

SHIPPING:

**Is it right for
your farm?**

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INTRODUCTION

Shipping is a hot topic amongst Farmers today. Many have strong opinions of shipping based on their own experiences and impressions. Some Farmers have made a killing, others have lost a lot of money (and product) when shipping, while other Farms have no choice but to ship. There are simply too many factors in consideration to generalize shipping for all Farms.

This eBook is intended to help you identify and assess if shipping is “right” for your Farm. While not an exhaustive list, we encourage you to assess your motivations, products, target markets, customers, competition and a variety of other business considerations.

Each section includes prompts for you to answer thought-provoking questions about shipping. After all, no one knows your Farm better than you.



Motivations v. Market Realities

Many Farmers expect shipping will help them increase sales, access more customers and save time. That is a tall order, and in our experience does not happen overnight (or may never happen) for any Farmer no matter what their situation may be-- --and we serve Farmers everywhere. Whatever your motivation is to “ship” your products, start with a candid assessment of your Farm’s existing market realities.



TARGET BUYERS

Identify the attributes of the buyers you are trying to reach for your Farm products. Are you pursuing suburban families, niche buyers, urban dwellers, health nuts, or underserved communities? Does your existing customer mix reflect the same target, or is this a new buyer you want to serve?



PROXIMITY TO TARGET BUYERS

With your target buyers in mind, identify your actual physical proximity to these target buyers. Is your Farm within driving distance to a major metropolitan area with millions of inhabitants, or is your Farm isolated in the plains or on an Alaskan fjord (hours away from any market)? Do any or could any of your existing customers come to your Farm today?



SIZE YOUR TARGET MARKET

When considering your target buyer, calculate the numbers based on size and distance to your Farm. Are there only a few buyers within driving distance of your Farm, with the rest located 100's of miles away? Or, do you serve niche buyers who are scattered in pockets across the country?

