaneous information
  - Keep up with your competition
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## **E-Newsletter**

Staying in touch with your best customers!

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## **Web site**

Review your current site now. Is it fresh looking & relevant? How often do you update? Is it easy to navigate?

- Homepage
  - Navigation
  - Unique visitors
- 
- 

## **Search Engine Optimization (SEO)**

Do the search engines find your web site? Are you listed on the first page of search?

## **Search Engine Marketing (SEM)**

You can PAY for placement but you need to understand Pay-per-click (PPC) advertising.

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## **Online Sales**

U.S. consumers spent \$243.1 Billion in Online Retail Sales in 2007

Ellie Hollabaugh and I invite you to join us Thursday, December 11<sup>th</sup> at 9 AM to learn more about improving the profits on your farm through increased knowledge of the Internet.

# FARM MARKETING IN EASTERN PA

Kay Hollabaugh & Ellie Hollabaugh Vranich  
Hollabaugh Bros., Inc.  
www.hollabaughbros.com

- I. Introduction of ourselves and our business
  
- II. Who are we and where are we located? Benefits/drawbacks of our location?
  
- III. What do we do with our 500 acre farm? How has it changed over the past 53 years?
  
- IV. What do we do to keep the customers coming? How has the current economy affected our sales?
  
- V. What does the future bring?
  
- VI. Four major spikes have increased our business over the years:
  - a. 1993 - Addition of school tours to our business
  
  - b. 1998 - Customer service/family oriented shopping experience
  
  - c. 2000s - Technology boom/the Internet
  
  - d. 2008 - Buy Local!