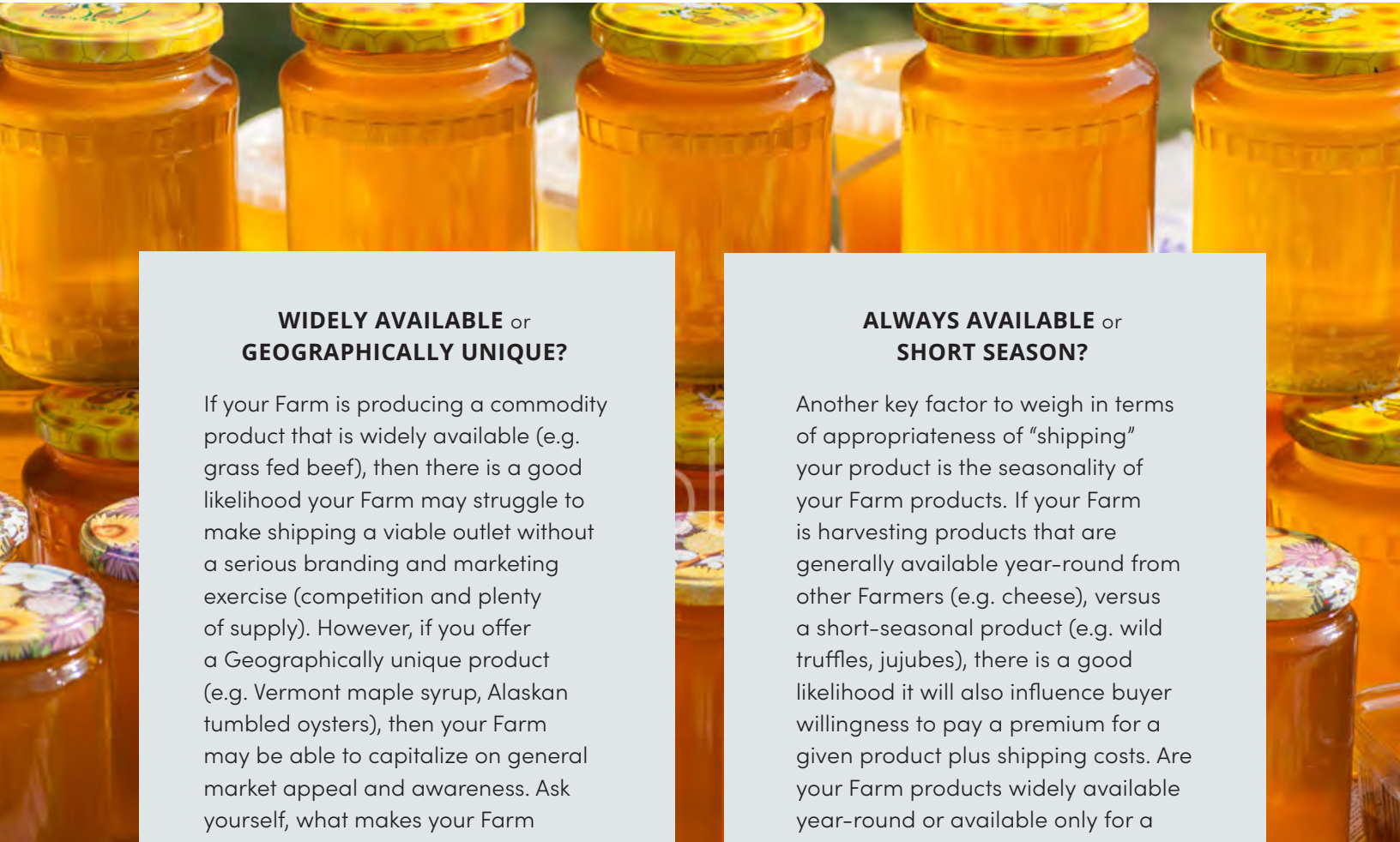


PROXIMITY TO SHIPPING MATERIALS & CARRIERS

Identify the attributes of the buyers This may be obvious, but to ship effectively at scale your Farm needs access to good packaging, a dry-ice supplier (if applicable), and to a commercial carrier. Ask yourself, is your Farm isolated or in close proximity to suppliers and carriers? Does the time and costs of acquiring supplies and delivering to carriers justify the costs?

Product Uniqueness

A big factor for your Farm is to consider the “uniqueness” of your product(s) and their market appeal. Specifically, you need to assess if shipping is a “must-have” to make your Farm products available to serve market demand, or if shipping is a “nice-to-have” alternative for buyers in remote locations.



WIDELY AVAILABLE or **GEOGRAPHICALLY UNIQUE?**

If your Farm is producing a commodity product that is widely available (e.g. grass fed beef), then there is a good likelihood your Farm may struggle to make shipping a viable outlet without a serious branding and marketing exercise (competition and plenty of supply). However, if you offer a Geographically unique product (e.g. Vermont maple syrup, Alaskan tumbled oysters), then your Farm may be able to capitalize on general market appeal and awareness. Ask yourself, what makes your Farm products truly unique? And, is there general market awareness of your unique products?

ALWAYS AVAILABLE or **SHORT SEASON?**

Another key factor to weigh in terms of appropriateness of “shipping” your product is the seasonality of your Farm products. If your Farm is harvesting products that are generally available year-round from other Farmers (e.g. cheese), versus a short-seasonal product (e.g. wild truffles, jujubes), there is a good likelihood it will also influence buyer willingness to pay a premium for a given product plus shipping costs. Are your Farm products widely available year-round or available only for a short season (or scarce)?

Product Suitability

Perhaps one of the most important factors to consider is the suitability of your Farm products to be shipped. It is critical to consider every detail when shipping your products to maintain freshness and quality given your care and efforts as a Farmer. Expect things to go wrong in transit.



SHELF-STABLE OR PERISHABLE?

If your Farm products can sit on the shelf for weeks, months or years (e.g. honey), then you're going to have a multitude of shipping options. If your Farm products are perishable and require dry-ice (e.g. frozen proteins), then your shipping options narrow quickly. Note, shipping is still viable in both cases, but costs increase substantially as your options narrow. Can your Farm products be shipped snail mail (US postal service) or do they require two-day commercial carrier shipping? What would happen if your parcel was delayed and sat in a delivery truck an extra day in the heat of summer?



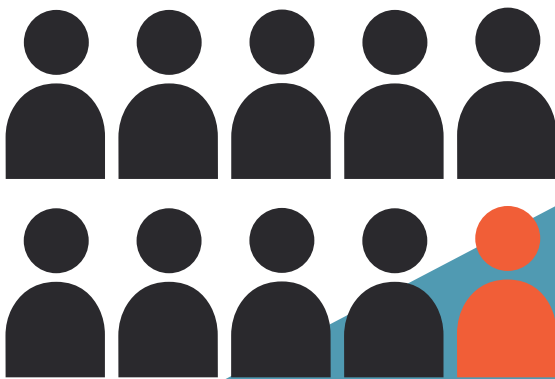
EASY OR DIFFICULT TO PACK?

Candidly, packing your Farm products can sometimes be an art form. If you can pack and ship your products in a standard cardboard box, then costs of assembly will be much lower. However, if your products require specialized packaging, insulation and a readily available supply of dry-ice, then prep yourself and your pack team accordingly. Would shipping your Farm products require a big investment of time and resources, or can they be assembled easily? How would your target buyers react to the quantity and type of packaging required? Would environmentally-conscious buyers consider the packaging wasteful (harming your brand)?

Would shipping your Farm products require a big investment of time and resources, or can they be assembled easily?

Competitive Pressure

Many Farmers feel compelled to provide shipping as an option for buyers given the wide adoption and use of online commerce in the consumer world. True, buyers are increasingly lazy and prefer convenient ordering and delivery options. But ask yourself – is this ‘shipping demand’ true of your existing (or target new) customers and if so, with whom are you competing?



DEFINE YOUR NICHE

Big consumer brands are investing millions to promote their brand, their boxes and appeal to their customers (and use local Farmers' products). Acquiring and keeping customers while paying for logistics is expensive and cost-prohibitive for individuals or small businesses. Much like microbreweries, who build loyalty to their brand at a premium, your value as a Farm is the relationship with your customers---and your unique brand. Remember, more than 90% of people want to buy local, and are willing to pay for it. Don't try to compete with or 'look like' those big marketplaces, any more than microbreweries compete with massive commodity beer brands.

Consider that microbrews routinely cost 2x versus a commodity beer, but people pay for it because it is a better, local product (and they target local buyers). Have you raised the awareness of your Farm Brand locally with regular, ongoing communications? Can your local buyers readily purchase from your Farm on the web, mobile, social, and email (for local delivery, purchase and pickup)?



MARKET ACQUISITION COSTS

If you want to ship to a new geographic region, then factor in market acquisition costs of new target buyers. Acquiring new customers in a new market will take time and money to increase awareness---and time to grow that new customer base. Often, the best option is to build a groundswell of support with an influencer that can lend credibility to your Farm brand and raise awareness (e.g. a restaurant featuring your Farm on the menu), complemented with a geo-targeted marketing campaign (e.g. targeting a specific metropolitan area).

DEFINING YOUR GO-TO-MARKET STRATEGY

Many Farmers who offer shipping today actually ship very little product in contrast to the rest of their direct business. Other Farmers ship exclusively (that is the only way to acquire their products). The key is committing to a sensible strategy that is right for your Farm and right for your target buyers. Ask yourself, is “shipping” an essential part of your go-to-market strategy, or do you think of it as an ‘extra’ way to access customers?



Read this ebook on topic to drill in:
[Spring Checklist for your Farm Business](#)

Buyer Expectations

There are countless considerations for your Farm to think about when it comes to shipping, but perhaps the most important are the expectations of your buyers (existing and target buyers). While you may have ideas about how you may want to fulfill your orders, your buyers demand ultimately decides.



This Farm in North Carolina decided to stop shipping, and instead debuted home delivery:
[Farmer Spotlight: Evans Family Farm](#)



FULLFILLMENT EXPECTATIONS

Assess your current mix of fulfillment options utilized by your Farm. Today's buyers want convenience; most Farmers have not expanded local fulfillment opportunities to build more sales and acquire more customers. Between on-farm pick-ups, adding drop sites, direct delivery and shipping, what have you tried and what is working? Are your current buyers proactively requesting specific fulfillment options (including shipping)?



SURVEY YOUR CUSTOMERS

Before making assumptions about your buyers' desire for shipping, simply ask them. You can readily create a survey with a G! Form or on Facebook to poll your current customers and target buyers. Ask them pointed questions: (a) Have you previously purchased Farm products that were shipped? (b) Would you regularly purchase Farm products for shipment? (c) How much would you expect to pay for regular shipments? (d) Would you pay that same amount for local delivery from a local farmer?



SHIPPING V. DELIVERY

Be certain to distinguish between "shipping" through a third-party commercial carrier (e.g. FedEx, UPS) versus door-to-door delivery from your Farm. Over the preceding years, there has been a massive upswing in door-to-door delivery for prepared Foods and Groceries (e.g. GrubHub and Instacart). However, delivery is very different than shipping. Have you explored expanding door-to-door delivery for your Farm, before you expand shipping?

Plan Ahead for Shipping

If you want to expand your fulfillment options to include shipping (and there is buyer demand), then plan ahead and set realistic expectations on the outcomes. More importantly, give yourself time to gather the data before over-investing in systems, tools and inventory.



TESTING AND LEARNING

After gathering feedback from your customers, start by testing a subset of your more desirable Farm products (before making all of your inventory available for shipping). You may also want to consider packaging options that are better suited for shipping (e.g. do not offer to “ship” a side of beef, but rather offer to ship a “beef bundle box”). Ask yourself what Farm products and packaging options are going to be most attractive for your target market?



MEASURING THE ROI

Next, measure the outcomes of your shipping efforts in terms of total revenues offset by all the costs. When calculating costs, in addition to hard costs (packaging and carrier costs), be certain to include your time on an hourly basis, any write-offs for returns, lost or damaged products, and any additional marketing time and expenses. Then, after a few rounds of successful shipments – do the math. Will shipping “scale” for your Farm products and business if you were to increase volume? If yes, great. If no, manipulate a few variables and test again (and again) before drawing conclusions. The answer will be unique and different for each Farm.



SYSTEMS AND TOOLS.

Investing in new shipping systems and tools can be a resource-draining exercise for any Farm – proceed with caution. The key here is to avoid over-investing before you have tested and learned a few things – validating your return on investment and the market opportunity. Ask yourself, are there small steps you can take to automate shipping costs, reduce your costs (as you increase volume), and give your buyers the experience they expect (e.g. automated tracking numbers)? Further, consider keeping your inventory of boxes and packaging low, until you have a predictable volume.





In any business, customer loyalty is critical for business longevity.

ESTABLISHING LOYAL CUSTOMERS

As a Farmer you know that your business is often dependent on personal relationships. In any business, customer loyalty is critical for business longevity. If you ship through a marketplace or distributor, the focus shifts away from your brand. In fact, those marketplaces are spending money for loyalty to their brand. Even direct shipping can seem impersonal – so make sure you make the extra effort to keep it personal and look to create that ‘digital handshake’. Ask yourself, what packaging can you customize to your brand (e.g. stamp or sticker)? Consider setting aside time for a personal hand-written note or a hard-copy of your Farm newsletter in the box. We also see success with Farmers sending a personal follow-up email, to check-in once a customer has received their package-- big companies don’t do that. Your customers want to hear from you (not some other brand or distributor). The key here is brand reinforcement and personalization-- to secure new customers and build loyalty to your Farm.

**Read this blog post
on topic: [Shipping
with Barn2Door](#)**

CONCLUSION

Shipping is a hot topic among Farmers, but it is not something to “jump into” without careful thought and planning. Most importantly, do not expect shipping to be a silver-bullet solution. No matter how good your preparation and go-to-market planning, it will take time and energy to build a viable and profitable shipping business for your Farm. In some cases, it will ‘make’ your business and for others it simply will not work (depending on your Farm products and your particular situation).

We strongly advise Farmers to “test and learn” before over-investing. Consider testing local door-to-door delivery as an alternative to shipping, which is seeing increased adoption in metropolitan areas. It is all about finding what fulfillment options work best, to usher in convenience for existing and new, loyal buyers to your brand and your Farm!

Lastly, less is more. We see the most successful Farms (who sell out regularly) are focused and efficient with their go-to-market strategy and product mix. Often, doing fewer things with excellence delivers a better outcome than trying to do everything (and offer everything) with only mediocre outcomes. Historically, across the Farmers we serve, sales and customers have increased when Farmers offer fewer and streamlined product choices and expanded local fulfillment opportunities (more pickups and direct delivery). While shipping has worked well for some, others have been frustrated or disappointed in the cost and effort required, with less return than anticipated. Frankly, that’s why we wrote this eBook. Our hope is that Farmers who may or may not benefit from shipping now have the tools to identify if shipping makes sense of their Farm!





If you want to understand the best practices implemented by Farms we serve, our team is eager to help! At Barn2Door we exist to help Farmers sell directly to their customers. Interested to learn more? Reach out for a conversation here.

Contact our Barn2Door team at info@barn2door.com or call us at 1-833-9BARN2DOOR.